

2010 Activity Report



The company EIFFAGE CONSTRUCTION METALLIQUE, formerly Eiffel Construction Métallique, has by executive decree of the Court of Appeal of Bordeaux on May 16th, 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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Profile



Eiffage is the third-largest construction and concessions company in France and the fifth-largest in Europe. Thanks to the efforts of its 70,000 employees, the Group generated revenues of €11.3 billion from its construction businesses in France, Europe and the rest of the world, and €2 billion from concessions and public-private partnerships.

Eiffage has harnessed its expertise in construction, public works, energy and metallic construction to create numerous prestigious structures, in many cases via concession and PPP projects. Examples include the Millau viaduct, which has now been crossed by more than 28 million vehicles; the A65 Pau-Langon motorway and the Perpignan-Figueras high-speed rail link, which both began commercial operation in December 2010; and the Lille Métropole stadium, for which the symbolic first stone was laid in September 2010. All of these projects, whether completed or still in progress, illustrate the synergy generated between the Group's businesses.

Such achievements would not have been possible without the support of the employee shareholders who have been Eiffage's bedrock for the past 20 years, giving the Group its strength, cohesion and unique character. In France, 85% of employees are also Group shareholders, a uniquely high proportion for a major French company and a testimony to the confidence that Eiffage personnel have in their company.

Enhancing quality of life through our development and construction projects is the Eiffage hallmark.



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The Eiffage Group Sustainable Development Report is published separately, but is an integral part of this reference document.



1990

Fougerolle launches a leveraged management buyout (the first of its kind for such a large company), winning the backing of 70% of employees.

1992

Eiffage is created out of a merger between Fougerolle and SAE.

2004

Eiffage inaugurates the Millau viaduct, which is the world's tallest cable-stayed bridge and an emblem of the Group's expertise.

Chairman's message



Renewed momentum

Every quarter of a century, Eiffage changes its chief executive, and Pierre Berger will be taking over from me as Managing Director on 1 July 2011.

Since 5 January, he has been familiarising himself with the many projects in the pipeline. For example, the Lille Métropole stadium represents a major challenge in technical, economic and scheduling terms, while the Bretagne-Pays-de-la-Loire high-speed rail link is by far the largest PPP contract ever negotiated by the Group, which is the preferred bidder, drawing on the experience gained from the Perpignan-Figueras high-speed rail link and A65 Pau-Langon motorway projects.

The financial markets appear to share the enthusiasm of Eiffage's employees in welcoming the arrival of a younger leader eager to tackle the new challenges of the years to come: the Group's share price has leapt by a quarter in only a few weeks, and the significantly fuller order book augurs well for a recovery in margins in the public works and energy markets, which suffered during the economic crisis.

Pierre Berger, who is 42, has twenty years' experience in construction techniques and in managing projects and people. His appointment as my successor has been extremely well received both within the company and elsewhere, and he has my full support.

I firmly believe that our already-considerable achievements will be outshone by successes yet to come.

Jean-François Roverato
Chairman and Managing Director

2005

The French government selects the Eiffage/Macquarie consortium to take over its participating interests in Autoroutes Paris-Rhin-Rhône (APRR), France's second-largest motorway operator.

2008

Eiffage is awarded the public-private partnership contract to design, finance, build, service and then maintain the Lille Métropole stadium for 31 years.

2010

Eiffage celebrates the 20th anniversary of its hugely successful employee shareholding scheme, the only one of its kind in a major French company.



2010

An eventful year



The A65 Pau-Langon motorway built by Eiffage on a concession basis was officially opened on 14 December 2010, marking the launch of a new generation of more environmentally-friendly motorway infrastructure that does more to preserve biodiversity. After two years of work involving

all Eiffage businesses, Pau is now only a 90-minute drive from the regional capital, Bordeaux, 50 minutes less than before. This achievement will boost the economies of the regions crossed by the new, 150 km long motorway.

A year of success stories

1

Opening of the A65 Pau-Langon motorway

The A65 opened to traffic on 14 December 2010 after more than two years of construction work. This 150 km long two-lane motorway now links the cities of Pau and Bordeaux, cutting the journey time by 50 minutes as well as providing safer driving conditions and bringing significant economic benefits by improving access to the Landes department. The A65 complies with the standards established by the Grenelle Environmental Summit and is the standard-bearer for a new generation of motorway infrastructure. It was built, and will be operated for the next 56 years, by A'Liénor, a subsidiary in which Eiffage has a 65% participating interest.

2

APRR opens a new junction on the A41 motorway

The Seynod Sud interchange (no. 15.1) in the Haute-Savoie department opened in November 2010, improving access to the industrial estates to the south of Annecy and relieving congestion on the RD 1201 secondary road by offering an alternative route to a million vehicles a year. The toll barrier, featuring a canopy roof inset with photovoltaic panels, is remotely operated around the clock.

3

Handover of the Savoureuse viaduct

The Savoureuse viaduct, the last of four work packages involving Eiffage Travaux Publics along the Rhine-Rhône high-speed rail link, was handed over in March 2010. This 816 m long composite concrete and steel structure passes



3

over the Savoureuse valley between Belfort and Montbéliard, crossing the river of the same name, then the A36 motorway, the Haute-Saône canal and the RN 437 road. Working side by side, teams from Eiffage Travaux Publics and Eiffel cast no less than 22,000 m³ of concrete and installed 10,000 tonnes of steel during the 30-month construction phase.

4

An office tower in La Défense

The Major Projects teams at Eiffage Construction won the €200 million contract for the Majunga tower, in the La Défense business district in Paris. The construction of this 190-metre, 42-storey tower offering 69,500 sq. m of office space will also involve Goyer, a subsidiary of Eiffel, and Eiffage Travaux Publics. This HQE® (high environmental quality) skyscraper, which is being designed to BBC Effinergie energy efficiency label standards, is scheduled for handover in late 2013.



4



5

Eiffage Construction wins the contract to convert the Hôtel-Dieu hospital in Lyon

Hospices Civils de Lyon awarded Eiffage Construction the contract to convert Lyon's oldest hospital into a luxury hotel complex. A total of €150 million is being invested in order to convert the 17th and 18th century buildings into a 140-bedroom, five-star Intercontinental hotel together with upmarket retail stores, offices and a conference centre. The complex is scheduled to open in 2016.

6

Handover of the medical technology building at Rennes university hospital

The new medical technology building at Pontchaillou teaching hospital in Rennes, created by a build-and-operate consortium led by Eiffage Construction Bretagne, was handed over in February 2010. This centre houses the hospital's pharmacies, a laboratory complex, the adult clinical haematology department and the central sterilising facility. H'Ennez, a wholly-owned Eiffage subsidiary, will provide maintenance services for 22 years.

7

Restoration of the Gaîté Lyrique theatre

Eiffage Construction Val-de-Seine renovated the Gaîté Lyrique theatre in Paris, with Pradeau & Morin restoring the listed façade. This 13,000 sq. m theatre, which was built in 1861 and has been closed for the past 20 years, is to enjoy a new lease of life as a centre for contemporary music and the digital arts.



8

Eiffage supports the Palais Garnier

Eiffage installed a 950 sq m tarpaulin with a trompe-l'œil decor on the façade of the Palais Garnier in February 2010, to conceal a year-long programme of renovation work carried out on the Zambelli rotunda by Pradeau & Morin as part of a patronage operation. The "Eiffage tarpaulin" depicts a number of projects carried out by the Group or under its patronage, including the "Deux Plateaux" art installation, better known as "Buren's columns", the Louvre pyramid, the Palais Garnier and the Simone-de-Beauvoir footbridge.



8



9

AREA-Eiffage Group chosen as an official partner of the Annecy 2018 Olympic bid

In September 2010, AREA (Société des Autoroutes Rhône-Alpes), a subsidiary of APRR, joined the nine domestic and international official partners providing significant support to the French bid to organise the 2018 Winter Olympic and Paralympic Games.

2010

A year of success stories

1

Good progress on the Dakar-Diamniadio motorway

Ground was broken on the second phase of the Dakar-Diamniadio motorway on 12 February 2010, at a ceremony attended by the Senegalese president, Abdoulaye Wade. The motorway is being built by Société Eiffage de la Nouvelle Autoroute Concédée (Senac) under the terms of a 30-year PPP build-and-operate contract. The motorway, which will facilitate access to the capital and the new Blaise-Diagne international airport, is scheduled to open fully to traffic in 2013.

2

Laos - Work ends at the Nam Theun 2 power plant

Clemessy completed the electrical "balance of plant" (auxiliary equipment) for the 1,070 MW Nam Theun 2 hydroelectric complex in Laos, which will generate power for Laos and Thailand. Work concluded on 4 October 2010, marking the end of an epic project for which the first cost estimates were produced as long ago as 1995!

3

Three power plants in France's overseas departments

In September 2010, work began on the third thermal power plant being built for EDF Outre-mer, in Guadeloupe. Operating in partnership with MAN (which is supplying the diesel generator engines) and Clemessy, Eiffage TP is building three power plants located, respectively, on Reunion Island, in Martinique and in Guadeloupe. The civil engineering for these projects is worth €280 million.

1



4

Eiffage Sénégal renovates Faidherbe bridge

Faidherbe bridge, which was built in 1897 in the Senegalese city of Saint-Louis and is listed as a world heritage site, has been undergoing renovation work since 2008. The seven spans are being replaced under very tight time constraints, to minimise disruption to traffic. The new span sections, manufactured at Eiffel's plant in Lauterbourg (Alsace), are being installed in place of the existing spans at a rate of one every six weeks or so, and the project is scheduled for handover in spring 2011. Replacing the swing span will enable navigation to resume on the Sénégal river.



3

5

A state-of-the-art elevation at Roissy international airport

Eiffel is building the structural envelope for the new S4 satellite building at Paris's Charles-de-Gaulle airport, which has been specifically designed to handle large aircraft. This major contract (€48 million) covers a wide variety of work, including glazed elevations and roofing, other roofing and ironmongery.

5



4

A year of success stories

1

First trains on the Perpignan-Figueras high-speed rail line

The Perpignan-Figueras railway line - the first high-speed rail link between France and Spain - opened on 19 December 2010. The line is initially being operated commercially as far as Figueras in north-east Spain. When the interface with the Spanish high-speed rail is established, passengers will be able to travel between Paris and Barcelona in only five and a half hours, compared with an initial journey time of more than eight hours. Even today, the new link saves customers a significant 50 minutes.

2

Eiffel installs the roof at the new airport in Berlin

This project is the largest contract ever handled by Eiffel's German subsidiary, Eiffel Deutschland, and is currently Eiffel's largest project in Europe. The airport requires 10,000 tonnes of roofing components, which are being manufactured in eight different plants in order to comply with the very tight schedule.

3

Eiffage extends its expertise in the pharmaceutical industry

In 2010, Clemessy acquired Hyline, a Belgian company that specialises in the installation of clean utility distribution systems for the pharmaceutical industry and is the leader in its domestic market. This acquisition enhances Clemessy's clean pipe offer and positions the company as an OEM in clean utility distribution systems.

4

New road-building capabilities in Germany

In early 2010, Eiffage Travaux Publics acquired Faber, a century-old family-run business with strong roots in the area south of Frankfurt. The company, which employs 800 people, achieves revenues of €120 million - mainly in road construction - and has also developed its activities in the former East Germany. This acquisition strengthens the Public Works division's German arm, which also includes general contractors (Heinrich Walter Bau), road construction companies (Lanwehr) and specialist rail contractors (Wittfeld and Eiffage Rail Deutschland).

1



4



5

Grand Stade Lille Métropole - A stadium in the heart of Europe

A crucial milestone was reached in autumn 2010, when the two mega-beams that will support the stadium's moving roof were pivoted into position. These steel giants, each measuring 180 m long and weighing 1,800 tonnes, were rotated through ninety degrees to reach their final positions. Good progress has been made on the construction of this stadium, which will have a capacity in excess of 50,000 spectators and feature a unique 30,000-seat "Showcase" configuration made possible by the opening roof. The venue is scheduled to be handed over in summer 2012. The symbolic first stone for this structure, which is being built by Eiffage under a PPP agreement, was laid on 27 September 2010 at a ceremony attended by the chairperson of the Greater Lille authority, Martine Aubry.

6

The 25 millionth vehicle crosses the Millau viaduct

The viaduct carried its 25 millionth vehicle in July 2010. When asked for his reaction, the driver of this "special" vehicle, who uses the viaduct regularly, explained that the structure built

by Eiffage saves up to three hours on his journey time during busy summer periods. It is easy to understand how the viaduct, which has been offering motorists a drive-through remote toll charging service since June, has gone from one success to another, with total vehicle crossings reaching 28 million in March 2011!



5



2010

A year of success stories



1

Framing the biodiversity issue

The biodiversity photography competition for Eiffage employees was an overwhelming success, with more than 1,600 images entered. The outstanding quality and variety of the photos prompted the organisers to present awards to no fewer than 24 employees. This successful competition, which reflects Eiffage's biodiversity initiatives and undertakings, was symbolically launched on 22 May 2010, officially designated as World Biodiversity Day.

2

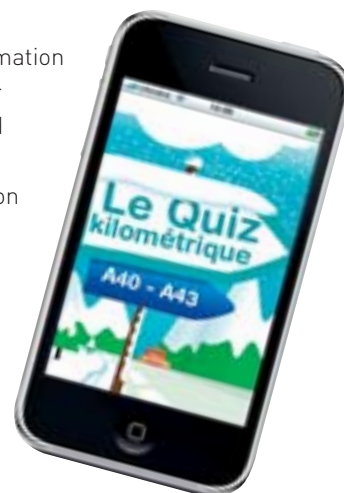
Southern Paris Region hospital centre - Forclum builds Europe's first biomass-fuelled tri-generation plant

Forclum installed an unprecedented system in which 80% of the power generated for the Southern Paris Region hospital centre is produced in a tri-generation (heating, refrigeration and electrical power) plant that uses biomass (wood), which is readily available in the Paris region. The Southern Paris Region hospital centre, built by all Eiffage divisions working together, was handed over at the start of 2011. This is the largest PPP hospital project in Europe, serving the needs of a population of 600,000. It received the "Victoires de la Modernisation" award from the government, acknowledging its status as the first healthcare institution to have obtained HQE® environmental certification.

3

APRR launches the first motorway information application for the iPhone

The first motorway information application developed for the iPhone was launched in July 2010 on the A6 motorway. This application uses the device's geolocation system to entertain a car's passengers by asking trivia questions related to their route.





4

Energy performance contracts at secondary schools in the Centre region

On 19 July 2010, following a bidding process led by Forclum, Eiffage was awarded a 15-year energy performance contract covering 18 secondary schools in France's Centre region. As well as building renovation work, this PPP project involves designing and implementing energy solutions that consume as little non-renewable energy as possible. The goal is to achieve an energy saving of 40% and to cut greenhouse gas emissions by 57%. There will be an awareness-raising campaign to encourage involvement in the project by users of the schools.

4



5

Eiffage Thermie is born

Eiffage Thermie, which was created as a result of the merger of Forclim and Crystal within Forclum, is one of France's three largest HVAC specialists.

The new company, which builds energy production and utility distribution infrastructure as well as monitoring customers' thermal facilities, achieves annual revenues of €435 million and employs more than 2,000 people at some 50 locations throughout France.



6

20th anniversary of Eiffage's employee share ownership programme

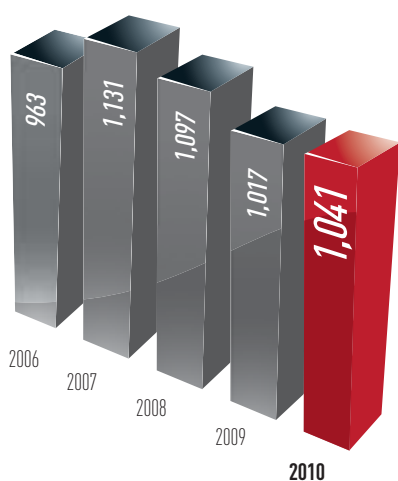
The Eiffage employee share ownership scheme, which celebrated its 20th anniversary in March 2010, has undeniably been a major factor in the Group's cohesion, prosperity and independence. The core value underpinning this unique experience is confidence. Over the past 20 years, the Group's employees, whatever their status, have played an active role in its development, first via a leveraged management buyout and then through the introduction of a unit trust available exclusively to employee shareholders (SICAVAS). In France, 85% of employees are now also Eiffage shareholders.

Key figures

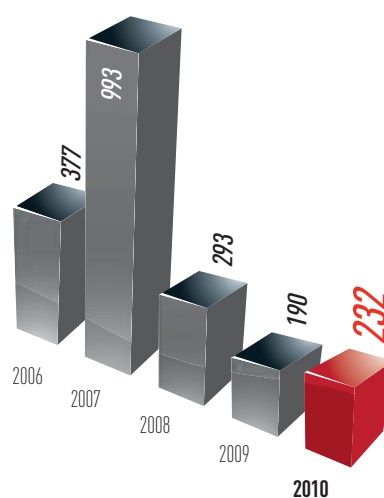
Visibility

and financial strength

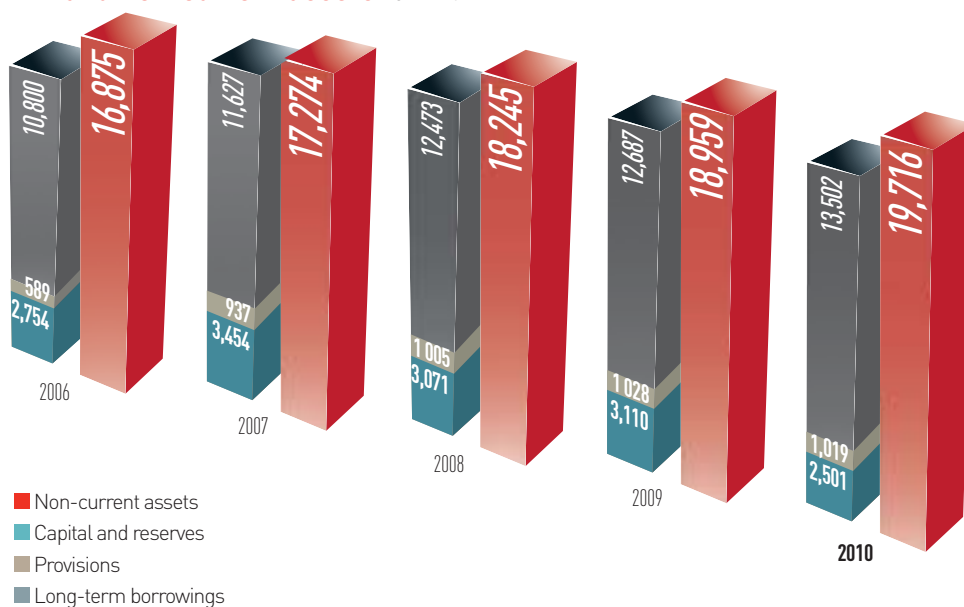
Consolidated operating profit
on ordinary activities € million



Consolidated net profit,
Group share € million



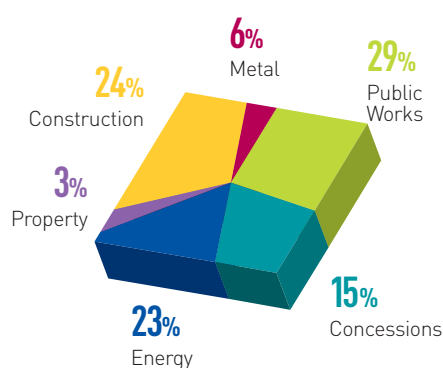
Change in capital employed
and non-current assets € million





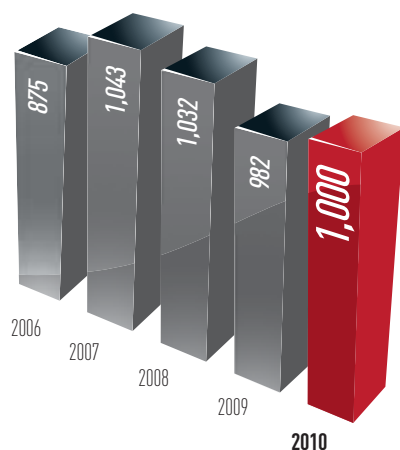
Analysis of 2010 revenue by activity

(as a % of total revenue)



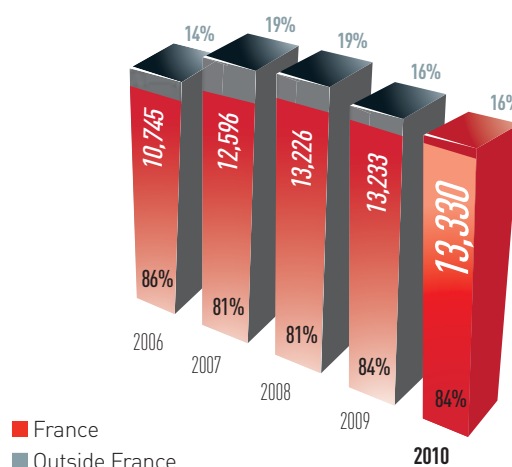
Consolidated cash flows

€ million



Change in consolidated revenue

(€ million, excluding IFRIC 12)



Consolidated revenue

by activity (excluding VAT)

(€ million)	2009	2010	Change
Construction	3,704	3,620	- 2.3%
Of which Property	531	456	
Public works	3,731	3,888	+ 4.2%
Energy	3,194	3,094	- 3.1%
Metal	706	737	+ 4.3%
Total contracting	11,335	11,339	+ 0.0%
Concessions (excluding Ifric 12)	1,898	1,991	+ 4.9%
TOTAL GROUP (excluding Ifric 12)	13,233	13,330	+ 0.7%
Of which			
France	11,159	11,185	+ 0.2%
Rest of Europe	1,959	2,046	+ 4.4%
Rest of world	115	99	- 13.9%
Construction revenue of Concessions (Ifric 12)	365	306	n/s

NOTE: Eiffage elected for the early application of IFRIC 12, Service Concession Arrangements, in its 2009 consolidated financial statements. When the information contained in this document is impacted by this change of accounting method, comparatives for 2007 and 2008 have been restated.

Shareholder

and market information

Eiffage share

Listing:

Compartiment A, 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'Epargne en Actions – PEA*)

Indices

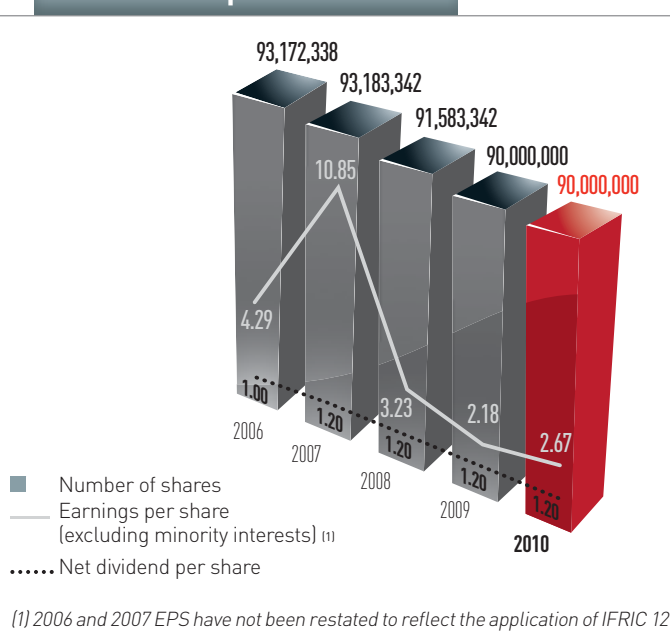
SBF 120®, CAC MID 60® and Euronext FAS IAS

Codes

Bloomberg: FGR FP

Reuters: FOUG. PA

Change in earnings and dividend per share (€)



Eiffage share price performance since 2006

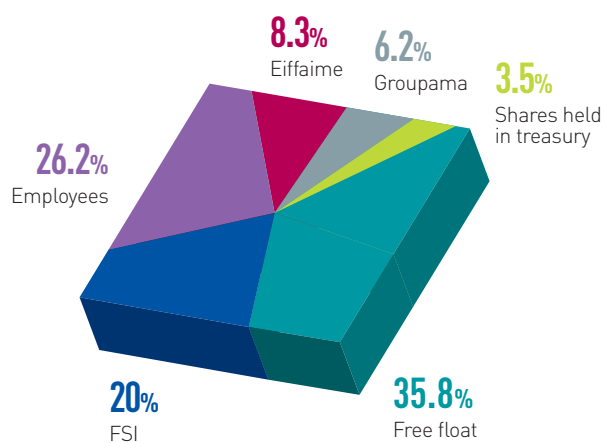
[rebased to SBF 120 and ICB Construction & Materials indices]



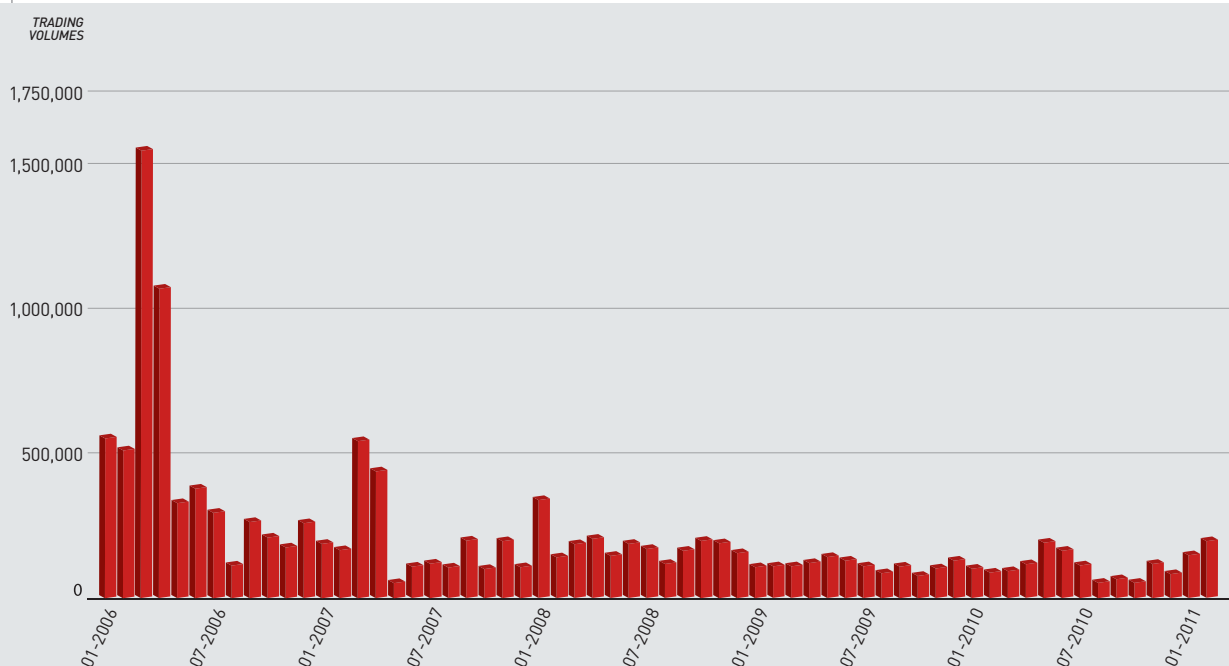


Shareholder structure

at 31 december 2010



Eiffage share: monthly average daily trading volume (Euronext Paris)





Commitments

and sustainable development



"Red, white and blue": this image of a scarlet dragonfly (*crocothemis erythraea*) was one of the 24 prize-winning entries in the "Biodiversity" photography competition for Eiffage employees in 2010. More than 1,600 photos were submitted to the Group's Sustainable Development

departments, resulting in a fascinating but very difficult selection process. This competition illustrates Eiffage's numerous initiatives and commitments aimed at promoting biodiversity.

Sense and responsibility

Eiffage harnesses a combination of dedication and innovative flair to anticipate changes arising out of new regulations, and goes the extra mile by striving for performance without compromising on issues of sense and responsibility.



Strong, lasting values

Eiffage's employees are guided by a common, unifying Charter of Values, which was drawn up in 1991 to embody the Group's commitments to internal and external stakeholders. These values were redefined and restated three years ago, and the Sustainable Development department set out to clarify Eiffage's ethical policy in 2010 by producing an "Ethics and Commitments" booklet describing the various components of the Group's deontological policy. This booklet covers issues such as fair competition, respect for individuals and suppliers, environmental protection, compliance with international commitments and the implementation of internal and independent safeguards.

Eiffage owes these unifying values in part to the extraordinary dedication of its employees, who through their participation in the Sicavas unit trust have, over the past twenty years, helped to set the Group apart from other companies. Although 2010 was a challenging year from an economic perspective, some 29,000 employees chose to invest a total of €141 million in their company. In return for this unwavering confidence, Eiffage is committed to its employees on every front, and above all in the area of safety, where the Group has developed a rigorous risk prevention policy over the years, with the dual objective of ensuring compliance with safety obligations and working towards zero-accident operation.

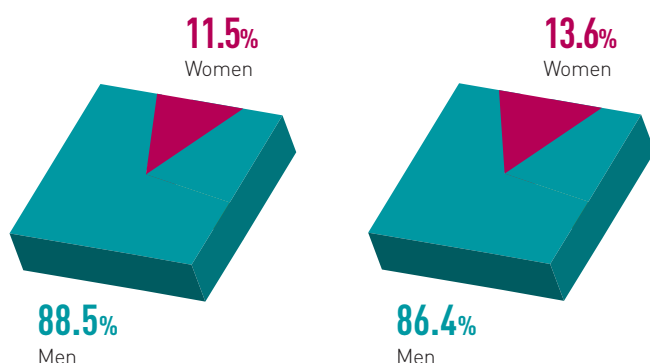
In keeping with this approach, APRR - already the motorway operator with the lowest employee accident rate in France - launched an extensive risk prevention campaign in 2010, with the slogan "We are all responsible for safety".

In addition to safety training, the company focuses on training leading to qualifications, combined with a programme of vocational qualifications that officially acknowledges skills acquired by workers "on the job". Eiffage also operates regional training centres for managers, where the number of participants increased significantly (+46%). Furthermore, the Eiffage Institute ran its customary two sessions. Over the past eight years, more than 230 high-potential managers have followed a syllabus equivalent to an adapted MBA, taught by staff from the Essec international business school.

Proportions of men and women

in the total workforce

among managers





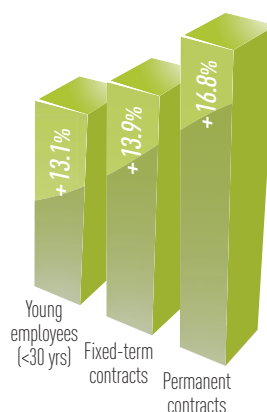
Changes in the number of disabled

Eiffage employees (DOETH form)



Changes in recruitment

between 2009 and 2010



Lastly, Eiffage supported several thousand young people on work-study courses in 2010, with certain divisions (Eiffel and Eiffage Travaux Publics) opting to set up their own training centres.

Regarding diversity, the Group redoubled its efforts to standardise best practices in 2010, in particular by implementing the PADEC diversity and equal opportunities action plan. This action plan sets out targets for recruitment parity and equal treatment of men and women. In addition, an experimental mentoring programme is being run, with ten pairs of mentors (each comprising a man and a woman) overseeing thought-provoking exercises for ten mentorees. At the start of 2010, PADEC also defined areas for improvement in terms of management of older employees, helping them to manage their careers and continue working. Lastly, after running an extensive awareness-raising campaign in 2009, Eiffage asked the various divisions to set quantified targets relating to the employment of disabled workers in April 2010.

Eiffage and its current and retired employees are also involved in numerous environmental, vocational and social inclusion initiatives via the Eiffage Foundation, which was set up in 2008. The Foundation achieved its target for 2010, supporting 22 new projects and providing more than €290,000 in funding. Two flagship projects deserve a special mention: the restoration of a façade at the Palais Garnier in Paris, and the signing of an agreement with Solidarités Nouvelles pour le Logement, a charity specialising in housing for people without secure homes.

Reducing the Group's ecological footprint

Eiffage is acutely aware of the importance of controlling its ecological footprint, and is working to accelerate the break with former practices. In respect of greenhouse gas emissions, for example, the Group has implemented a whole range of measures, including producing transport plans to reduce car use, optimising coated aggregate production at Eiffage Travaux Publics, which was responsible for large quantities of emissions, promoting eco-driving and renewing the Group's fleet of company cars, and deploying drive-through toll barriers on the APRR motorway network, for example. In addition to these measures, Eiffage is designing a range of environmental comparators. These comparison tools, which are being incorporated into the Group's sales offer, are able to accurately calculate the greenhouse gas emissions inherent to each variant of a business proposal, enabling the customer to make choices based on objective criteria.

It is becoming rare for requests for proposals not to require a carbon emissions assessment. Accordingly, when preparing tenders for major infrastructure projects, Eiffage works with a carbon footprint project team that studies the general organisation of the project and the choice of processes, materials and suppliers during the design and construction phases. In an industry first, Eiffage devised the carbon arbitration fund for its tender for the Bretagne – Pays de la Loire high-speed rail project. This €6 million fund will enable Eiffage to finance any alternative construction methods that help to achieve the goal

Commitments and sustainable development

The environmental impact prevention and mitigation measures implemented during the construction phase of the A65 motorway project account for €150 million of the total cost of €1.2 billion. These are in addition to the offset measures intended to "pay back ecological debts" to protected plant and wildlife species over the 55-year term of the concession.



of decreasing carbon emissions by 20% during the construction phase – even if the lower-carbon solution is more costly.

Eiffage also strives to limit the impact of its activities on biodiversity and endangered species. The Biodiversity Charter produced in 2009 was implemented in the course of 2010, and the Group made a formal commitment to the International Union for Conservation of Nature (IUCN) as part of the Countdown 2010 initiative. In this context, Eiffage also finalised the creation of the first academic chair on interactions between biodiversity, the environment and large infrastructures (at University of Paris I-Panthéon-Sorbonne). The Group also enhanced

Phosphore III,
"The Hive".



its corporate communication on biodiversity by supporting initiatives such as the publication of the IUCN's atlas of biodiversity in the French-speaking world, and shared its experience of environmental offset practices, acquired during the A65 motorway project (at the WWF summer university and in a working group set up by the Centre d'Analyse Stratégique to study the issue of preserving biodiversity in public sector investment projects). This experience was documented by the IUCN in a brochure describing 20 particularly successful biodiversity initiatives around the world. A wide variety of other initiatives were also carried out over the course of the year, including awareness-raising among stakeholders (via an in-house photography competition on the theme of biodiversity), support for scientific research (e.g. a thesis examining genetic dispersion in amphibians on either side of the A6 motorway, and European research into the spread of chytridiomycosis in batracians), information campaigns (including the inaugural in-house biodiversity preservation challenge run by Eiffage Travaux Publics), and audits to provide baselines for appropriate action (e.g. biodiversity observatory at Eiffel's manufacturing site in Lauterbourg)

Sustainable construction

Sustainable construction consists in delivering high performance with minimal environmental impact at an acceptable cost. Considerable emphasis is placed on innovation and on synergies between different Eiffage businesses. A wide range of exclusive processes, practices and innovative products have

Preparing for the future

Eiffage has been pursuing a prospective research and development strategy since 2007, focusing on change management and sustainable urban development that anticipates and makes allowance for climate change. This programme, named Phosphore, involves engineers from all Group businesses, assigned to virtual projects with very strict specifications: renewable energy only, minimal water, air and energy intake, efforts to minimise greenhouse gas emissions, etc. In October 2010, Phosphore move into its third phase, leaving the Arenc area of Marseille for a new "virtual sandpit" in Strasbourg. This exercise in out-of-the-box thinking, launched in October 2010, is scheduled to end in June 2011 with the finalisation of a "high quality of life" (Haute Qualité de Vie® - HQT®)

1,930 hectares

of environmental offset areas

The full Eiffage Sustainable Development Report is available as a separate document.



been developed by the Group's divisions in order to achieve these objectives.

For example, Eiffage Travaux Publics is innovating in several areas, including introducing energy-efficient on-site processes that halve energy consumption and greenhouse gas emissions, recycling road surfaces, and developing ever more hardwearing surfaces and high-performance materials.

Eiffel, via its subsidiary Goyer, has focused its efforts on improving the energy performance of building elevations by implementing a concept developed as part of the Phosphore project: AAA elevations, which incorporate automatic building climate control devices into a competitive conventional joinery system.

Forclum, which is a major player in the energy efficiency market, is developing remote measurement and remote management systems for controlling energy costs - for applications such as remote street-light control, and remote gas, electricity and water meter reading - while APRR is reducing energy consumption by motorway infrastructure by introducing adjustable-brightness lighting and making more widespread use of LEDs.

Lastly, Eiffage Construction is continuously developing its energy performance expertise, in particular by using new materials to provide outstanding insulation for building envelopes. Eiffage's various businesses are also working hard to limit water consumption and improve the quality of discharged water. For example,

Eiffage Construction is to build a new water production plant in Pleurtuit in 2011, which will be the first tap water production facility to obtain the HQE® high environmental quality label.

Energy performance improvement works were carried out at numerous educational institutions in 2010. For example, the Centre regional authority issued an energy performance contract to insulate and renovate renewable energy facilities at 18 secondary schools, and then operate them with a target of decreasing energy consumption by 40% and greenhouse gas emissions by 50%. Renewable energy produced by the schools will make up 14% of their final energy consumption.

The Volta building in Saint-Denis is the head office of Forclum. It is the first private-sector commercial building in the Paris region to receive the HPE and BBC-Effinergie energy performance labels after being officially certified by Certivéa.



sustainable construction baseline that is directly applicable to standard projects. HQVie®, which emerged from the Phosphore research, favours a systemic approach to the design of urban development projects that upholds the highest standards of sustainable development and addresses the various criteria that make a sustainable city. These criteria include making allowance for specific local characteristics, and managing flows of energy, waste, water and people in a restrained, rational manner. The concept, which was registered with the French intellectual property institute (INPI) in 2008 and 2009, is already being trialled in tenders. Phosphore also implemented processes patented by R&D teams from the various Eiffage divisions, which regularly demonstrate their dynamic approach to innovation. For example, APRR, which is

involved in developing intelligent transport systems in Europe, notably as part of the Easy Way programme, which aims to reduce traffic congestion and carbon emissions. Clemessy is carrying out a variety of projects that will help to achieve the objectives of the Grenelle II environmental summit: electric vehicles and aircraft, energy management solutions, predictive maintenance for renewable energy production facilities, etc. In 2010, R&D staff at Eiffage Construction, which is actively involved in Phosphore III Strasbourg, patented Sisec®, an innovative exterior thermal insulation system designed for the renovation market and for low-energy buildings. Eiffage Travaux Publics has R&D teams working on numerous ambitious projects, including TRACC - a cross-border initiative on adapting road construction techniques to combat climate

change by reducing the greenhouse emissions generated by infrastructure works - and MIRIAM, a European project to develop a "low consumption" road surface. At Eiffel, innovation culture is an everyday reality and an integral part of the business model of this company, which is renowned for exceptional projects such as the mega-beams at Lille Métropole stadium and the unsupported viaduct over the Grande Ravine on Reunion Island, which won an award in 2010. Last but not least, Forclum focussed its innovation efforts on optimising energy performance in the commercial sector, on low-energy buildings in the infrastructure sector, and on clean transport, enhancing the urban environment and ongoing R&D activities relating to power generation systems.



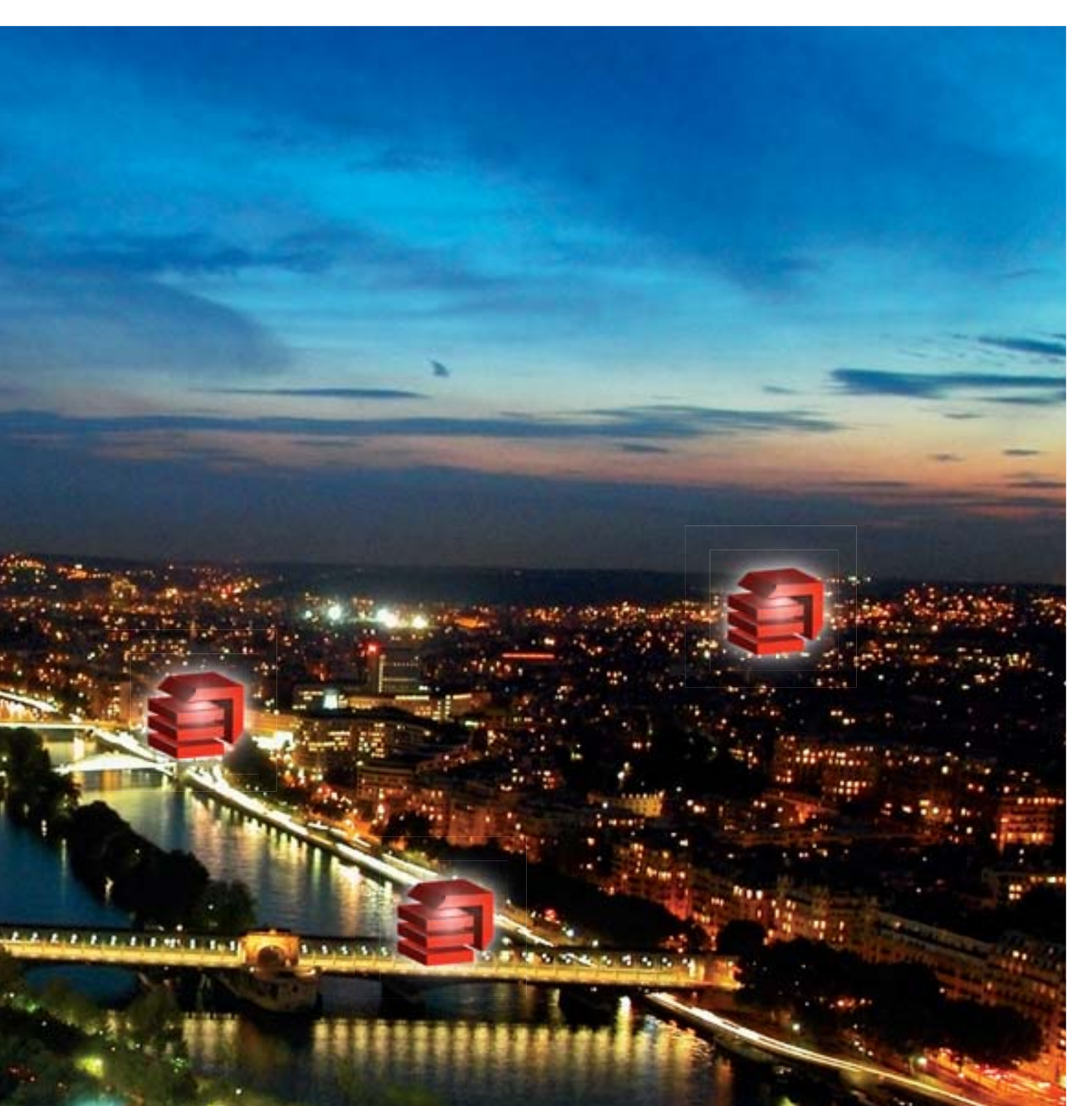
Activities

Concessions and PPP

Eiffage Concessions reasserted its role as a builder and concession operator of motorways and other large infrastructure, public facilities, buildings and urban developments. APRR and AREA operate motorways and toll structures under concession from the State.

Construction

Eiffage Construction marshals all Eiffage businesses relating to urban development, property development, construction, maintenance and facility management, providing customers with full-spectrum expertise and a multi-product offer based on innovative, environmentally-friendly solutions.



Public Works

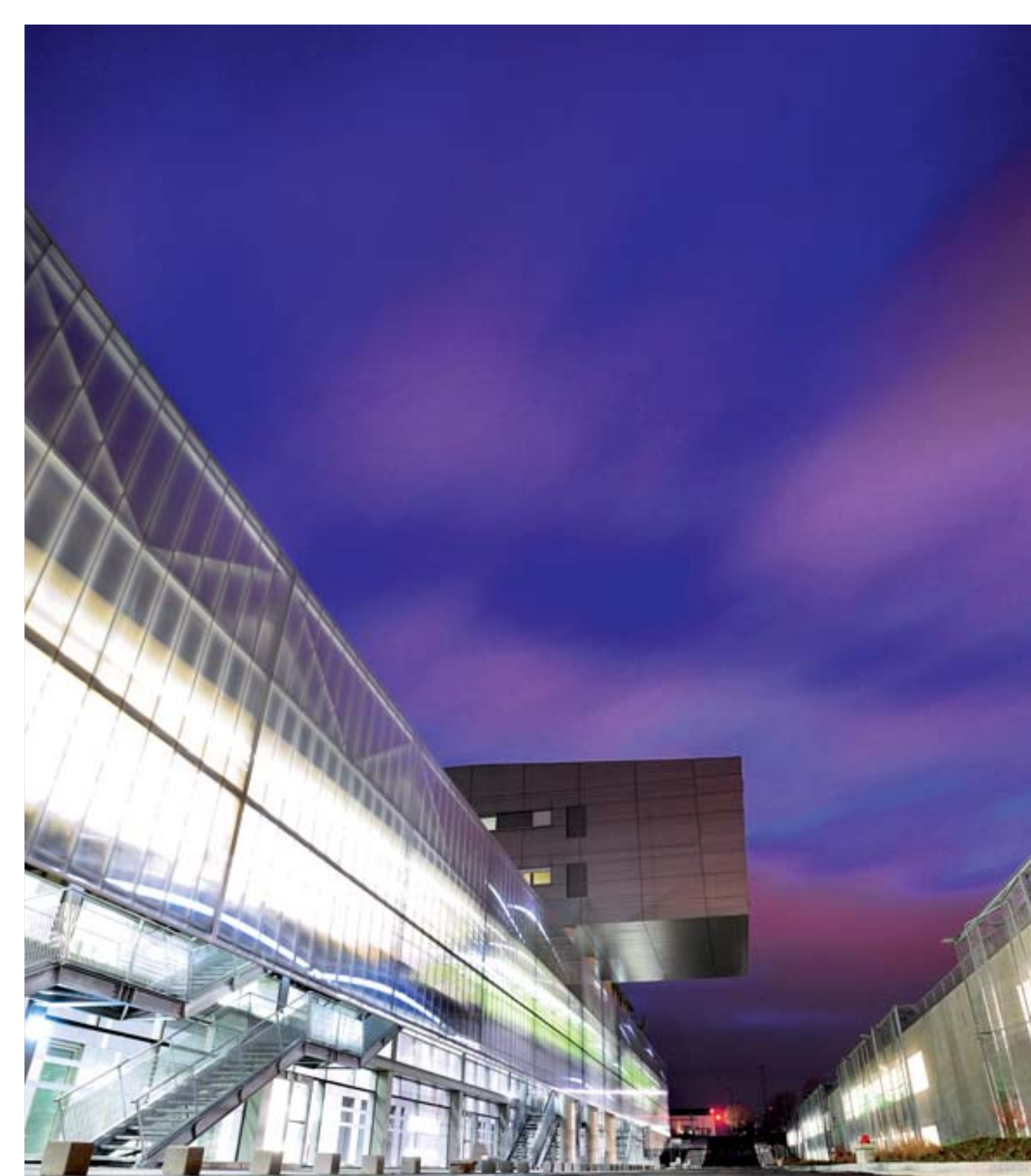
Eiffage Travaux Publics has expertise in all businesses relating to road and rail construction, civil engineering, drainage and earthworks, and is also a leading supplier of aggregate, binders and coated aggregate.

Energy

Clemessy and Forclum, specialising in electrical engineering, HVAC and process automation, provide comprehensive turnkey solutions including the design, construction, operation and maintenance of special-purpose and multi-technical facilities for all sectors of activity.

Metal

Eiffel applies its expertise in all areas of metallic construction, including engineering structures, elevations, buildings, mechanical engineering, offshore structures, boiler-making, industrial maintenance, valves and pipe systems.



Concessions and PPP



The synergies between Eiffage's different areas of expertise came into their own in 2010 when they were harnessed in a number of concession and public private partnership (PPP) projects. For instance, the A65 Pau-Langon motorway was handed over in December, setting a new benchmark for environmentally sound construction practices. Other examples include the launch of commercial services on the Perpignan-Figueras railway line, which is the first high-speed rail link between France and Spain, and the handover of the Southern Paris Region hospital centre at the start of 2011.

The outlook for 2011 is just as bright, as a result of the good progress made on projects such as Lille Métropole stadium (for which the symbolic first stone was laid in September 2010), the new national police headquarters and the decision to award Eiffage the contract for the Bretagne-Pays de la Loire high-speed rail link.

€1,991
million
in revenues

The Southern Paris Region hospital centre is a flagship institution serving a population of 600,000.

Road and rail infrastructure - Domestic and international success

In infrastructure engineering, design studies were carried out in 2010 for the A63 and A150 motorways as well as the Vichy road bypass, and an initial proposal was submitted for the Nîmes and Montpellier rail bypass project. The big highlight of the year, however, was the Bretagne-Pays-de-la-Loire high-speed rail project, for which the Board of Directors of Réseau Ferré de France (RFF) announced Eiffage as its preferred bidder (see inset). RFF's choice of Eiffage is consistent with the Group's sustained activity in the area of turnkey rail infrastructure construction projects, which began with the signing, on 17 February 2004, of the concession agreement for

the Perpignan-Figueras high-speed railway line, awarded to TP Ferro, a joint-venture between Eiffage and the Spanish company, ACS. Although the works for this line, representing an investment of €1,100 million, were completed on schedule by 17 February 2009, there was a hiatus while the Spanish rail administrator, ADIF, built the interconnection in Figueras to enable trains to use it. This interconnection was completed on 19 December 2010 and high-speed trains now run between Paris and Figueras in under five and a half hours. In Germany, the Lippe district road maintenance PPP project, for which the contract was signed in August 2009,



The Perpignan-Figueras high-speed railway link between France and Spain crosses the Pyrenees in only three minutes.

received the road-related PPP innovation award from the federal authorities in April 2010. Work on the Dakar-Diamniadio motorway is now underway and the financial close was completed on 14 November 2010.

Security, defence and education - Numerous completed, ongoing and pending projects

More than 30 Eiffage employees are now providing maintenance services (and will continue to do so for some 25 years) at four prisons, located in Béziers, Corbas, Nancy and Roanne, which were handed over between 23 September 2008 and 23 July 2009. The new police station in Châteauroux was handed over on 19 January 2010, and is now being operated and

maintained by Eiffage. Work continues apace at the new national police headquarters under construction in Issy-les-Moulineaux, which is on target to meet the scheduled completion date in the autumn of 2011. Extensive engineering studies for building PPP projects were also conducted. Eiffage won the contract for a secondary school in Jarny (involving a €58 million capital

investment and 20-year operating period) and the energy performance contract for the secondary schools in the Centre region (€36 million investment with a 15-year operating period). Throughout the year, Eiffage teams working with Foster and Partners, EADS and Elior studied the project to relocate the Ministry of Defence to the Balard site in Paris, and submitted their final proposal

on 11 January 2011. In Belgium, Eiffage and Eiffage Benelux, in partnership with DG Infra+, continued the engineering studies for the PPP projects for prisons in Leuze-en-Hainaut (Mons) and Marche-en-Famenne (Charleroi). The relevant technical proposals were submitted on 23 December 2010, followed by the financial proposals on 9 February 2011.

Participating interests

51%	COMPAGNIE EIFFAGE DU VIADUC DE MILLAU	100%	YVELINES CONNECTIC (Broadband connectivity in Yvelines – Second network)
36%	NORSCUT	81%	CONNECTIC 39 (Broadband connectivity in Jura)
33%	TUNNEL PRADO CARENAGE	81%	ALLIANCE CONNECTIC (Broadband connectivity in Belfort-Delle-Héricourt-Montbéliard)
50%	TP FERRO	81%	ARMOR CONNECTIC (Broadband connectivity in Côtes-d'Armor)
65%	A'LIENOR	81%	CAPAIX CONNECTIC (Broadband connectivity in Pays d'Aix-en-Provence)
41.5%	TUNNEL PRADO SUD	50%	AD'TIM (Broadband connectivity in Drôme-Ardèche)
100%	SENAC (Dakar-Diamniadio motorway in Senegal)		
100%	EIFFAGE LIPPE (Road maintenance for the Lippe district in Germany)		
100%	EIFFAGE CONNECTIC 78 (Broadband connectivity in Yvelines)		

Broadband networks - More than 3,000 m of fibre optic cables laid

Eiffage has been awarded a number of delegated public service contracts relating to broadband communications networks, under which more than 3,000 m of fibre optic cables have been laid. The networks in the Aix-en-Provence urban area and in Meurthe-et-Moselle have begun operation. Alliance Connectic, a subsidiary of Eiffage responsible for ultra-broadband services in the Belfort, Montbéliard, Héricourt and Delle urban area, has launched all the services provided for under the agreement. Work by Yvelines Connectic is continuing, with the aim of completing the installation



Fibre optic cable laying work is currently in progress in the Yvelines department.

by the end of 2011. The networks in Côtes-d'Armor and Drôme-Ardèche are being finalised. Eiffage Connectic 78 continues to deliver highly satisfactory results and offers good potential for extensions.

Intense activity involving hospital PPP projects

Eiffage had a very busy year in the area of hospital-related PPP projects: the hospital in Rennes was handed over on 28 February, and work on the 445-bed hospital in Annemasse proceeded in line with the schedule, which specifies a handover on 21 July 2011. By 31 December, the facility was wind- and water-tight and all work was nearing completion, making way for the preparatory

operations for the acceptance procedure in March 2011. Lastly, work at the thousand-bed Southern Paris Region hospital centre has now concluded, and the hospital was handed over on 17 January 2011, as stipulated in the contract. After four years of engineering and construction work, Eiffage has completed Europe's largest hospital PPP and will now maintain it until 2041.



Annemasse-Bonneville hospital.

THE BRETAGNE-PAYS DE LA LOIRE HIGH-SPEED RAIL PROJECT

The initial proposal for the Bretagne-Pays de la Loire high-speed rail project was submitted on 16 December 2009. Following a question-and-answer phase, Eiffage and the two competing consortia were invited, in April 2010, to take part in a cycle of negotiations leading to the submission of a final proposal on 13 October. On 18 January 2011, the Board of Directors of Réseau Ferré de France (RFF) announced Eiffage as the preferred bidder for this 25-year PPP project involving the construction and maintenance of 180 km of new high-speed railway line and 30 km of interconnections, which will cut journey times between Paris and Rennes to less than 90 minutes. RFF and Eiffage are aiming to sign the contract by the end of the first half of 2011, with a view to completing the work by the autumn of 2016.

15.77%	SEQUALUM (Broadband connectivity in Hauts-de-Seine)	100%	CENTOR 36 (Châteauroux police station)
19%	MEMONET (Broadband connectivity in Meurthe-et-Moselle)	100%	ELISA (Lille Métropole stadium)
100%	OPTIMEP 4 (Prisons)	100%	EIFFIGN (National police headquarters in Issy-les-Moulineaux)
100%	HEVEIL (South Paris Region hospital centre)	100%	EIFFICENTRE (Energy performance at 18 schools and 4 administrative buildings)
100%	H'ENNEZ (Rennes hospital centre)	100%	EIFALTIS (Lille Métropole stadium - annexes)
100%	HANVOL (Annemasse-Bonneville hospital centre)		
100%	SOPRANO (Plessis-Robinson market)		

€14,763 million
Combined value of assets

More than 650 skilled workers and 12 cranes are busy at the site of the Lille Métropole stadium.



Lille Métropole stadium takes shape

After obtaining planning permission in December 2009, and following 13 months of public enquiries and administrative procedures, construction work on Lille Métropole stadium began at the end of March 2010 with the driving of 1,800 foundation piles. These reinforced concrete piles were anchored at depths of 15 m to 20 m, after completion of the earthworks, which involved moving 480,000 m³ of soil.

Prior to that, preparatory work had been conducted to fill in the disused chalk quarries underneath the site. The preparations involved injecting 68,000 m³ of grout, flattening a hill and treating the soil – 350,000 m³ of earth was examined with 220,000 chemical analyses carried out. Since March, work has progressed uninterrupted at a rapid pace, with the Group's various businesses working in parallel at the site. In June and

July, 2010, assembly work started for the two mega-beams that will support the moving roof, and for the four sections of the steel roof. For safety reasons, this work was carried out at ground level. Together with the retractable pitch surface, the moving roof makes the stadium unique by enabling it to be configured as a "showcase", ideal for indoor sports, musical events and other forms of live entertainment. The first



The A65 Pau-Langon motorway opens to traffic

In southwest France, Eiffage built the 150 km, A65 "Gascony" motorway in a record-breaking two-and-a-half years. This new motorway, the first to be built since the Grenelle



2010 - AN EXCELLENT YEAR FOR NORSCUT

In Portugal, Norscut, the concession operator for the A24 motorway, reaped the benefits of a strong recovery in 2010. The early signs of an upturn in traffic detected in late 2009 were confirmed in spectacular fashion, and year-on-year growth of 18.2% was achieved. The A24 was also connected to the Spanish motorway network on 19 June, and a fourth service station also opened to the public in 2010.

terraces were installed in September, with the symbolic first stone being laid on the 27th of that month, highlighting the rapid rate of progress. The two mega-beams, each 180 m long and weighing 1,800 tonnes, were pivoted at right angles into their final positions during the autumn. Lastly, in December, the first of 66 "stepped" sloping beams running along the terraces were installed on level 2 (corresponding to the

upper terraces). The next major milestone will be achieved in late spring 2011, when the 7,400 tonne roof is lifted in one piece to a height of 27 m. When the stadium is handed over in the summer, it will be the only venue of its kind in the world, with a capacity in excess of 50,000, and 30,000 in its "showcase" configuration. In parallel to the construction activities for the stadium itself, planning permission was granted for

the annexes in August 2010, and work got underway in November. These annexes, which will have a combined floor area of approximately 18,800 sq. m, will include a 127-bedroom Park Inn three-star hotel, a 99-bedroom B&B two-star hotel, serviced accommodation managed by Sergic, a fitness training centre for injured athletes managed by Générale de Santé, almost a dozen restaurants and 350 parking

spaces spread over two levels. This development, which is being built by Eiffage under the terms of a property development contract with Eiffage Immobilier Nord Pas-de-Calais, will help to ensure that the area around the stadium remains a lively, vibrant neighbourhood at all times.

environmental summit, is now open to traffic.

No fewer than 162 engineering structures, including 15 viaducts, were created to make this major linear infrastructure "transparent" to human and wildlife movements as well to as the natural flow of water. Eight junctions and two interchanges provide access to local communities and to the national motorway network, supporting economic development in the areas crossed by the road.

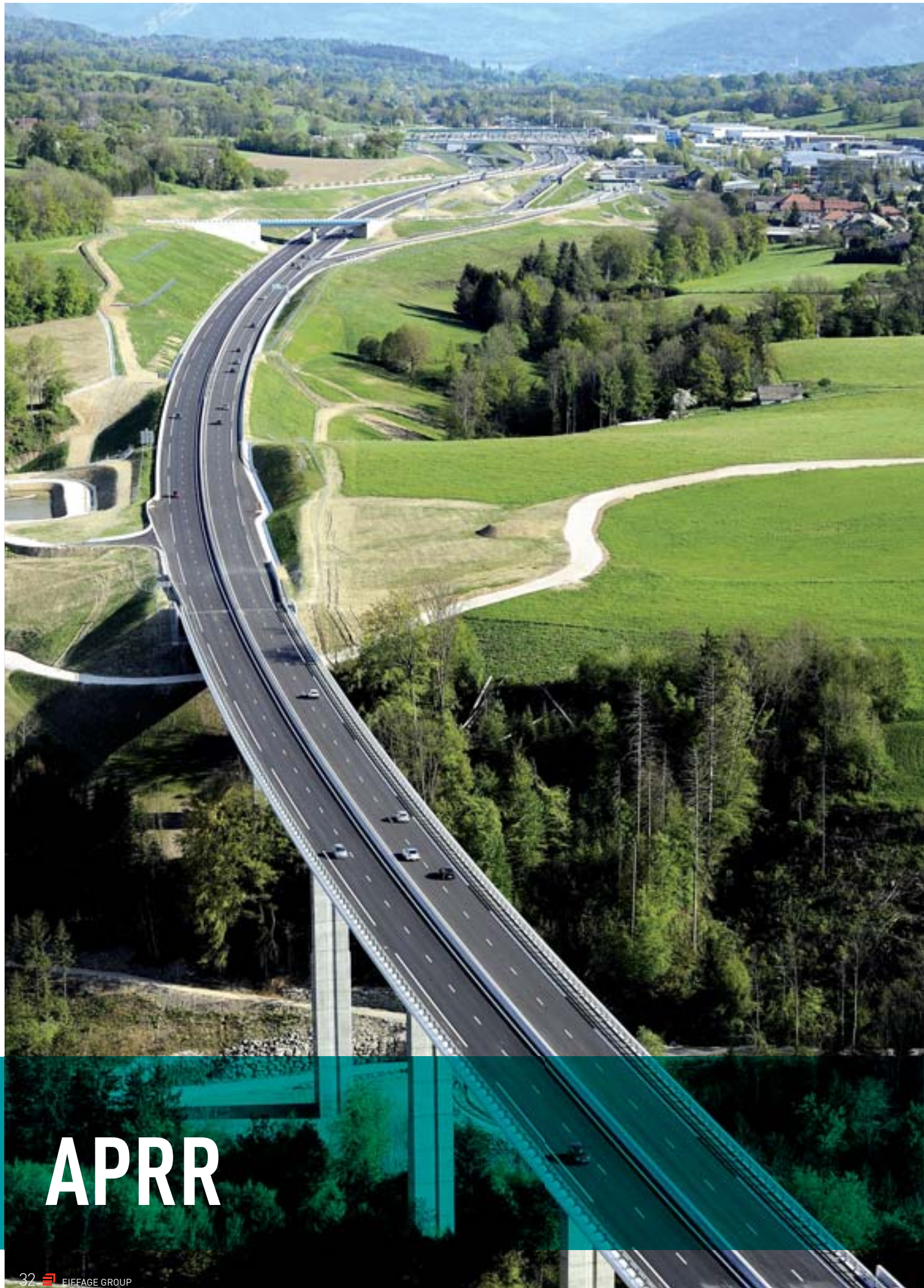
A total of 1,372 hectares of natural habitat have been restored in order to offset the impact on biodiversity of building and operating the A65. Eiffage is also committed to curating those areas throughout the concession term and is providing €1.5 million in funding for restoration programmes for endangered species. Eiffage, via its A'Liéonor subsidiary, is to operate and maintain this major new route through the Aquitaine region for the next 56 years, on a delegated public service basis.

MILLAU VIADUCT

Some 4.8 million vehicles drove over the Millau viaduct in 2010, representing a year-on-year increase of 1%. This global increase was made up as follows: +4.1% for heavy goods traffic and +0.7% for light vehicles. In all, 385,000 heavy goods vehicles travelled over the viaduct in 2010, i.e. an average of more than 1,000 lorries per day, representing 8.1% of total traffic.

An advertising campaign aimed at haulage companies was run for the fourth year in succession, to encourage hauliers to use the most direct route between the Paris region and southern France, particularly as the connection of the A75 and A9 motorways means that is now possible to drive between Paris and Béziers without ever leaving the motorway. A new daily record of 62,931 crossings was set on 31 July, and it was also in July that the 25 millionth vehicle crossed the viaduct - one month after the introduction of a drive-through remote toll charging service.

1,372
hectares
of natural habitat restored



APRR



Harsh weather conditions - both at the start of 2010, when the winter months saw exceptionally heavy snowfall, and again at the end of the year, when winter set in particularly early - naturally affected the APRR group's activity, but traffic levels on the network nevertheless increased in 2010, with a particularly marked upturn in heavy goods traffic reflecting the nascent economic recovery.

Investment for the APRR and AREA management contracts began in earnest in 2010, in order to accelerate the development and modernisation of their respective networks. Work continued on three major projects in 2010:

- ▣ The Les Échets/La Boisse section of the A432 motorway, built to relieve congestion in north-east Lyon, which opened to traffic at the start of February 2011;
- ▣ The Mâcon southern bypass (A406), which opened in early March 2011;
- ▣ An access road for Montluçon from the A71 (A714) motorway, which is scheduled to enter service in the spring of 2011.

Improving safety, extending the network, enhancing the service offering and improving economic performance are the four major objectives of **Eiffage's strategy**.



3,981
employees

€1,940
million
in revenues

The Liane A41 North motorway linking Haute-Savoie and Switzerland is a state-of-the-art infrastructure.

21
billion
kilometres travelled

Blending the network into its environment

A significant share of capital expenditure relates to the treatment of runoff water, noise protection and measures to preserve biodiversity. These investments concern the new sections currently under construction as well as the network already in operation.

Moving forward without compromising on commitments

Operational performance improved again in 2010. All-vehicle traffic carried by the APRR group increased by 2.6% in a general context of modest economic recovery, and revenues rose by 4.3%. APRR is taking all appropriate steps to consolidate the productivity gains achieved through the modernisation

of toll barriers, and to help personnel adapt to new organisational arrangements, thereby reducing operating costs per kilometre travelled. The EBITDA and EBITDA margin continued to increase, reflecting the group's choice of a profitable, sustained growth model.

Safety first at all times

The APRR group pursued its multi-year effort to improve the safety of its customers and employees in 2010. The injury rate remained stable between 2009 and 2010 but the number of fatalities across the network increased (to 39 dead, from 31 in 2009), probably as a consequence of the marked recovery in heavy goods traffic. A number of significant improvements were made to the network in 2010, including the completion of widening work to add a third carriageway on the A31 motorway between Beaune and Langres, and the opening of a new junction in Seynod on the A41 south of Annecy. In addition to these infrastructure investments, many other practical initiatives were

implemented, including the development of video surveillance systems to enhance traffic management, carrying out more frequent full-scale safety exercises, particularly in tunnels; and awareness-raising campaigns on topics such as wearing seatbelts in the back seat, winter driving and lack of vigilance by drivers, which is responsible for 35% of road traffic accidents. The sense of customer service is crucial in the motorway business, dictating how the Group's activity is organised. This consideration prompted a wide range of initiatives, including managing lorry parking space usage more effectively by installing sensors that provide information via variable-



message signs to drivers approaching service areas; improving the quality of service provided at customer facilities; informing motorists about roadworks by e-mail; enhancing service areas; and organising events and activities during holiday periods.

Effective traffic management requires staff to be able to respond immediately to the slightest problem at any time of the day or night.



Watching out for the people who watch out for you

The APRR ran its first campaign focussing on the men and women who work all year round to keep motorists safe. The safety and wellbeing of motorists is the prime concern of more than



Modernising toll charging systems - Rolling out drive-through remote toll stations

In 2010, the Group began an active process of modernising its toll stations by implementing drive-through remote charging.

Remote charging was used for almost 45% of payments in 2010 (compared with 42.5% in 2009); the rapid growth of this charging solution was driven by the rollout of subscription packages for light vehicles. The Group pursued a proactive remote charging badge marketing strategy, resulting in a significant rise in sales. As at 31 December 2010, Eiffage had a portfolio of 893,000 badges. Drive-through remote charging equipment has already been installed at five toll stations (Dijon-Crimolois,

Pérourges, Chignin, Saint-Éxupéry and Seynod), and a larger-scale rollout at toll barriers will begin in 2011. The new charging method is very popular with drivers, since it means that they no longer need to stop at the toll station, which also enhances safety and reduces carbon dioxide emissions. By the end of 2010, 121 of the Group's 145 toll stations were wholly or partly remotely operated.

The toll charging business has changed radically, and agreements have been signed to govern changing work practices and enable the development of new skills to safeguard jobs.

500 people working around the clock on the APRR and AREA networks. In the course of their duties, they are directly exposed to the hazards inherent to motorway traffic, which mean that any intervention can have the severest of consequences. The aim of this campaign is to raise awareness among drivers and achieve the ultimate objective

of zero accidents. Sixteen employees volunteered to embody the image of the Group via this large-scale information campaign. Since June 2010, their faces appear on the rear of the Group's 500 vans, accompanied by a powerful slogan: "Watch out for his life - he (or she) is protecting yours"

INTERVIEW



Olivier Perroux,
operations supervisor, is in charge of project management for the drive-through remote toll charging programme.

What exactly is drive-through remote charging?

Drive-through remote toll charging, which features in the draft bill arising out of the Grenelle environmental summit, is specified in the two management contracts entered into with the State and covering the period 2009-2013. It represents a major step forward in terms of smoother traffic flows for subscribing cars and lorries. The technical specifications of a drive-through remote charging solution set it apart from a conventional remote charging system. An intelligent device - in effect a type of antenna - is installed 24 metres in front of the barrier. When a vehicle reaches it at a speed of 30 km/h, this sensor reads the badge displayed in the vehicle and allows it to pass the barrier. The opening of the barrier is carefully timed to control vehicle speeds.

Implementing remote charging does not require any changes to the toll station's equipment or operation, and maintenance personnel are the only employees who must familiarise themselves with a new operating procedure. By the end of 2013, this new service will be available to remote charging subscribers at seven AREA barriers, and at 22 APRR toll stations and 10 barriers.

More than **500**
people
work on the APRR and AREA networks



Construction



Building

a European brand based on an innovative,
comprehensive offering

Eiffage Construction is a major player in the European construction industry, with expertise in all businesses relating to urban development, property development, construction, maintenance and facility management. The company has strong roots in France, with 11 regional departments, as well as operations in the Benelux countries, Portugal, Poland, the Czech Republic and Slovakia.

Eiffage Construction has the operational capability to handle large development projects and public-private partnerships (PPP) involving innovative, environmentally-friendly solutions.

The company is attentive to the needs of its customers and partners, providing them with a comprehensive, multi-product offering that includes support extending from the project design stage to maintenance of the completed project. Working together to build differently is the **Eiffage hallmark**.



14,903
employees

€3,620
million
in revenues

Workers at the site of Eiffage Construction's new head office in Vélizy, which is scheduled for completion in autumn 2011.

€4,620
million
in orders

Public facilities - Expertise in a wide range of complex operations

Eiffage Construction possesses the multi-faceted expertise required when designing and building public facilities. The company assists the State and local authorities in a wide range of fields throughout France, whether operating via design-and-build contracts or public-private partnerships led by Eiffage. As well as handing over police stations in Pont-l'Évêque and Châteauroux, which are now being operated by Eiffage Construction Services, the Group built France's first bioclimatic railway station, located in Bellegarde-sur-Valserine in the Ain

department, for the rail operator SNCF. Meanwhile, construction work continued at the new national police headquarters in Issy-les-Moulineaux, which is scheduled for handover in late 2011. In the healthcare sector, Eiffage Construction consolidated its expertise by delivering a new medical technology centre at Rennes hospital, building a retirement home in Masseube in Gers, and conducting trial operations at the Southern Paris Region hospital centre in Corbeil-Essonnes, which is the largest hospital PPP project in Europe. Capitalising



on the wealth of experience gained from these projects, the company is continuing work on the Alpes-Léman hospital centre and the health centre in Saint-Nazaire, which are due to be handed over in mid-2011 and early 2012, respectively.

The South Paris Region hospital centre sets the standard for sustainable development, and is the largest hospital ever built in France, with more than 1,000 beds, 37 in-patient units, 20 operating theatres and 130 consulting rooms. It is also the first hospital to obtain HDE® high environmental quality certification with the "NF service sector buildings" baseline.

Human resources - People are the backbone of our business

Prompted by the desire to receive feedback from employees, the Management Board of Eiffage Construction commissioned an opinion survey in 2010. The high response rate (in excess of 69%) and the results obtained revealed a deep sense of commitment by employees and a particularly high level of satisfaction that management

is striving to consolidate via a continuous improvement strategy. The disabilities policy, which was developed with considerable involvement by General Management, has now been implemented throughout Eiffage Construction in accordance with the agreement reached with Agefiph in 2009. Eiffage Construction is a disabled-

friendly company. In the area of risk prevention, the "Domino Effect" initiative continued in 2010, and a national action plan was also implemented. This entailed the introduction of a dedicated procedure prior to the works phase of each project, together with technical measures agreed with Equipment and Process Planning departments. The

long-term goal is to achieve an accident frequency (LTIR) rating of less than 20. Eiffage Construction's action in terms of management, integration and risk prevention illustrates the company's firm view that people are the cornerstones of its business.



Eiffage Immobilier is converting the Hôtel-Dieu hospital in Lyon

The news came in October that Eiffage Immobilier had been selected by Lyon council to convert the Hôtel-Dieu hospital

Energy-efficient homes take centre stage in 2010

After handing over the Languedoc building in Rennes, which was the first apartment development in the region to obtain the BBC energy efficiency label acknowledging annual consumption of less than 34 kWh per sq. m, Eiffage Construction rolled out its offering in terms of high energy performance homes for the private and social housing sectors. Work is now underway on the first EcoEco (eco-friendly and economical) developments, which include 72 starter homes in Peypin in the Bouches-du-Rhône department. The pilot development for the H2CO range of optimised cost and consumption homes, comprising 55 housing association homes located in Vannes, is also under construction. The momentum that was a feature of 2010 was also reflected in the many innovative developments by Eiffage Immobilier, resulting in off-plan reservations for nearly 3,000 homes. As Eiffage Aménagement continued its development work in mixed-

development areas in Asnières-Quartier-de-Seine and the St-Eloi neighbourhood in Wissous, near Paris, projects were being launched for other mixed-development areas, including a 500-home eco-quarter in the Les-Hauts-de-Joinville area. Also in 2010, a number of BBC and THPE energy-efficient housing developments were released to the market, including in Melun and Saint-Denis, illustrating the fact that intelligent energy management is a central feature of the properties developed by Eiffage Immobilier. With a land bank suitable for more than 5,000 homes, Eiffage Immobilier's offering in terms of energy-efficient homes is set to grow strongly throughout France in the coming years.

The Languedoc building in Rennes is a hall of residence with 200 apartments for students. It is the first apartment building designed and built by Eiffage Construction Ouest to qualify for the BBC energy efficiency label.



INTERVIEW



François Jullemier,
Vice-President of Eiffage Construction

"Eco-friendly innovations for optimised costs and energy consumption"

What is Eiffage Construction's position regarding sustainable development?

Including sustainable development in our businesses - via eco-design and eco-construction practices - is a strategic challenge. Our aim is to offer our customers innovative, environmentally-friendly solutions that deliver a winning combination of cost-effectiveness and low energy consumption.

Can you describe the main operational innovations in 2010?

Our low-cost green home offering now includes the H2CO and EcoEco

concepts. These homes also feature the Group's latest innovations, such as the HVA Concept™ bathroom module and the Pac.R2 heat pump. In addition, a new thermal insulation system for outside walls was patented in July. This system, named Sisec, achieves performance compliant with the BBC energy efficiency label and is suitable for both new-build and renovated properties. More generally, as part of its continuous improvement strategy, Eiffage Construction is also actively involved in the Phosphore project to explore the potential for sustainable innovation at urban level.

into a hotel complex featuring a five-star hotel for the Intercontinental group, together with upmarket retail stores, a conference centre and auditorium, offices and botanical gardens. Work to renovate the 62,000 sq. m facility will begin in 2012, with the completed centre scheduled to open in 2016. By securing this prestigious conversion contract, the Group once again demonstrated its

ability to handle ambitious composite projects, such as the Colbert development in Nevers, which was handed over in 2010, or the Grand Carré de Jaude centre now being developed in Clermont-Ferrand, which will have a floor area of 51,000 sq. m, accommodating a shopping centre, a cinema, nearly 200 homes, a 126-bedroom hotel, offices and a tourist residence.

62,000
sq. m

Hôtel-Dieu hospital conversion in Lyon



Public Works



Promoting

a sustainable brand

Eiffage Travaux Publics has expertise in all activities relating to road and railway design and construction, civil engineering, drainage, environmental works and earthworks.

The company, which operates its own design offices and laboratories, has long enjoyed a reputation for quality, innovation and reliability.

Eiffage Travaux Publics, which is organised into eight regional divisions and three business lines, operates throughout France, and in Spain, Portugal, Germany and Senegal. The company is also a leading supplier of aggregate, binders and coated aggregate in France and Spain.

Following the acquisition of a German company in 2009, Eiffage Travaux Publics is now projecting its rail engineering expertise - and hence **the Eiffage brand** - as far afield as Asia.



22,532
employees

€3,888
million
in revenues

On the A40 motorway, the new road surface on the northern deck of the Sylans viaduct uses the same high-performance coated aggregate - developed by the company's own laboratories and manufactured using Orthoprène® bitumen - as the Millau viaduct.

€2,980
million
in orders

INTERVIEW



Erick Lemonnier,
Risk Prevention department manager

Eiffage Travaux Publics has stated its aim to achieve «zero-accident» operation. Is that realistic?

It is the only acceptable objective and every effort must be made to reach it. What is more, that level of performance was achieved by a third of our establishments this year, which proves that nothing is impossible.

How can this goal be achieved?

The secret is to involve all of our employees. We began by inviting all our site superintendents to a conference on preventing accidents, and then all our works managers and lastly, this year, our plant managers. In addition, all our semi-skilled workers took our «basic safety knowledge» training course.

Can you describe this basic safety course?

A new module, developed in conjunction with specialist partners (nutritionists, occupational physicians, the construction industry risk prevention agency OPPBTP, the local social security organisation CRAMIF, the national risk prevention agency INPES, etc.), is to be deployed in the near future. It will address issues that play a role in our employees' physical, mental and social wellbeing, including topics such as eating a balanced diet, addictions, weather conditions and efforts to avoid exposure to vibrations. Although much remains to be done, I have every confidence in our ability to rise to these challenges.

A three-dimensional brand

Revenues generated by the Public Works activity increased by 4.2% year-on-year in absolute terms, as a result of the acquisition of two German companies, Faber and Heitkamp Rail, now known as Eiffage Rail Deutschland; at comparable scope, however, sales decreased by 1.2%. In France, this downturn was attributable to particularly harsh weather conditions at the start and end of the year, combined with bitumen and fuel procurement difficulties

during the autumn. The economic crisis in Spain caused a 13% fall in activity in that country. Eiffage nevertheless had three fine success stories to celebrate at the end of the year: the handover of the A65 Pau-Langon motorway; the start of rail services on the Perpignan-Figueras high-speed line, which was handed over on schedule in February 2009; and the completion of work for the A432 motorway near Lyon.



Operating through Eiffage Rail, Eiffage Travaux Publics moved closer to its goal of covering the entire European rail market.

Committed to local relationships

Road maintenance projects were also carried out on several motorways (A6, A8, A9, A40, A41, A43, A49, etc.), and on the secondary road network throughout the country, in many cases under the terms of multi-year maintenance contracts. Over the years, the company has acquired

considerable expertise in the rapidly-expanding area of urban development.

The company carried out numerous projects involving utility works, paving, street furniture, etc. in town centres and around public and private-sector buildings such

as hospitals, schools, apartment and office buildings, housing estates, and retail and industrial premises. Examples include the development projects at Place d'Armentières and Place de la Motte-Rouge in La Rochelle, the veterinary school in Toulouse, and orders

from Ikea in Reims, Schenker Joyau near Le Mans, Carrefour in Nanteuil-les-Meaux, and La Poste in Saint-Lô. A number of property developers, notably Eiffage Immobilier, also placed orders with the company.



Pharaonic compliance works

In Europe's largest water treatment project, the compliance work being carried out at the Seine-Aval d'Arnières sewage works for Siaap, will be completed in 2011. By then, as many as 400 skilled workers, more than 10% of whom trained at the Eiffage Travaux Publics Ile-de-France

/ Centre training academy (one of seven such centres in France), will have taken part in this construction project, which also features several technical innovations developed by the company, including the use of BSI®, a fibre-reinforced, ultra-high performance concrete, and Biophalt®, a coated aggregate made with a pale-coloured plant-based binder.

A major player in flagship projects

In the area of engineering structures, the Group handed over the Savoureuse viaduct to RFF in the spring of 2010, and the prestressed A71 motorway viaduct across the river Loire in Orléans to Cofiroute. A number of smaller but technically impressive engineering structures were built in the provinces, including the Paillon cable-stayed footbridge in Nice, the Torranchin viaduct on the A89 in the Rhône department, and the Pont des Couteaux bridge in Roubaix (built in partnership with Eiffel). In underground works, the A86 Duplex - in effect, a stacked twin-tube tunnel - opened fully to traffic at the start of 2011, after a ten-year programme of works. Tunnelling work continued for the extension to line 12 of the Paris metro, and

for the third work package of the VL9 main drain project in Créteil, the Violay tunnel on the A89 motorway, and pilot tunnels for the radioactive waste management agency ANDRA in Bure (Meuse department). The outlook for this market appears particularly bright, as illustrated by the contract to bore a tunnel for the electrical interconnection between France and Spain, which was awarded by Inelfe in early 2011 to a consortium featuring Eiffage Travaux Publics. Although the Lille Métropole stadium project is undoubtedly the finest current example of its civil engineering prowess, the Group is also involved in several operations to cover railway lines in the Paris region, as well as a number of projects to build sewage works of various



treatment capacities. Similarly, the company consolidated its experience in the energy sector with construction projects (run jointly with Clemessy) for several thermal power plants in mainland France and in the overseas departments (Réunion Island, Martinique and Guadeloupe). Lastly, Eiffage Travaux Publics also won the contract for the preliminary works at the Penly nuclear power plant in early 2011.

Following on from the Savoureuse viaduct on the Rhine-Rhône high-speed rail link, Eiffage Travaux Publics is to continue working for RFF by designing and building the Landbach viaduct on the extension to the LGV Est high-speed rail line, and conducting work package 25. The company will also lead the project for the construction of the Bretagne-Pays-de-la-Loire line, for which Eiffage is the preferred bidder, and will carry out most of the work.

A multi-business philosophy

These three multi-business operations - alongside other less publicised projects such as the Agen bypass, the Chaux-Balmont interchange on the A41, the A13-RD 613 link road and projects for tramways and reserved bus

lanes - confirm a trend that emerged when the division was created, namely the promotion of projects involving all Eiffage Travaux Publics businesses, and in some cases all areas of expertise of the Eiffage Group as a whole. Each

year, Eiffage Travaux Publics handles 25,000 projects, including operations of all sizes in all areas of public works. In road construction in 2010, the major renovation project on the A25 in Nord, which entailed replacing badly

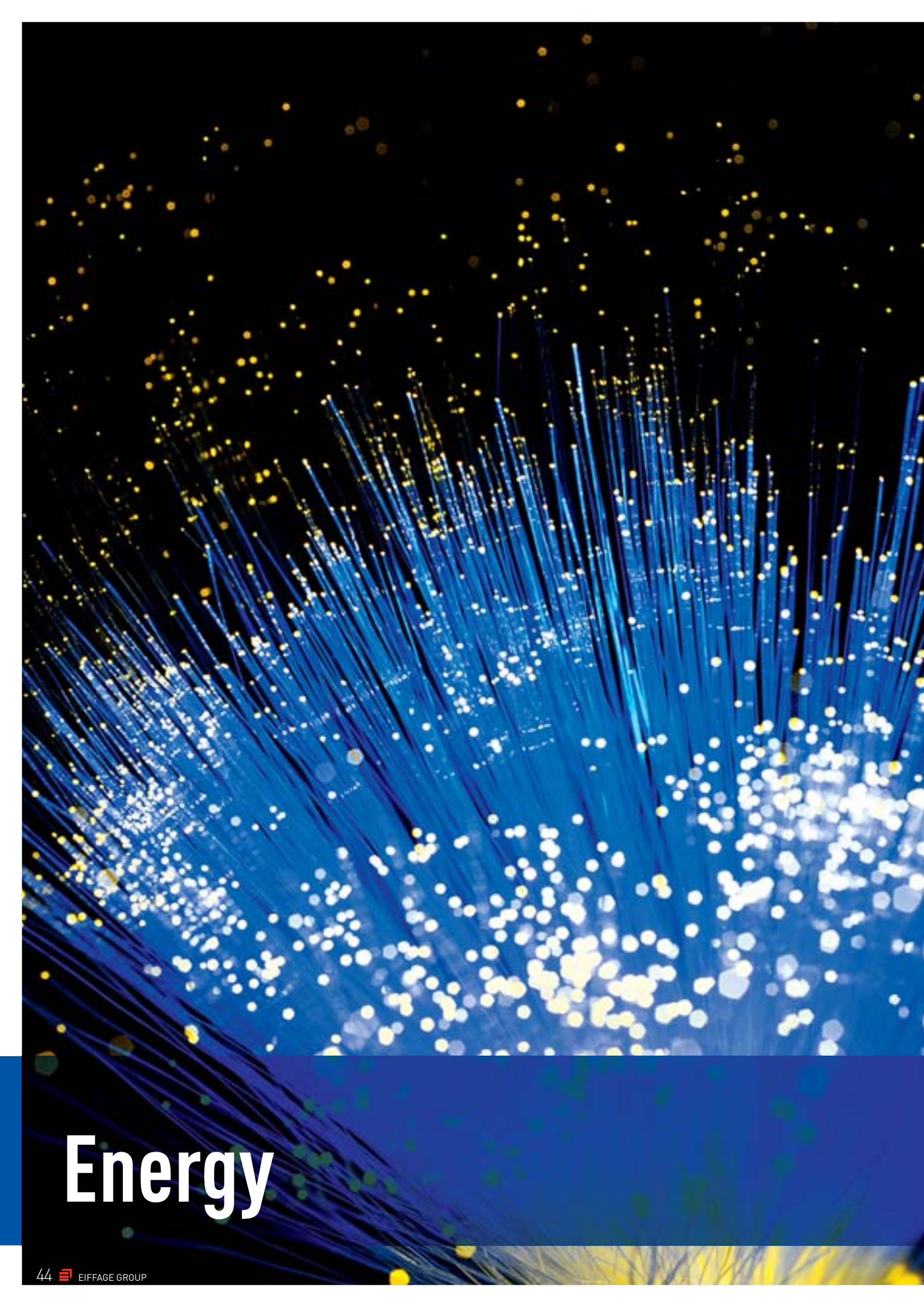
worn California slabs with 420,000 tonnes of coated aggregate, was handed over at the start of October, shortly after the developments on the RD 25 secondary road between Le Muy and Saint-Raphaël in the Var department.



The A65 motorway - A major challenge

Before the 150 km, A65 Pau-Langon motorway could be opened on 16 December 2010, Eiffage Travaux Publics had to move 17.5 million cubic metres of earth, build 162 engineering structures, and manufacture and lay some two million tonnes of coated aggregate.

2,000
people
took part in building this new motorway, which was achieved in record time.



Energy



The Experience

of a brand

The growth outlook for Eiffage Energie has never been brighter than it is today. As demand for energy continues to rise, driven by users' lifestyle expectations, conventional centralised production and distribution resources are nearing their economic and environmental limits.

These challenges also offer development opportunities, and are fostering the emergence of a new global approach to energy management, based on the combination of our expertise in the areas of electrical engineering and climate control.

In parallel, manufacturers are becoming increasingly demanding in terms of innovation, reliability and the optimisation of their production facilities. Eiffage Energie's offering and expertise in new-build projects and maintenance means organisations are sure to find the solutions and support they need in order to enhance their productivity and competitiveness. This customer focus is another feature of **the Eiffage brand**.



24,260
employees

€3,094
million
in revenues

Forclum harnesses its specialist skills and experience to provide Eiffage with expertise in the design, construction, operation and maintenance of broadband communication networks for both local loop and department-scale projects.

€2,265
million
in orders

Renewable energy and energy efficiency

As fossil fuels become scarcer and power generation costs rise, Forclum and Clemessy are helping their customers to become more energy-independent by supporting them as they turn to alternative energy sources. Eiffage Énergie has expertise in the full spectrum of energy technologies - including cogeneration, biomass, geothermal energy and photovoltaic and wind power - and plays a role as a system designer, combining the most

appropriate solutions for each project. In public and private-sector markets alike, extensive building construction and renovation programmes are now underway, driven by very strict energy efficiency requirements relating to both electrical engineering and climate control. Eiffage Énergie has developed a phased energy renovation and building operation offering to meet these expectations within customers' budget constraints. In order to remain



The largest biomass power plant in France, located in Fature in the Gironde department, began operating in late summer 2010. Energy is recovered from more than 500,000 tonnes of wood waste via two turbine units with respective outputs of 20 MW and 40 MW.

at the cutting edge of energy engineering expertise, Eiffage Énergie also innovates in the design and installation of new-build energy systems.



The extension to tramway line T3 running along the inner ring road (the so-called "Boulevards des Maréchaux") in eastern Paris is a major project for Forclum, which also helped to build the existing section of the line.

Linear infrastructure and utilities

The Group has a long, strong track record in the area of linear infrastructure, covering several specialty activities, primarily for local authorities and power distribution companies. Eiffage Énergie has developed a comprehensive urban living and safety offering including streetlighting, video-protection, traffic management and road signage, clean vehicle recharging points, broadband

communication networks, photovoltaic energy, urban wind power and the development of clean transportation. Eiffage Énergie is a major player in the construction, maintenance and renovation of extra-high voltage power distribution systems, including high-speed railway lines, transformer sub-stations and overhead lines, and has built up a thriving export business.



A year of innovations

Equipment and services for industry

The Group's employees have expertise in every technique used in the design, integration and commissioning of systems and equipment for manufacturing processes. Applications include instrumentation and control,

automated operation, and mechanical and electromechanical engineering. Eiffage Énergie has harnessed these multitechnical skills and the Group's research and development capabilities to develop recognised expertise in

measurement and monitoring, testing and simulations. Eiffage Énergie operates on an everyday basis in the most demanding sectors, including the nuclear, space, aviation, petrochemicals, pharmaceuticals and automotive industries.



Eiffage Énergie is working for Areva at the pressure testing centre in Maubeuge. This centre tests cooling systems that are installed in reactor cores.

From design to operation

Successful companies achieve their performance by adopting a long-term, global approach, supported by policies that foster innovation and enhance competitiveness. Strong growth in the Group's energy services, which are popular with customers, is leading Eiffage Énergie to make long-term commitments to those services. Optimising the maintenance and operation of new facilities is therefore taken into consideration as part of the design process of every project.

NOE Data Centre

Eiffage Énergie installed the electric power and control systems for EDF's new data processing and IT hosting centre in Val-de-Reuil in the Eure department, in a two-year project involving 43,000 hours of engineering studies and 175,000 of site works. Eiffage opted to use the resources and expertise of its energy division to build the facilities for this 14,000 sq. m centre. At its busiest, 230 people were assigned to the project to implement power supply, comfort and safety systems for this sensitive facility.

Energy performance contract

The Centre region has awarded Eiffage a 15-year energy performance contract for the renovation of 18 secondary schools. This public-private partnership agreement entails renovating the buildings and implementing low-consumption energy solutions. The aim of the project is to achieve energy savings of 40% and a 57% decrease in greenhouse gas emissions.

Eiffage Thermie is born

The heating, ventilation and air conditioning specialists Forclim and Crystal have merged to form Eiffage Thermie, henceforth one of the leading players in the French market. The new entity builds power generation and utility distribution infrastructure as well as providing control services for its customers' heating systems.



Metal



History

of an outstanding brand

Eiffel, the longstanding leader in metallic construction, is an industrial designer and OEM renowned for its ability to innovate and apply its expertise to a wide range of complex projects in France and other countries. Eiffel's businesses include engineering structures, structural envelopes and elevations, heavy structures in buildings and factories, mechanical engineering, boilermaking, pipework, industrial works and maintenance.

Although 2010 was a busy year for Eiffel's "traditional" businesses, driven by major infrastructure projects, nuclear activities and increased production of the Unibridge® solutions, it was more challenging in the area of industrial services. However, the diversity and good fit between the constituent businesses enabled the Metal division to remain on course. Designing the exceptional remains **the Eiffage hallmark.**



4,790

employees

€737

million
in revenues

€870

million
in orders

Lille Métropole stadium -
An exceptional project
and a human adventure.

A year of mixed fortunes

Over the past two years, the Metal division has grown by acquiring 15 companies with businesses offering a good fit with the division's traditional activities, such as industrial maintenance, and building elevations in the case of Laubeuf, a company acquired in 2010. The diversity of its businesses is now a major strength for the division. Activity levels remained high in nuclear engineering (new plants and maintenance of the existing installed base) and major infrastructure projects (e.g. the S4 satellite building at Roissy-Charles-de-Gaulle airport, Lille Métropole stadium and the Lyon-Confluence leisure development). In energy, work has now begun on the construction of an oil rig for the redeployment of the Anguille field for Total Gabon. Eiffel took advantage of strong market activity and Munch's long-established expertise to consolidate its status as a

market leader in heavy boilermaking. In particular, Munch continued manufacturing equipment for the Flamanville EPR power plant and for retubing operations at the Chinon and Bugey plants. Eiffel is involved with all three EPR plants currently under construction around the world: Olkiluoto in Finland, Taishan in China and Flamanville in France, where the supports for the polar crane, the equipment hatch and the fuel handling bridges have now been completed. The growing popularity of Unibridge® prefabricated bridge solutions, in particular in the Philippines, generated more than 90,000 hours of work in the production shops of Eiffel UK and Iberica, and in Fos-sur-Mer and Maizières-lès-Metz. The engineering structures business had its fair share of highlights in 2010, including viaducts over the river Saône north of Lyon and over the river Adour in

Bayonne, as well as the renovation of Faïdherbe bridge in Saint-Louis, Senegal. The Group's four largest plants (Lauterbourg in Alsace, Maizières-lès-Metz and Munch in Lorraine, and Fos-sur-Mer on the Mediterranean coast) enjoyed very satisfactory growth in 2010 and are set to continue operating at full capacity in 2011, supplying components for large, complex projects. Regarding the structural envelopes business, the acquisition of Laubeuf supplements the existing expertise of Goyer and the Special Structures business. Highlights of 2010 include the startup of major projects such as the Louis Vuitton Foundation for Creation, which showcases both their technical

expertise and their capacity for innovation. The industry-related businesses (industrial works and maintenance) suffered from investment cutbacks and weakness in the area of maintenance agreements. The crisis seriously affected most of our companies, and Eiffel Industrie in particular, but once again Eiffel was able to adapt, refocusing on new markets and consolidating existing businesses (e.g. hydraulic systems, nuclear applications, ship repairs, pharmaceuticals and automotive engineering). In addition, specialties such as the valve business of Barep and GER2i's multi-service offering for the automotive industry held up well, vindicating the strategy of targeting niche markets.

Renovation work at Faïdherbe bridge in Saint-Louis-du-Sénégal. This all-metal bridge, built in 1897, is nearly 500 m long, and plays a crucial role in the local economy. Consequently, Eiffel's work crews have only 24 hours in which to replace each of the seven worn-out span sections with a new span.



Lille Métropole stadium

The Grand Stade Lille Métropole - Eiffage's flagship project in 2010 - is not only a stadium with a capacity in excess of 50,000 but also a modular sports and live entertainment venue, hence the complexity of its design. Eiffel is designing and building the elevations and the steel roof frame and roof covering for this project. The

Industrial services -
Another facet of Eiffel's
businesses.



Sustainable development action plan

The sustainable development action plan defines 12 strategic areas for 2010-2011. These were assessed for each of Eiffel's 30 business units in France, to ensure a consistent approach and sharing of best practices. Regarding the environment, ISO 14001 certification is being rolled out throughout the Eiffel division. An unprecedented, innovative campaign focussing on the environment was run in offices and plants, at work sites and at customers' industrial premises.

technical complexity, the number of contractors involved and their extensive coactivity make this a truly exceptional project. The new stadium features a 39,810 sq. m roof, 3,800 sq. m of elevations, 10,000 tonnes of steel and 100,000 bolts. These dizzying figures require the Metal division to mobilise nine plants in France and other European countries. The assembly comprising

the four 80 m x 35 m panels of the moving roof and the two longitudinal mega-beams with a span of 205 m weighs 7,000 tonnes, i.e. as much as the Eiffel tower. The construction phase began in May 2010. The beams and roof components were received in sections and assembled on-site. The assembled mega-beams and roof panels will be lifted into position during the spring of 2011.

10,000
tonnes of steel

AWARDS

Most attractive steel structure

Eiffel once again received the award for the most attractive steel structure presented annually by the French steel construction industry association (SCMF), this time for the Grande Ravine viaduct on Réunion Island. The jury acknowledged the exceptional performance of this elegant engineering structure, which features an unsupported span of 300 m extending over a drop of 710 m.

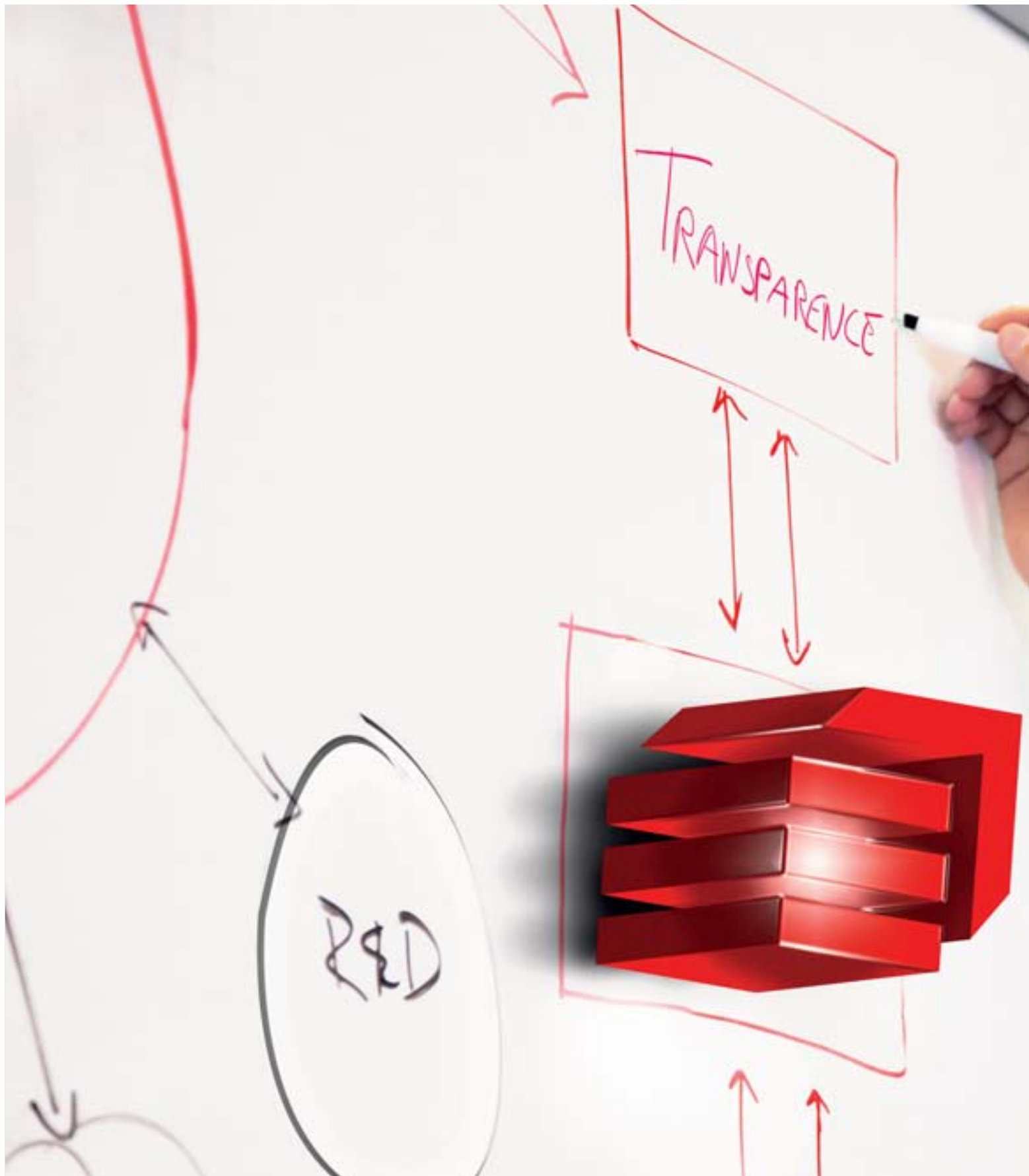
The 2010 Engineering Award for the Kennedy bridge in Bonn

Eiffel Deutschland won the 2010 Engineering Award for its project to widen the Kennedy bridge over the river Rhine by erecting three load-bearing piers. The structure, with a span of 400 m, was widened by adding two additional traffic lanes and a pedestrian pavement on each side. Attaching the new sections to the existing bridge required exceptional precision. The jury highlighted the standard of the engineering work carried out at each stage of the contract, from the planning phase to assembly, including adjustments made following situation assessments.

Safety enhanced by risk prevention and experience-sharing initiatives

Action taken across the Metal division in 2010 helped to move closer to the common goal of zero-accident operation, and the MASE safety improvement certification process was launched in all business units. The safety-related experience

acquired in the industrial maintenance business, in particular by personnel from Eiffel Industrie and Barep, was transferred throughout the division by arranging training and information-sharing meetings.



Financial report



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Directors' Report

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

For the second year in a row, consolidated revenue reported by the Group was stable, inching up by 0.7% to €13.33 billion in 2010 from €13.23 billion in 2009, while the order book rebounded to reach €10.74 billion, up 8.7% from 2009.

The steady increase in the order book since the trough in September 2009 is consistent with statistics published by France's professional bodies and public authorities, bearing in mind 84% of activity at Eiffage's contracting divisions is generated in France. These statistics indicate that production in the construction sector is no longer regressing and signs are there will be a slight improvement in 2011.

At the same time, there were heavy snowfalls at the start of 2010 and then late on in the year, which disrupted motorway traffic as well as work at the construction sites.

The operating margin on ordinary activities generated by the contracting activities declined further, having now slipped from 5% in 2006 to 2.5% in 2010. On the other hand, the operating margin on ordinary activities generated by concessions progressed once again to reach 38.9%, up from 37.2%, as did traffic on the APRR networks, with increases of 2% for passenger vehicles and 6.1% for heavy goods vehicle traffic (which now stand 4.1% up and 10.3% down compared with 2007, when traffic was at its densest).

Investments reached a very high level of €2.31 billion, up from €1.42 billion in 2009, because of the June minority buyout at APRR (which means that APRR has been able to join the Eiffage tax group).

The cash position at the contracting divisions remained stable. On the other hand, because of the investment in concessions, the debt of this activity increased to €13.76 billion, up from €13 billion in 2009. Loan repayments are being financed out of the recurring revenues generated by concessions and public private partnerships. The only refinancing scheduled in the short term is in February 2013, amounting to €3.6 billion, and concerns Eiffage, the company controlling APRR, in which Macquarie and Eiffage are partners. To this end, APRR issued for €1 billion of bonds in January, taking a first step towards completing this refinancing. This is a positive signal, as were the increases in traffic, revenue and earnings reported by APRR.

In December 2010, the Group renewed the five-year credit line amounting to €700 million arranged with a pool of ten banks. The Group also reactivated, again for five years, the €400 million trade receivables securitisation programme that was used to finance the operating cycle from 2002 to 2007, but which was put into abeyance when Eiffage sold its shareholding in Cofiroute.

The end of 2010 was marked by the inauguration of the Pau-Langon section of the A65 motorway on 14 December and the circulation of the first high-speed trains between Perpignan and Figueras on 19 December. Having built 150 kilometres of motorway in the last two-and-a-half years and laid 44.4 kilometres of high-speed rail, Eiffage was particularly well qualified for the Bretagne-Pays-de-la-Loire high-speed rail project. The Group was selected as the preferred bidder for this public private partnership on 18 January 2011.

Also, the matter of the succession of Jean-François Roverato, the Chairman and Managing Director of Eiffage, was decided on 8 December when the Board of Directors appointed Pierre Berger Deputy Chief Executive Officer with effect from 5 January 2011 and Chief Executive Officer with effect from 1 July 2011. Pierre Berger was also co-opted as Director in place of Anne Duthilleul, who has tendered her resignation.

Overall, revenue generated by concessions (excluding IFRIC 12) increased by 4.9% to €1.99 billion.

By comparison with 2010 traffic trends for the APRR and Area networks anticipated one year ago, actual traffic for passenger vehicles and heavy good vehicles was far higher, notwithstanding the disruption caused by the heavy snowfalls and by strikes in France linked to the reform of the pension system.

Overall, traffic increased by 2.6% (compared with 0.3%), while toll revenues were up by 4.3% (compared with 1.4%) to €1.94 billion.

EBITDA contributed by the APRR Group came to €1,326 million, the margin improving to 68.4% from 68% in 2009, while the operating profit on ordinary activities increased by 8% to €937 million.

Thanks to this increase and to another reduction in finance costs, down €40 million, net profit contributed by the APRR Group increased to €419 million in 2010, up from €349 million in 2009.

After that with APRR in 2009, a new agreement was reached with trade unions at Area over the functioning and organisation of toll operations. The modernisation of toll gates continued, the proportion of automated transactions increasing to 77.5%, up from 73.1% in 2009, the number of active Liber-t badges increasing to almost 900 thousand, and the number of totally or partially remotely operated toll plazas to 122 out of a total of 146.

The development of non-stop electronic toll collection, the improved processing of effluents and the protection of animal and plant species are amongst the initiatives taken under the two management contracts in force at APRR and Area until 2013.

The bad news in 2010 concerned safety. After a very substantial decrease in 2008 followed by a levelling off in 2009, accidents increased in 2010 as traffic picked up, as a result of which deaths caused by traffic accidents reached 39 in 2010, up from 31 in 2009, while the number of accidents resulting in bodily injuries increased to 362, up from 343.

Motorway concession operators, concerned by the the increasing occurrence of attention deficit disorders inducing states of hypovigilance, have equipped surface courses with rumble strips, launched on-site and media campaigns to raise driver awareness, and have called for more proactive law enforcement.

Investments amounted to €370 million in 2010 and, under the management contracts, are expected to be stable in 2011. Tolls increased by 2.1% on 1 February 2011 after being raised by 0.5% on 1 February 2010.

Work has been completed on new motorway sections south of Mâcon on the A406, north of Lyon on the A432 and in the direction of Montluçon on the A714. Work is scheduled to broaden the section of the A36 motorway between Belfort and Montbéliard, while the widening of the A31 motorway between Beaune and Langres is expected to be completed by mid-2011.

The increase in traffic on the A41 Nord between Annecy and Geneva remains insufficient in relation to the initial business plan drawn up before the crisis.



Adverse weather conditions meant that traffic did not increase as strongly on the Millau viaduct. Nonetheless, a record high was set on 31 July with 63 thousand vehicle crossings. At the start of January 2011, some 27.5 million vehicles had crossed the viaduct since its opening. Traffic is expected to increase even faster as the A75 motorway was connected to the A9 motorway in December 2010, creating an uninterrupted motorway link between Clermont-Ferrand and Béziers. Overall, traffic increased by 0.9% (compared with 0.8% in 2009) and toll revenues by 2.4% (compared with 5.7%).

Société Marseillaise du Tunnel Prado Carénage (SMTPC) recorded a 2.5% increase in traffic, a 2.3% increase in revenue to €35 million, and a 3.5% increase in net profit to €10.5 million. The decision by Marseille Métropole, the grantor of the concession, approving the project for the new Prado Sud tunnel was recently overturned by the Marseille Administrative Court, requiring Marseille Métropole to hold another meeting on 11 February 2011 to re-approve the project.

In Portugal, the government decided to abandon the SCUT system for the Norscut motorway concession, traffic on the A24 motorway having increased sharply. The concession should be transformed and revert to a real toll system in 2011.

Since 19 December 2010, two high-speed trains run daily between Paris and Figueras and passenger traffic is good. Freight trains are also being run on this line. On the Spanish side, a high-speed rail link will soon be opened between Figueras and Barcelona, which should be operating normally in two years.

The Pau-Langon A65 motorway, in which Eiffage has a 65% interest, was inaugurated on 14 December 2010, exactly four years after the signing of the concession. In addition to the pleasant driving experience, the project features a series of measures to protect the environment and in particular endangered wildlife species. These will be implemented over the course of the 55-year concession by Caisse des Dépôts Biodiversité. Traffic is encouraging taking into account the unfavourable weather conditions in December.

Tenders have been submitted for the A63 and A150 motorways, the Vichy road bypass and the Nîmes-Montpellier rail bypass, the first two projects on a concession basis and the last two under public private partnerships.

Since 18 January 2011, the teams at Eiffage have been hard at work preparing for the signing this summer of the partnership to build, operate and maintain the Le Mans-Rennes high speed rail line, which entails laying 180 kilometres of new track, with a view to completing the work by the autumn of 2016. The scheduling is identical to that of the A65 motorway project in terms of the earth moving and the engineering structures, while the rail line specifications are identical to those implemented so successfully for the Perpignan-Figueras project.

There was pause in the rollout of very high capacity fibre optics networks now that deliveries have been completed for most projects. The main ongoing project, due to be completed by the end of 2011, is for the installation of 80 kilometres of fibre optic cables in the Yvelines department, west of Paris.

Eiffage now operates four prisons, one police barracks, and a hospital complex in Rennes. The Corbeil-Évry hospital complex in the Ile-de-France was delivered as scheduled in January 2011. This is the largest hospital public private partnership completed to date in Europe. The quality and technical features of this project have been widely lauded, notably in the media. Patient admission is due to start

in spring. Delivery of the Alpes-Léman hospital complex is expected this summer and that of the Saint-Nazaire hospital complex at the start of 2012, both projects having been undertaken under long-term hospital leases.

Work on the national police headquarters (*Direction Générale de la Gendarmerie Nationale - DGGN*) in Issy-les-Moulineaux is progressing to plan and is scheduled for completion in the summer of 2011.

An energy efficiency contract was signed for secondary schools in the Centre region and a public private partnership awarded for a secondary school in Jarny in the Lorraine region. These contracts are worth €36 million and €59 million, respectively.

Despite legal shenanigans, adverse weather conditions and strikes in opposition to the pension reform, work on the Grand Stade de Lille public private partnership has progressed rapidly, eliciting interest as well as admiration from the local population, many of whom have been to the visitors' centre for a panoramic view of the construction site.

Work is continuing on projects in Senegal (on the Dakar-Diamniadio toll motorway, for which the project financing was signed on 14 November 2010) and in Germany (renovation and maintenance of the Kreis Lippe road network in Westphalia, under a public private partnership).

On 9 February 2011, a final tender was submitted for two prisons under public private partnerships in Belgium.



The Energy division of Eiffage is going through a difficult transition, but one which holds much promise. Forclum integrated Crystal to become one of the three leading HVAC specialists in France. It completed work on the Perpignan-Figueras high-speed rail line, installing signalling systems complying with the European Rail Traffic Management System (ERTMS) level-2 standard; it delivered and brought into service the Rennes hospital complex under a long-term hospital lease; and it operates and maintains four prisons. Finally, delivery of the Corbeil-Évry hospital complex south of Paris was accepted on 17 January 2011 as provided for in the partnership agreement.

The learning curve mastering cutting-edge technologies such as hospital systems and rediscovering older ones like wood heating at the Corbeil-Évry hospital complex in the Ile-de-France left its mark on the 2010 accounts. Revenue contributed by the Energy division pulled back to €3.09 billion (down by 3.1% on a reported basis and by 3.2% at constant consolidation scope), the operating margin declining to 1.5% (down from 2.1%), but the order book started to recover to reach €2.27 billion (up from €2.12 billion the previous year).

Forclum, including Crystal, contributed revenue of €2.51 billion (down 3.2%) and an operating profit on ordinary activities of €38 million (down 31%). While there was a slowdown in industrial investments, activities managing energy consumption and providing maintenance for commercial and industrial buildings entered the development phase. These nascent activities constitute new sources of growth complementing the traditional activities of rural electrification and public lighting, where margins have been under pressure for several years. Major programmes were launched, including training in energy technologies for 600 members of staff. At the same

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time, in parallel with Crystal's integration, efforts were directed in particular at simplifying the corporate structure and streamlining hierarchical levels. These measures are expected to help the operating margin recover to pre-crisis levels by 2013.

In Europe, operations in Belgium, Germany, Spain, Italy and Portugal moved back into the black, thanks notably to the concerted efforts made to adapt activities in Spain. Revenue contributed by Europe declined by €57 million to €518 million.

Noteworthy contracts in France included the installation of traffic lights at intersections in Lyon and Villeurbanne, the lighting and signalling systems for the T3 tramway line in Paris and the lighting system showcasing the ornamental gates at the château de Versailles. Contracts also included the climatic engineering system at the CMA CGM tower in Marseille and work on solar photovoltaic power plants and numerous waste-to-energy plants. Lastly, work is set to start on the electrical and climatic engineering system for the new hospital complex in Orleans, with delivery scheduled in 2015.

In Italy, Elettromeccanica Galli was responsible for the electrical engineering in the new Porta Nuova business district in Milan, where the company again achieved satisfactory results.

In Germany, NAT stands to benefit from the rebound in investments in the automobile sector. All in all, a stable level of activity is expected.

In line with the agreement reached with staff representative bodies prior to its acquisition at the end of 2008, Clemessy has retained an independent organisation, all the while coordinating marketing activities with Forclum and Eiffel. After slowing sharply, orders from industrial customers are starting to pick up. As a result, the order book increased by 2% to €481 million and revenue climbed to €580 million, while the operating profit fell from €12 million to €10.9 million.

In 2010, Clemessy continued to work on projects in France and overseas for large clients such as Auchan (to optimise energy consumptions at its stores), EDF (to maintain France's nuclear fleet), CNSE (at the Kourou launch site), General Motors (in Shanghai), and Eiffage Concessions (in Senegal).

In partnership with Eiffage Travaux Publics, Clemessy continued to work on the construction of a number of thermal power plants in France's Overseas Departments (Reunion, Martinique and Guadeloupe).



Eiffage Travaux Publics contributed revenue of €3.89 billion, up by 4.2% on a reported basis but down 1.2% at constant consolidation scope. This reflected on the one hand the high level of activity generated by work on the Pau-Langon A65 motorway and on the other hand the boosting of revenue by the first time consolidation of the road and rail companies acquired in Germany at the end of 2009.

The order book declined by 2.3% to €2.98 billion. It does not include the Bretagne-Pays-de-la-Loire high-speed rail line project for which the public private partnership agreement is due to be signed in the summer of 2011.

The operating margin continued to weaken, down to 1.7% from 3.2% in 2009 and 4.3% in 2008. Two factors were to blame for this phenomenon. First, competition was extremely intense for local road construction and maintenance contracts. Second, the adverse weather conditions at the start and at the end of 2010 resulted in extra costs being incurred to ensure deadlines would be kept for key projects such as the A65 motorway, the A432 motorway north of Lyon and the Lille Métropole Stadium.

These three multidisciplinary projects confirm a trend observed since the creation of Eiffage Travaux Publics, which is the increasing number of projects mobilising all the varied expertise available at the level of the division and even, in some instances, Eiffage Group.

The characterising feature of projects in France was the relentless work on the A65 motorway (150 kilometres of road surface laid, 17.5 million cubic metres of earth moved, 162 engineering works completed, 2 million tonnes of coated material manufactured and applied... all in less than 30 months), and on the A432 motorway for APRR (12 kilometres of new lanes to the north east of Lyon to connect the A46 motorway and the Alps). There was also the Agen bypass for the municipal authority, the Chaux-Balmont exchange on the A41 for APRR and the interchange between the A13 motorway and the DR613 highway near Caen for SAPN. This is not to forget a whole series of tramway projects in Angers, Montpellier, Tours, Orleans, Le Havre, Paris and Dijon, requiring expertise in earth moving, civil engineering and drainage, road construction and rail laying.

Appia Grands Travaux worked on a number of major highway projects, making and applying 1 million tonnes of coated material as well as 80 thousand cubic metres of concrete. It was involved notably in the renovation of the A25 motorway in the north of France. This project, completed in two and not three campaigns, was another one delivered ahead of schedule. Some 420 thousand tonnes of coated material was laid in place of the concrete slabs that had deteriorated over time because of the very high traffic.

The Appia Grands Travaux regional teams worked on the A6, A40, A41, A43 and A49 motorways in the Rhône-Alpes region, carrying out maintenance, and on the A8 and A9 motorways on the Mediterranean coast where the A9 and A75 interchange was also completed.

As regards the highway network, work on the DR25 between Le Muy and Saint-Raphaël was completed, including the installation of the road equipment, in the spring. The project moving the Lido sand barriers between Sète and Marseillan is scheduled for final delivery in 2011 after four years of work.

In the north of France, the Fresnoy bypass was opened to traffic in December. Work on the Cantin bypass the first project meeting the sustainable development standards required by the Nord General Council - had to stop over the winter and will resume in the spring.

In eastern France, work on the Thiéblemont exchange on the N4 trunk road has got under way and will continue until 2012.

In western France, the innovative products and processes developed by Appia Grands Travaux EBT® low-temperature coated aggregate, EMF mobile cold coating plant, Arc® 700 mobile road surface treatment workshop, and GB5® bitumen-bound graded aggregate - were used for several projects in Normandy and Sarthe, where Biocold® was used in Écommoy.

Demand for coated material, emulsion-bound graded aggregate, surface dressing, etc at the level of the French departments generated a good level of activity for local teams. Contracts were awarded or renewed, in some instances for several years, in the following regions (plus others): Alpes-de-Haute-Provence, Vendée, Rhône, Ain, Savoie, Haute-Savoie, Haute-Garonne, Pyrénées-Atlantiques, Hautes-Pyrénées. On the other hand, a major contract of this type was not extended in Pas-de-Calais, which has placed the local teams in a difficult situation.

Road crews also worked on projects at several seaports and airports, notably in Le Havre where they were involved in the Pélican 2 project.

Eiffage Travaux Publics completes around 25,000 projects each year. Many of these projects are for road maintenance, small earthworks or urban development in the broad sense of the term, including network operations, laying paving or installing urban furniture for instance.

Urban development projects may involve the rehabilitation of city centres or former industrial sites, work for the French National Agency for Urban Renovation (*Agence Nationale pour la Renovation Urbaine - ANRU*), construction of open air car parks and access roads for public buildings (hospitals, secondary schools, etc.) or private buildings (residential or office buildings, housing estates, etc.), or turnkey projects for industrial clients.

Eiffage Travaux Publics worked on a number of development projects in 2010 that included the city squares in Armentières and La Rochelle (Place de la Motte Rouge), the central shopping mall in Tourcoing, the veterinary school in Toulouse, the psychiatric hospital in Allonnes and a host of projects for highways and miscellaneous external works all over France for individual communes and groupings of communes in the public sector as well as companies in the private sector: Ikéa (Reims), Schenker Joyau (near Le Mans), Airbus (Toulouse), Carrefour (Nanteuil-les-Meaux), Intermarché (Orthez), Lafarge (Lanester), Leclerc (Fécamp), La Poste (Saint-Lô), Sita (Seine-et-Marne, Dordogne and Morbihan), Décathlon (Oxylane village in Mondeville, which combines commercial premises and facilities for sports and event management), also for Nexity, Kaufman & Broad and, of course, Eiffage Construction.

In the rail sector, with the acquisition of Heitkamp Rail (renamed Eiffage Rail Deutschland) adding critical mass to existing activities carried on in Germany by Wittfeld and in France by Eiffage Rail, the Group now possesses a fully-fledged Rail division that has undertaken engineering projects worldwide, notably in Asia (China and Taiwan).

In France, the Rail division is working on the Dijon tramway project, a track replacement project in Midi-Pyrénées, the extension of the eastern high-speed rail line, and soon on the Bretagne-Pays-de-la-Loire high-speed rail link.

As regards engineering works, the La Savoureuse viaduct the latest engineering structure for the future Rhin-Rhône high-speed rail line was delivered in the spring to RFF. Work on the Landbach viaduct for the extension of the eastern high-speed rail line (also for RFF) will get under way shortly. This engineering structure is the third entrusted to a private sector company under a design and build contract, all three having been awarded to Eiffage Travaux Publics. The first was the Jaulny viaduct for the first lot of the eastern high-speed rail line and the second was the bridge across the Garonne in Bordeaux. The prestressed concrete viaduct over the Loire in Orleans, built for the A71 motorway, was delivered to Cofiroute in 2010.

As regards tunnelling, the entire Duplex tunnel (unusual for consisting of two superimposed decks) on the A86 motorway was brought into service at the start of 2011. The project took more than ten years to complete and mobilised some 300 Eiffage Travaux Publics employees for the tunnelling work. Several other projects are under way.

In Ile-de-France, these projects concern mainly the extension of line 12 of the Paris underground and the third lot of the VL9 sewer mains in Créteil. Elsewhere in France, work on the Violay tunnel on the A89 motorway is progressing to schedule. In Pyrénées-Orientales, near the Perpignan-Figueras tunnel, a second engineering structure is to be bored under the Pyrenees to lay very high voltage lines.

In Marseille, work on the renovation of the Vieux Port tunnel is about to start. In nearby Monaco, Sitren has been approached to build the descending tunnel in the Principality, with the work scheduled to start in 2012.

Also, a second underground command centre, after the one in Istres, was completed and delivered at the Bourges-Avord airbase. In Meuse, teams from the Rhône-Alpes division are boring an exploratory heading in Bure for the French National Radioactive Waste Management Agency (*Agence Nationale pour la Gestion des Déchets Radioactifs - ANDRA*).

In civil engineering, work on the Grand Stade for the Lille Métropole urban community is in full swing. After driving 1,700 foundation piles and removing 300 thousand cubic metres of depolluted soil, the first row of terraces is being installed while the prestressing of the metal roof beams is under way.

In Paris, work is continuing on a major project to cover the rail tracks leading to the Austerlitz train station in the 13th arrondissement. To the east of Paris, work covering the tracks on the RER A line is also continuing after completion of a first project in Vincennes and Saint-Mandé a few years ago. In Lyon, a major project is about to start to renovate line K at the Lyon Part-Dieu train station.

Europe's current biggest wastewater treatment project is being overseen by Eiffage Travaux Publics west of Paris to bring the Seine Aval facility in line with European standards. The civil engineering for this project should be completed in 2011 and has involved the use of BSI®, an ultra-high-performance fibre-reinforced concrete, one of many innovative products developed by the Group. The concrete was used to cover certain buildings and is also being used by Eiffage Construction for the terraces at the Fréjus amphitheatre, a project imagined by Francesco Flavigny, Head Architect of France's Historic Monuments, and by the Carcassonne Art School, for which the architects are Jacques Ripault and Denise Duhart.

The Group's expertise in wastewater treatment plants was showcased at other projects in Chambéry, Albi, Bergues, Ferques, Montdidier, Pierrepont and Bordeaux.

Water towers were delivered to their owners near Bayonne and Cergy-Pontoise. Work continued on hydraulic projects in Metropolitan France and on the Reunion Island through specialist subsidiary Hydrotech.

In waste management, several waste sorting centres were built in 2010, notably in Evin Malmaison in Pas-de-Calais and in Belberaud in Haute-Garonne, as well as work on waste storage cells at a number of landfills.

Energy is also a core activity for the company. Several flagship projects are under way for EDF and notification of the preliminary work at the Penly nuclear power plant is pending.

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Work on a combined cycle thermal power plant in Blénod-lès-Pont-à-Mousson is drawing to an end, while work is in full swing on two other thermal power plants in Port Est on Reunion Island and Bellefontaine in Martinique. Work on a fourth project is getting under way in Pointe Jarry (Guadeloupe).

In addition, teams from Brittany and the Rhône-Alpes were involved in the development of wind energy plants in 2010.

As regards marine, river and canal works, contracts were signed by the marine and river engineering teams of Eiffage Travaux Publics. They are working alongside Eiffel on the Barcarin ferry crossing across the Rhône. They also worked at the multi-bulk cargo terminal in Dunkirk, installing a 28-metre-high steel sheet pile extension wall some 40 metres from the shore.

Work on conventional drainage, sewerage and network systems generated a large number of contracts all over France, as is the case each year, in addition to which Eiffage Travaux Publics was involved in several micro-tunnelling projects. A small-diameter tunnel was bored between Porte Dorée and Porte Charenton in Paris, for example. Another project requiring the use of a micro-tunnel boring machine got under way in June 2010 for Société du Canal de Provence, and is expected to be completed in September 2011.

Other so-called niche activities generate part of the revenue reported by Eiffage Travaux Publics each year, for example the work performed by Résirep for Eurotunnel and the site remediation work undertaken by Gauthy (based in Savoie) and by Boutté (based in Normandy).

In Europe, Eiffage Travaux Publics is present mainly in Germany and Spain.

In Germany, revenue is generated from road, network and rail activities.

As regards the rail activities, work was performed for the Midi-Pyrénées Rail Plan in France, while a major project is in the offing in 2011 in Germany for the Erfurt rail hub.

In Spain, most of the revenue is generated from road and industrial activities. Eiffage Infraestructuras is reeling from the economic crisis that is affecting the whole of the Spanish economy. Currently the local subsidiary's efforts are focused on completing the high-speed train platform in the south of the country.

Elsewhere in Europe, there were one-off interventions on large roadwork projects in Italy and in Portugal where prospects seemed to be picking up when it comes to maintenance work for motorway surface courses.

In Senegal, work on the Dakar-Diamniadio motorway concession awarded to Eiffage is progressing. Work got under way in February for the 20.3-kilometre motorway and the 2 kilometres of junctions, which involves moving some 2.4 million cubic metres of earth and laying some 350 thousand tonnes of coated materials.

In France, Spain and Germany, significant production resources are available to Eiffage Travaux Publics for its road activities: 30 binder plants, 200 fixed and mobile coating plants and 120 quarries. These were added to right at the end of 2010, when Eiffage Travaux Publics and Holcim France purchased four concrete mixing plants and eight quarries in the Alsace region from Lafarge.

2010 was an excellent year for all the activities of Eiffage Construction: urban development, property development, construction, maintenance, and facility management.

Revenue contributed by Eiffage Construction amounted to €3,620 million, up by 2.3% on a reported basis and by 2.7% at constant exchange rates and consolidation scope.

Operating profit on ordinary activities increased by 8.3% to €157 million, equivalent to a 4.3% margin.

Revenue contributed by property, in its widest sense, amounted to €456 million, the operating margin on ordinary activities reaching 8.3%. As regards activities in the housing sector in particular, a total of 2,962 homes were reserved in 2010, of which 23% in blocks. This was 15% more than in 2009. There were just 12 completed housing units unsold at 31 December 2010.

2010 was also an exceptional year for Eiffage Construction as regards order intake, the order book increasing by 14.9% to €4.62 billion at 31 December 2010, equivalent to more than 15 months of activity. Amongst the most notable commercial successes were the development of the 69.5-thousand square metre Majunga Tower at La Défense for Unibail-Rodamco, the conversion of the Hôtel-Dieu in Lyon into a hotel complex (a 5-star Intercontinental hotel), 13 thousand square metres of prime commercial properties and 15 thousand square metres of office properties, the Cité des Métiers in Pantin for Hermès, and public private partnerships for the Jarny secondary school and other secondary schools in central France under an "Energy Performance Contract" with Forclum. Given the quality of the order book, Eiffage Construction can be quietly confident about prospects in coming years, which will go some way to softening the blow of losing the Defence Ministry project in Balard, despite the hard work of the teams partnering Lord Norman Foster.

As regards large-scale urban development projects, several deserved to be mentioned. The Hauts de Joinville-le-Pont project for an eco-district was launched in 2010. It will feature 500 housing units, 5 thousand square metres of commercial properties, public infrastructures and a 3-thousand square metre urban park. Work continued on mixed business and housing development zones in Asnières (Quartier de Seine), Wissous (Quartier Saint-Eloi), Arcachon (Ville d'Été) and Saint-Denis (Landy Sud), representing a total gross surface area of 250 thousand square metres. The most recently launched of these, Landy Sud, is notable for its energy efficiency credentials, and following delivery of the Volta building, the first privately owned building in Ile-de-France to have received Effinergie BBC certification for low energy consumption buildings, two other residential buildings with first-stage "very high energy performance" (THPE®) accreditation and NF Logement (HQE®) "high environmental quality" certification are now being marketed.

Work on the Grand Carré de Jaude project in Clermont-Ferrand, which was initiated by Eiffage Immobilier more than ten years ago, got under way. The project involves the development of a shopping centre, a cinema complex, 184 housing units, a hotel, offices, self-catering tourist accommodation and a car park. The net floor space is 51 thousand square metres. Meanwhile, Espace Colbert in Nevers, a project involving the conversion into an office and commercial property complex of a former hospital dating back to the 17th century, was completed and delivered by Eiffage Immobilier.

Housing contributed very significantly to the activity of Eiffage Construction through its property development activity. Property development projects delivered by Eiffage Immobilier included Allées de l'Impératrice in Compiègne, the Park Avenue residential



units in Marseille, and Le Victoria in Chambéry, the first building in the region to be BBC-certified. Marketing has started for several other property development projects, notably: Jardins du Carrel (Caen) Le Bruckhof (Strasbourg) and Carré Gambetta (Nice).

Building land and planning permission has been secured for more than 5,000 homes, which will enable Eiffage Immobilier to launch future development projects on a timely basis, ensuring a satisfactory level of activity in coming years.

Residential property projects were also completed by Eiffage Construction for third parties, including notably Le Languedoc in Rennes (the first collective housing unit in the region to be BBC-certified), Carré Royal in Amiens (preserving the facades of this listed building), and 228 housing units on the Seguin-Rives mixed business and housing development zone in Boulogne-Billancourt.

The outlook for housing remains very upbeat for 2011, with plans for completing 340 units in Issy-les-Moulineaux, around 200 social housing units in Jeumont, and 120 units under a design and build project in Vannes.

The development of the activity designing and building managed tourist accommodation at city, seaside and mountain locations continued throughout the year, with Eiffage Immobilier completing the delivery of several projects, notably Residhome Piazza in Arcachon, Thermes du Val André, a four-star facility located in Pléneuf Val André, and Suite Home, a 160-unit residence in Guyancourt.

2010 was a very busy year when it came to office property. A large number of projects were delivered, including: Grand Axe 2 in Nanterre, the Gallieni tower in Paris (which involved extensive renovation), Le Volnay in Amiens (the first building built by the Group positive energy, zero carbon certification), Seolis in Niort (the first high environmental quality building in Deux-Sèvres), the Ozanam offices in Marseille, and two buildings in Villejuif.

Projects that are ongoing or on the horizon include notably the future head office of Eiffage Construction, which will be certified as both a low energy-consumption (BBC Effinergie) and high environmental quality building (HQE®). The building was sold by Eiffage Immobilier to Foncière des Régions in 2010. In 2011, work will start on the new regional head office of Eiffage Construction Atlantique, a low energy-consumption building with a net floor space of 4.5 thousand square metres. Other major projects scheduled in 2011 include the head office of Pomona undertaken for Cogedim, the Cité des Métiers in Pantin for Hermès, and the Macif offices in Niort.

As regards the activity developing shopping centres, 2010 was marked by the inauguration of the Barreiro shopping centre in Portugal, the shopping and leisure centre at the Bonne barracks in Grenoble (the first eco-district in France), and the ongoing development of the 160-thousand square metre Lyon Confluence shopping centre for Unibail-Rodamco (undertaken in partnership with the Group's other divisions).

Tuning to the hotel development activity, 2010 was marked by the delivery of the Majestic hotel in Cannes and the Barrière hotel and casino in Lille. Eiffage Construction is looking to expand this line of activity and has been chosen by Cogedim to convert the 17th century buildings of the Hôtel-Dieu in Marseille into a 5-star hotel that will feature a conference centre, 180 rooms and 16 royal suites. It is also developing the 314-room La Part-Dieu hotel in Lyon for Euroéquipements and the Grand Hôtel in Pléneuf-Val-André. Finally, Eiffage Immobilier Nord-Pas-de-Calais has started work on the ancillary facilities of Lille Métropole Stadium with a gross area of 19 thousand square metres, which include hotels, offices, service apartments and a fitness centre for athletes.

During the year a number of public infrastructure projects were completed. They included police stations in Villeurbanne and Hyères, the Haute-Garonne County Hall in Toulouse, the first bi-climatic railway station in Bellegarde-sur-Valserine, the Bocage complex of the Dijon teaching hospital, the Avignon hospital and a private hospital in Le Havre. Projects for which contracts were signed in 2010 included the Oréliance private hospital complex in Orleans, the Villeneuve-la-Garenne hospital, the Dijon local education offices and the Clermont-Ferrand police headquarters.

In the educational and cultural sector, 2010 was marked by major accomplishments, with the delivery of the Georges Prêtre cultural centre in Waziers, the Gaîté Lyrique theatre in Paris and the EDHEC campus in Lille, while work renovating the Saint-Sulpice church in Paris was completed. A number of other prestigious projects are ongoing or set to get under way. They include the construction the Louvre-Lens museum and several renovation programmes in Paris: the Zambelli rotunda at the Paris Opera, the Palais Royal galleries and the Sorbonne library.

As regards the maintenance activity, 2010 was marked by the start-up of the Rennes hospital and the Pont-l'Évêque and Châteauroux police stations. These projects will consolidate the expertise gained by Eiffage Construction Services from managing the Roanne, Lyon-Corbas, Nancy and Béziers prisons. With delivery scheduled for the Corbeil-Évry hospital complex in Ile-de-France, the Saint-Nazaire hospital complex, the Annemasse-Bonneville inter-communal hospital complex, and the national police headquarters in Issy-les-Moulineaux, resources will be freed to ramp up this activity in 2011.

The quality of Eiffage Construction's work earned it a number of awards and commendations: Pyramide d'Argent and Pyramide d'Or for the Hélianthe building (Eiffage Group's Lyon regional headquarters); Plan Urbanisme Construction Architecture (PUCA) award for the H2CO concept for optimising costs and energy consumption; Pyramide d'Argent for the Odysée Marianne, a 70-unit residence developed by Eiffage Immobilier in Montpellier; and Rubans du Patrimoine 2010 for the renovation and extension of the Jérusalem manor in Waziers to transform this 19th century building into a cultural centre.

The European operations of Eiffage Construction generated revenue of €777 million in 2010, up 4%.

Ranked as one of the leading builders and property developers with revenue of €678 million in 2010, up 2% from the previous year, Eiffage Benelux has activities in a wide range of sectors: housing, commercial property, hotels and industry. In hydraulic engineering, a new joint venture named Combined Marine Terminal Operations Worldwide (CTOW) was started up to meet increasing demand from clients wanting to have a single interface for all the activities carried on at their terminals.

Projects delivered in 2010 included the 147-room Aloft Brussels Schuman hotel, the 24-thousand square metre Volta office building in Brussels, the renovation of the main building of Hasselt university, and the Namur-Brumagne wastewater treatment plant (90 thousand population equivalent). Ongoing projects include notably: 31 thousand square metres of offices at Gare du Midi in Brussels and the Brussels International Airport to Malines-Antwerp rail line.

In the Czech Republic, where conditions remain difficult, much of the activity is concentrated in the region of Ostrava in Moravia. The local subsidiary, which has changed its name to Eiffage Construction Ceska Republika, completed the 40-thousand square metre sports and fitness centre in Cesky Tesin, the new sports hall and the renovation of two gymnasia in Havírov, and the partial renovation of the Orlova

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hospital, and worked on the Biskupska administrative and shopping centre in Ostrava that is scheduled for delivery in 2011. In addition, the company worked on an 11-thousand square metre shopping centre in Chomutov and the municipal swimming pool in Luhacovice.

In Poland, Eiffage Budownictwo Mitex recorded a strong increase in revenue to €111 million. With an order book of €201 million, the company has attractive prospects for 2011. Several large-scale projects are under way that include a 22,500-seat stadium in Białystok, a 600-room Interferie Medical Spa hotel in Swinoujście, a 152-room Campanile hotel and 136-room Première Classe hotel in Wrocław, and a sports and swimming pool complex in Warsaw.



Revenue contributed by Eiffel increased by 4.4% to €737 million (but declined by 3.5% at constant consolidation scope and exchange rates) despite a sharp slowdown at Goyer, which is specialised in aluminium facades for commercial properties, and at Eiffel Deutschland following the completion of the work on the Berlin airport terminal building.

In addition to the work on the Lille Métropole Stadium, overall growth was fuelled by the development of Unibridge Trading (a company formed with Groupe Matière to market rapid-installation modular bridges) and by the acquisition of two small companies, one specialised in structural facades, the other hydraulic maintenance, which made top-line contributions of €15 million and €1.5 million, respectively.

Thanks again to Unibridge as well as the awarding of a major contract for a viaduct across the Moselle River in Germany, the order book increased by 25.2% to €870 million at 31 December 2010.

The operating profit on ordinary activities declined from €18.7 million to €16.6 million, the extremely fierce competition in services provided to the industrial sector having whittled away margins. The hopes are this sector will see the beginnings of a recovery in 2011.

In the nuclear energy sector, Eiffel is working on the European Pressurized Reactor under construction in Olkiluoto (Finland), where the polar crane and steel equipment hatch have been installed. The same services are being provided in Taishan in China. Several overhead cranes and an identical equipment hatch are also being supplied at Flamanville. Eiffel also continued working on the existing nuclear sites, replacing steam generators at the Blayais, Fessenheim and Chinon power plants, and renovating the condensers at the Cattenom and Chinon nuclear power plants, as well as at the Martigues thermal power plant. Work was also ongoing on the fabrication of TN24BH casks that will be used to transport radioactive material.

Construction of the Anguille platform for Total Gabon got under way at Fos-sur-Mer and a project in Nigeria is under negotiation.

The reconstruction of the Faidherbe bridge in Saint-Louis-du-Sénégal as it was when it was inaugurated in 1897 is scheduled for completion in the spring of 2011.

The Louis-Joubert lock gate has been transported to the port of Saint-Nazaire where it will be used to construct a replacement for the original lock gate dating back to 1934.

The construction and installation of the cover and facades of the Roissy-Charles-de-Gaulle airport S4 terminal are continuing to plan, so too is work on the three-dimensional roof at the Lyon-Confluence leisure and shopping centre.

Following studies undertaken since the spring of 2009, Eiffel signed a contract in 2010 for the construction and installation of highly complex glass structures at the Louis Vuitton Foundation for Creation museum and gallery designed by architect Frank Gehry. Delivery by end-2012 looks uncertain after a court order at the start of 2011 overturning the awarding of the building permit.

Several engineering works were delivered in 2010, notably the La Savoureuse viaduct the biggest structure on the Rhin-Rhône high-speed rail line in Franche-Comté. Several exceptional bridges were also completed, including the one across the Saône on the A406 motorway, the La Côtère bridge on the A432 motorway, and the bridge across the Adour river in Bayonne.

The most emblematic engineering project in which Eiffel is involved is the Lille Métropole Stadium. The mobile roof sections have been laid on the launch ramps that will be used to hoist the sections on to the huge girders that have a 200-metre span and are 18 metres high. At the end of the spring, the whole structure, weighing 7,500 tonnes, will be lifted into position on four pillars standing 40 metres high.

Eiffel Industrie and the other industrial services companies successfully renegotiated their maintenance contracts but at the cost of reduced margins, all the while diversifying their activities away from the chemical, petrochemical and automobile sectors to encompass the nuclear, naval, aeronautics, pharmaceutical and hydraulic engineering sectors.

Facade specialist Goyer has expanded its activity to equipment buildings, hospitals in particular, to offset the recession in the commercial property sector, but this sector's recovery enabled the company to take on several projects late on in the year, notably the Majunga tower in Paris La Défense.



Eiffage applies IFRIC 12, Service Concession Arrangements, since 1 January 2009.

The only significant event between the end of the reporting period and 24 February 2011 was the designation of Eiffage as preferred bidder for the partnership to design, build, finance and operate during 25 years the high-speed rail line between Le Mans and Rennes.

The still depressed economic conditions in Europe, the poor weather conditions at the start and the end of 2010 and the difficulties experienced with several large projects masked the nascent recovery in the Group's contracting activities in France, causing the operating profit on ordinary activities to decline for the fourth year in a row to €288 million.

The operating margin on ordinary activities for the contracting divisions declined to 2.5%, far short of the 5% objective achieved in 2006.

Because the contribution made by the concessions activity increased to €775 million, the consolidated operating profit on ordinary activities came to €1,041 million, equivalent to a total operating margin of 7.8% in 2010 compared with 7.7% in 2009, confirming Eiffage Group's ability to withstand economic downturns thanks to the solidity of its concessions activity, in particular APRR.

Further significant costs were incurred on preparatory work for public private partnerships and concessions, but the Group's efforts were rewarded by several successes, notably its designation as preferred bidder for the Bretagne Pays-de-Loire high-speed rail line, which is the biggest project ever won by the Group. Since 2008, even

as the crisis lingered on, the Group opted to maintain production resources sized for large-scale projects, a decision borne out by the awarding of this project.

The group share of consolidated net profit increased by 22% to €232 million, mainly because of the non-recurrence of the exceptional distributions made under discretionary employee profit sharing plans in 2009.

Distributions to employees under discretionary and mandatory profit sharing plans, including the employer's contribution, declined to €157 million in 2010 from €224 million in 2009.

Reflecting the capital increase by Eiffage (of which €523 million was subscribed by Eiffage) carried out to finance the minority buyout at APRR, Eiffage and the contracting divisions had net debt of €203 million at 31 December 2010 compared with net cash of €488 million at 31 December 2009.

Following the acquisition in June 2010 of the shares held by Elliot Management Corporation and Sandell Asset Management, in September Eiffage launched a public repurchase offer followed by a squeeze-out procedure. Following an appeal filed by the Saône-et-Loire General Council, this offer is the object of a stay of execution pending a ruling of the Paris Court of Appeal expected on 17 March 2011.

In accordance with its strategy, Eiffage has pressed on with investments in concessions and public private partnerships, for which debt financing increased to €13,763 million at 31 December 2010, up €781 million from the previous year. Investment by APRR amounted to €310 million. Other investments, amounting to €721 million, were in ongoing concessions and public private partnerships (mainly the A65 motorway, the Corbeil-Evry hospital, Annemasse hospital and the Lille Métropole Stadium). Nearly all of this debt, €13,178 million to be precise, was without recourse against Eiffage at 31 December 2010. A significant part, amounting to €539 million, corresponds to the fair value of hedging instruments entered into to lock interest rates over the long term. The decline in interest rates increased this component of debt by €151 million in 2010.

Acquisitions completed in 2010 were modest, totalling only €48 million, nearly all of which was attributable to the acquisition of concrete mixing plants and quarries by Eiffage Travaux Publics from Lafarge at the end of the year.

At 31 December 2010, Eiffage had unutilised confirmed financing totalling €470 million that runs until 2015 and other credit lines that will enable it to fund its share of the equity and shareholder advances that will be needed for concessions and public private partnerships, even before taking into account the five-year, €400 million programme for the securitisation of trade receivables that was renewed in the first quarter of 2011.

The debt relating to concessions and public private partnerships is long-term, at rates that are fixed or indexed to inflation, and to be repaid in instalments out to 2051 in the case of the Millau Viaduct and 2018 in the case of APRR. Based on management forecasts, which are updated at frequent intervals, borrowers complied with all restrictive covenants for these loans with some margin to spare, both at the end of 2010 and at the loans' terms.

In September 2010, Eiffage and Macquarie appointed Rothschild Bank to advise them for the refinancing of Eiffage's bank loans (which amounted to €3.6 billion at 31 December 2010) and APRR's liquidity line maturing in February 2013.

A first step was taken in January 2011 when APRR completed a €1 billion issue of bonds maturing January 2017 and offering a 5% coupon, which was followed by a €50-million private placement of bonds with CNP maturing January 2021 and offering a 3.3% coupon indexed to inflation.

As these operations were a resounding success despite the difficult market conditions, further issues and placements could be envisaged as part of an overall refinancing plan that should be wrapped up at the start of 2012, which will be one year before the above financings fall due, thereby ensuring continued compliance with the liquidity criteria of the credit rating agencies. This refinancing plan was presented to the agencies at the start of 2011, the objective of Eiffage and Macquarie being to establish a firm BBB rating for APRR, which is currently rated BBB-, (especially at Standard & Poor's which placed the rating on CreditWatch with negative implications in June 2009).

APRR's liquidity exceeded two years at the start of 2011, no amounts having been drawn against the €1.8 billion line following the bond issue on 7 January 2011.

The breakdown of the capital and voting rights at 31 December 2010 is provided below. There were no significant changes during the year.

	% of the capital	% of voting rights*
FSI	20.00%	20.70%
Groupama	6.20%	6.40%
Group employees	26.20%	27.10%
- Owned collectively **	25.50%	26.40%
- Owned directly	0.70%	0.70%
Eiffage	8.30%	8.60%

* 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, Eiffage classique

In 2010, the Eiffage share price traded between a high of €43.23 and a low of €32.37 to close the year at €33.00, down 16.3% year-on-year, bearing in mind the CAC 40 declined by 3.3% over the same period while the SBF 120 was stable.

As in 2009, volumes exchanged on the NYSE Euronext, which on average accounted for 56% of trading in the Eiffage share, were thin, representing 33.3% of the capital compared with 35.3% in 2009.

In 2010, pursuant to the authorisations granted by the Shareholders' General Meetings of 22 April 2009 and 21 April 2010, Eiffage purchased 777,550 of its own shares and sold 749,667 under the liquidity contract entered into on 10 December 2009. Of these shares, 165,850 were transferred to employees in connection with the exercise of stock options and bonus shares granted in 2008. There was no reallocation of shares in 2010.

Pursuant to the authorisation granted by the Shareholders' Combined General Meeting of 25 June 2008, the Board of Directors decided to stage a capital increase reserved for employees. Some 186,458 shares were subscribed for €30.79 per share, this price reflecting the application of a 20% discount to the average share price during the 20 trading sessions preceding the Board's decision. To avoid any dilution, the Board decided to cancel the exact same number of shares pursuant to the authorisation granted by the General Meeting of 21 April 2010.

Directors' Report

		% of the capital
Number of shares purchased in 2010	777,550 shares	0.8%
Number of shares transferred in 2010	165,850 shares	0.2%
Number of shares sold in 2010	749,667 shares	0.8%
Number of new shares subscribed to in 2010	186,458 shares	0.2%
Number of shares cancelled in 2010	186,458 shares	0.2%
Average purchase price	€37.24	
Average sale price	€37.64	
Transaction fees excluding taxes	€61,166	
Number of shares registered on 31 December 2010	3,092,832 shares	3.4%
Cost of the shares held in treasury	€152,813,929	
Nominal value of the shares held in treasury	€12,371,328	



In its company financial statements, Eiffage SA reported a net profit of €210 million for the year ended 31 December 2010, compared with €240 million for 2009 and €388 million for 2008.

Given the Group's sound financial position and its prospects, the General Meeting is invited to maintain the annual dividend at €1.20 per share, to be distributed in respect of all 90,000,000 shares in issue. 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 table below

	2007	2008	2009
Number of shares	93,183,342	90,000,000	90,000,000
Revenues eligible to tax allowance	€111,820,010.40	€108,000,000.00	€108,000,000.00
Revenues not eligible to tax allowance	-	-	-

Details of the offices and positions held by the Directors are appended to this report.

The Board of Directors held seven meetings in 2010. These meetings were prepared by three committees: the Audit Committee, the Strategy Committee, and the Appointments and Compensation Committee. The Audit Committee (previously the Accounts Committee) has three members: Mr Bruno Flichy (independent director, who acts as Chairman), Mr Jean-Louis Charles (independent director) and Mr Jean-Claude Kerboeuf.

The members of the Strategy Committee are Messrs Bruno Flichy, Jean-François Roverato and Dominique Marcel, who acts as Chairman. The members of the Appointments and Compensation Committee include Ms Béatrice Brénéol and Mr Demetrio Ullastres (independent director).

In 2010, Ms Anne Duthilleul and Mr Alain Quinet resigned from the Board of Directors. On 8 December 2010, Mr Pierre Berger was co-opted to the Board of Directors in place of Ms Anne Duthilleul.

Mr Serge Michel resigned from the Board of Directors in February 2011.

At its last meeting in 2010, the Board of Directors conducted a critical review of its own work and that of the committees during the year.

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 related parties. This information and that relating to the compensation of the Company's Directors and Officers are provided on pages 144 to 146 of the 2010 Reference Document, which forms an integral part of the Directors' Report to the General Meeting.

No share purchase or subscription options were granted to any director or corporate 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.

Information regarding supplier payment terms is provided in the notes to the company financial statements on page 116 of the 2010 Reference Document.



The Board of Directors invites the General Meeting to approve the co-option to the Board of Mr. Pierre Berger, Ms Thérèse Cornil and Mr Jean-Yves Gilet. The terms of office of Ms Thérèse Cornil and of Messrs Jean-Louis Charles, Dominique Marcel and Jean-Yves Gilet will end at the close of this General Meeting. Accordingly, the Board invites the General Meeting to renew their appointment.

If elected, Ms Thérèse Cornil will be an independent director within the meaning of the AFEP-MEDEF code of corporate governance. If you approve the proposals made by the Board of Directors, the Board will have ten members, made up of four independent directors, three directors representing the main shareholders, one director representing employee-shareholders, and two directors who are executives of the Company.

The Board's composition would thus comply with the AFEP-MEDEF's code of good practices regarding the number of independent directors and with the provisions of the Law of 27 January 2011 requiring gender parity, which comes into force in 2014.

There are several resolutions dealing with financial matters. In particular, 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 Company's capital.

The General Meeting is also invited to authorise the Board to increase the share capital through a rights issue with preferential subscription rights so as to enable the Company to solicit its shareholders in a flexible and timely manner should this be in the Company's interest.

Under the above authorisation, the Board would have the possibility to increase the capital by at most €150 million in nominal value.

If marketable securities are issued other than shares, their aggregate nominal value shall be at most €1,500 million.

As permitted by law, the General Meeting is invited to authorise the Board to increase by up to 15% the number of shares issued in connection with a capital increase to meet excess demand were this capital increase to be oversubscribed.

The General Meeting is also invited to authorise the Board to increase the capital within the limit of 10% at the time of issue with a view to remunerating contributions in shares. This will enable the Company to complete rapidly any acquisitions remunerated in shares. The waiver of preferential subscription rights would logically apply since the intention is to remunerate contributions in kind by issuing shares reserved for the vendor.

These authorisations shall run for the periods allowed under law, with the Board being given full powers to implement these authorisations and determine the relevant issuance terms and conditions, notably the date, price, exchange parity, interest rate, amount and nature of the securities.

You are reminded that, further to the provisions of Article L.225-129-6 of the French commercial code (*Code de Commerce*), any Combined Ordinary and Extraordinary General Meeting held to

approve a capital increase is required to consider a resolution proposing to increase the capital in favour of the employees of the Company and those of other Group companies.

Accordingly, the General Meeting is invited to delegate full powers to the Board to increase the capital in favour of eligible employees within the limit of €15 million in nominal value. The waiver of preferential subscription rights by the shareholders in favour of these employees would logically apply for such a capital increase.

The General Meeting is also invited to authorise the Board to allot to the Group's employees, directors and corporate officers options entitling the holders to purchase up to one million Eiffage shares and up to one million Eiffage bonus shares.

In accordance with existing plans, which concern a total of 788 employees, 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, as it did with the 2009 stock option plan, that such allocations followed the principles recommended by AFEP-MEDEF for rewarding performance in a way that is consonant with the total compensation received by each beneficiary and at an appropriate frequency.

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

The Board of Directors

Financial highlights

Change in consolidated revenue

<i>In millions of euros</i>	2008	2009	2010
Revenue by operating segment			
Construction	4,118	3,704	3,620
Public Works	3,932	3,731	3,888
Energy	2,591	3,194	3,094
Metal	717	706	737
Concessions (excluding IFRIC 12)	1,868	1,898	1,991
TOTAL	13,226	13,233	13,330
Revenue by geographic area			
France	10,733	11,159	11,185
Rest of Europe	2,357	1,959	2,046
Rest of the world	136	115	99
TOTAL	13,226	13,233	13,330

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.

It does not include construction revenue from public service concession activities within the meaning of IFRIC 12.

Group employees

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

Average number of employees per category	2008	2009	2010
Managers	7,954	9,353	10,906
Technical and supervisory staff	18,219	21,157	20,286
Workers and administrative staff	38,816	40,448	39,777
TOTAL	64,989	70,958	70,969
Average number of employees per operating segment	2008	2009	2010
Construction	16,382	15,761	15,454
Public Works	21,538	21,332	22,425
Energy	18,962	25,239	24,486
Metal	4,088	4,698	4,715
Concessions	4,019	3,928	3,889
TOTAL	64,989	70,958	70,969
Average number of employees per geographic area	2008	2009	2010
France	52,956	59,300	58,742
Rest of Europe	11,391	10,901	11,260
Rest of the world	642	757	967
TOTAL	64,989	70,958	70,969

Operating profit on ordinary activities analysed by operating segment

(2008 restated per IFRIC 12)

<i>In millions of euros</i>	2008	2009	2010
Construction	186	145	157
Public Works	168	121	65
Energy	97	65	49
Metal	14	19	17
Concessions	688	706	775
Holding company	- 56	- 39	- 22
TOTAL	+ 1,097	+ 1,017	+ 1,041

Non-current assets analysed by operating segment

(including investments in associates) (2008 restated per IFRIC 12)

<i>In millions of euros</i>	2008	2009	2010
Construction	678	664	668
Public Works	982	999	1,051
Energy	698	708	701
Metal	151	160	164
Concessions	15,188	15,719	16,260
Holding company	100	149	189
TOTAL GROUP	17,797	18,399	19,033

Capital expenditure

<i>In millions of euros</i>	2008	2009	2010
Intangible assets	6	23	30
Property, plant and equipment	255	176	161
Concessions and public private partnerships	980	1,150	2,067*
Acquisitions	538	75	48
TOTAL	1,779	1,424	2,306

* Including the purchase of APRR shares for €975 million

CAPITAL EXPENDITURE

Spending on property, plant and equipment is mainly for the recurrent renewal of existing equipment and production installations operated by Group companies. After reaching an all-time high in 2008, particularly at the Public Works division, capital expenditure declined in 2009 and then by 37% in 2010.

CONCESSIONS AND PUBLIC PRIVATE PARTNERSHIPS

(Investments reported under this heading included investments in property, plant and equipment, intangible assets and financial assets by companies operating concessions or party to public private partnerships)

Since 2000, the Group's 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 concession in France, the concession for the Perpignan-Figueras rail line between France and Spain, the concession for the A65 motorway from Pau to

Langon, the concession for the Tunnel Prado Sud tunnel in Marseille, and public private partnerships for four prisons, a hospital complex in the south of the Ile-de-France region, hospital complexes in Rennes, Annemasse and Saint-Nazaire, several police stations as well as the national police headquarters, and Lille's new stadium. Abroad, besides the Norscut project in Portugal, the Group has won a public private partnership contract for a road network in Germany and a motorway concession in Senegal. In 2010, an energy efficiency contract was signed for secondary schools in the Centre region and a public private partnership awarded for a secondary school in Jarny (Lorraine region). 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 through Eiffarie – a consortium created by Eiffage and certain Macquarie investment funds – that acquired 81.5% of APRR's capital for a total net investment of €4.6 billion. In 2010, Eiffarie increased its interest to more than 95% by buying

Financial highlights

shares held by arbitrage funds and launched a public repurchase offer followed by a squeeze-out procedure to buy any shares it did not yet own. This offer is the object of a stay of execution pending the ruling of the Paris Court of Appeal, which is expected in March 2011. At 31 December 2010, Eiffage owned 98.2% of the capital of APRR, having invested a further €975 million.

In 2008, a total of €452 million was invested by APRR, in addition to which it subscribed to a €110 million capital increase by Adelaç, 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.

In 2009, a total of €432 million was invested by APRR, in addition to which €391 million was invested by A'Liéonor in the A65 motorway and a further €275 million was invested by the Group in various public private partnerships, mainly hospital projects.

In 2010, a total of €370 million was invested by APRR, in addition to which €347 million was invested by A'Liéonor to complete the construction of the A65 motorway and a further €375 million was invested by the Group in various public private partnerships.

ACQUISITIONS (other than concessions)

In 2008, Eiffage acquired Clemessy and Crystal, companies that, together with Forclum, have strengthened the Energy division.

In 2009, Eiffage deliberately scaled back its acquisitions to concentrate investments on developing the Concessions division. The most notable acquisition was that of Heitkamp, which is specialised in laying rail tracks.

In 2010, amounts spent on acquisitions declined once again, the most significant ones being Faber, a public works company in Germany, and a series of quarries in Alsace.

Risk factors

(The management of financial risks is described in Note 3 to the consolidated financial statements on page 79)

OPERATIONAL RISKS

The Group's core activity being mainly to design and execute construction projects, exposure to operational risks exists at each phase of the process.

When an order is booked, operational risk may arise because labour costs to complete the construction have been underestimated or because the quantities of materials have been incorrectly estimated. Similarly, a poor assessment of a client's needs may result in a significant operational risk. The environment at the construction site (access to the site, neighbourhood constraints, regulatory issues, etc.) is also an important criterion that must be taken into account in the conduct of the project.

To mitigate these risks, each contract considered must pass a customer selection process and its feasibility and technical content must be analysed. The process includes a detailed review of the offer in light of includes legal and financial criteria pertinent to the project and client.

Each costing goes through a validation process based on materiality levels. The purpose of this validation is to check and approve the costing options selected. A counter-analysis is performed by the Works department for significant projects that represent a significant investment in terms of man hours.

The delegation of powers in place within the Group helps to mitigate the financial impact of this risk.

During the construction phase, there may be hazards linked to the weather conditions or to the composition of the soil (foundations, earthmoving, etc.) for example, as well as accidents. The quality of the constructions (lead times, delivery, etc.) depends on the ability to master these operational risks.

The Group's absolute priority is the safety of its employees and of all other persons working on construction sites. To this end, significant resources are devoted to training the personnel, to replacing equipment, and to analysing regularly construction site risk with the supervisors. Work at construction sites proceeds satisfactorily when the teams possess the required expertise, and are fully aware of and alert to the existence of these risks. Similarly, the planning of a construction project is based on the principle that each and every staff member must be adequately prepared and assume responsibility. Progress reports are prepared at regular intervals during the construction to ensure compliance with objectives in terms of deadlines, customer satisfaction and cost.

The Group's requirements extend to its partners, i.e. to the sub-contractors and suppliers with which it has a business relation. These partners are assessed at regular intervals based on precise criteria to ensure compliance with the Group's values and principles.

RAW MATERIAL RISK

The Group is exposed to sporadic fluctuations in the cost of certain materials, notably petroleum products (fuel, lubricants and bitumen), cement, steel, aluminium and copper. To mitigate this risk, a Purchasing department has been set up in each division that works in coordination with the staff at the regional offices. These departments seek to anticipate possible fluctuations by negotiating framework agreements featuring effective price revision clauses so as to provide additional protection to the revision clauses contained in public procurement contracts. The Group's size and capacity for centralising its purchases lend it significant clout when negotiating prices as well as delivery and payment conditions.

For certain major projects, the Group may enter into agreements to hedge commodities such as copper, fuel or bitumen.

COMPETITION RISK

In 2009 and again in 2010, the heads of each operating unit were provided with documents and individualised training on the risks arising from combination in restraint of trade between competitors and from arrangements entered into with clients, and each undertook formally to comply with the Group's directives. In accordance with its code of ethics and the demand made to each employee to behave in exemplary fashion, the Group has spelled out its commercial practices to all members of staff and increased sanctions for any breaches.

INDUSTRIAL RISKS

Given the nature of its activities, the Group has little exposure to industrial risks.

There is a risk linked to accidental exposure to hazardous chemical products. There is also the risk that clients will experience business interruptions as a result of work carried out by Group companies.

ENVIRONMENTAL RISKS

At environmental level, particular regulations govern the activities of the Group's various divisions, notably the processing of materials recovered from demolition or building sites and of materials produced for road construction, the protection of the environment and biodiversity during the construction and operation of motorway infrastructures, etc.

Measures taken by the Group to manage these risks are described more fully in the annual report on sustainable development (pages 67 to 93).

The cost and amounts of the investments related to preventive measures and to measures to implement applicable standards and regulations are provided on page 137 of the same report.

Concerning risks linked to the emission of carbon dioxide and other greenhouse gases, the Sustainable Development department distinguishes between:

- regulations relating to the European Union Emissions Trading System, applicable to the Bocahut quarry in Aisne, which is the only entity at Eiffage Travaux Publics to have been allocated carbon emission quotas; and

- the implementation of the so-called Grenelle 2 Law on the national commitment for the environment, which will require notably the preparation of a carbon balance statement for the Group's activities by 31 December 2012. The Group is continuing to strengthen its expertise in this area and is preparing a new carbon balance statement for 2011 at the level of the Group.

Concerning risks associated with biodiversity protection, during the construction phase and later during the operating phase, the Group, resolved to achieve excellence in this area, has made yet further efforts by

- implementing the Group Biodiversity Charter signed by the Chairman and Managing Director and ensuring its promotion at partner institutions and companies;

- providing further training in connection with the first Business Chair dedicated to "the Environment, Biodiversity and Major Infrastructures" created in partnership with Paris 1 Panthéon-La Sorbonne university; and

- compiling a biodiversity risk prevention and management pack for all the operating departments of the Group's divisions, setting out notably the regulatory requirements arising from the Grenelle I and II laws as well as ecological engineering solutions during the construction and operating phases.

MARKET RISKS

Not taking into account the non-recourse debt of the concession operators included in the consolidation scope, the Group is not highly indebted (€203 million of net debt at 31 December 2010). Of the non-recourse debt of the Concessions activity (€13,178 million at 31 December 2010), part is carried by the APRR group and its

holding company Eiffarie, of which 83% bears fixed rates or has been hedged. Part is carried by the holding company controlling concession operator 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'Liénor, the operator of the Pau-Langon A65 motorway, at fixed rates. Finally, part is carried by companies that are party to public private partnerships (prisons, hospitals and police stations) having entered the operating phase. The information necessary to form an opinion as to the level of the Group's exposure to fluctuations in interest rates is provided in the notes to the consolidated financial statements (pages 92 and 93, Notes 20 and 21).

The Group has very little exposure to foreign exchange risk as 98% 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 bank certificates of deposit.

LIQUIDITY RISKS

During much of 2010, Eiffage had two liquidity lines totalling €708 million in place until 2012. In December 2010, these two lines were replaced by a new €700 million liquidity line negotiated with a pool of ten French and international banks. At 31 December 2010, €230 million had been drawn against this new facility, which has been made available until December 2015.

Furthermore, the trade receivables securitisation programme amounting to €700 million, which had been put into abeyance in 2007, is being reactivated and will provide Eiffage with additional liquidity.

As for APRR, it has a Euro Medium Term Note (EMTN) programme of up to €6 billion that was arranged in 2007 and under which it has already completed five issues. The latest issue in January 2011 for €1 billion was applied to repaying in full the amounts drawn against the €1.8 billion liquidity line arranged in 2006 for seven years. Consideration is being given to putting in place a commercial paper (CP) programme in 2011. These various credit facilities are expected to cover APRR's investment requirements as well as enable it to refinance existing debt. Meanwhile, the acquisition financing taken on by Eiffarie (which amounted to €3.6 billion net at 31 December 2010) matures in February 2013. To prepare for this, Eiffage and Macquarie appointed a financial adviser in 2010 to assist refinancing this debt as well as APRR's liquidity line at the start of 2012.

The covenants applicable to these loans and compliance with these covenants at 31 December 2010 are detailed in Note 21 on page 94 of the consolidated financial statements.

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).

Financial highlights

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.

INSURANCE

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

First, certain risks characterised by a high-frequency rate but low severity are covered through self-insurance (e.g. auto insurance) or the application of appropriate deductibles (e.g. 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 since 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 insurance 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 (for 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 €55 million in 2010 compared with €54 million in 2009 and €47 million in 2008.

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 financial assets and financial liabilities, on page 77.

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

In 2006, Eiffage, 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 shares' acquisition. The financing facilities were granted for a term of seven years. The additional shares purchased in 2010 were also pledged to these banks, which means that in total 111,033,934 shares have been pledged, representing 98.2% of the capital of APRR.

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 40 on page 106 of the consolidated financial statements.

Patents, licences and supply agreements

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

Disputes and arbitrations

To management's knowledge, no governmental, judicial, arbitration or other proceeding has been or could be initiated against the Group that could have or, during the last twelve months, has had, a material impact on the Group's financial situation or profitability.

Prospects

The Group starts off 2011 with a record order book of €10.7 billion, with further orders to come following the major commercial successes right at the start of 2011, notably the designation as preferred bidder for the Le Mans-Rennes rail line, which will be the biggest ever won by Eiffage.

Concessions will continue to fuel the growth in revenue and earnings at Group level thanks notably to the earnings enhancing effect of the APRR minority buyout. At Group level, guidance is for a 3.1% increase in revenue to €13.7 billion for the year ending 31 December 2011. The Contracting divisions can be expected to see growth recover to a moderate level, with guidance for a 2.4% increase in revenue to €11.6 billion, and then accelerate in 2012 under the leadership of Pierre Berger, who will take over as Chief Executive Officer on 1 July 2011.

ORDER BOOK AT 1 JANUARY 2011

<i>In millions of euros</i>	At 1 January 2010	At 1 January 2011	% change
Construction	4,020	4,620	+ 14.9%
Public Works	3,050	2,980	- 2.3%
Energy	2,115	2,265	+ 7.1%
Metal	695	870	+ 25.2%
TOTAL	9,880	10,735	+ 8.7%

2011 REVENUE FORECASTS

<i>In millions of euros</i>	2010	2011 forecast	% change
Construction	3,620	3,900	+ 7.7%
of which Property	456	550	
Public Works	3,888	3,850	- 1.0%
Energy	3,094	3,050	- 1.4%
Metal	737	800	+8.5%
Concessions	1,991	2,140	+7.5%
TOTAL	13,330	13,740	+3.1%
<i>Of which:</i>			
- France	11,185	11,540	+3.2%
- Rest of Europe	2,046	2,100	+2.6%
- Rest of the world	99	100	+1.0 %

Quarterly data for the first and third quarters of 2011 will be released on 5 May and 4 November 2011, respectively. The first-half financial statements to 30 June 2011 will be published on 31 August 2011.

Significant events since the end of the reporting period

No significant event having bearing on the Group's financial or commercial situation occurred between the end of the reporting period and the date this document was filed.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET at 31 December 2010

Assets

<i>In millions of euros</i>	Notes	December 31, 2010	December 31, 2009
Non-current assets			
Property, plant and equipment	7	1,373	1,352
Investment property	7	7	7
Intangible assets arising from concessions	7-8	13,301	13,089
Goodwill	7-9	2,850	2,830
Other intangible assets	7	107	84
Investments in associates	7-10	137	127
Operating financial assets	7	1,028	679
Other financial assets	7	230	231
Deferred tax assets	16	683	560
Total non-current assets		19,716	18,959
Current assets			
Inventories	11	457	414
Trade and other receivables	12	3,798	3,598
Current tax assets	16	6	20
Operating financial assets		6	5
Other current assets	15	1,136	1,205
Cash and cash equivalents	17-20	874	1,051
TOTAL ASSETS		25,993	25,252

EQUITY AND LIABILITIES

<i>In millions of euros</i>	Notes	December 31, 2010	December 31, 2009
Capital and reserves			
Share capital	22	360	360
Consolidated reserves		2,050	2,172
Gains and losses recognised directly in equity		-184	-124
Profit for the year		232	190
Shareholder's equity attributable to the Group		2,458	2,598
Minority interests		43	512
Shareholders' equity		2,501	3,110
Non-current liabilities			
Borrowings	20	13,501	12,687
Deferred tax liabilities	16	1,620	1,678
Non-current provisions	23	469	470
Other non-current liabilities		32	33
Current liabilities			
Trade and other payables	25	2,676	2,763
Borrowings	20	320	263
Non-current borrowings due within one year	20	1,019	595
Current tax liability	16	82	73
Current provisions	23	551	558
Other liabilities	26	3,222	3,022
TOTAL EQUITY AND LIABILITIES		25,993	25,252

Notes 1 to 40 form an integral part of the consolidated financial statements.

CONSOLIDATED INCOME STATEMENT for the year ended 31 December 2010

<i>In millions of euros</i>	Notes	December 31, 2010	December 31, 2009
Revenue from continuing operations		13,553	13,639
Other operating income		15	6
Raw materials and consumables used		-2,841	-2,799
Staff benefits expense		-3,449	-3,397
External charges		-5,144	-5,215
Taxes (other than income tax)		-360	-360
Depreciation and amortisation expense		-811	-790
Provisions		-12	-62
Change in inventories of finished goods and work in progress		12	-33
Other operating income (expenses) from ordinary activities	32	78	28
Operating profit on ordinary activities		1,041	1,017
Other income (expenses) from operations	33	-34	-110
Operating profit		1,007	907
Income from cash and cash equivalents		26	39
Finance costs		-506	-511
Net finance costs		-480	-472
Other financial income (expenses)	35	-22	-17
Share of profit (loss) of associates		4	-4
Income tax expense	16	-183	-145
PROFIT FOR THE YEAR		326	269
• equity holders of the parent		232	190
• minority interests		94	79
Earnings per share attributable to the equity holders of the parent (euro)			
Basic	37	2.67	2.18
Diluted	37	2.60	2.11

Notes 1 to 40 form an integral part of the consolidated financial statements.

STATEMENT OF COMPREHENSIVE INCOMES for the year ended 31 December 2010*

<i>In millions of euros</i>		December 31, 2010	December 31, 2009
Profit for the year		326	269
Translation differences		8	3
Re-measurement of hedging instruments		-148	-99
Gains and losses recognised directly to equity of associates		-9	-7
Tax on items recognised directly to equity		51	34
Gains and losses recognised directly to equity		-98	-69
NET PROFIT AND GAINS AND LOSSES RECOGNISED DIRECTLY TO EQUITY	228	200	
• equity holders of the parent		176	160
• minority interests		52	40

* "Comprehensive income" in the notes hereunder

Notes 1 to 40 form an integral part of the consolidated financial statements.

Consolidated financial statements

CHANGES IN SHAREHOLDERS' EQUITY for the year ended 31 December 2010

	Share capital	Share premium	Reserves	Translation difference	Financial instruments	Group share	Minority interests	Total
<i>In millions of euros</i>								
At 1 January 2010	360	236	2,126	15	-139	2,598	512	3,110
Capital increase/reduction	-	-	-	-	-	-	254	254
Treasury shares	-	-	6	-	-	6	-	6
Share-based payments	-	-	5	-	-	5	-	5
Dividends	-	-	-104	-	-	-104	-25	-129
Transactions with shareholders	-	-	-93	-	-	-93	229	136
Profit for the year	-	-	232	-	-	232	94	326
Gains and losses recognised directly to equity	-	-	-	8	-64	-56	-42	-98
Profit and gains and losses recognised directly to equity	-	-	232	8	-64	176	52	228
Impact of minority buyouts subsequent to taking a controlling interest*	-	-	-221	-	-	-221	-753	-974
Change in the consolidation scope and reclassifications	-	-	2	-	-4	-2	3	1
AT 31 DECEMBER 2010	360	236	2,046	23	-207	2,458	43	2,501

* Concerns APRR exclusively

	Share capital	Share premium	Reserves	Translation difference	Financial instruments	Group share	Minority interests	Total
<i>In millions of euros</i>								
At 1 January 2009	366	278	2,086	12	-110	2,632	439	3,071
Capital increase/reduction	-6	-42	-5	-	-	-53	41	-12
Treasury shares	-	-	-44	-	-	-44	-	-44
Share-based payments	-	-	7	-	-	7	-	7
Dividends	-	-	-105	-	-	-105	-5	-110
Transactions with shareholders	-6	-42	-147	-	-	-195	36	-159
Profit for the year	-	-	190	-	-	190	80	270
Gains and losses recognised directly to equity	-	-	-	3	-33	-30	-40	-70
Profit and gains and losses recognised directly to equity	-	-	190	3	-33	160	40	200
Change in the consolidation scope and reclassifications	-	-	-3	-	4	1	-3	-2
AT 31 DECEMBER 2009*	360	236	2,126	15	-139	2,598	512	3,110

Notes 1 to 40 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2010

<i>In millions of euros</i>	Notes	December 31, 2010	December 31, 2009
Cash and cash equivalents at the beginning of the year	17	968	1,723
Effect of foreign exchange rate changes		2	–
Restated cash and cash equivalents at the beginning of the year		970	1,723
Profit for the year		326	269
Net impact of investments accounted for by the equity method		3	13
Depreciation, amortisation and provisions, net		728	765
Other adjustments for items not involving movement of funds		–40	–50
Gains on disposals		–17	–15
Cash generated by operations		1,000	982
Net interest expense		539	512
Interest paid		–523	–515
Income tax		183	145
Income tax paid		–299	–221
Changes in working capital related to operating activities	18	–98	–60
Net cash from (used in) operating activities (I)		802	843
Intangible assets		–40	–37
Intangible assets arising from concessions ⁽¹⁾		–679	–771
Property, plant and equipment		–209	–224
Investments ⁽²⁾		–1,378	–392
Total purchases of non-current assets		–2,306	–1,424
Proceeds from disposal of non-current assets		28	38
Cash and cash equivalents of entities bought or sold		15	–13
Net cash from (used in) investing activities (II)		–2,263	–1,399
Dividends paid		–129	–111
Proceeds from issue of shares ⁽⁴⁾		254	41
Repurchase and resale of treasury shares		6	–96
Repayments of borrowings		–799	–1,309
New borrowings ⁽³⁾		1,891	1,276
Net cash from (used in) financing activities (III)		1,223	–199
Net increase (decrease) in cash and cash equivalents (I + II + III)		–238	–755
Cash and cash equivalents at the end of the year	17	732	968

Notes 1 to 40 form an integral part of the consolidated financial statements.

(1) The main investments in 2010 relating to intangible assets arising from concessions concerned:

- the motorway being built by A'liénor, with €347 million of investments (compared with €390 million in 2009), and
- the APRR/AREA motorway network, with €310 million of investments (compared with €359 million in 2009).

(2) As regards non-current financial assets, investments in 2010 concerned mainly:

- the acquisition of 15.9% of the capital of APRR for €975 million;
- investments in public private partnerships totalling €352 million (compared with €275 million in 2009); and
- acquisitions totalling €48 million.

(3) The increase in new borrowings was linked mainly to the investments described above.

(4) In 2010, minority interests in the capital increases at Eiffarie (€229 million) and A'liénor (€25 million)

Notes to the 2010 consolidated financial statements

(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 in Compartiment A of the market organised by Euronext in Paris.

The consolidated financial statements for the year ended 31 December 2010 were approved by the Board of Directors on 24 February 2011 and will be submitted for the shareholders' approval at the General Meeting to be held on 20 April 2011.

Significant events in 2010

In 2010, Eiffage, which is owned for 50% plus one share by Eiffage, increased its interest in the capital of APRR from 81.48% to 98.22%. Eiffage launched a public repurchase offer followed by a squeeze-out procedure. Following an appeal, this offer is the object of a stay of execution since October 2010.

2 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 euro, which is the parent company's functional currency. Amounts are stated in millions of euros unless otherwise indicated.

Changes in International Financial Reporting Standards (IFRS) up to the balance sheet date are summarised below:

The following new standards, interpretations and amendments took effect for annual periods beginning before, on or after 1 January 2010 according to IASB but the European Union did not require their application until 1 January 2010:

- IFRS 3 (revised), "Business Combinations", and amendments to IAS 27, "Consolidated and Separate Financial Statements", IAS 28, "Investments in Associates", and IAS 31, "Interests In Joint Ventures";

- IFRIC 15, "Agreements for the Construction of Real Estate", IFRIC 16, "Hedges of a Net Investment in a Foreign Operation", IFRIC 17, "Distributions of Non-cash Assets to Owners", and IFRIC 18, "Transfers of Assets from Customers";

- amendment to IFRS 2, "Share-based Payment", relating group cash-settled share-based payment transactions; and

- improvements to IFRS issued in April 2009.

IAS 27 (revised), "Consolidated and Separate Financial Statements", has been applied since 1 January 2010 to account for step acquisitions after control is obtained, notably to the acquisition by Eiffage of a further 16.74% of the capital of APRR (see section above dealing with significant events in 2010). The change of accounting method was applied prospectively and has no impact on earnings per share.

Under the new accounting method introduced by IAS 27 (revised), the acquisition of additional shares in a subsidiary after control is obtained is accounted for as an equity transaction between the owners acting in this capacity.

Accordingly, no goodwill is recognised in connection with such a transaction.

Adjustments linked to the difference, at the acquisition date, between the share of the book value of the net assets acquired and the cost of the investment are recognised directly to the Group's share in the capital and reserves of the consolidated entity.

IFRIC 15, IFRIC 16, IFRIC 17 and IFRIC 18, the amendment to IFRS 2 and the improvements to IFRS issued in April 2009 had no impact of the Group's financial statements.

Eiffage elected for the early application of IFRIC 12 as from 1 January 2009.

A number of new standards, amendments to standards and interpretations will be effective for annual periods beginning on or after 1 January 2010 and were not applied for the preparation of these consolidated financial statements. None of these texts is expected to have a material impact on the Group's consolidated financial statements except for IFRS 9, "Financial Instruments", for which application is mandatory for annual periods beginning on or after 1 January 2013 (subject to adoption by the European Union). This standard could modify the classification and measurement of financial assets. The Group does not intend to elect for the early application of this standard and has not yet determined what effects, if any, might result from its application.

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 following items, which are reported at fair value as required by IFRS:

- Financial instruments 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 the 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. 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 programme 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 weighted 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 are reported under gains and losses recognised directly to equity in the statement of comprehensive income.

2.3. PUBLIC-TO-PRIVATE SERVICE CONCESSION ARRANGEMENTS

In accordance with IFRIC 12, the Group recognises:

- intangible assets representing the right to charge fees to the users of the public service, the amounts of which are contingent on the extent to which the public uses the service (for instance the concession motorways). The right is measured at the fair value of the infrastructures that are the object of the concession, to which are added borrowing costs incurred while the asset is under construction. The right is amortised on a straight-line basis over the term of the service concession arrangement as from the date the infrastructure is brought into service, to reflect the economic benefits expected to be procured by the arrangement. These assets are recognised on the asset side of the balance sheet on a specific line, "Intangible assets arising from concessions".

- financial assets, when the operator has an unconditional contractual right to receive a specified or determinable amount of cash. This right is recognised by recording in the balance sheet a receivable measured at the fair value of the cash to be received. Subsequently, this asset is measured at amortised cost, payments received by the operator being deducted against it. The revenue generated by the receivable is recognised as operating income. Financial assets are recognised on the asset side of the balance sheet on specific lines, "Operating financial assets", analysed between non-current and current amounts.

Certain arrangements may combine characteristics of both models. When this is the case, only that part providing an unconditional contractual right to receive a specified or determinable amount of cash is recorded as a financial asset, the other part, which corresponds to the right to charge fees to the user, being recorded as an intangible asset.

Property, plant and equipment not controlled by the grantor, which are required to operate the concession (buildings, toll equipment, service vehicles, etc.) are recognised as such and depreciated over their estimated useful life.

2.4. SEGMENT REPORTING

In accordance with IFRS 8, segment reporting is based on the Group's internal organisation for reporting to senior management. Accordingly, 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 operating of infrastructures under concessions and public private partnerships;
- Holding: management of participating interests and services to group companies.

2.5. REVENUE RECOGNITION

2.5.1. 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 in respect of 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.

2.5.2. 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.

2.5.3. Concessions and Utilities Management

During the operational phase, revenue from intangible assets arising from concessions consists of the tolls paid by the infrastructure users, while revenue from operating financial assets consists of the remuneration earned on the amount receivable and of maintenance fees.

Consolidated financial statements

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 installations, 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 total quantity of material that is expected to be extracted. The annual depletion charge is based on the tonnage actually 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

Since 1 January 2010, business combinations are accounted for by the Group applying IFRS 3, "Business Combinations", as revised in 2008. This change in accounting method has been applied prospectively.

Goodwill is measured as the difference, at the acquisition date, between on the one hand the cost of the investment, increased by the fair value of any non-controlling interest held previously in the acquired company, and on the other hand the net amount of the identifiable assets acquired and liabilities assumed that has been recognised.

For each business combination, the Group has chosen to measure non-controlling interests at the acquisition date;

- at fair value (full goodwill method); or
- as the non-controlling interest's proportionate share of the fair value of the net identifiable assets of the acquired company (partial goodwill method).

When the above difference is negative, the resulting gain is recognised as a bargain purchase in profit or loss.

Costs associated with the acquisition, other than costs of issuing debt or equity instruments, are expensed when incurred.

In accordance with IFRS 3 (revised), "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.

Valuation differences and goodwill relating to foreign entities are considered as belonging to these entities. These items are therefore expressed in the entity's functional currency.

2.9. INTANGIBLE ASSETS ARISING FROM CONCESSIONS

These intangible assets represent the operator's right to charge fees to the users of the public service. They are reported in the balance sheet at the cost of construction of the infrastructures that are the object of the concession, to which are added borrowing costs incurred while the asset is under construction. They are amortised over the term of the service concession arrangements to reflect, on a case-by-case basis, the economic benefits procured by each concession arrangement.

2.10. OTHER INTANGIBLE ASSETS

Development costs are capitalised if, and only if these costs can be measured reliably, the technical and commercial viability of the product or process has been demonstrated, future economic benefits are expected to flow to the Group, and the Group has the intention and the resources needed to complete development and use or sell the asset in question.

Development costs concern mainly software (amortised on a straight-line basis 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. Other 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 corresponds to 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 (CGU).

Goodwill is not amortised but is tested for impairment at least annually and whenever there is any indication of impairment in value, any impairment loss being recognised.

For impairment testing purposes, goodwill that cannot be tested individually is included in the cash generating unit group expected to benefit from the synergies produced by the business combination.

The recoverable amount of the cash generating unit group in which this goodwill is included is the higher of fair value less costs to sell and value in use.

In practice, the recoverable amount of the cash generating unit groups is determined first by reference to their value in use. If the value in use is less than the cash generating unit group's carrying value, fair value less costs to sell is then determined.

The value in use is estimated 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 group based on its activity and associated risk profile.

The use of after-tax rates to determine recoverable amounts produces the same results as applying pre-tax rates to cash flow before tax.

The recoverable value of cash generating unit groups, other than activities operating concessions and managing public services, is calculated as the sum of discounted cash flows to infinity.

The recoverable value of concessions cash generating units is calculated as the sum of discounted cash flows over the remaining life of the concession agreement.

2.12. NON-CURRENT AND CURRENT OPERATING FINANCIAL ASSETS

These assets represent amounts receivable under public private partnerships and unconditional contractual rights to receive a specified or determinable amount of cash, resulting from the application of IFRIC 12. They are measured at amortised cost using the effective interest rate method, which, for these contracts, corresponds to the project's internal rate of return.

2.13. FINANCIAL INSTRUMENTS

2.13.1. Financial assets and financial liabilities

Financial assets comprise available-for-sale financial assets, held-to-maturity investments, financial assets measured at fair value through profit and loss, derivative instruments, operating loans and receivables, and cash and cash equivalents.

Financial liabilities comprise loans, other financing and bank facilities, derivative instruments and operating payables.

That part of the loans that is expected to be settled within 12 months after the balance sheet date is reported under current liabilities.

The potential borrowings corresponding to the securitisation programme would be reported under this heading. At 31 December 2010, the credit line related to this programme was in the course of being renewed for five years. The renewal of this programme is expected to be finalised in the first quarter of 2011.

The financial assets and financial liabilities indicated above are recognised and subsequently measured in accordance with IAS 39, "Financial Instruments: Recognition and Measurement".

2.13.2. Recognition and subsequent measurement

- a) Loan and receivables are recognised initially at fair value plus directly attributable transaction costs. Subsequently, they are measured at their amortised cost using the effective interest rate method, less any impairment losses.

- b) Available-for-sale financial assets comprise mainly non-consolidated participating interests, as well as 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 to equity. The carrying value for non-consolidated interests corresponds to their fair value. Impairment losses are recognised when it is expected there will be a significant and lasting deterioration in profitability. 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. 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 also measured at fair value through profit or loss. They comprise cash on hand, demand deposits, which are measured at their initial value, 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 pursuant to the Group's investment policy.

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 initially at fair value less transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

- f) Commitments to buy out minority interests are treated as a debt, being 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 adjustments to the assumptions underpinning their valuation are recorded as financial liabilities, the offsetting entry being to goodwill for commitments arising from acquisitions prior to the date of application of IFRS 3 (revised) by the Group and to profit or loss for acquisitions completed on or after 1 January 2010.

- g) Derivative financial instruments used by the Group to hedge exposure to changes 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 institutions having issued the instruments) are recorded under gains and losses recognised directly to 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.

2.14. 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 accordingly are stated at the lower of cost and net realisable value.

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2.15. 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, they are measured at amortised cost, an impairment loss being recognised when applicable to take irrecoverable amounts into account.

Gross 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 financing, 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.

2.16. 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 in the balance sheet under investments in associates.

Deferred tax assets and liabilities are not discounted to their present value.

2.17. SHARE CAPITAL

Treasury shares

As required by IAS 32, Eiffage shares held by the Group are deducted from equity at the amount at which purchased.

2.18. PROVISIONS

Non-current provisions

Non-current provisions include the non-current portion i.e. liability in excess of one year of the following:

Provisions for maintaining infrastructures in condition

Given the obligation, under the service concession arrangements, to maintain to a specified condition the infrastructures represented by intangible assets as explained in Note 2.9, provisions have been determined by reference to the replacement cost of certain parts of motorway infrastructures. Provisions are set aside over the estimate useful life of the assets to be replaced. The amounts obtained are then restated at their balance sheet date value applying the average interest rate negotiated by the Group for financing this activity.

Retirement benefit obligations

These concern long-term employee benefits in respect of indemnities payable upon the employee's voluntary 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 grade, age and past service of each employee;
- the expected age on retirement (63 years);
- turnover calculated by business line, age band and category;
- the individual average monthly 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 applicable to the expected obligation on the retirement date (4.50%), determined by reference to the iBoxx AA over 10 Year Corporate index;
- official actuarial tables for France (source: TH/TF Insee 04-06); and
- the application of the voluntary 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.

The 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, civil engineering and metallurgy sectors 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.

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

Other than those detailed above, the Group has no obligations towards employees in respect of healthcare cover and is not therefore affected by changes in medical expenses.

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. The number of training hours to which employees were entitled at 31 December 2010 was 5.2 million.

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. The corresponding charge is spread over the rights' vesting period.

Capital increases reserved for 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 group 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 liabilities or claims of a specific nature which are material in relation to the Group's ordinary activities.

2.22. OTHER FINANCIAL INCOME AND EXPENSES

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 at the end of the contract, or over the contract's duration if there is no such assurance. The offsetting credit entry is to borrowings, the obligation being amortised over the duration of the leasing contract.

3 MANAGEMENT OF FINANCIAL RISKS

At 31 December 2010, the Group had no exposure to a concentration of any of the financial risks below. Furthermore, the State, regional and local authorities account for over 50% of the Group's activity in France.

Exposure to interest rate risk

For its activities involved with concessions and utilities management, 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.

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In connection with its contracting activities in particular, the Group has defined a policy for arranging and renewing confirmed credit lines amounting to €760 million, of which most are available out to 2015. At 31 December 2010, the Group had drawn €230 million against these lines.

In addition, the Group is in the process of renewing for five years its €400 million trade receivables securitisation programme; this process is expected to be completed in the first quarter of 2011.

Exposure to credit risk

With regard to the management of credit risk, the Group's revenue is generated in two main activities.

As regards concessions and utilities management 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. This is limited to the sourcing of supplies for which prices on world markets are prone to sharp fluctuations.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT

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 in 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 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 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); and
- impairment tests (key assumptions used to determine recoverable amounts: model and discount rate).

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.

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 the technical and contractual constraints specific to each contract.

5 CONSOLIDATION SCOPE

5.1. CONSOLIDATION OF APRR GROUP

Control over Autoroutes Paris Rhin Rhône (APRR) and its subsidiaries is exercised through Financière Eiffarie, which is majority controlled by the Group (50% of the capital plus one share) and which in turns controls 98.23% of the capital of APRR.

5.2. CHANGES IN THE CONSOLIDATION SCOPE

Changes in consolidation scope of the Construction, Public Works, Energy and Metal divisions had the following impacts on the balance sheet:

■ non-current assets:	€47 million;
■ current assets:	€33 million;
■ non-current liabilities:	€7 million;
■ current liabilities:	€34 million.

As regards the income statement, companies added to the consolidation scope contributed revenue of €257 million, an operating loss of €3 million and a net loss of €4 million*.

The net impact of these changes in the consolidation scope on the cash position was a €32 million reduction after taking into account the net cash position of the companies acquired.

The increase in the interest held in the APRR Group, which has been accounted for in accordance with the provisions of IAS 27 (revised), resulted in the investment being recognised directly to equity, which reduced total equity by €974 million.

Of this amount, €221 million was recognised against the Group's share and €753 million against minority interests.

* Includes impact in 2010 of companies consolidated for the first time in 2009, notably Eiffage Rail (formerly Heitkamp Rail)

6 SEGMENT REPORTING

6.1. SEGMENT REPORTING FOR 2010

Information by operating segments

	Construction	Public Works	Energy	Metal	Concessions and utilities management	Holding	Eliminations	Total
Income statement								
Revenue from continuing operations	3,656	3,865	3,003	707	2,310	12	–	13,553
Inter-segment sales	74	65	84	24	1	105	–353	–
Total	3,730	3,930	3,087	731	2,311	117	–353	13,553
Operating profit on ordinary activities	157	65	49	17	775	–22	–	1,041
Operating profit	144	57	37	15	775	–21	–	1,007

Information by geographical area

	France	Rest of world
Revenue from continuing operations	11,536	2,017

6.2. SEGMENT REPORTING FOR 2009

Information by operating segments

	Construction	Public Works	Energy	Metal	Concessions and utilities management	Holding	Eliminations	Total
Income statement								
Revenue from continuing operations	3,817	3,744	3,115	678	2,273	12	–	13,639
Inter-segment sales	50	54	71	21	1	95	–292	–
Total	3,867	3,798	3,186	699	2,274	107	–292	13,639
Operating profit on ordinary activities	145	121	64	19	706	–38	–	1,017
Operating profit	108	85	36	15	701	–38	–	907

Information by geographical area

	France	Rest of world
Revenue from continuing operations	11,749	1,890

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7 NON-CURRENT ASSETS (OTHER THAN DEFERRED TAX)**7.1. IN 2010****A) Cost or valuation**

	At 1 January 2010	Changes in consolidation scope	Translation difference	Depreciation charge for the year	Disposals	At 31 December 2010
Land	404	15	–	7	–9	417
Buildings	383	18	–	19	–5	415
Technical installations, equipment and tooling	1,055	63	1	116	–83	1,152
Other property, plant and equipment	1,308	–28	–	153	–92	1,341
Total property, plant and equipment ⁽¹⁾	3,150	68	1	295	–189	3,325
Investment property	7	–	–	–	–	7
Intangible assets arising from concessions	18,521	9	–	721	–1	19,250
Goodwill ⁽²⁾	2,830	14	6	–	–	2,850
Other intangible assets	252	9	–	40	–6	295
Investments in associates	127	25	–	4	–19	137
Non-current operating financial assets	679	–1	–	350	–	1,028
Unlisted participating interests	70	2	–	1	–2	71
Receivables relating to participating interests	59	–	–	5	–	64
Loans	100	–4	–	–	–	96
Other non-current financial assets	25	–3	–	–	–	22
Total other financial assets	254	–5	–	6	–2	253
Total cost or valuation	25,820	119	7	1,416	–217	27,145

B) Accumulated depreciation and impairment

	At 1 January 2010	Changes in consolidation scope	Translation difference	Depreciation charge for the year	Disposals	At 31 December 2010
Land	65	3	–	11	–9	70
Buildings	167	1	–	19	–4	183
Technical installations, equipment and tooling	669	21	–	125	–70	745
Other property, plant and equipment	897	12	–	127	–82	954
Total property, plant and equipment ⁽¹⁾	1,798	37	–	282	–165	1,952
Investment property	–	–	–	–	–	–
Intangible assets arising from concessions	5,432	7	–	511	–1	5,949
Other intangible assets	168	6	–	19	–5	188
Investments in associates	–	–	–	–	–	–
Non-current operating financial assets	–	–	–	–	–	–
Unlisted participating interests	19	–1	–	1	–	19
Receivables relating to participating interests	3	–	–	–	–	3
Loans	–	–	–	–	–	–
Other non-current financial assets	1	–	–	–	–	1
Total other financial assets	23	–1	–	1	–	23
Total accumulated depreciation and impairment	7,421	49	–	813	–171	8,112
CARRYING AMOUNT (A-B)	18,399	70	7	603	–46	19,033

(1) The impact of restating finance leases in accordance with IAS 17 is summarised in the table below:

	Increase	Decrease
Cost or valuation	84	–78
Accumulated depreciation and impairment	67	–61
Carrying amount	17	–17

(2) No impairment loss was recognised in 2010.

7.2. IN 2009

A) Cost or valuation

	At 1 January 2009	Changes in consolidation scope	Translation difference	Depreciation charge for the year	Disposals	At 31 December 2009
Land	394	-1	-	12	-1	404
Buildings	356	19	-	24	-16	383
Technical installations, equipment and tooling	978	33	-	119	-75	1,055
Other property, plant and equipment	1,270	-10	-	138	-90	1,308
Total property, plant and equipment⁽¹⁾	2,998	41	-	293	-182	3,150
Investment property	11	-4	-	-	-	7
Intangible assets arising from concessions	17,762	6	-	755	-2	18,521
Goodwill ⁽²⁾	2,793	35	2	-	-	2,830
Other intangible assets	214	5	-	37	-4	252
Investments in associates	138	9	-	-	-20	127
Non-current operating financial assets	404	-1	-	276	-	679
Unlisted participating interests	79	-10	-	1	-	70
Receivables relating to participating interests	58	-2	-	3	-	59
Loans	71	2	-	27	-	100
Other non-current financial assets	22	-2	-	5	-	25
Total other financial assets	230	-12	-	36	-	254
Total cost or valuation	24,550	79	2	1,397	-208	25,820

B) Accumulated depreciation and impairment

	At 1 January 2009	Changes in consolidation scope	Translation difference	Depreciation charge for the year	Disposals	At 31 December 2009
Land	55	-1	-	11	-	65
Buildings	158	1	-	18	-10	167
Technical installations, equipment and tooling	590	22	-	120	-63	669
Other property, plant and equipment	845	7	-	122	-77	897
Total property, plant and equipment⁽¹⁾	1,648	29	-	271	-150	1,798
Investment property	-	-	-	-	-	-
Intangible assets arising from concessions	4,925	6	-	503	-2	5,432
Other intangible assets	151	3	-	17	-3	168
Investments in associates	-	-	-	-	-	-
Non-current operating financial assets	-	-	-	-	-	-
Unlisted participating interests	23	-4	-	1	-1	19
Receivables relating to participating interests	5	-2	-	-	-	3
Loans	-	-	-	-	-	-
Other non-current financial assets	1	-	-	-	-	1
Total other financial assets	29	-6	-	1	-1	23
Total accumulated depreciation and impairment	6,753	32	-	792	-156	7,421
CARRYING AMOUNT (A-B)	17,797	47	2	605	-52	18,399

(1) The impact of restating finance leases in accordance with IAS 17 is summarised in the table below:

	Increase	Decrease
Cost or valuation	70	-68
Accumulated depreciation and impairment	67	-55
Carrying amount	3	-13

(2) No impairment loss was recognised in 2009.

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8 INTANGIBLE ASSETS ARISING FROM CONCESSIONS

The main concessions are the motorway network operated by APRR for €12,019 million, the motorway being built by A'liénor for €1,045 million, and the Millau Viaduct for €384 million.

APRR operates the motorway networks under two service concession arrangements that expire in 2032.

Five-year contract-based plans define the investment programmes associated with these service concession agreements as well as the method for adjusting tolls during the period covered by the plans.

The A'liénor motorway is a 150-kilometre concession granted for 60 years, for which the tariffs are set by the public authorities.

The service concession arrangement for the Millau Viaduct expires in 2079. The contract sets the tariffs charged to users of the viaduct and the conditions under which these tariffs are revised each year.

9 GOODWILL

Goodwill is allocated to the cash generating unit (CGU) groups defined by the Group based on the operating divisions, as shown below.

	December 31, 2009	Acquisitions	Disposals	December 31, 2010
Construction	422	7	–	429
Public Works	241	9	–	250
Energy	507*	1	–	508
Metal	92*	3	–	95
Concessions and Utilities Management	1568	–	–	1,568
TOTAL	2,830	20	–	2,850

* After reclassifying €52 million from the Energy division to the Metal division to reflect the sale of the industrial services business by Forclum to Eiffel

Business combinations during the year ended

The Group has pressed on with its development in Germany, acquiring a company specialised in road works that has been attached to the Public Works division.

It also acquired a company that is a leader in glass structural facades and has been attached to the Metal division.

No equity instruments were issued in connection with the acquisitions completed in 2010.

As indicated in Note 2.11, goodwill is tested for impairment at least annually and whenever there is any indication of impairment in value.

In the prevailing environment, with continuing uncertainties about the economy emerging from the recent crisis on the one hand and strong competitive pressures on the other, discount rates and cash flows were estimated conservatively.

The main parameters used in the model are summarised in the table below:

CGU groups at the level of the operating segments	Discount rate*	
	2010	2009
Construction	7.1%	7.2%
Public Works	6.6%	6.8%
Energy	6.6%	6.8%
Metal	7.3%	7.5%
Concessions and Utilities Management	5.6%	5.8%

* After-tax discount rate as explained in Note 2.11.

The Group assumed that nil growth would be recorded by cash generating unit groups other than concessions. For concessions, the growth rate varies over the term of the concession according to various parameters that are consistent with each of the underlying service concession agreements.

Impairment tests performed on the goodwill did not indicate the need to recognise any impairment losses.

Reasonable changes to assumptions used for impairment tests performed in respect of each group of cash generating units do not necessitate the recognition of goodwill impairment losses.

Sensitivity analyses have been performed at the level of the operating segments by modifying assumptions regarding the discount rates and cash flows.

If discount rates are increased and/or cash flows are decreased, the breakeven points, i.e. the levels at which the carrying value of the operating segment would exceed its value in use, would be as indicated in the table below:

Operating segment	Breakeven point level of discount rate	Breakeven point reduction in cash flows
Construction	N/A ⁽¹⁾	N/A ⁽¹⁾
Public Works	10.6%	– 40%
Energy	9.4%	– 30%
Metal	9.4%	– 20%

⁽¹⁾ Capital employed by this activity is negative (resources exceed working capital).

10 INVESTMENTS IN ASSOCIATES

Investments in associates correspond to the Group's shareholdings in Adelac, Norscut, Société Marseillaise du Tunnel Prado Carénage (SMTPC), Société Prado Sud, TP Ferro and various other companies, involved mainly in the production of building materials or in property development.

Key financial data concerning significant investments in associates is summarised below:

2010	Adelac	Espace Midi	Est Granulats *	Jourdan Brussels Hôtel**	Norscut	SMTPC	Société Prado-Sud	TP Ferro	Unibridge
At 100%									
Revenue from continuing operations	27.6	–	–	8.4	90.6	34.7	–	–	2.2
Operating profit on ordinary activities	7.9	–1.3	–	–0.2	49.0	16.8	–	–	0.1
Operating profit	7.0	–1.3	–	–0.2	49.0	16.8	–	–	0.1
Profit for the period	–19.1	11.2	–	–0.7	4.4	9.3	–	–	–
Equity at 31 December 2010	56.8	21.2	48.5	3.3	2.1	65.7	9.0	36.8	9.1
Property, plant and equipment	12.6	–	33.8	23.5	–	4.5	–	3.1	–
Intangible assets arising from concessions	788.8	–	–	–	500.9	105.2	39.1	696.6	–
Other intangible assets	–	–	2.0	0.1	–	0.3	–	0.2	7.9
Working capital requirements	57.1	–17.0	–	20.9	–0.1	1.8	–5.6	33.4	–1.1
Net financial position	–720.3	0.4	–	0.7	–512.3	–42.8	–39.4	–445.0	0.1
Book value of shares in the company financial statements	62.1	3.7	24.3	8.0	13.0	16.2	6.7	25.7	4.4
Percentage owned	24.5%	40.0%	50.0%	100.0%	36.0%	32.9%	41.5%	50.0%	49.0%
Group's share of the profit	–9.5	5.2	–	–0.7	1.6	3.2	–	–	–
Group's share of the equity (including profit)	13.9	8.5	24.3	3.3	0.7	21.6	3.7	18.4	4.4
Investment at market value	–	–	–	–	–	47.7	–	–	–

* Company acquired at the end of December 2010, which is why no operating data is reported above.

** This company's management has been entrusted by the Group to a third party under a management agreement.

2009	Adelac	Espace Midi	Jourdan Brussels Hôtel*	Norscut	SMTPC	Société Prado-Sud	TP Ferro	Unibridge
At 100%								
Revenue from continuing operations	25.6	1.5	7.8	111.5	33.9	–	–	6.0
Operating profit on ordinary activities	7.7	–	–0.2	43.9	18.2	–	1.5	–
Operating profit	7.5	–	–0.2	43.9	18.1	–	1.5	–
Profit for the period	–18.3	0.5	–0.7	–2.5	10.3	–	–0.4	–
Equity at 31 December 2009	85.9	14.5	4.1	–3.5	46.4	26.1	39.7	9.0
Property, plant and equipment	14.1	–	24.5	–	4.3	–	–	–
Intangible assets arising from concessions	798.8	–	–	823.2	96.2	26.6	634.3	–
Other intangible assets	–	–	0.2	16.1	0.4	–	–	9.0
Working capital requirements	42.2	–4.8	20.9	20.2	1.7	1.2	53.7	0.2
Net financial position	–693.6	1.8	0.3	–822.7	–51.7	0.7	–372.5	0.3
Book value of shares in the company financial statements	62.1	5.5	8.0	13.0	16.2	6.7	25.7	4.4
Percentage owned	20.7%	40.0%	100.0%	36.0%	32.9%	41.5%	50.0%	49.0%
Group's share of the profit	–9.2	0.2	–0.8	–0.9	3.1	–	–0.2	–
Group's share of the equity (including profit)	17.8	3.3	4.1	–1.3	21.3	6.9	19.9	4.4
Investment at market value	–	–	–	–	53.5	–	–	–

*This company's management has been entrusted by the Group to a third party under a management agreement.

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Changes are analysed in the table below:

At 1 January 2009	138
2009 loss	-4
Dividends distributed	-9
Capital increase	12
Change in fair value of financial instruments	-7
Other	-3
At 31 December 2009	127
2010 profit	4
Dividends distributed	-7
Capital reduction	-2
Change in fair value of financial instruments	-9
Other*	24
AT 31 DECEMBER 2010	137

* Mainly the share of the equity of Est Granulats, acquired at the end of 2010.

11 INVENTORIES

	2010	2009
Raw materials and other supplies	145	135
Property inventories and work in progress	312	279
TOTAL	457	414

12 TRADE AND OTHER RECEIVABLES

	2010			2009
	Gross	Provisions	Net	Net
Construction	1,335	34	1,301	1,038
Public Works	1,034	35	999	1,126
Energy	1,140	35	1,105	1,123
Metal	287	5	282	215
Concessions and Utilities Management	112	3	109	95
Other	2	-	2	1
TOTAL	3,910	112	3,798	3,598

13 AGEING OF PAST DUES

	2010	2009
Due for less than 3 months	506	546
Due for between 3 and 6 months	92	89
Due for more than 6 months	212	172
TOTAL DUE	810	807

The amounts due reported above relate to a very large number of customers on which the credit risk is extremely diluted. Amounts due for more than three months represent 8% of trade receivables.

14 ADDITIONAL INFORMATION ON CONSTRUCTION CONTRACTS

	2010	2009
Revenue recognised during the period	9,793	9,499
For contracts in progress at the balance sheet date:		
• Contract costs incurred plus recognised profits less recognised losses to date	10,426	9,198
• Advances received from contract customers	522	393
• Amounts retained by contract customers	17	27
• Amounts due from contract customers	1,102	976
• Amounts due to contract customers	652	709

15 OTHER ASSETS

	2010	2009
Payments on account	16	29
French State	444	469
Current accounts with joint ventures and non-consolidated companies	468	484
Miscellaneous debtors	110	124
Prepayments	98	99
TOTAL	1,136	1,205

16 INCOME TAX

Taxes reported in the income statement and in the statement of comprehensive income comprise both current and deferred taxes.

16.1. SUMMARY OF CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

	2010	2009
Current taxes		
Reported as assets	6	20
Reported as liabilities	82	73
Net liability	76	53
Deferred taxes		
Reported as assets	683	560
Reported as liabilities	1,620	1,678
Net liability	937	1,118

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16.2. ANALYSIS OF DEFERRED TAX ASSETS AND LIABILITIES

	2010	2009
Assets resulting from		
Retirement indemnities	64	61
Timing differences	228	227
Valuation differences	–	–
Tax losses	424	348
Financial instruments at fair value	158	106
Other	1	1
Deferred tax assets and liabilities netted off within same tax entities	–192	–183
Deferred tax assets	683	560
Liabilities arising from:		
Timing differences	294	298
Valuation differences	1,510	1,557
Fair value of financial assets	–	–
Fair value of financial instruments	8	6
Finance leases	–	–
Deferred tax assets and liabilities netted off within same tax entities	–192	–183
Deferred tax liabilities	1,620	1,678

16.3. INCOME TAX EXPENSE

	2010	2009
Current tax	–323	–289
Deferred tax	140	144
TOTAL	–183	–145

16.4. DEFERRED TAX RELATING TO ITEMS RECOGNISED DIRECTLY TO EQUITY

	2010	2009
Assets	46	29
Liabilities	5	5

16.5. RECONCILIATION OF THEORETICAL TAX CHARGE TO EFFECTIVE TAX CHARGE

	2010	2009
Net profit for the year	326	269
Income tax expense	183	145
Share of profit (loss) of associates	–4	4
Profit before tax	505	418
Tax rate applicable to the Parent (domestic income tax rate)	34.43%	34.43%
Tax on the profit before tax as determined above	174	144
Permanent differences	6	–5
Effect of different tax rates applicable to subsidiaries operating in other jurisdictions	3	6
Income taxed at lower rates	–	–
Changes in deferred tax arising from changes in the Group's tax situation	–	–
Income tax expense as reported	183	145

16.6. UNRECOGNISED TAX LOSSES

No deferred tax asset was recognised in respect of the following tax losses because of uncertainties that relief would be obtained:

	2010	2009
Unrecognised tax losses	60	42

17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	2010	2009
Assets		
Marketable securities*	358	596
Cash at bank and in hand*	516	455
	874	1,051
Less deposits in connection with securitisation programmes	-9	-9
A	865	1,042
Liabilities		
Bank overdrafts	133	74
B		
CASH AND CASH EQUIVALENTS AT 31 DECEMBER (SEE CASH FLOW STATEMENT) A - B	732	968

* Investment in money market UCITS (exclusively very short-dated money market instruments) and sight bank certificates of deposit.

18 WORKING CAPITAL REQUIREMENTS

	31 December 2010	31 December 2009	Movements		
			Relating to ordinary activities	Due to fixed asset suppliers	Changes in consolidation scope and other
Inventories	457	414	34	-	9
Trade and other receivables	3,798	3,598	187	-	13
Other assets	1,136	1,205	-177	-	108
Sub-total - Operating assets	5,391	5,217	44	-	130
Trade and other payables	2,676	2,763	-123	41	-5
Other liabilities	3,222	3,022	69	-	131
Sub-total - Operating liabilities	5,898	5,785	-54	41	126
WORKING CAPITAL REQUIREMENTS	507	568	-98	41	-4

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.

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19 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

AT 31 DECEMBER 2010

Financial assets

	Accounting category*						Method for determining fair value		
	Carrying value	Financial assets available for sale	Financial assets at fair value through P&L	Loans and receivables	Hedging financial instruments	Fair value	Quoted prices on active market	Model using observable market data	Model using non-observable data
Non-current operating financial assets	1,028	–	–	1,028	–	1,028		X	
Other non-current financial assets	230	129	–	96	5	230		X	
Trade and other receivables	3,798	–	–	3,798	–	3,798		X	
Current operating financial assets	6	–	–	6	–	6		X	
Other current operating receivables	594	–	–	594	–	594		X	
Cash and cash equivalents	874	–	874	–	–	874	X	X	
TOTAL	6,530	129	874	5,522	5	6,530			

* There was no reclassification between financial asset categories in 2010. Note that there are no assets falling to be accounted for as held to maturity.

Financial liabilities

	Accounting category					Method for determining fair value		
	Carrying value	Liabilities at amortised cost	Financial liabilities at fair value through P&L	Hedging financial instruments	Fair value	Quoted prices on active market	Model using observable market data	Model using non-observable data
Loans and other debts	14,840 ⁽¹⁾	14,302	–	538 ⁽²⁾	15,181		X	
Trade payables	2,676	2,676	–	–	2,676		X	
Other operating debts	1,305	1,305	–	–	1,305		X	
TOTAL	18,821	18,283	–	538	19,162			

⁽¹⁾ Of which €11,685 million representing 100% of the debt of the fully consolidated Financière Eiffage group (see Note 5.1).

⁽²⁾ No ineffectiveness was observed in respect of hedging instruments.

AT 31 DECEMBER 2009

Financial assets

	Accounting category*						Method for determining fair value		
	Carrying value	Financial assets available for sale	Financial assets at fair value through P&L	Loans and receivables	Hedging financial instruments	Fair value	Quoted prices on active market	Model using observable market data	Model using non-observable data
Non-current operating financial assets	679	–	–	679	–	679		X	
Other non-current financial assets	231	124	–	100	7	231		X	
Trade and other receivables	3,598	–	–	3,598	–	3,598		X	
Current operating financial assets	5	–	–	5	–	5		X	
Other current operating receivables	637	–	–	637	–	637		X	
Cash and cash equivalents	1,051	–	1,051	–	–	1,051	X	X	
TOTAL	6,201	124	1,051	5,019	7	6,201			

* There was no reclassification between financial asset categories in 2009. Note that there are no assets falling to be accounted for as held to maturity.

Financial liabilities

	Accounting category				Method for determining fair value			
	Carrying value	Liabilities at amortised cost	Financial liabilities at fair value through P&L	Hedging financial instruments	Fair value	Quoted prices on active market	Model using observable market data	Model using non-observable data
Loans and other debts	13,545 ⁽¹⁾	13,157	–	388 ⁽²⁾	14,026		X	
Trade payables	2,763	2,763	–	–	2,763		X	
Other operating debts	1,672	1,672	–	–	1,672		X	
TOTAL	17,980	17,592	–	388	18,461			

(1) Of which €11,362 million representing 100% of the debt of the fully consolidated Financière Eiffarie group.

(2) No ineffectiveness was observed in respect of hedging instruments.

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20 ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY REMAINING MATURITY

Net debts analysed by remaining maturity (capital and interest).

AT 31 DECEMBER 2010

	Carrying value	Capital and interest	Under 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Financial assets:								
cash and cash equivalents								
Marketable securities	358							
Cash at bank and in hand	516							
Sub-total – Financial assets (I)	874							
Financial liabilities:								
current and non-current								
Non-current bank loans and bonds and equivalent	12,962	12,817		656	5,025	1,151	1,419	4,566
Derivative instruments	539							
Non-current loans	13,501	12,817		656	5,025	1,151	1,419	4,566
Portion of non-current loans maturing in less than one year	1,019	970	970					
Current loans and other financial liabilities	320	142	142					
<i>Interest in respect of financial liabilities</i>		5,668	555	524	546	461	424	3,158
Sub-total – Financial liabilities (II)	14,840	19,597	1,667	1,180	5,571	1,612	1,843	7,724
NET DEBT (I – II)	– 13,966							
Trade payables	2,676	2,676	2,676	–	–	–	–	–

The capital and interest flows presented above concern the debt such as reported in the balance sheet at 31 December 2010. The amounts as analysed above do not take into account any early loan repayments or loans likely to be entered into in the future.

Interest payments included cash flows in respect of derivative instruments, both assets and liabilities, which have not been restated at their present value. These instruments consist in interest rate swaps.

Interest payments on variable rate loans are based on interest rates in force as at 31 December 2010. For loans bearing fixed interest on a nominal value indexed to inflation, the assumption was that inflation would be 2.25% per annum in the future.

Payments in respect of accrued interest due on current loans and other financial liabilities are included in the interest payments described above.

At 31 December 2010, the Eiffage/APRR group, the VP1 group (holding company controlling Compagnie Eiffage du Viaduc de Millau), A'Liéonor and certain public private partnerships carried debt amounting to €13,178 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 APRR, it is planned to obtain refinancing as and when needed from various sources, including bond issuance, bank loans and by drawing down against the existing credit line. In 2010, APRR arranged for the issue of €200 million of bonds maturing in January 2015 as part of its Euro Medium Term Note (EMTN) programme put into place in 2007 amounting to €6,000 million (supplementing previous issues amounting to €700 million). No new bank financing was arranged in 2010, however. As regards APRR's seven-year revolving credit totalling €1,800 million put into place in 2006, the amount drawn down against this facility increased by €40 million, from €800 million at 31 December 2009 to €840 million at 31 December 2010.

AT 31 DECEMBER 2009

	Carrying value	Capital and interest	Under 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Financial assets:								
cash and cash equivalents								
Marketable securities	596							
Cash at bank and in hand	455							
Sub-total – Financial assets (I)	1,051							
Financial liabilities:								
current and non-current								
Non-current bank loans and bonds and equivalent	12,299	12,131		604	623	4,965	1,159	4,780
Derivative instruments	388							
Non-current loans	12,687	12,131		604	623	4,965	1,159	4,780
Portion of non-current loans maturing in less than one year	595	541	541					
Current loans and other financial liabilities	263	99	99					
Interest in respect of non-current financial liabilities		5,473	536	527	498	445	493	2,974
Sub-total – Financial liabilities (II)	13,545	18,244	1,176	1,131	1,121	5,410	1,652	7,754
NET DEBT (I – II)	- 12,494							
Trade payables	2,763	2,763	2,763	-	-	-	-	-

21 ANALYSIS OF FINANCIAL LIABILITIES BY NATURE

AT 31 DECEMBER 2010

Characteristics	Currency	Fixed rate	Variable rate	Fixed rate on indexed nominal	Adjustable rate	Total
Non-current loans						
Bank loans	Euro	9,885	1,820	1,358		13,063
	Czech koruna		8			8
Interest rate swaps	Euro	538				538
Finance leases	Euro	189				189
	Czech koruna	1				1
Other loans	Euro		678			678
Sundry	Euro	43				43
		10,656	2,506	1,358	-	14,520
Current loans and other financial liabilities						
Bank overdrafts	Euro		130			130
	Moroccan dirham		2			2
	Czech koruna		1			1
Accrued interest	Euro	178				178
Employee profit sharing	Euro				1	1
Sundry	Euro	8				8
		186	133	-	1	320
TOTAL FINANCIAL LIABILITIES ⁽¹⁾		10,842	2,639	1,358	1	14,840 ⁽¹⁾

(1) The fair value of financial liabilities amounted to €15,181 million at 31 December 2010.

A one percentage point change in interest rates, applied to the balances at 31 December 2010 net of derivatives and taking into account the terms of the financing agreements, would increase net finance costs by €24 million before taking tax into account.

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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 consolidated Eiffarie group, defined contractually as follows:

■ **Debt coverage ratio** (terms that correspond to specific contractual definitions) equal to or less than 9.39 at 31 December 2010;

■ **Debt service ratio** (terms that correspond to specific contractual definitions) equal to or more than 1.10 over the term of the loan.

These ratios came to 7.85 and 1.98 respectively on 31 December 2010.

Non-compliance with either of these two 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;

■ **EBITDA/net finance** cost of more than 2.2.

These two ratios came to 5 and 4.5 respectively on 31 December 2010.

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

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

■ **Annual debt service ratio calculated** for the year preceding the date of calculation and for each of the next five years, equal to or more than 1.05;

■ **Debt coverage ratio calculated** over the terms of the loans, equal to or more than 1.15;

■ **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 second half of 2010, with values of between 1.40 and 1.92 for the first ratio and of 1.45 and 1.76 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.

Optimep 4, which is party to public private partnership agreements for four prisons, has undertaken with regard to the lenders in the project-specific financing agreements arranged for a total of €257 million in February 2006, to comply with a number of ratios calculated on 21 May and 21 November of each year by reference to a financial model and applying definitions specific to each financing agreement:

■ **Debt service ratio** (terms that correspond to specific contractual definitions) equal to or less than 1.05;

■ **Actual annual debt service ratio and forecast annual debt service ratio** (terms that correspond to specific contractual definitions) equal to or more than 1.05 in both cases;

■ **Debt coverage ratio**, corresponding to the present value of future debt servicing over the outstanding debt at the date of calculation, equal to or more than 1.10.

Optimep 4 complied with all of these ratios when they were last calculated in November 2010. The first ratio came to 1.05 and the other three to 1.54, 1.50 and 1.24, respectively.

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

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

■ **Actual annual debt service ratio** equal to or more than 1.05;

■ **Forecast annual debt service ratio** equal to or more than 1.05;

■ **Debt coverage ratio**, corresponding to the present value of future debt servicing over the outstanding debt at the date of calculation, equal to or more than 1.10.

When these ratios were last calculated on 31 December 2010, they came to 1.90, 1.92 and 1.96, respectively.

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

22 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 conferring entitlement 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 2009 attributable to the equity holders of the parent, which amounted to €190 million, dividends amounting to €104 million were distributed, the balance being transferred to consolidated reserves.

22.1. COMPOSITION OF AND CHANGES IN SHARE CAPITAL

The capital is composed of 90,000,000 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	Treasury shares	Number of shares in circulation
At 1 January 2009	91,583,342	-2,544,473	89,038,869
Purchases, sales, allotments and cancellations of treasury shares	-1,583,342	-872,784	-2,456,126
At 31 December 2009	90,000,000	-3,417,257	86,582,743

In 2009, in connection with plans for the allocation of options and bonus shares, the Group purchased 1,740,662 Eiffage shares and proceeded to allot 163,780 of these shares. Further to the authorisation given to the Board of Directors to cancel shares held in treasury, the Group purchased 799,244 Eiffage shares in 2009. When it met on 26 February 2009, the Board of Directors decided to cancel 1,583,342 of these shares.

In December 2009, Eiffage entered into a liquidity agreement with an investment services provider. Under this agreement it purchased 117,485 of its own shares and sold 37,485.

At 1 January 2010	90,000,000	-3,417,257	86,582,743
Capital increase reserved for employees	186,458		186,458
Purchases, sales, allotments and cancellations of treasury shares	-186,458	324,425	137,967
At 31 December 2010	90,000,000	-3,092,832	86,907,168

In 2010, in connection with plans for the allocation of options and bonus shares, the Group allotted 165,850 Eiffage shares.

When it met on 21 April 2010, the Board of Directors decided to cancel 186,458 shares.

As part of the liquidity agreement entered into in December 2009, Eiffage purchased 777,550 of its own shares and sold 749,677.

22.2. CHANGES IN THE CARRYING VALUE OF TREASURY SHARES

	2010	2009
At 1 January	181	158
Purchases	29	101
Sales	-50	-25
Cancellations	-7	-53
AT 31 DECEMBER	153	181

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23 PROVISIONS

2010

	At 1 January	Changes in consolidation scope and translation differences	Additional provisions in the year	Utilisation of provisions	Reversal of provisions	Other	At 31 december
Provisions for maintaining in condition infrastructures held under concessions*	262	–	39	–44	–	–3	254
Provisions for retirement indemnities	183	1	19	–15	–	–1	187
Provisions for long-service medals	25	–	4	–1	–	–	28
Other non-current provisions	–	–	–	–	–	–	–
Non-current provisions	470	1	62	–60	–	–4	469
Provisions for maintaining in condition infrastructures held under concessions	48	–	–	–	–	3	51
Provisions for losses at completion	48	2	45	–40	–1	–	54
Provisions for restructuring	19	–	10	–11	–2	–	16
Provisions for property risks	17	–	5	–9	–	–	13
Provisions for guarantees given	98	2	34	–18	–17	–2	97
Provisions for disputes and penalties	86	3	44	–15	–19	1	100
Provisions for retirement indemnities	10	–	–	–	–	1	11
Provisions for long-service medals	3	–	–	–	–	–	3
Provisions for other liabilities	229	1	39	–39	–24	–	206
Current provisions	558	8	177	–132	–63	3	551

* Additional provisions include a discounting effect for €11 million.

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

2009

	At 1 January	Changes in consolidation scope and translation differences	Additional provisions in the year	Utilisation of provisions	Reversal of provisions	Other	At 31 december
Provisions for maintaining in condition infrastructures held under concessions*	259	–	17	–1	–	–13	262
Provisions for retirement indemnities	187	–1	11	–13	–	–1	183
Provisions for long-service medals	23	–	4	–2	–	–	25
Other non-current provisions	1	–	–	–1	–	–	–
Non-current provisions	470	–1	32	–17	–	–14	470
Provisions for maintaining in condition infrastructures held under concessions	29	3	–	–	–	16	48
Provisions for losses at completion	33	–	40	–25	–	–	48
Provisions for restructuring	19	–	16	–16	–	–	19
Provisions for property risks	15	–	3	–1	–	–	17
Provisions for guarantees given	89	–	37	–24	–4	–	98
Provisions for disputes and penalties	83	2	31	–26	–4	–	86
Provisions for retirement indemnities	9	–	1	–	–	–	10
Provisions for long-service medals	3	–	–	–	–	–	3
Provisions for other liabilities	255	–5	70	–59	–10	–22	229
Current provisions	535	–	198	–151	–18	–6	558

* Additional provisions include a discounting effect for €10 million.

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

24 RETIREMENT INDEMNITIES

The early application of the December 2004 amendment to IAS 19 would have resulted in the Group recognising directly as a reduction in equity the after-tax actuarial difference at 31 December 2010, i.e. €17.2 million net of deferred tax of €9 million.

A) ASSUMPTIONS USED

Employees of the Group in France are paid indemnities as a lump sum when they leave on retirement.

	2010	2009
Key assumptions used:		
Discount rate	4.50%	5.00%
Rate of inflation	2.00%	2.00%
Expected return on plan assets	4.50%	5.00%
Rate of wage and salary increases	3.00%	3.00%
Social security charges	45.00%	45.00%

Assumptions regarding staff turnover are determined by sector of activity and by age band.

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B) CHANGE DURING THE YEAR

	2010	2009
Actuarial obligation at 1 January	177.1	156.8
Change in consolidation scope	1.0	-1.1
Cost of past services (Staff benefits expense)	10.1	8.5
Interest on actuarial obligation (Other financial income and charges)	8.9	9.6
Benefits paid	-16.3	-20.1
Plan modifications	5.8	-
Actuarial losses (gains) generated	18.7	23.4
ACTUARIAL OBLIGATION AT 31 DECEMBER	205.3	177.1

C) PLAN ASSETS

	2010	2009
Plan assets at 1 January	6.9	5.7
Change in consolidation scope	-	1.9
Plan contributions	0.3	0.3
Expected return on plan assets	0.3	0.5
Actuarial losses (gains)	0.1	-0.7
Benefits paid	-0.8	-0.8
PLAN ASSETS AT 31 DECEMBER	6.8	6.9

D) CHANGE IN ACTUARIAL OBLIGATION AND PLAN ASSETS

	2010	2009	2008	2007	2006
Actuarial obligation	205.3	177.1	156.8	140.2	191.0
Plan assets	6.8	6.9	5.7	7.1	7.8
DIFFERENCE	198.5	170.2	151.1	133.1	183.2

E) DEFERRED ITEMS

Actuarial liability

	2010	2009
At 1 January	8.0	-16.5
Change in consolidation scope	-0.2	-
Losses (gains) on actuarial liability	18.4	24.5
AT 31 DECEMBER	26.2	8.0

Cost of past services

	2010	2009
At 1 January	-15.7	-15.6
Increase	5.7	-
Amortised during the year (Staff benefits expense)	-0.3	-0.1
AT 31 DECEMBER	-10.3	-15.7

F) RECONCILIATION OF PROVISION RECOGNISED IN THE BALANCE SHEET TO THE ACTUARIAL LIABILITY

	2010	2009
Provision recognised in the balance sheet	182.6	177.9
Actuarial differences	26.2	8.0
Cost of past services	- 10.3	- 15.7
Plan assets	6.8	6.9
ACTUARIAL LIABILITY	205.3	177.1

G) SENSITIVITY ANALYSIS

A 0.5 percentage point change in the discount rate has a 5% impact on the actuarial liability in respect of retirement indemnities.

25 TRADE AND OTHER PAYABLES

	2010	2009
Trade payables	2,498	2,631
Due to fixed asset suppliers	178	132
TOTAL	2,676	2,763

26 OTHER LIABILITIES

	2010	2009
Payments on account	165	192
Taxes due to the French state	767	765
Current accounts with joint ventures and non-consolidated companies	174	152
Miscellaneous creditors	966	1,328
Deferred income	1,150	585
TOTAL	3,222	3,022

27 AVERAGE HEADCOUNT

The table below indicates the average number of employees at consolidated subsidiaries:

	2010	2009
Managers	10,906	9,353
Technical and supervisory staff	20,286	21,157
Workers	39,777	40,448
TOTAL	70,969	70,958

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28 RELATED PARTY TRANSACTIONS

Transactions with associates mentioned in Note 10 were carried out on an arm's length basis.

REMUNERATION OF MANAGEMENT BODIES

The remuneration of management bodies (i.e. the Chairman and Managing Director and the members of the Board of Directors) is decided by the Board of Directors based on the proposals made by the Appointments and Compensation Committee.

Remuneration and other benefits granted to members of management bodies in respect of 2010 are summarised in the table below:

<i>In thousands of euros</i>	
Remuneration*	1,455
Employer's social security contributions	383
Board fees	464
TOTAL	2,302

* including benefits in kind for €5,000

No post-employment benefits or termination benefits are payable to any directors or corporate 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. 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 from the shares held in treasury.

30 RESERVES DISTRIBUTABLE BY EIFFAGE SA

	2010	2009
Share premium account	236	236
Other reserves	–	1
Retained earnings	2,785	2,648
Profit for the year	210	240
Minimum transfer to the legal reserve	–	–
TOTAL	3,231	3,125

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 period-end obligations under finance leases recorded under borrowings.

The amounts concerned are detailed below:

	2010		2009	
Net book value				
Land		6.4		6.4
Buildings		18.7		20.4
Technical installations		134.3		110.2
Other items of property, plant and equipment		64.4		74.6
Other non-current intangible assets		0.3		0.5
TOTAL		224.1		212.1
Obligations under finance leases:				
	Up to 1 year	66.5	Up to 1 year	73.1
	1 to 2 years	44.1	1 to 5 years	98.9
	2 to 3 years	33.7		
	3 to 4 years	13.1		
	4 to 5 years	6.6		
	Over 5 years	25.7	Over 5 years	11.9
TOTAL		189.7		183.9
Minimum remaining lease payments:				
	Up to 1 year	75.1	Up to 1 year	74.6
	1 to 2 years	49.1	1 to 5 years	105.5
	2 to 3 years	37.0		
	3 to 4 years	15.3		
	4 to 5 years	8.6		
	Over 5 years	27.4	Over 5 years	12.8
TOTAL		212.5		192.9

32 OTHER OPERATING INCOME (EXPENSES) FROM ORDINARY ACTIVITIES

	2010	2009
Share of profits of joint ventures	36	30
Other income from property transactions	5	4
Provisions on current assets	10	- 19
Profit on sale of equipment	16	7
Translation differences	- 1	1
Miscellaneous	12	5
TOTAL	78	28

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33 OTHER INCOME (EXPENSES) FROM OPERATIONS

	2010	2009
Risks of penalties and other risks	-2	-25
Restructuring	-28	-26
Profit on sale of land and buildings	1	4
Miscellaneous*	-5	-63*
TOTAL	-34	-110

* In 2009, this includes an exceptional distribution under discretionary employee profit sharing plans amounting to €52.5 million.

34 LOCAL BUSINESS TAX - TERRITORIAL ECONOMIC CONTRIBUTION

The Finance Act for 2010 repeals as from 1 January 2010 the local business tax (*Taxe Professionnelle* - TP) and replaces it with the Territorial Economic Contribution (*Contribution Economique Territoriale* - CET).

The Territorial Economic Contribution is composed of two different taxes: the Real Property Contribution (*Cotisation Foncière des Entreprises* - CFE), which is assessed only on the rental value of real estate assets, and the Contribution on Added Value (*Cotisation sur la Valeur Ajoutée des Entreprises* - CVAE).

The Group considers that, by nature, these two taxes are related to its activities and to the operations carried on by Group entities, and accordingly they are reported in the income statement from 2010 under taxes other than income tax.

35 OTHER FINANCIAL INCOME AND EXPENSES

	2010	2009
Profit (loss) on the disposal of participating interests	-2	4
Effect of discounting	-19	-19
Change in provisions and value of receivables	-5	-6
Other income of building material companies	4	4
TOTAL	-22	-17

36 CHARGES RELATING TO SHARE-BASED PAYMENTS

36.1. BONUS SHARE ISSUES

There was no bonus share issue in 2010.

Details of the various bonus share plans are summarised below:

Plan	15 May 2008	16 April 2008	18 April 2007
Number of shares allotted	12,700	113,590	108,100
Spot price of shares on allocation date	€58.20	€58.95	€108.04
Interest rate used for loan of Eiffage shares	2.40%	1.75%	4.50%
Risk-free rate on the allocation date	5.11%	4.51%	4.30%
Interest rate used for cost of carry	7.50%	7.50%	7.45%

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.

At the end of the two-year vesting period ownership of the shares is transferred definitively to the beneficiaries subject to certain requirements as regards employment and, in certain cases, performance.

36.2. SHARE PURCHASE OPTIONS

No share purchase options were granted in 2010.

Details of ongoing option plans are summarised below:

Plan	9 December 2009	26 February 2009	10 December 2008	13 June 2007	14 December 2005	10 December 2004	21 April 2004
Number of options granted	1,000,000	4,900	993,600	108,800	145,200	378,000	1,267,800
Option exercise price	€38.50	€36.35	€32.30	€101.50	€36.25	€25.50	€20.67
Expected volatility	35.00%	33.00%	33.00%	25.00%	20.00%	20.00%	20.00%
Risk-free rate on grant date	2.50%	3.43%	3.43%	4.87%	3.20%	2.59%	3.12%
Expected annual dividend growth	0.00%	0.00%	0.00%	20.00%	20.00%	20.00%	20.00%
Fair value of option on grant date	€7.23	€9.57	€9.57	€22.20	€7.20	€4.68	€3.44
Number of options exercised in 2009	–	–	–	–	1,900	28,200	20,790

The potential number of shares that could be subscribed under these plans amounted to 2,331,227 at 31 December 2010.

All plans are subject to a condition of continuing employment.

The December 2009 plan features conditions as to the performance of the Eiffage share relative to the stock market and to companies in its sector of activity. The plan's valuation is based on the Monte Carlo method.

The overall charge in respect of the above, included under staff benefits expense, is detailed below:

	2010	2009
Charge in respect of share subscription and purchase options	3.9	3.1
Charge in respect of bonus issues of shares	0.7	3.7
TOTAL	4.6	6.8

37 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. This average number 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 be created were all potentially dilutive instruments to be exercised.

2010	Profit for the year (in millions of euros)	Number of shares	Earnings per share
Basic earnings per share (Group share)	232	86,818,164	2.67
Share subscription and purchase options	–	–	–
Dilution resulting from option exercises	–	2,244,127	–
Diluted earnings per share (Group share)	232	89,062,291	2.60

2009	Profit for the year (in millions of euros)	Number of shares	Earnings per share
Basic earnings per share (Group share)	190	87,128,885	2.18
Share subscription and purchase options	–	–	–
Treasury shares*	–	2,871,115	–
Diluted earnings per share (Group share)	190	90,000,000	2.11

* Potentially dilutive and held for the purpose of being allocated in connection with share subscription or purchase plans and/or bonus share issues.

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38 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

<i>In thousands of euros</i>	Amount (excluding VAT)		%	
	2010	2009	2010	2009
Audit				
Statutory audit, certification, review of company and consolidated financial statements ^(a)				
• Issuer	256	227	2.9%	2.6%
• Fully consolidated subsidiaries	7,900	7,905	88.4%	90.5%
Other reviews and services directly linked to the statutory audit assignment ^(b)				
• Issuer	–	–	–	–
• Fully consolidated subsidiaries	347	329	3.9%	3.8%
Sub-total	8,503	8,461	95.2%	96.9%
Other services provided by the networks to fully consolidated subsidiaries ^(c)				
• Legal, tax and employment matters	228	195	2.6%	2.2%
• Other	201	78	2.3%	0.9%
Sub-total	429	273	4.8%	3.1%
TOTAL	8,932	8,734	100.0%	100.0%

KPMG*

<i>In thousands of euros</i>	Amount (excluding VAT)		%	
	2010	2009	2010	2009
Audit				
Statutory audit, certification, review of company and consolidated financial statements ^(a)				
• Issuer	140	122	4.4%	3.9%
• Fully consolidated subsidiaries	2,907	2,943	91.2%	93.7%
Other reviews and services directly linked to the statutory audit assignment ^(b)				
• Issuer	–	–	–	–
• Fully consolidated subsidiaries	104	60	3.3%	1.9%
Sub-total	3,151	3,125	98.9%	99.5%
Other services provided by the networks to fully consolidated subsidiaries ^(c)				
• Legal, tax and employment matters	34	15	1.1%	0.5%
• Other	1	–	0.0%	–
Sub-total	35	15	1.1%	0.5%
TOTAL	3,186	3,140	100.0%	100.0%

* Member of the Eiffage Board of Auditors

PRICEWATERHOUSECOOPERS AUDIT*

In thousands of euros	Amount (excluding VAT)		%	
	2010	2009	2010	2009
Audit				
Statutory audit, certification, review of company and consolidated financial statements ^(a)				
• Issuer	116	105	3.7%	4.1%
• Fully consolidated subsidiaries	2,874	2,215	90.5%	87.3%
Other reviews and services directly linked to the statutory audit assignment ^(b)				
• Issuer	–	–	–	–
• Filiales intégrées globalement	111	203	3.5%	8.0%
Sub-total	3,101	2,523	97.6%	99.4%
Other services provided by the networks to fully consolidated subsidiaries ^(c)				
• Legal, tax and employment matters	58	10	1.8%	0.4%
• Other	17	5	0.5%	0.2%
Sub-total	75	15	2.4%	0.6%
TOTAL	3,176	2,538	100.0%	100.0%

* Member of the Eiffage Board of Auditors

OTHER AUDITORS

In thousands of euros	Amount (excluding VAT)		%	
	2010	2009	2010	2009
Audit				
Commissariat aux comptes. certification. examen des comptes individuels et consolidés ^(a)				
• Issuer	–	–	–	–
• Fully consolidated subsidiaries	2,119	2,747	82.5%	89.9%
Other reviews and services directly linked to the statutory audit assignment ^(b)				
• Issuer	–	–	–	–
• Fully consolidated subsidiaries	132	66	5.1%	2.2%
Sub-total	2,251	2,813	87.6%	92.0%
Other services provided by the networks to fully consolidated subsidiaries ^(c)				
• Legal, tax and employment matters	136	170	5.3%	5.6%
• Other	183	73	7.1%	2.4%
Sub-total	319	243	12.4%	8.0%
TOTAL	2,570	3,056	100.0%	100.0%

(a) This includes services rendered by independent experts or by members of the statutory auditor's network in connection with the certification of the financial statements.

(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 auditing rendered in compliance with the provisions of Article 24 of the Code of Professional Conduct by a member of the network to subsidiaries of Eiffage whose accounts are certified.

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39 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 or other bodies under procedures instituted to determine whether these companies engaged in restrictive trade practices with regard 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 these investigations 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 long time, the Group's involvement has not yet 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 any defects may 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.

40 OTHER FINANCIAL COMMITMENTS

40.1. COMMITMENTS GIVEN

	2010	2009
Off balance sheet commitments linked to investing activities		
With partnerships (SNC), non-trading real estate investment companies (SCI) and economic interest groupings (GIE)	159	165
Commitments to purchase participating interests	1	1
Off balance sheet commitments linked to financing activities		
Securities pledged in connection with credit transactions	44	–
Other commitments given in connection with credit transactions	32	5
Off balance sheet commitments linked to operating activities		
Future payments in respect of long-term rental agreements	28	25
<i>Up to 1 year</i>	16	14
<i>1 to 5 years</i>	12	11
<i>Over 5 years</i>	–	–
Future payments in respect of commercial property leases	162	144
<i>Up to 1 year</i>	41	39
<i>1 to 5 years</i>	83	79
<i>Over 5 years</i>	38	26
Guarantees, sureties and pledges given in connection with contracts	3,252	2,820
Commitments given to employees	16	–
Other commitments given in connection with operating activities	301	394
TOTAL COMMITMENTS GIVEN	3,995	3,554

The significant commitments given in the form of guarantees, sureties and pledges are attributable to bid bonds and performance bonds given in connection with large contracts.

40.2. COMMITMENTS RECEIVED

	2010	2009
Off balance sheet commitments linked to financing activities		
Unused confirmed credit lines	530	777
Off balance sheet commitments linked to operating activities		
Guarantees, sureties and pledges received in connection with contracts	412	446
Other commitments received in connection with operating activities	112	124
TOTAL COMMITMENTS RECEIVED	1,054	1,347

PRINCIPAL CONSOLIDATED COMPANIES IN 2010

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%
Alliance Connectic	81.0%
Armor Connectic	81.0%
Capaix Connectic	81.0%
Centor SNC	100.0%
Connectic 39	81.0%
Efi	100.0%
Efitrez	100.0%
Eiffage Connectic 78	100.0%
Eiffage GMBH	100.0%
Eifficentre	100.0%
Eiffigen SNC	100.0%
Elisa	100.0%
Faber Straßen-und Tiefbau GmbH	100.0%
Financière Laborde	100.0%
Hanvol Sas	100.0%
H'Ennez SNC	100.0%
Héveil Snc	100.0%
Laborde Gestion	100.0%
Norscut*	36.0%
Optimep 4	100.0%
Schwietelsky-Faber GmbH Kanalsanierung*	50.0%
Senac	100.0%
Smtpc*	32.9%
Socfi	100.0%
Société Prado Sud*	41.5%
Soprano	100.0%
Tp Ferro*	50.0%
Wilhelm Faber GmbH & Co. Bauunternehmung KG	100.0%
Yvelines Connectic	100.0%

VERDUN PARTICIPATION 1 AND ITS SUBSIDIARIES	51.0%
Verdun Participation 2	51.0%
Compagnie Eiffage du Viaduc de Millau	51.0%

FINANCIÈRE EIFFARIE	50.0%
Eiffarie	50.0%
Autoroutes Paris Rhin Rhône**	49.1%
Autoroutes Rhône Alpes**	49.0%
Adelac*	24.5%
Axxès*	13.8%

EIFFAGE CONSTRUCTION AND ITS CONSTRUCTION SUBSIDIARIES	100.0%
Antwerpse Bouwwerken	100.0%
Auto-Park Poznan Sp. z o.o.	100.0%
Cecom Center SA	100.0%
Collignon Eng	100.0%
Crystal S.A.M.	100.0%
De Graeve Entreprises Générales	100.0%
Delfi	100.0%
Druetz Entreprises Générales	100.0%
Eiffage Benelux	100.0%
Eiffage Budownictwo Mitex S.A.	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 Ceska Republika s.r.o.	100.0%
Eiffage Construction Champagne	100.0%
Eiffage Construction Confluences	100.0%
Eiffage Construction Côte d'Azur	100.0%
Eiffage Construction Gestion et Développement	100.0%
Eiffage Construction Grand Paris	100.0%
Eiffage Construction Haute Normandie	100.0%
Eiffage Construction Ile de France Paris	100.0%
Eiffage Construction Industries fresnay/Sarthe	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 Monaco	100.0%
Eiffage Construction Nord	100.0%
Eiffage Construction Nord Aquitaine	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 Slovenska Republica s.r.o.	100.0%
Eiffage Construction Sud Aquitaine	100.0%
Eiffage Construction Val de Seine	100.0%
Eiffage Polska Nieruchomosci Sp. z o.o.	100.0%
Emep 4	100.0%

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Entreprises Générales Louis Duchêne	100.0%
Fondedile Belgium	100.0%
Fougerolle	100.0%
Frabeltra	100.0%
Génie Civil Industriel	100.0%
Herbosch-Kiere	100.0%
Kraaijeveld	100.0%
Limpens	100.0%
Oostvlaams Milieubeheer	100.0%
Perrard	100.0%
PIT Antwerpen	100.0%
Reynders B & I	100.0%
Romarco	100.0%
Scaldis Salvage & Marine Contractors*	25.0%
Socamip	100.0%
Sodemat	100.0%
Tchas Polska Sp. z o.o.	100.0%
Valens	100.0%
Vse	100.0%
Yvan Paque	100.0%

**EIFFAGE IMMOBILIER, ITS SUBSIDIARIES
AND THE REGIONAL PROPERTY SUBSIDIARIES**

Eiffage Immobilier: ses filiales et les filiales immobilières régionales	100.0%
Asnières Seine T	50.1%
Boulogne Peupliers	50.1%
Eiffage Aménagement et sa filiale	100.0%
Geyre Bellevue	75.0%
Jardin d'Ossau	66.0%
Nice Gambetta II	50.0%
Seop et ses filiales	100.0%
Soficom Development et ses filiales	100.0%

EIFFEL PARTICIPATIONS AND ITS SUBSIDIARIES 100.0%

Barep	100.0%
Defor*	39.8%
Eiffel Construction Métallique	100.0%
Eiffel Deutschland Stahltechnologie GmbH	100.0%
Eiffel Industrie	100.0%
Etcim	100.0%
Ger2i	100.0%
Goyer	100.0%
Laubeuf	100.0%
Unibridge*	49.0%

EIFFAGE TRAVAUX PUBLICS AND ITS SUBSIDIARIES 100.0%

Aglomerados Albacete	51.0%
Aglomerados Los Serranos	51.0%
Alpes du Sud Matériaux	100.0%
Appia Enrobés Ouest	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 Ouest	100.0%
Dle Outre-Mer	100.0%
Dle Spécialités	100.0%
Durance Granulats*	45.0%
Eiffage Deutschland Verwaltungs GmbH	100.0%
Eiffage Deutschland Bauholding GmbH	100.0%
Eiffage Infraestructuras	100.0%
Eiffage International	100.0%
Eiffage Rail	100.0%
Eiffage Rail GmbH	100.0%
Eiffage Sénégal	100.0%
Eiffage TP	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 Auvergne	100.0%
Eiffage Travaux Publics Sud Ouest	100.0%
Est Granulats*	50.0%
Etmf	100.0%
Extraccion de aridos sierra negra	51.0%
Forézienne	100.0%
Gauthey	100.0%
Heinrich Walter Bau GmbH	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	95.8%
Mebisa*	43.0%

Resirep	100.0%
Roland	100.0%
Sarzeau Carrières et Matériaux	62.3%
Serrano Aznar Obras Publicas	51.0%
Sesen	100.0%
Sga*	50.0%
Sgasa	100.0%
Sgtn	100.0%
Sitren	99.5%
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 GmbH	100.0%
Wittfeld RO SRL	100.0%

CLEMESSY AND ITS SUBSIDIARIES 99.9%

Clemessy Emcs	99.9%
Clemessy i&e GmbH	99.9%
Eis	99.9%
Fontanie	99.9%
Game Ingenierie	99.8%
Rmt I&E GmbH	99.9%
Secauto	99.8%
Seh	99.8%

FORCLUM AND ITS SUBSIDIARIES 100.0%

Alsatel	100.0%
Ambitec S.a.u	100.0%
Crystal	100.0%
Crystal Centre Est	100.0%
Crystal Est	100.0%
Crystal Idf	100.0%
Crystal Nord	100.0%
Crystal Sud	100.0%
Egea	100.0%
Eiffage Energia	100.0%
Elettromeccanica Galli Spa	51.0%
Elomech Elektroanlagen GmbH	67.3%
Forclim Ile de France	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 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 Exploitation et 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 Poitou Charentes	100.0%
Forclum Provence Alpes Côte d'Azur	100.0%
Forclum Quercy Rouergue Gevaudan	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%
Grossi & Speier France	100.0%
Inelbo	100.0%
Ingg Grossi & Speier Spa	100.0%
JJ Tome	52.0%
NAT Fortune GmbH	60.0%
NAT Neuberger Anlagen Technik AG	60.0%
S&G Hamburg GmbH	100.0%
Sogica	100.0%
Tecniarte	33.8%
Tpam	100.0%
Tte Transel	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: The percentages given above correspond to the direct and indirect interests of parent 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 2010

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 2010 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.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with auditing standards applicable 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 2010, and of the results of operations of the entities included in the consolidation for the year then ended.

Without calling into question the opinion expressed above, we draw your attention to Notes 2.1 and 5.2 to the consolidated financial statements. These set out the impact of the application with effect from 1 January 2010 of the new standards and interpretations applied as of that date and, in particular, IAS 27 (revised) on consolidated and separate financial statements.

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:

Note 2 to the consolidated financial statements sets out the accounting policies and methods applied by the Group, notably as regards construction contracts, public service concession arrangements and provisions:

- When assessing the accounting policies used by the Group, we ensured that the percentage of completion method used to account for revenue and profit from contracting activities as described in Note 2.5 had been applied properly and consistently.
- Notes 2.3 and 2.18 to the consolidated financial statements describe the accounting methods applied by the Group to its concessions activity. When assessing the accounting policies used by the Group, we ensured that these accounting methods and the disclosure in the notes to the consolidated financial statements were appropriate and we checked that these methods were applied properly.
- 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 23). As part of our work, we determined that management's estimates were reasonable.

The Group systematically carries out goodwill impairment tests at the end of each financial year using the methods described in Note 2.11 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 2.11 and 9 was appropriate.

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.

III. SPECIFIC VERIFICATIONS

We have also verified, in accordance with auditing standards applicable in France and pursuant to French law, the information on the Group contained in the Directors' Management Report for the parent company.

We have no comment to make as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La-Défense, 28 March 2011

The Statutory Auditors

PricewaterhouseCoopers Audit

Yan Ricaud
Partner

KPMG Audit
Department of KPMG SA

Philippe Mathis
Partner

Company financial statements

BALANCE SHEET

ASSETS

		2010			2009
	Notes	Gross	Amortisation, depreciation and provisions	Net	
<i>In thousands of euros</i>					
Non-current assets	1	1,505	1,121	384	427
Participating interests	2	3,068,824	4,232	3,064,592	2,814,453
Other investments	2 – 11	755,651	79	755,572	383,252
Total non-current assets		3,825,980	5,432	3,820,548	3,198,132
Inventories and work in progress	3	3,750	–	3,750	–
Trade debtors	4 – 11	2,694	396	2,298	2,798
Other debtors	4 – 11	672,837	85	672,752	677,678
Current assets other than cash and cash equivalents		679,281	481	678,800	680,476
Marketable securities	5	379,941	4,300	375,641	618,987
Cash at bank and in hand		175	–	175	70,368
Cash and cash equivalents		380,116	4,300	375,816	689,355
Prepayments and accrued income		115	–	115	555
TOTAL ASSETS		4,885,492	10,213	4,875,279	4,568,518

LIABILITIES AND SHAREHOLDERS' EQUITY

<i>In thousands of euros</i>	Notes	2010	2009
Share capital	6	360,000	360,000
Share premium account		235,674	235,699
Revaluation reserve		3,415	3,415
Reserves		36,000	37,273
Retained earnings		2,784,573	2,648,681
Net profit for the year		210,285	239,925
Regulated provisions		581	415
Capital and reserves	7	3,630,528	3,525,408
Provisions for liabilities and charges	8	92,861	113,411
Loans and other borrowings	9	230,001	1
Trade creditors	9 - 10	11,760	10,076
Other creditors	9 - 10	909,863	919,556
Debts		1,151,624	929,633
Bank overdrafts and credit balances	9 - 10	202	66
Accruals and deferred income		64	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,875,279	4,568,518

Company financial statements

INCOME STATEMENT

<i>In thousands of euros</i>	Note	2010	2009
Operating income			
Sales of goods and services		11,192	12,734
Change in inventories	3	3,750	–
Other income		643	647
Provisions reversed		–	30
Total operating income		15,585	13,411
Operating charges			
External charges		–35,213	–28,702
Taxes (other than income tax)		–630	–358
Staff costs		–1,772	–2,293
Depreciation and provisions		–46	–48
Total operating charges		–37,661	–31,401
Share of profit (loss) of joint ventures		68	242
Operating profit		–22,008	–17,748
Income from participating interests		184,212	241,442
Net interest payable and similar charges		3,205	–23,381
Provisions		17,690	10,957
Net financial income		205,107	229,018
Profit on ordinary activities		183,099	211,270
Profit (loss) on the disposal of non-current assets		–3,953	726
Other exceptional income and charges		366	115
Provisions		–325	45
Exceptional income (charges)	14	–3,912	886
Income tax	15	31,098	27,769
NET PROFIT		210,285	239,925

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 december 2010

(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 current unsettled economic environment, which has lowered visibility as regards business prospects.

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 liabilities linked to the execution and completion of construction projects in France and abroad. In such cases they cover any direct costs and ancillary expenses to rehabilitate the construction site as well as 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 reports and management documents produced by the company, notably in any comments on the activities of Group companies, corresponds to the year's production. It 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.

Notes to the company financial statements

ADDITIONAL INFORMATION ON THE BALANCE SHEET AND THE INCOME STATEMENT

NOTE 1 – NON-CURRENT ASSETS

	At 1 January	Additions	Disposals	At 31 December
1.1 - Cost				
Land	148	–	–	148
Buildings	1,280	–	–	1,280
Other property, plant and equipment	73	4	–	77
TOTAL	1,501	4	–	1,505
1.2 - Depreciation				
Buildings	1,059	39	–	1,098
Other property, plant and equipment	15	8	–	23
TOTAL	1,074	47	–	1,121

NOTE 2 – INVESTMENTS

	At 1 January	Additions	Disposals	At 31 December
2.1 - Cost				
Participating interests	2,818,685	365,215	115,076	3,068,824
Treasury shares – liquidity contract	3,045	28,956	28,220	3,781
Other investments	380,322	393,197	21,649	751,870
TOTAL	3,202,052	787,368	164,945	3,824,475
2.2 - Provisions				
Participating interests	4,232	–	–	4,232
Other investments	115	–	36	79
TOTAL	4,347	–	36	4,311

NOTE 3 – INVENTORIES AND WORK IN PROGRESS

Inventories correspond to costs inventoried in respect of studies undertaken by the Group for a project for which it was designated as preferred bidder in January 2011.

NOTE 4 – AMOUNTS RECEIVABLE

	Net amount	Within 1 year	More than 1 year
4.1 - Analysis by maturity			
Included under non-current assets ⁽¹⁾	747,587	12	747,575
Included under current assets ⁽²⁾			
• Trade debtors	2,298	2,298	–
• Other debtors ⁽³⁾	672,752	672,742	10
TOTAL	1,422,637	675,052	747,585

(1) Of which €668,953 thousand concerns Group companies.

(2) Of which €258,424 thousand concerns Group companies.

(3) Of which €412,910 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	Increase	Decrease	At 31 December
4.2 - Provisions				
Trade debtors	396	–	–	396
Other debtors				
• Due from Group companies	79	6	–	85
TOTAL	475	6	–	481

NOTE 5 – MARKETABLE SECURITIES

	Number of shares		Net book value
	At 1 January	At 31 December	
5.1 - Held in portfolio			
Treasury shares	3,337,257	2,984,949	144,733
UCITS invested in very short-dated money market instruments	–	–	221,800
Securities representing reserve fund of securitisation programme	–	–	9,108
TOTAL			375,641

The market value of the UCITS is not materially more than their net book value.

	At 1 January	Increase	Decrease	At 31 December
5.2 - Provisions for marketable securities				
Treasury shares	1,250	3,050	–	4,300
TOTAL	1,250	3,050	–	4,300

NOTE 6 – SHARE CAPITAL

At 31 December 2010, the share capital consisted of 90,000,000 shares of €4 each.

	Number of shares
At 31 December 2009	90,000,000
Capital increase reserved for employees	186,458
Capital reduction through the cancellation of 186,458 shares	– 186,458
AT 31 DECEMBER 2010	90,000,000

NOTE 7 – CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Share premium account	Revaluation reserve	Reserves	Retained earnings	Net profit for the year	Regulated provisions	Total
At 31 December 2009	360,000	235,699	3,415	37,273	2,648,681	239,925	415	3,525,408
Appropriation of 2009 net profit	–	–	–	104,033	135,892	–239,925	–	–
Dividends paid	–	–	–	–104,033	–	–	–	–104,033
Capital increase	746	4,995	–	–	–	–	–	5,741
Capital reduction	–746	–5,020	–	–1,273	–	–	–	–7,039
Other	–	–	–	–	–	–	166	166
2010 net profit	–	–	–	–	–	210,285	–	210,285
AT 31 DECEMBER 2010	360,000	235,674	3,415	36,000	2,784,573	210,285	581	3,630,528

Notes to the company financial statements

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 and bonus issues of Eiffage shares	67,350	–	20,550	–	46,800
Future charges on long-term contracts	31,000	–	–	–	31,000
Abroad	14,100	–	–	–	14,100
Tax	960	–	–	–	960
Other	1	–	–	–	1
TOTAL	113,411	–	20,550	–	92,861

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 liability has disappeared.

NOTE 9 – BORROWINGS AND BANK OVERDRAFTS

Analysis by maturity

	Total	Within 1 year	More than 1 year
9.1 – Loans and other borrowings			
Other borrowings			
• Bank loans	230,000	230,000	–
• Other	1	1	–
TOTAL	230,001	230,001	–
9.2 – Other creditors			
Amounts due to Group companies ⁽¹⁾	891,410	891,410	–
Miscellaneous debt	18,453	18,453	–
TOTAL	909,863	909,863	–
9.3 – Bank overdrafts	202	202	–
TOTAL	202	202	–

(1) See Note 4.1 concerning the impact arising from the securitisation programme.

9.4 – Trade creditors

At 31 December 2010, trade payables, excluding amounts due to Group companies, amounted to €629 thousand and consisted nearly entirely of amounts payable 30 days from the date of issue of the invoice.

At 31 December 2010, there were no significant past due amounts.

NOTE 10 – ACCRUALS ARE INCLUDED UNDER THE FOLLOWING BALANCE SHEET HEADINGS FOR THE AMOUNTS INDICATED

	At 31 December 2010
Trade creditors	1,252
Other creditors	536
Bank overdrafts and credit balances	34
TOTAL	1,822

NOTE 11 – ACCRUED INCOME IS INCLUDED UNDER THE FOLLOWING BALANCE SHEET HEADINGS FOR THE AMOUNTS INDICATED

	At 31 December 2010
Other investments	1,222
Trade debtors	155
Other debtors	558
TOTAL	1,935

NOTE 12 – INFORMATION ON RELATED UNDERTAKINGS AND PARTICIPATING INTERESTS

A regulated agreement was approved by the Board of Directors on 10 December 2008 between Soficot and Eiffage (Serge Michel being a director of Eiffage as well as the Chairman of Soficot). This agreement was terminated by Eiffage in 2010.

Under this agreement, amounting to €774 thousand, staff was made available to Eiffage.

Other transactions with related parties not mentioned above are either immaterial or were concluded on an arm's length basis.

NOTE 13 – ANALYSIS OF REVENUE

Revenue amounted to €3 million in 2010 and was generated solely in France.

NOTE 14 – EXCEPTIONAL INCOME AND CHARGES

Net exceptional charges amounted to €4 million in 2010 and include a loss of €3 million on the sale of a participating interest.

NOTE 15 – INCOME TAX

Eiffage SA is the head of a tax group that comprised 233 subsidiaries in 2010. The €31 million tax credit 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	1,380,410
Partnerships (SNC), non-trading real estate investment companies (SCI) and economic interest groupings (GIE)	1,294,593
Other commitments given	1,525
TOTAL	2,676,528

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 2010, vested rights for the staff employed by the company on that date were estimated at €18 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 two managers in France in 2010.

NOTE 19 – DIRECTORS' EMOLUMENTS

In 2010, total fixed and variable emoluments, including benefits in kind, paid to the Chairman and Managing Director by Eiffage amounted to €1,485 thousand gross.

Directors' fees paid to directors totalled €464 thousand in 2010.

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

	2006	2007	2008	2009	2010
1 - Share capital at 31 December <i>(In thousands of euros)</i>					
Share capital	372,689	372,733	366,333	360,000	360,000
Number of ordinary shares in issue	93,172,338	93,183,342	91,583,342	90,000,000	90,000,000
Maximum number of shares to be created in the future	11,004	–	–	–	–
- through the exercise of share options	11,004	–	–	–	–
2 - Results <i>(In thousands of euros)</i>					
Revenue excluding VAT	76,066	43,529	17,370	7,457	3,373
Profit before depreciation, provisions, employee profit-sharing and tax	441,296	1,470,272	238,412	201,171	161,869
Income tax	– 18,809	– 3,625	15,739	27,769	31,098
Employee profit-sharing for the year ended	–	–	–	–	–
Profit after depreciation, provisions, employee profit-sharing and tax	397,611	1,294,665	387,582	239,925	210,285
Dividends	93,172	111,820	108,000	108,000	108,000
3 - Earnings per share <i>(in euros)</i>					
Profit after employee profit-sharing and tax, but before depreciation and provisions	4.53	15.74	2.78	2.54	2.14
Profit after depreciation, provisions, employee profit-sharing and tax	4.27	13.89	4.23	2.67	2.34
Dividend per share	1.00	1.20	1.20	1.20	1.20
4 - Employees					
Average number of employees during the year	3	3	3	3	2
Salaries and wages	2,719	2,763	1,990	1,794	1,400
Staff benefits (social security and other benefits)	641	3,025	213	499	372

Total and per-share results

	2010	2009
Profit on ordinary activities		
Total (in millions of euros)	183	211
Per share (in euros)	2.0	2.3
Profit before tax		
Total (in millions of euros)	179	212
Per share (in euros)	2.0	2.4
Net profit		
Total (in millions of euros)	210	240
Per share (in euros)	2.3	2.7

Subsidiaries and participating interests at 31 December 2010

A. DETAILED INFORMATION ON SUBSIDIARIES AND PARTICIPATING INTERESTS

	Capital	Reserves (including 2010 net profit)	% of capital held
1. Subsidiaries (more than 50% of the capital controlled by Eiffage SA)			
Eiffage Construction ⁽¹⁾	204,619	187,684	100.00
Eiffage Travaux Publics ⁽¹⁾	233,944	462,242	100.00
Financière Eiffarie ⁽¹⁾	200,174	-241,438	50.00
Forclum ⁽¹⁾	92,616	250,599	100.00
Clemessy ⁽¹⁾	19,281	30,421	99.86
Eiffel Participations ⁽¹⁾	1,492	156,583	100.00
A'Liénor	190,020	-620	65.00
Verdun Participations 1 ⁽¹⁾	4,185	-182,869	51.00
Eiffage GmbH ⁽¹⁾	16,214	2,705	100.00
2. Participating interests (between 10% and 50% of the capital controlled by Eiffage SA)			
TP Ferro Concesionaria	51,435	-12,233	50.00
Efi	51,953	28,253	24.36
Smtpc	17,804	31,336	32.92
Norscut	36,175	-34,113	35.98
Société Prado Sud	16,093	-	41.49

⁽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 excluding VAT 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	-	28	3,862,580	103,709	92,079
568,582	568,582	-	38,843	3,812,000	21,213	57,798
378,707	378,707	-	-	2,241,594	137,045	-
357,245	357,245	-	-	2,383,639	9,995	6,177
238,058	238,058	-	1,593	570,790	6,260	7,957
157,033	157,033	-	53,435	730,034	8,539	8,806
123,513	123,513	24,374	23,400	1,880	-587	-
20,410	20,410	-	-	33,865	-764	3,202
19,317	16,163	-	-	117,341	3,457	-
25,718	25,718	30,546	-	-	-	-
19,420	19,420	-	-	13,748	2,837	1,537
16,221	16,221	-	-	34,247	10,532	2,882
13,016	13,016	15,666	-	90,563	4,796	-
6,676	6,676	3,213	87,103	-	-	-
French subsidiaries	Foreign subsidiaries	French participating interests		Foreign participations interests		
2,967,025	19,337	43,305		39,156		
2,966,348	16,183	43,305		38,756		
821,757	1,803	135,828		46,697		
2,301,233	3,000	168,146		-		
176,112	-	4,420		232		



Statutory Auditors' Report

on the Company financial statements

Year ended 31 December 2010

To the Shareholders,

In fulfilment of the assignment entrusted to us by your Shareholders' General Meeting, we hereby present our report for the year ended 31 December 2010 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 auditing standards applicable 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 2010, 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 carrying value of these participating interests, as described in the notes, taking into account the fluctuating economic environment 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, in accordance with auditing standards applicable in France, 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.

Concerning the information disclosed pursuant to the provisions of Article L.225-102-1 of the French Commercial Code on the remuneration and benefits in kind paid to corporate officers and on the commitments made to them, we have checked its consistency with the financial statements or with the data used in preparation of those financial statements and, where applicable, with the information obtained by the Company from companies controlling it or controlled by it. On the basis of this work, we certify the accuracy, truth and fairness of such information.

As required by law, we verified that the Directors' Report contains the appropriate disclosures as to the identity of the shareholders and holders of voting rights.

Paris La Défense and Neuilly-sur-Seine, 28 March 2011

The Statutory Auditors

KPMG Audit
Department of KPMG S.A.

Philippe Mathis
Partner

PricewaterhouseCoopers Audit

Yan Ricaud
Partner

Statutory Auditors' special report

on regulated agreements and commitments

General Meeting called to approve the financial statements for the financial year ended 31 December 2010

To the Shareholders,

As the Statutory Auditors of your Company, we hereby present our report on regulated agreements and commitments.

It is our duty to provide you, on the basis of the information given to us, with details of the main features and conditions of the regulated agreements and commitments that have been reported to us or that have come to our attention in the course of our assignment. We are not required to express an opinion on their usefulness or appropriateness, or to actively search for any other regulated agreements or commitments. 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.

It is also our duty to provide you with the information set forth in Article R.225-31 of the French Commercial Code on the performance throughout the past financial year of those agreements and commitments that have already been approved by the General Meeting.

We performed such procedures as we considered necessary having regard to the professional standards established by the French National Association of Statutory Auditors (*Compagnie nationale des Commissaires aux comptes*) in this respect. Our work consisted in verifying the consistency of the information given to us with the source documents from which such information is extracted.

AGREEMENTS AND COMMITMENTS PRODUCED FOR APPROVAL BY THE GENERAL MEETING

We hereby inform you that we have not been notified of any agreements or commitments authorised during the course of the past financial year and requiring the approval of the General Meeting subject to the provisions of Article L.225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved in previous years and continuing to be performed during the financial year

Pursuant to Article R.225-30 of the French Commercial Code, we were informed of the continued performance over the past financial year of the following agreements and commitments, approved in previous financial years.

Management and assistance agreement with Soficot

During its meeting of 10 December 2008, the Board of Directors authorised the Company to enter into a management and assistance agreement with Soficot. Services billed to your company by Soficot in respect of 2010 amounted to €774,410 (excluding taxes). This agreement was terminated with effect from June 2010.

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 a centralised cash management system operated within the Eiffage Group, with Eiffage SA acting as agent on behalf of the ceding subsidiaries to collect the proceeds raised from assigning these receivables to the fund and to transfer to the fund amounts collected by the ceding 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 by Eiffage SA, acting on behalf of the ceding subsidiaries, of various guarantees in favour of the fund in a variable amount of up to €400 million;
- 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, 28 March 2011

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, Internal Control and risk management
(this report was approved by the Board of Directors of Eiffage on 24 February 2011).

1 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.

2 CORPORATE GOVERNANCE PREPARATION AND ORGANISATION OF THE BOARD OF DIRECTORS' WORK

CORPORATE GOVERNANCE

In the matter of corporate governance the Company refers to the April 2010 version of the Code of Corporate Governance for listed companies published 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 (www.medef.com).

However, the following recommendations contained in this Code are not followed:

- Recommended proportion of independent directors on the Audit Committee: the Audit Committee is composed of four Directors, of whom two, including the Chairman, are independent Directors. At the date hereof, given the ownership of Eiffage's share capital and the quality of the work performed by this Committee, nothing justifies modifying its composition to increase the proportion of independent Directors to two-thirds as recommended in this Code.

INFORMATION THAT MAY BE RELEVANT IN THE EVENT OF A PUBLIC OFFERING

This information is detailed on page 152 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 DIRECTOR'S WORK

As at the date of this report the Board of Directors is composed of ten Directors: four independent Directors, two representing the FSI, two Group executives, one who is Chairman of the company formed by managers possessing shares in the Company, and one representing employee shareholders, in accordance with the laws and regulations recommending the appointment of such a representative.

The Board has two female members, and supports the objectives set out in the AFEP-Medef Code, including in particular that of gender parity on boards. It will endeavour to achieve the objectives set out in the Code.

In accordance with the Memorandum and Articles of Association, Board members are usually appointed for a three-year term.

The Board met seven times in 2010. At its last meeting, it reviewed its work during the past year. The attendance rate was 94% in 2010, compared with 95% in 2009 and 92% in 2008.

The Board is assisted by three specialist Committees. The Board and its Committees each have their own sets of rules and regulations, which define inter alia the frequency of meetings, their main purpose, and the information to be presented at such meetings. The rules and regulations are reviewed by the Board from time to time, to ensure they remain compliant with industry practices and recommendations.

The Board's Internal Regulations also contain rules on attendance, confidentiality and management of conflicts of interest, together with rules on Directors' ownership of and trading in the Company's shares and other securities. Lastly, they list the decisions and commitments that require prior approval by the Board.

General Management

On 7 December 2007, the Board decided that the functions of Chairman and Managing Director would be entrusted to one single person. No specific limitations have been placed on the powers of the Chairman and Managing Director. In May 2008 the position of Deputy Managing Director was created to assist him. In preparation for the departure of Jean-François Roverato, the Board appointed a Deputy Chief Executive Officer on 8 December 2010, who took up office on 5 January 2011. The Board has also decided to separate the functions of Chairman and Managing Director/CEO with effect from 1 July 2011, on which date the current Deputy Chief Executive Officer will become the Chief Executive Officer.

Board Committees

On 17 December 1997, the Board of Directors set up two specialist committees to prepare the resolutions put to the Board, express opinions and make recommendations. No Group executives sit on either of the committees.

The Appointments and Compensation Committee, which used to be called the 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/CEO and the Deputy Managing Director/CEO(s), 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.

New Committee members were appointed in February 2011, and the Committee is now composed of four Directors. The Chairman and one other member are independent Directors.

The Committee met twice in 2010, with a 100% attendance rate. At these meetings it reviewed remuneration and the independence of Directors in light of the criteria laid down in the AFEP-Medef Code on corporate governance. On the Board's request, the Appointments

and Compensation Committee also organised the selection process for candidates to succeed the current Chairman and Managing Director. The Committee interviewed the candidates and presented its recommendations to the Board of Directors on 8 December 2010.

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 has specific responsibility for monitoring the internal control and risk management systems, and periodically reviews the Group's audit and internal control policies as well as validating the related plans and resources made available. Twice a year it examines the work and findings of the Internal Audit Department as well as the application of their recommendations per the summary table maintained to this effect. At the last meeting the Committee carried out an assessment of its work.

The Committee is composed of four Directors; the Chairman and one other member are independent Directors.

The Audit Committee met five times in 2010, with an attendance rate of 100%. The main purpose of the meetings was to look at the accounting methods, internal control, and the annual and interim financial statements to be presented to the Board of Directors. The Statutory Auditors and representatives of the Group's financial, accounting and audit departments also took part in these meetings.

On 8 September 2004, the Board of Directors set up a Strategy Committee.

The **Strategy Committee** has 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 is composed of four members, one of whom is an independent Director.

It met seven times in 2010, and the attendance rate was 96%.

3 REMUNERATION PAID IN RESPECT OF 2010

The General Meeting did not modify in 2010 the amount of the Board fees voted in 2006, which therefore remains unchanged at €500,000.

The principles and rules governing the calculation and terms of remuneration paid to corporate officers, the remuneration paid to the Chairman and Managing Director, the Company's only executive corporate officer, and the Board fees paid to the members of the Board of Directors in respect of 2010 are detailed on pages 144 and 145 of the reference document filed with the AMF, of which this report forms a part. The Chairman and Managing Director was not granted any bonus shares or share purchase or subscription options in 2010, nor does he benefit from a supplementary pension plan.

The Board has unreservedly accepted 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, 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 IT Department, and the coordination of Group IT projects. On 16 March 2009, he was appointed Chairman of Forclum, and since 6 January 2010 he also supervises the metal construction business.

The Board appointed a Deputy Chief Executive Officer on 8 December 2010, who took up office on 5 January 2011.

The Group's operations are organised into Divisions, which are coherent sub-groups within the business lines. For contracting activities, each Division is controlled by a company 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. Group Internal Control procedures cover all the companies consolidated under the full method as well as all permanent or temporary joint ventures, whether consolidated or not.

Group Internal Control is based on the principles set out in the report issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and complies with the framework guidelines published by the AMF.

This reference framework has been distributed to all general secretaries and all Divisional internal controllers.

4.1. INTERNAL CONTROL OBJECTIVES

Internal control is a process effected by the Group, defined and implemented under its responsibility. Its objectives are:

a) Compliance with applicable laws and regulations

These are the laws and regulations that apply to the Company. The currently applicable laws and regulations define standards of conduct that the Company includes in its compliance objectives.

In view of the large number of areas involved (corporate law, business law, environment, employment, etc.) the company's organisational structure must enable it to:

- establish which rules apply to it
- receive timely information on changes to the rules (legal watch)
- transpose these rules into its internal procedures
- dispense information and training to staff, as applicable.

b) Application of directives and policies defined by General Management

Directives and policies issued by General Management enable staff to understand what is expected of them and to determine their scope of action.

Directives and policies are disclosed to relevant staff members on the basis of their specific objectives and responsibilities, to provide guidance on how to perform their assigned tasks. Directives and policies are developed on the basis of the company's general objectives and the risks to which it is exposed.

c) Proper functioning of the company's internal processes, particularly those contributing to the safeguarding of its assets

All operational, industrial, business and financial processes are concerned.

The proper functioning of processes entails the introduction of standards or principles and of indicators to facilitate monitoring.

"Assets" means both "tangible assets" and "intangible assets" such as know-how, image or reputation. Assets may be lost as a result of theft, fraud, low productivity, errors, poor management decisions or inadequate internal controls. Eiffage assigns particular care and attention to the processes safeguarding its assets.

This is also true with regard to processes contributing to the preparation and processing of accounting and financial information. These processes encompass the direct production of financial statements and the transformation of business transactions into accounting entries.

d) Reliability of financial reporting

The reliability of financial reporting can only be guaranteed if internal control procedures are put in place to ensure the company's business transactions are correctly recorded.

A high quality internal control system is achieved through:

- the separation of tasks, so that registration and recording tasks, operational tasks and filing and storage tasks can be clearly differentiated
- a description of functions that identifies the origin of the information produced and their recipients
- an internal control system for accounting functions that ensures that transactions are carried out in compliance with general and specific instructions and are entered in the accounts in such a way as to produce financial information that complies with generally accepted accounting principles,

The system more generally contributes to a high level of control over activities, the efficiency of operations and efficient use of resources.

By preventing and minimising the risks that the Group will not achieve its objectives, the internal control system plays a key role in the management and steering of its activities.

Limitations of internal control

As with any control system, internal control cannot guarantee that the company will always achieve its objectives, but it does provide a reasonable assurance that this will be the case.

4.2 ORGANISATION OF THE INTERNAL CONTROL FUNCTION

The organisational structure put in place to achieve the internal control objectives is based on the accountability of each employee, rules on conduct and integrity, and multi-tiered controls.

The decentralisation of responsibilities within the Group is achieved through a network of moderately-sized subsidiaries and entities, which facilitates monitoring and minimises risk.

Over 90% of the Group's contracting business consists of small, short-term projects (or contracts). The internal control function is organised on the basis of the allocation of roles and responsibilities between four management levels:

- The project (or contract), which 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 entities), whose powers are defined by delegations of authority granted by their superiors. The company manager is responsible for commercial activities and contract decisions, and sets the profit margins when tendering for contracts.
- The regional manager, who supervises the subsidiaries and/or entities in his area and coordinates their activities. He is responsible for ensuring optimum use of human and material resources and for fostering exchanges and the free circulation of information (vertically and horizontally). His role is to guide and oversee.
- Each Division's General Management, which 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.

Within the organisational structure there are also Divisional Internal Controllers, who are responsible for:

- defining internal control priorities on the basis of risk assessments carried out by the Division
- assisting operational managers
- appraising the implementation of action plans following internal audits.

Divisional Internal Controllers work in coordination with local correspondents. A consolidated quarterly report on their work is presented to the Internal Audit department.

Since December 2008, operational responsibility for European subsidiaries outside France has been held by the Divisions to which these subsidiaries are attached, the goal being to strengthen links in terms of technical expertise and commercial synergies, and to create 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 in turn reports to the General Delegation for Risks and Controls. This chain of authority reinforces its hierarchical powers with regard to the entire administrative function.

Internal control within APRR and AREA is organised at several different operational levels. In addition to controls by General Management and the relevant governing bodies, internal control has been entrusted to the functional departments, within the framework of delegations of authority. Operating departments also function on the basis of delegations of authority granted by direct superiors. The basic operating unit is the 'district', which 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.

5 RESPONSIBILITY FOR INTERNAL CONTROL

As stated above, risk management and internal control is everybody's business. Accordingly, all governing and management bodies have a role to play.

5.1. GENERAL MANAGEMENT

Group General Management is responsible for strategy, in other words, for determining major financial investments. It also manages the careers of senior executives and coordinates the labour policy of all Divisions.

It has authority for:

- finance
- relations with the financial community and shareholders
- accounting, tax and management methods and principles.

More specifically with regard to internal control, it is involved in all the validation stages, and attends all meetings organised by Internal Audit to report findings.

The central support functions at the head office are staffed by experts whose task is to assist the company managers and the regional managers, who may consult these functions irrespective of the lines of authority.

General Management ensures the Board of Directors and the Audit Committee receive all necessary information in a timely manner.

5.2. BOARD OF DIRECTORS

As required by Article 1 225-100 of the French Code of Commerce, the Board of Directors reports on risks in its directors' report, describing the risk management policy and how the main risk factors are handled.

Accordingly, the Board of Directors will check with General Management that the internal control system is capable of ensuring that the financial information published by the Group is reliable and gives a true and fair view of the Group's results and financial situation.

5.3. AUDIT COMMITTEE

The Audit Committee is responsible for monitoring:

- the process for preparing financial information
- the effectiveness of the internal control and risk management systems
- statutory auditing of the annual financial statements and of the consolidated financial statements, if applicable
- the independence of the statutory auditors.

The Audit Committee may request any additional information or explanations at any time, to supplement the regular information updates it receives.

It ensures that action is taken to correct any weak points identified in the risk management and internal control system.

It reports to the Board of Directors on its work and the recommendations it wishes to make to Group management.

It liaises with the Internal Audit department in accordance with AMF and IFACI standards. The internal audit charter was modified to reflect this requirement in 2010.

5.4. INTERNAL AUDIT DEPARTMENT

The Internal Audit department's role is to regularly assess the risk management and internal control system.

It verifies that directives issued by General Management are properly implemented.

To do this, it organises internal audits following which it recommends improvements and corrective action. The recommendations are then transposed into detailed action plans, with quarterly progress reviews.

General Management attends all Audit Committee meetings at which Internal Audit reports on its work, in the form of a review and analysis of its findings.

Internal Audit works according to an annual audit plan approved by General Management and presented to the Audit Committee.

The Head of Internal Audit may liaise with the Chairman of the Audit Committee whenever necessary.

In 2010, APPR's Internal Audit department was merged into Eiffage's Internal Audit department. In all, 22 audits were conducted in 2010.

In 2010, the Internal Audit department once again obtained certification from IFACI Certification, a member of the International Audit Authority (IAA).

5.5. GROUP EMPLOYEES

Each employee is accountable for his actions.

This principle can be found in the Eiffage Charter of Values and Objectives (*la Charte des valeurs et finalités*), a code of conduct distributed at all levels of the company. It was updated in 2008, and sent to each employee's home address in 2009.

The charter's objectives – respect for clients, employees, shareholders, partners, suppliers and subcontractors and other stakeholders, including public authorities, and commitment to human progress – as well as its values – responsibility, trust, transparency, lucidity, determination and resilience – underpin the internal control system that has been put into place.

First level controls are exercised by direct superiors over the activity of the employees within their line of management, with the assistance of the internal controllers.

6 FORMALISATION OF INTERNAL CONTROL PROCEDURES

The duties of the Divisions' central departments include, inter alia:

- Preparing, distributing and explaining to correspondents in the regions and subsidiaries (or entities) all instructions and recommendations concerning changes in laws and regulations or in the Group's or Divisions' internal rules.
- Providing and updating guidelines and other manuals for operations managers and sales staff.
- Organising regular meetings with correspondents in the regions and subsidiaries (or entities) to discuss problems in interpreting or applying instructions, and ensuring that messages have been properly understood and instructions are complied with.

Report by the chairman of the Board of Directors

The internal control and risk management procedures can be broken down into seven main areas:

1. Management rules
2. Ex-ante system of checks
3. Warning systems
4. Eiffage code of good practice
5. Fraud prevention
6. Preventive audits
7. Information systems

The objective of the procedures is to ensure:

- compliance with applicable laws and regulations
- application of directives and orientations defined by the company's General Management
- proper functioning of the company's internal processes, particularly those contributing to the safeguarding of its assets
- reliability of financial reporting.

6.1. MANAGEMENT RULES

Management rules applied by Eiffage are based on four general principles:

- a. forecasts and performance reports must come from the field
- b. the quality of forecasting is essential
- c. management must be consistent with the accounts
- d. APPR and AREA are special cases.

a) 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.

b) 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 support function, 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.

c) 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 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 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:
 - a common language used throughout
 - standard document formats.

d) APPR and AREA are special cases

APRR and AREA adapted their reporting system early in 2006 so as to conform to the Eiffage Group's management rules. Their management charts comprise a series of monthly operating and financial indicators relating in particular to traffic, revenue, productivity and operating ratios, general overheads, capital expenditure, cash, workforce and the calculation of aggregate monthly EBITDA.

The Chief Operating Officer and Chief Financial Officer of APPR and AREA ensure at the time of the initial and various quarterly revised budgets that decisions taken are consistent with the management contract and operating and financial objectives.

6.2. EX-ANTE SYSTEM OF CHECKS

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 entity 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 sub-delegate more limited powers to subsidiary or entity managers 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, the provision of surety and other guarantees, the arrangement of financing and security measures.

Procedures relating to investments

Investment decisions are taken at the level of each 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 and then 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.

Controlling APRR and AREA works contracts

Pursuant to the riders to APRR's and AREA's concession agreements drawn up at the time of the privatisation, any works contracts with a value of more than €2 million excluding tax or contracts for the supply of goods and services with a value of more than €240,000 excluding tax assumed by the Group continue to be 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.

APRR and AREA each have a Contract Award Commission that functions in accordance with Article 6 of the specifications appended to their respective service concession agreements.

The Contract Award Commissions are responsible for defining the internal regulations for negotiating and performing contracts as well as for issuing opinions on the allocation of works contracts and agreements to supply goods or services that exceed the thresholds described above.

Each year the Contract Award Commissions prepare a report on their activities during the previous year. In 2010, the APRR and AREA Contract Award Commissions examined 21 requests for proposals.

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.

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; these 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.

6.3. WARNING SYSTEMS

Whistle blowing

The whistle blowing system was put in place by the Board of Directors in April 2009 and authorised by the CNIL (French data protection authority) on 23 July 2009.

The system enables Eiffage Group employees to report compliance and ethics-related problems (unfair competition, corruption or abuse of trust) on a confidential basis.

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 Group's various entities.

Its secondary function is to identify individual elements that merit further examination, by selecting and highlighting various indicators.

The management chart centralises information received on projects (or contracts) at successive organisational levels:

- Entity (or Subsidiary)
- Region
- Division
- Group

using a standard layout common to all the Divisions. The standard layout was updated in February 2010 and distributed throughout the Group via a document entitled Management Control & Reporting (*Contrôle de Gestion & Reporting*).

Report by the chairman of the Board of Directors

It contains past 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 chart.

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 the Group's cash position.

A Management Control Committee was set up early in 2010, and meets once a month, under the supervision of the Group Management Control department. All Divisional management controllers attend committee meetings. The Committee's achievements in 2010 included:

- finalising definitions of performance, trend and future performance indicators
- defining the nature and component elements of Overheads, and introducing a framework for analysing this type of cost
- introducing a number of action plans to reduce Overheads
- clarifying and improving budgetary procedures.

The property development business is very closely monitored because of the very specific types of risk involved.

A Commitments Committee, which operates at the General Management level of Eiffage and the Eiffage Construction Division, 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 (administrative, commercial, technical and financial) of the Group's property development projects in all regions.

A management chart is prepared each quarter to monitor operations, project by project.

A similar authorisation procedure is applied to commitments in respect of **service concessions and public private partnerships**. For each project, an ad-hoc committee consisting currently of Eiffage's Chairman and Managing Director, Deputy CEO and Chief Financial Officer along with the heads of the Divisions concerned by the project, assesses the associated level of risk and approves the related tenders.

Seven such meetings were held in 2010 to consider service concessions or public private partnerships, as compared to three in 2009.

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. APRR 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.

Debt collection

The programme for the securitisation of trade receivables concerns almost all the French contracting subsidiaries. This form of financing has resulted in more formally documented procedures for monitoring trade receivables.

A management chart summarising securitisation transactions is prepared monthly for each Division by the Group's Cash Management department.

6.4. EIFFAGE CODE OF GOOD PRACTICE

The "Eiffage Code of Good Practice" was updated in 2010. Several work groups were formed and coordinated by Internal Audit. The work groups, composed of operational managers from each Division, administrative and financial managers and "risk holders", produced a document classifying the main risks associated with their activities in accordance with three criteria:

- type of risk
- risk frequency
- level of seriousness

The Code serves as guidelines for all managers. It identifies the main points that need to be checked 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 litigation.

It defines the main checks and controls. It is designed to increase individual accountability and encourage managers at all levels to remain constantly vigilant.

6.5. FRAUD PREVENTION

Fraud-related issues are discussed at Audit Committee meetings and passed on to the Board of Directors if necessary.

Management staff attended dedicated training sessions organised by a law firm entitled "The Eiffage Charter of Values and Competition Law", as part of the Eiffage "Ethics Day" event. In all, 950 staff members took part in this event, over a total period of 40 days.

2010 was marked by a new initiative, with the launch in September of a new training module entitled "Ethical sales and marketing" in the Eiffage regional training centres (CREF). This module is specifically designed for managers and supervisors. Attendance is mandatory, and approximately 400 staff members have already completed the module. The aim is to increase awareness of the practical implementation of ethical principles.

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 secretaries. The Divisions' general secretaries in turn meet twice a year under the coordination of the Group's Finance Director. These meetings are aimed notably at raising awareness of fraud prevention, and have resulted notably in broader internal disclosure of proven cases of fraud and dissemination of ways of preventing their recurrence.

6.6. PREVENTIVE AUDITS OF ENTITIES OR PROCEDURES

Specific audits are organised by the Divisions' General Management (General Secretariat) or the Group 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 these recommendations are acted upon and, lastly, controls and assesses their consequences.

The findings of the Statutory Auditors' reports are examined by each Division's General Management (General Secretariat) and the Internal Audit department.

6.7. INFORMATION SYSTEMS

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.

The General Delegation for Risks and Controls ensures that the logical structure of the network meets minimum accepted standards with regard to access and corresponds to internal organisational needs.

User access controls are used to implement the principle of separation of incompatible functions, which is an underlying internal control principal. Controls encompass both the data itself and the processing of data. Much thought has been given to this topic, to avoid:

- over-generous access rights, which would generate risks
- over-restrictive limits on access to information, which would have a detrimental effect.

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 general and management accounting, sales management, inventories and purchasing, sub-contracting, reporting, forecasts and order book modules will be deployed in 2011, with an initial six-month pilot phase to be followed by the general launch in September.

Within APRR and AREA the IT department supplies and maintains the necessary tools.

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 independent of each other, and the channelling of information from the toll gates is staggered so as to limit the knock-on effect of a malfunction at a given point in the information system.

A Business Continuity Plan (BCP) was developed in 2010.

7 RISK MANAGEMENT

The Group's risk management system is the responsibility of the General Delegation for Risks and Controls, which is under the direct supervision of the Chairman and Managing Director and reports to the Audit Committee. It is responsible for the supervision and coordination of:

- the Internal Audit department
- the management control function
- the General Secretariat Europe
- the updating of risk mapping
- the assessment and steering of internal control tasks performed by the Divisions, in accordance with the principles defined by the Group.

General Management is responsible for the quality of the internal control and risk management systems. The purpose of its continuous oversight of the internal control and risk management systems is to preserve their integrity and to improve them, in particular by adapting them in light of organisational and environmental changes. It arranges for action to be taken to correct problems that have been identified and to ensure that risks remain within the prescribed limits. It oversees implementation of such action within the Divisions.

The Sustainable Development department, which since 2006 has reported directly to the Chairman and Managing Director, has recently 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 and to ensure compliance as and when regulations changed.

The Sustainable Development department provides "applied sustainable development" training in the form of a nine-lesson module offered by the Eiffage regional training centres (CREF).

A description of the risks to which the Group is exposed can be found in the "Risk Factors" chapter of the reference document.

7.1. RISK MAPPING

In 2010, the Group updated its risk mapping, with a view to:

- validating the relevance of identified risks
- identifying new risks
- characterising the risks

This project involved questioning a sample of 174 employees from all the business lines and functions.

Workshops were organised according to type of risk, with the task of:

- ranking risks
- assessing the current level of control.

Report by the chairman of the Board of Directors

Each Division's General Management was closely involved in the process and then validated the work and identified teams responsible for the action to be taken in connection with major risks. Crisis management is one example of the action plans drawn up.

Risk mapping enables Internal Audit to draw up an assignment-based audit programme that focuses closely on identified risks, while the work of the Internal Audit department in turn enhances risk mapping.

The mapping of risks within all Group Divisions, including APRR, results in consolidated and standardised information on risks, expressed in a common language.

7.2. INTERNAL CONTROL SELF-ASSESSMENT

The inventorying 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 an initial grid formalising the Group's internal control procedures. This grid was approved by the Group's General Management before being communicated to the various hierarchical levels concerned at the periodical meetings bringing together the Divisions' Regional Directors and at the annual meetings of subsidiary managers.

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, Group).

The principles and 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 the areas they manage.

Based on the inventory of existing procedures, the mapping of risks and the internal control grid, the Group embarked on a process of self-assessment for its contracting 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 (site, Subsidiary, Region, Division, 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 2010 self-assessment process was launched in November at all group entities in France and in the rest of Europe. The participation rate was 96% for the Group taken as a whole.

The annual review of the questionnaires, in coordination with the Divisions' functional and operational departments, resulted in the questionnaires being adapted to factor in risks identified in connection with new external and internal regulations as well as changes in the Group's various business lines and organisations.

The 2010 self-assessment consisted of 428 questions covering the main identified risks. It took the form of seven questionnaires covering seven processes, 102 sub-processes, a specific questionnaire relating to property development activities, and another for Eiffage Public Works - Industry.

The analysis of the 2010 self-assessment campaign revealed a compliance rate for all the processes combined of 87%, reflecting the responsibility assumed by operating staff with regard to the risks generated by their activity.

8 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 actions implemented in 2010 - efforts to heighten awareness of risk at all management levels, comprehensive updating of risk mapping and the manual of best practices, and the integration of APRR audit assignments within the Eiffage Internal Audit department – all form part of the Group's ongoing efforts to improve risk assessment and risk management.

Statutory Auditors' Report

prepared pursuant to Article L.225-235 of the French Commercial Code, on the report by the Chairman of the Board of Directors of EIFFAGE SA

Year ended 31 December 2010

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 the Company for the year ended 31 December 2010 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 and risk management 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 that we are not required to verify the truth and fairness of this other information.

We performed our work in accordance with auditing standards applicable in France.

INFORMATION CONCERNING THE INTERNAL CONTROL AND RISK MANAGEMENT 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 and risk management procedures relating to the preparation and processing of accounting and financial information. These procedures consist notably in:

- reviewing the internal control and risk management procedures relating to the preparation and processing of accounting and financial information underpinning the information disclosed in the Chairman's Report, and the existing documentation;
- reviewing 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 and risk management 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, 28 March 2011

The Statutory Auditors

KPMG Audit
Department of KPMG SA

Philippe Mathis
Partner

PricewaterhouseCoopers Audit

Yan Ricaud
Partner

Résolutions ordinary and extraordinary general meeting of shareholders of 20 April 2011

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 2010 financial year and the Statutory Auditors' Report on the financial statements for the year, approves the 2010 financial statements as presented to it, showing a net profit of €210 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 2010 and the Statutory Auditors' Report on the consolidated financial statements for the year, approves the 2010 consolidated financial statements as presented to it, showing a net profit (Group share) of €232 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 2010 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 year, records that the net profit available for distribution for the year amounts to €210,284,530.42, and approves the allocation of net profit proposed by the Board of Directors.

It accordingly resolves as follows:

The net profit available for distribution for the year	€210,284,530.42
Increased by the amount brought forward from the previous year	€2,784,573,364.55
Giving a total of:	€2,994,857,894.97
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	€2,886,857,894.97
TOTAL	€2,994,857,894.97

Accordingly, the total net dividend is set at €1.20 per share, which will be paid on 29 April 2011. 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 flat-rate dividend tax (*prélèvement forfaitaire libératoire*) provided for in Article 117 *quater* of the General Tax Code, on the condition 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 retained earnings.

As required by law, the shareholders are reminded that the following dividends were distributed per share for the previous three years:

2007	
Number of shares	93,183,342
Dividend per share	€1.20
Income eligible for the exemption allowed under Article 158-3-2 of the General Tax Code	€111 820 010.40
Income not eligible for the exemption allowed under Article 158-3-2 of the General Tax Code	-
2008	
Number of shares	90 000,000
Dividend per share	€1.20
Income eligible for the exemption allowed under Article 158-3-2 of the General Tax Code	€108 000 000.00
Income not eligible for the exemption allowed under Article 158-3-2 of the General Tax Code	-
2009	
Number of shares	90,000,000
Dividend per share	€1.20
Income eligible for the exemption allowed under Article 158-3-2 of the General Tax Code	€108 000,000.00
Income not eligible for the exemption allowed under Article 158-3-2 of the General Tax Code	-

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

(Authorisation given to the Board of Directors to buy Company shares)

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.

The General Meeting resolves that these 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 in favour of employees or corporate officers of the Company or of any company or grouping affiliated to it within the framework of Article L. 225-177 *et seq.* of the Commercial Code, and to enter into any coverage transaction in connection with this purpose;
- to allocate bonus shares to employees or corporate officers of the Company or of any company or grouping affiliated to it, 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 Savings Plan (*Plan d'Épargne d'Entreprise*) in accordance with the conditions laid down by law, in particular Article L. 3332-1 *et seq.* of the Employment Code (*Code du travail*), or as part of a profit-sharing scheme, and to 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 Company's 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 transferable 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 €80 per share (excluding acquisition costs). The total amount of purchases may not exceed €720 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, off the market or over-the-counter, by any means including through public offerings, the purchase or sale of blocks of shares, or the use of options, derivatives or transferable securities, except 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 21 April 2010.

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

(Ratification of a director's appointment)

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings, ratifies the provisional appointment by the Board of Directors of Mr Pierre Berger as Director, replacing Ms Anne Duthilleul. Mr Pierre Berger's term of office will 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

(Ratification and renewal of a director's appointment)

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings, ratifies the provisional appointment by the Board of Directors of Ms Thérèse Cornil as Director, replacing Mr Serge Michel, who resigned. The General Meeting records that the term of office as Director of Ms Thérèse Cornil 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 2014 to vote on the financial statements for the financial year ended 31 December 2013.

EIGHTH RESOLUTION

(Ratification and renewal of a director's appointment)

The General Meeting, voting in accordance with the quorum and majority conditions applying to ordinary general meetings, ratifies the provisional appointment by the Board of Directors of Mr Jean-Yves Gilet as Director, replacing Mr Alain Quinet, who resigned. The General Meeting records that the term of office as Director of Mr Jean-Yves Gilet 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 2014 to vote on the financial statements for the financial year ended 31 December 2013.

NINTH 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 Jean-Louis Charles 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 2014 to vote on the financial statements for the financial year ended 31 December 2013.

TENTH 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 Dominique Marcel 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 2014 to vote on the financial statements for the financial year ended 31 December 2013.

EXTRAORDINARY RESOLUTIONS

ELEVENTH RESOLUTION

(Delegation of authority to the Board of Directors to increase the share capital by the issue of shares, transferable securities or subscription warrants, maintaining preferential subscription rights)

The 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 special report by the Statutory Auditors, and in application of Articles L. 225-129 *et seq.* and L. 228-91 *et seq.* of the Commercial Code:

Delegates its authority to the Board of Directors, with the right to sub-delegate under the conditions laid down by law, to decide on and carry out, in one or several transactions, in the proportions and at the times it sees fit, in France or elsewhere, in euros, a foreign currency or units of account set by reference to a number of different currencies, the issue of Company shares or securities that immediately or subsequently give access to the Company's capital, maintaining the shareholders' preferential subscription rights. Shares and securities may be subscribed in cash or by the set-off of due and liquid receivables.

Resolves as follows:

- The nominal value of the capital increases that may be carried out immediately or in the future by virtue of the above delegation of authority shall not exceed €150 million, or the equivalent thereof in the event of issues in other currencies or units of account. If appropriate, the nominal value of any additional shares that need to be issued to preserve the rights of holders of securities giving access to the capital, in accordance with the applicable legal and regulatory provisions and with any specific contractual clauses providing for other adjustments, shall be added to this amount.
- The maximum aggregate nominal value of issues of securities representing claims against the Company and giving access to the capital shall not exceed €1.5 billion or the equivalent thereof in the event of issues in other currencies or units of account.

Resolves that the shareholders may exercise their preferential subscription rights for the shares to which they are entitled by way of right, under the conditions laid down by law. Moreover, the Board of Directors shall be entitled to grant shareholders the right to subscribe for additional securities, over and above the number to which they are entitled by way of right, in proportion to their subscription rights and, at all times, within the limit of their application.

In the event subscriptions by way of right and subscriptions for additional shares or securities, if any, do not absorb the entire number of shares or securities on offer, as defined above, the Board may choose one or more of the following lines of action, in any order it considers appropriate:

- limit the issue to the amount of subscriptions received, provided this is at least equal to three-quarters of the issue originally planned,
- allocate all or some of the unsubscribed securities as it sees fit,
- offer all or some of the unsubscribed securities to the market.

Resolves that in the event of the issue of subscription warrants for Company shares in accordance with the maximum limit specified in the fourth paragraph above, cash subscriptions may be accepted under the terms and conditions specified above or warrants may be allocated to the holders of existing shares, in bonus form.

Takes note and resolves, for all useful purposes, that the aforementioned delegation of authority shall automatically entail the waiver by the shareholders, in favour of the holders of securities giving access to the Company's capital, of their preferential subscription rights for the shares that may be obtained via these securities.

Resolves that the sum paid or owing to the Company for each of the shares issued by virtue of the aforementioned delegation of authority, less the issue price of any subscription warrants that may be issued, shall be at least equal to the nominal value of the shares.

Resolves that the Board of Directors shall have full powers, with the right to sub-delegate to its Managing Director/CEO under the conditions laid down by law, to make use of this authorisation and, more specifically, to define the dates and characteristics of the issues, and the form and characteristics of the securities to be issued, determine the issue price and define the terms and conditions of the issues, determine the amounts to be issued, determine the date

from which the issued securities will have rights attached, which may be retroactive, determine the method of payment of the shares and other securities issued and the terms and conditions under which such securities will entitle their holders to Company shares and also, if need be, define the terms and conditions under which they may be bought back on the financial markets and cancelled, provide, if appropriate, for the possible suspension of the rights to receive shares attached to the securities to be issued, and determine procedures to ensure, if need be, that the rights of the holders of securities subsequently giving access to the capital will be protected, all of the above in compliance with all the applicable laws, regulations and contractual provisions.

Moreover, the Board of Directors or the Managing Director/CEO may, if need be, charge any amounts against the issue premium(s), including costs, taxes and fees incurred to carry out the issues, and may more generally take any necessary action and enter into any arrangements to complete the planned issues, record the capital increase(s) resulting from any issue carried out by virtue of this authorisation, and amend the Memorandum and Articles of Association accordingly.

In the event of the issue of debt securities, the Board of Directors shall have full powers to, inter alia, decide whether they are subordinated, and define the interest rate, maturity, redemption price, terms of repayment and the conditions under which they may entitle their holders to Company shares.

Resolves that this delegation of authority shall cancel and supersede any unused fraction of any similar earlier authorisation.

This authorisation granted to the Board of Directors shall remain valid for a period of twenty-six months from the date of this General Meeting.

TWELFTH RESOLUTION

(Delegation of authority to the Board of Directors to increase the number of securities issued in the event demand exceeds supply)

The 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 special report by the Statutory Auditors, and in application of Article L. 225-135-1 of the Commercial Code:

Authorises the Board of Directors, with the right to sub-delegate to the Managing Director/CEO, to increase the number of securities to be issued in the event of a capital increase with preferential subscription rights, as referred to in the eleventh resolution, by up to 15% of the number of securities in the initial issue, under the terms and conditions laid down by the applicable laws and regulations at the time of the issue, on the understanding that the issue price shall be the price determined for the initial issue.

The nominal value of the issue increase(s) decided by virtue of this resolution shall, as appropriate, be factored in when calculating the maximum nominal amount as defined in the fourth paragraph of the eleventh resolution.

This authorisation shall remain valid for the same period of time as the eleventh resolution, i.e., twenty-six months.

THIRTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to increase the share capital by the issue of shares and securities in order to remunerate contributions in kind)

The 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 special report by the Statutory Auditors, and within the framework of Article L. 225-147, paragraph 6 of the Commercial Code and in accordance with Article L. 228-91 *et seq.* of the same Code, delegates to the Board of Directors, for twenty-six months from the date of this General Meeting, authority to issue shares and securities giving immediate and/or subsequent access to the Company's capital, within a limit of 10% of the capital at the time of the issue, in order to remunerate contributions in kind made to the Company consisting of shares or securities giving immediate or subsequent access to its capital, when the provisions of Article L. 225-148 of the Commercial Code do not apply.

The General Meeting resolves, for all useful purposes, to cancel the preferential subscription rights of shareholders to the shares and securities to be issued giving immediate and/or subsequent access to the Company's capital, in favour of the holders of shares or securities issued to remunerate contributions in kind. It further takes note that the resolution to issue securities giving access to the Company's capital shall automatically entail the waiver by the shareholders of their preferential subscription rights for the shares that may be obtained through the securities.

The total nominal amount of the capital increase(s) made as a result of issues by virtue of this delegation of authority shall be factored in when calculating the maximum nominal amount specified in the eleventh resolution above.

The General Meeting specifies that, as required by the law, if the Board of Directors makes use of this resolution it shall base any decisions on a report by one or more contributions auditors, as described in Article L. 225-147 of the Commercial Code.

The General Meeting resolves that the Board of Directors shall have full powers to act under this delegation of authority, with the right to sub-delegate under the conditions laid down by law, and, in particular, to approve the valuation of the contributed assets, record completion of the contributions, charge all related costs, expenses and other charges against the premiums, increase the share capital and amend the Memorandum and Articles of Association accordingly.

FOURTEENTH RESOLUTION

(Authorisation given to the Board of Directors to allocate stock options to Group employees and corporate officers)

The 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 special report by the Statutory Auditors, and in accordance with Article 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 and companies or 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 shall not be less than the average of the prices listed on the twenty trading days preceding the allocation of the options. The price may only be modified if the Company carries out one of the financial operations 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 operation. In such an event it may also temporarily suspend the right to exercise the options until completion of the operation, 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 rights to purchase more than 1,000,000 shares. This maximum amount does not include any adjustments that may be made in accordance with the applicable laws and regulations. The options may be exercised during a ten-year period from the date they are granted, although the Board of Directors shall have full powers to set a shorter 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, including performance-related conditions, and designate the beneficiaries;
- to set the period of validity of the options to purchase shares; and
- to define the terms and conditions under which the price and number of shares may be adjusted to take account of any financial operations carried out by the Company;
- all of the above in compliance with the laws and regulations applicable at the time the options are granted.

As required by the applicable legal and regulatory provisions, the Board of Directors shall report to each annual general meeting on the operations carried out pursuant to this resolution.

FIFTEENTH RESOLUTION

(Bonus shares)

The 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 special report by the Statutory Auditors, in accordance with Article L. 225-197-1 *et seq.* of the Commercial Code:

Authorises the Board of Directors to allocate, on one or more occasions, shares that the Company has bought back as bonus shares to:

- Company employees and corporate officers,
- employees and corporate officers of companies or groupings affiliated to it under the conditions referred to in Article L. 225-197-2 of the Commercial Code.

Resolves that the total number of bonus shares to be allocated may not exceed 1,000,000, that the allocation of the shares to the beneficiaries will only become definitive either i) at the end of a minimum vesting period of two years, in which case the beneficiaries must keep the shares for at least two years from the definitive allocation date, or ii) at the end of a minimum vesting period of four years, in which case no lock-in period will apply. The Board of Directors shall choose which method to use, or may use them alternately or simultaneously. In the first case it may extend the vesting and lock-in periods, and in the second case it may extend the vesting period and/or set a lock-in period.

Resolves that the Board of Directors shall define the identity of the beneficiaries of the bonus shares, the terms and conditions of allocation and any allocation criteria, including but not limited to any criteria relating to maintenance of the contract of employment or corporate office during the vesting period or any other criteria.

Resolves that the allocation of said shares to their beneficiaries shall become definitive before expiry of the aforementioned vesting periods in the event a beneficiary suffers a category two or category three disability as defined in Article L. 341-1 of the Social Security Code (*Code de la sécurité sociale*), and that the shares may be freely transferred in the event of a category two or category three disability as defined in the aforementioned article of the Social Security Code.

Grants full powers to the Board of Directors, which may sub-delegate under the terms and conditions laid down by law, in order to make use of this authorisation and, more specifically, to:

- provide for the temporary suspension of the allocation rights under the terms and conditions laid down by the applicable laws and regulations,
- record the definitive allocation dates and the dates from which the shares may be freely transferred, in compliance with this resolution and the statutory requirements,
- register the bonus shares on registered accounts in the names of the holders, stating whether they are unavailable for transfer and indicating the length of the lock-in period, and release the shares in those cases when the lock-in period can be waived by virtue of this resolution or the applicable regulations,

■ include the right to make adjustments to the number of bonus shares allocated if this is necessary to protect the beneficiaries' rights, in light of any operations affecting the Company's capital such as those referred to in Article L. 225-181, paragraph 2 of the Commercial Code. Shares allocated as a result of any such adjustment shall be deemed to have been allocated on the same day as the initial bonus shares.

Resolves that this authorisation shall remain valid for thirty-eight months from the date hereof.

SIXTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to increase the share capital by the issue of shares reserved for employees)

The 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 special report by the Statutory Auditors, authorises the Board of Directors, with the right to sub-delegate under the conditions laid down by law, in application of Articles L. 225-129-2 to L. 225-129-6 and L. 225-138-1 of the Commercial Code and Article L. 3332-1 *et seq.* of the Employment Code, to unilaterally resolve to increase the share capital on one or more occasions, by the issue of new shares or securities giving immediate or subsequent access to the Company's capital, reserved for the employees defined below, within a limit of a maximum nominal value of €15 million.

The employees who will be entitled to benefit from the capital increase or increases authorised hereby are employees of the Company and/or of affiliated companies within the meaning of Article L. 225-180 of the Commercial Code and Article L. 3344-1 of the Employment Code who have subscribed to a Company Savings Plan (*Plan d'Épargne d'Entreprise*).

The subscription price shall be set by the Board of Directors, in accordance with the conditions and the limits laid down in the applicable laws and regulations. The Board of Directors may, at its sole discretion, allocate shares or other securities giving immediate or subsequent access to the Company's capital, including equity warrants, in accordance with the provisions set out below, to replace all or part of the discount granted as calculated on the basis of the average opening prices for the Company's share on Euronext Paris over the twenty trading days prior to the date of the decision setting the subscription period.

The General Meeting resolves that the Board of Directors may decide to allocate existing or new bonus shares or securities giving access to the Company's capital (including equity warrants), on the understanding that the total benefit deriving from the allocation in terms of the Company's contribution and/or the discount on the subscription price, as the case may be, may not exceed the limits laid down in the laws and regulations.

The General Meeting resolves that the characteristics of the other securities giving access to the Company's capital shall be defined by the Board of Directors in accordance with the regulations.

The General Meeting resolves to cancel the preferential subscription rights of shareholders to any shares or securities issued by virtue of this authorisation, in favour of the beneficiaries of the capital increase(s) authorised by this resolution; moreover, the shareholders waive all rights to any shares or securities that may be allotted as bonus shares or securities by virtue of this resolution.

Within the limits and under the terms and conditions defined above, and if applicable in compliance with the rules governing the savings plans, the General Meeting also grants the Board of Directors, with the right to sub-delegate under the conditions laid down by law, full powers to define all the terms and conditions of such operations and, more specifically, to:

- determine the companies whose employees are eligible for the offer;
- set the terms and conditions of the issues to be made by virtue of this authorisation, including the price, the date from which issued securities shall have rights attached, and the terms and conditions of payment of the securities and, if appropriate, apply for their admission to listing on any appropriate market;
- define the minimum length of service required for employees to be eligible for the subscription offer;
- set the amount of the issue and the subscription opening and closing dates;
- set the deadline by which subscribers must pay for their shares, subject to a limit of three years;
- record the increase in capital on the basis of the shares actually subscribed;
- charge the costs of the operations and the amount to be transferred to the legal reserve to bring it up to one-tenth of the new share capital against the premiums relating to the capital increases;
- take any action necessary to complete the capital increases, carry out the relevant formalities, including those necessary to list the newly issued shares, and amend the Memorandum and Articles of Association as necessary to record such capital increases.

This authorisation shall remain valid for twenty-six months from the date of this General Meeting.

It cancels and supersedes the authorisation granted to the Board of Directors by virtue of the thirteenth resolution of the General Meeting held on 21 April 2010.

SEVENTEENTH RESOLUTION — Powers

(Powers for formalities)

The 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.



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 124 of this document.

Board of Directors

As at 24 February 2011, the Board of Directors was composed of the following ten members:

	First appointment	Current term of office	Age	Appointments and Compensation Committee	Audit Committee	Strategy Committee	Number of shares held
Chairman and Managing Director							
Jean-François Roverato	22/01/1987	2010-2013	66	–	–	Member	200 ⁽¹⁾
Director and Deputy Chief Executive Officer							
Pierre Berger	08/12/2010	2010-2011	42	–	–	Member	1,000
Directors							
Béatrice BRÉNÉOL	23/04/2003	2009-2012	58	Member	–	–	600
Jean-Louis CHARLES	25/06/2008	2008-2011	50	–	Member	–	100
Thérèse CORNIL	24/02/2011	2011-2011	68	Member	–	–	100
Bruno FLICHY	24/04/2002	2009-2012	72	–	Chairman	Member	4,500
Jean-Yves GILET	24/02/2011	2011-2011	55	Member	–	Chairman	100
Jean-Claude KERBOEUF	28/03/2007	2010-2013	71	–	Member	–	100
Dominique MARCEL	25/06/2008	2008-2011	55	–	Member	–	100
Demetrio ULLASTRES	22/04/2009	2009-2012	66	Chairman	–	–	8,400

(1) Taking into account his interests in Eiffage 2000, FCPE Eiffage 2011 and Eiffaime, Mr Roverato holds, directly and indirectly, 0.64% of Eiffage's capital. He is also the beneficial owner of split ownership shares in one of these companies, and when these are taken into account he holds 1.56% of the 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 Code; once a year, the Board reviews whether the Directors meet such criteria. Ms Cornil and Messrs. Charles, Flichy and Ullastres are independent directors.

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 sharehol-

ders. Three Directors have resigned since the last General Meeting and the Board has made the following appointments, subject to ratification: Ms Thérèse Cornil and Messrs. Pierre Berger and Jean-Yves Gilet. Ms Cornil is the Chair of the Conseil National de Valorisation Ferroviaire (railways advisory board) and is an independent director satisfying the criteria laid down in the AFEP-Medef Code. The Board appointed Mr Berger as Deputy CEO on 8 December 2010, to become Chief Executive Officer with effect from 1 July 2011. Mr Gilet is the CEO of Fonds Stratégique d'Investissement (FSI).

The terms of office of Ms Cornil and Messrs Berger, Charles, Gilet and Marcel are due to expire at the close of the General Meeting to be held on 20 April 2011. The shareholders will be asked to renew their appointments for three years.

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 at Eiffage subsidiaries) over the past five years, now expired
Jean-François ROVERATO Chairman and Managing Director of Eiffage	Chairman and Managing Director of APRR Chairman of: – AREA – Eiffarie (SAS) – Financière Eiffarie (SAS)	Permanent representative of Eiffage SA on the Board of Cofiroute
Pierre BERGER Deputy Chief Executive Officer	Director of: – APRR – AREA	Chairman of: – Vinci Construction Grands Projets – SOC 7 Director of: – Entrepose Contracting – Janin Atlas Inc. Permanent representative of Vinci Construction Grands Projets on the Board of Directors of Campenon SA
Béatrice BRÉNÉOL Director representing employee shareholders	Chairman of the Board of Directors of SICAV d'Actionariat Salarié Eiffage 2000 Member of the Supervisory Board of FCPE Eiffage 2011	None
Jean-Louis CHARLES Head of Financing and Investments, Groupama SA	Director of: – Groupama Private Equity – Rampart Insurance Cie Permanent representative of: – Groupama Gan Vie in : • Assu Vie • Groupama Banque • SILIC – Groupama SA in: • Astorg Actions Europe • Compagnie Foncière Parisienne – Groupama Investissements in Groupama Immobilier – Gan Prévoyance in Groupama AM	Deputy Chairman of the Supervisory Board of Finama Private Equity Member of the Supervisory Board of: – Locindus – Réunima Permanent representative of Groupama SA in: – Groupama Chegaray Services Permanent representative of Sopart in: – Ameri-Gan – Actions Techno Monde – Euro Gan – France Gan – Gan Court Terme – Gan Rendement – Monde Gan – Groupama Japon Stock – Securi-Gan
Thérèse CORNIL Chairman of CNVF (Conseil National de Valorisation Ferroviaire)	N/A	Chair and CEO of: – SEML Régie Immobilière de la Ville de Paris – Société de Gérance Jeanne d'Arc Chairman of the Board of Directors of SA d'HLM Habitat Social Français Representative of the RIVP on the Boards of: – SAEM SEMIDEP – SAEM SEMAPA Member of the Policy Committee and Supervisory Board of Crédit Municipal de Paris Director of SAS Lerichemont
Bruno FLICHY Honorary Chairman and Member of the Board of Directors, Crédit Du Nord	Director of: – Aviva Participations – L'Association Ecole-Sainte-Geneviève – Aviva France Chairman of l'Association du Grand Montreuil du Grand Montreuil	Member of the Supervisory Board of Aviva France Director of Dexia Banque Belgium

Corporate governance

Board member Main function	Other offices held at the date of this document	Other offices held (excluding at Eiffage subsidiaries) over the past five years, now expired
Jean-Yves GILET CEO of Fonds Stratégique d'Investissement (FSI)	Director of FSI PME-Portefeuille	Director of: – AM France – AM Stainless International – AM Stainless Europe – AM Stainless France – AM Stainless Belgium Chairman of the Board of Directors of AM Inox Brazil
Jean-Claude KERBOEUF	Chairman of Eiffaime (SAS)	N/A
Dominique MARCEL Chairman and CEO, 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 Chairman of La Compagnie des Alpes Domaines Skiabiles (SAS) Chairman of the Supervisory Board of Société du Parc du Futuroscope	Chairman and CEO of: – CDC Entreprises Capital Investissement – CDC Infrastructure – Financière Transdev Chairman of the Supervisory Board of: – CDC DI (Germany) – Compagnie des Alpes Chairman of the Management Board of La Compagnie des Alpes Chairman of the Board of Directors of: – BAC Participations (SA) – CDC Holding Finance Deputy Chairman of the Board of Directors of Dexia Crédit Local Director of: – Accor – CDC Entreprises Portefeuille – Dexia – Icade – Société Forestière de la CDC – Caisse des Dépôts Développement Member of the Supervisory Board of: – CDC Entreprises – Compagnie des Alpes – CNP Assurances Permanent representative of : – Financière Transdev on the Board of Directors of Transdev – CDC on the Supervisory Board of La Société Nationale Immobilière SAEM
Demetrio ULLASTRES LLORENTE Chairman of Abertis Airports	Chairman of : – Abertis Airports SL – TBI Ltd – Accesos de Madrid C.E.S.A. – Ullastres SA – Fagottres SA Director of : – Airport Concessions and Development ACDL – Grupo Aeroportuario del Pacifico (GAP)	Chairman of : – MBJ Airports Ltd Director of: – ACS, Servicios y Concesiones S.L. and its subsidiaries – Dragados Concesiones de Infraestructuras SL – Urbaser SA – Dragados Servicios Portuarios y Logísticos SL – Clece SA – Abertis Infraestructuras SA

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, over the last five years, any of the members of the Board of Directors have been convicted for fraud or associated with a bankruptcy, seizure of assets or liquidation, the object of any charge or official public sanctions ordered by a corporate body or regulatory authority, or 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.

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 sale of their interests in Eiffage at the end of their office.

Special agreements

On 10 December 2008 the Board approved a regulated agreement between Soficot and Eiffage (Mr. Serge Michel was a member of the Eiffage Board and Chairman of Soficot). This agreement was terminated by Eiffage in 2010.

The other agreements entered into by Eiffage with companies having the same Directors concern such transactions as are standard between companies belonging to the same group. The new agreements entered into since the end of the 2010 financial year are of a similar nature. The Statutory Auditors review the regulated agreements in their special report (page 123).

Functioning of the Board of Directors

A description of the functional organisation of the Board of Directors is included in the Chairman's report on the preparation and organisation of the Board's work and on internal control, on page 124 of this reference document.

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 General Delegation for Risks and Controls.

(See Report by the Chairman of the Board of Directors on Internal Control, pages 125 to 132).

CONTRACTING ACTIVITY

Over 90% of the Group's business concerns small, short-term projects (or contracts). To manage them effectively the individuals in charge of each project or contract need to have the relevant authority and powers.

The decentralisation of responsibilities within the Group is achieved through a network of modestly-sized subsidiaries and entities, which facilitates monitoring and minimises risk.

The Internal Control function is organised on the basis of the separation of roles and responsibilities between five different levels: project, entity or subsidiary, regional management, division management, and Group holding company.

The organisation of large projects is adapted and certain hierarchical levels between those of 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.

CONCESSION ACTIVITIES

The Group's Concession activities are essentially carried out within APRR, which has its own internal control organisation tailored to its specific business of managing motorway networks.

Corporate governance

Corporate Officers' Remuneration and Benefits

REMUNERATION

On 10 December 2008 Eiffage's Board of Directors resolved to follow the recommendations issued by AFEP and Medef concerning the remuneration of corporate officers. Mr Jean-François Roverato, the Chairman and Managing Director, was Eiffage's only corporate officer in 2010. In 2008 and 2009, the variable element of his remuneration was set in line with the recommendations of the Appointments and Compensation Committee, and was based on the consolidated net profit and the consolidated free cash flow, each of which accounted for 50% of this variable element. Mr Jean-François Roverato's variable remuneration in 2009 was capped at €450,000, on his suggestion. For 2010, in line with recommendations by the Appointments and Compensation Committee, the variable element of Mr Roverato's remuneration was raised by a percentage corresponding to the increase in the Group's consolidated net profit, and set at €550,000 (see below).

The Group does not offer its executive officers or other employees any "golden hello" or "golden handshake" scheme or any supplementary pension plans.

SHARES AND STOCK PURCHASE OPTIONS

As at 31 December 2010, no corporate officers hold options to subscribe for or purchase shares under stock option plans introduced by Eiffage SA, and there are no stock option plans in place in any of the other Group companies.

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 chairmen;
- 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	2009	2010
Jean-François ROVERATO, Chairman and Managing Director		
Remuneration payable for the financial year (detail in table 2)	1,383,590	1,484,790
Value of options granted during the year	None	None
Value of shares allocated during the year	None	None
TOTAL	1,383,590	1,484,790

Table 2 - Table summarising remuneration received by each executive officer

In euros	For 2009		For 2010	
	Owed	Paid	Owed	Paid
Jean-François ROVERATO, Chairman and Managing Director				
Fixed	900,000	900,000	900,000	900,000
Variable	450,000	700,000	550,000	450,000
Exceptional	-	-	-	-
Board fees	30,000	30,000	30,000	30,000
Benefits in kind (company car)	3,590	3,590	4,790	4,790
TOTAL	1,383,590	1,633,590	1,484,790	1,384,790

Table 3 - Table showing board fees

Directors	Fees paid for 2009 (paid in 2010)	Fees paid for 2010 (to be paid in 2011)
<i>In euros</i>		
Béatrice BRENEOL	37,500	45,000
Jean-Louis CHARLES	45,000	42,857
Anne DUTHILLEUL	35,000	20,357
Bruno FLICHY	75,000	75,000
Jean-Claude KERBOEUF	45,000	45,000
Dominique MARCEL	55,000	57,857
Serge MICHEL	60,000	60,000
Alain QUINET	40,000	42,857
Jean-François ROVERATO	30,000	30,000
Demetrio ULLASTRES	32,500	45,000
TOTAL	455,000	463,928

Table 4 - Bonus shares that became available during the financial year for each executive officer

Executive officer	Date of Plan	Number of shares that became available in 2010	Conditions for acquisition	Year of allocation
Jean-François ROVERATO	–	–	–	–

Table 5 - Employment contracts, specific pension plans, severance pay and non-competition clauses

Executive officers	Employment contract	Supplementary pension plan	Severance pay or other payment or possible payment open departure or change of fonction	Compensation under a non-competition clause
Jean-François ROVERATO	No	No	No	No
Chairman and Managing Director First appointed in 1987 Current term of office expires in 2013				

Table 6 - Transactions involving securities issued by the Company held by corporate officers or other individuals who are required by the AMF's General Regulations to report such transactions

Person reporting a transaction	Office	Financial instrument	Type of transaction	Unit price	Amount of the transaction
Béatrice BRENEOL	Director	Eiffage 2000*	Subscription	€48.90	€12,118
François MASSE	Deputy Managing Director	Eiffage 2000*	Subscription	€50.97	€20,438
Max ROCHE	Chief Finance Officer	Eiffage 2000*	Subscription	€50.97	€20,418
Jean-François ROVERATO	Chairman and Managing Director	Eiffage 2000*	Subscription	€50.97	€13,785
Demetrio ULLASTRES	Director	Eiffage	Purchase	€35.70	€17,920

* The Sicavas Eiffage 2000 is an open-end employee investment trust. As at 31 December 2010, 96.9% of its investments were Eiffage shares.

Executive Officers' Loans and Guarantees

None.

Employee Profit-Sharing

Most 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 Eiffage'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, the employees benefit from 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'Epargne Entreprise*) have existed in each 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 Ownership of Capital and Voting Rights below).

Amounts paid out by the Group under the various employee profit-sharing plans amounted to €109 million in respect of 2010, compared to €167 million in respect of 2009 (including a special €52 million bonus in accordance with the Act of 3 December 2008), and €135 million in respect of 2008. Over the last five years, a total of €679 million has been paid out in this way.

Share Purchase Option Plans - Bonus Share Plans

■ The Ordinary and Extraordinary General Meeting of 21 April 2004 authorised the Board of Directors to grant the Group's employees and corporate 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 the Group's employees and corporate officers options entitling holders to purchase existing Eiffage shares. The maximum number of shares that could be purchased was set at 1,000,000. The Board of Directors has used this authorisation in part and granted 998,500 stock options.

■ The Ordinary and Extraordinary General Meeting of 22 April 2009 authorised the Board of Directors to grant the Group's employees and corporate officers options entitling holders to purchase existing Eiffage shares. The maximum number of shares that could be purchased was set at 1,000,000. The Board of Directors has made full use of this authorisation.

■ The Ordinary and Extraordinary General Meeting of 21 April 2010 authorised the Board of Directors to grant the Group's employees and corporate officers options entitling holders to purchase existing Eiffage shares. The maximum number of shares that could be purchased was set at 1,000,000. The Board of Directors used this authorisation in part on 24 February 2011, granting 677,600 options.

The table below gives details of the allocation of share subscription and purchase options:

	2004 Plan	2004 Plan	2005 Plan	2007 Plan	2008 Plan	2009 Plan	2009 Plan	2011 Plan
Type of plan	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase
Date of Board resolution allocating the options	21.04.2004	10.12.2004	14.12.2005	13.06.2007	10.12.2008	26.02.2009	09.12.2009	24.02.2011
Number of shares that can be subscribed or purchased ⁽¹⁾	1,223,900	294,000	123,200	95,700	956,250	4,900	999,200	677,600
Of which:								
– by corporate officers	36,000	–	–	–	–	–	–	100,000
– by the 10 employees allocated the most options	168,000	189,000	20,000	17,000	60,000	4,900	114,000	47,500
Options can be exercised until	21.04.2011	10.12.2011	14.12.2012	13.06.2014	10.03.2013	26.05.2013	09.03.2014	12.06.2015
Subscription or purchase price	€20.67	€25.50	€36.25	€101.50	€32.30	€36.35	€38.50	€41.24
Number of shares purchased as at 31.12.2010	1,155,973	78,500	3,500	–	–	–	–	–
Options cancelled in 2010	1,100	0	4,400	8,600	65,250	–	48,600	–
Outstanding options as at 31.12.2010	66,827	215,500	115,300	87,100	891,000	4,900	950,600	–

(1) Adjusted to reflect options cancelled as at 1 January 2010

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 10 Group employees who are not corporate officers and who received the most options: None.
- Total number of options held for Eiffage shares exercised over the year by the 10 Group employees who are not corporate officers who exercised the most options: 42,800 at a weighted average exercise price of €24.32

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	20.04.2005	19.04.2006	28.06.2006	18.04.2007	16.04.2008	15.05.2008
Number of bonus shares originally 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	21.04.2007	20.04.2008	29.06.2008	19.04.2009	17.04.2010	16.05.2010
Number of shares actually acquired	205,600	215,700	20,000	93,900	102,260	12,700
Lock-in period after acquisition	2 years	2 years	2 years	2 years	2 years	2 years

At the end of the two-year vesting period ownership of the shares is transferred definitively to the beneficiaries subject to certain requirements as regards employment and, in certain cases, performance.

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.

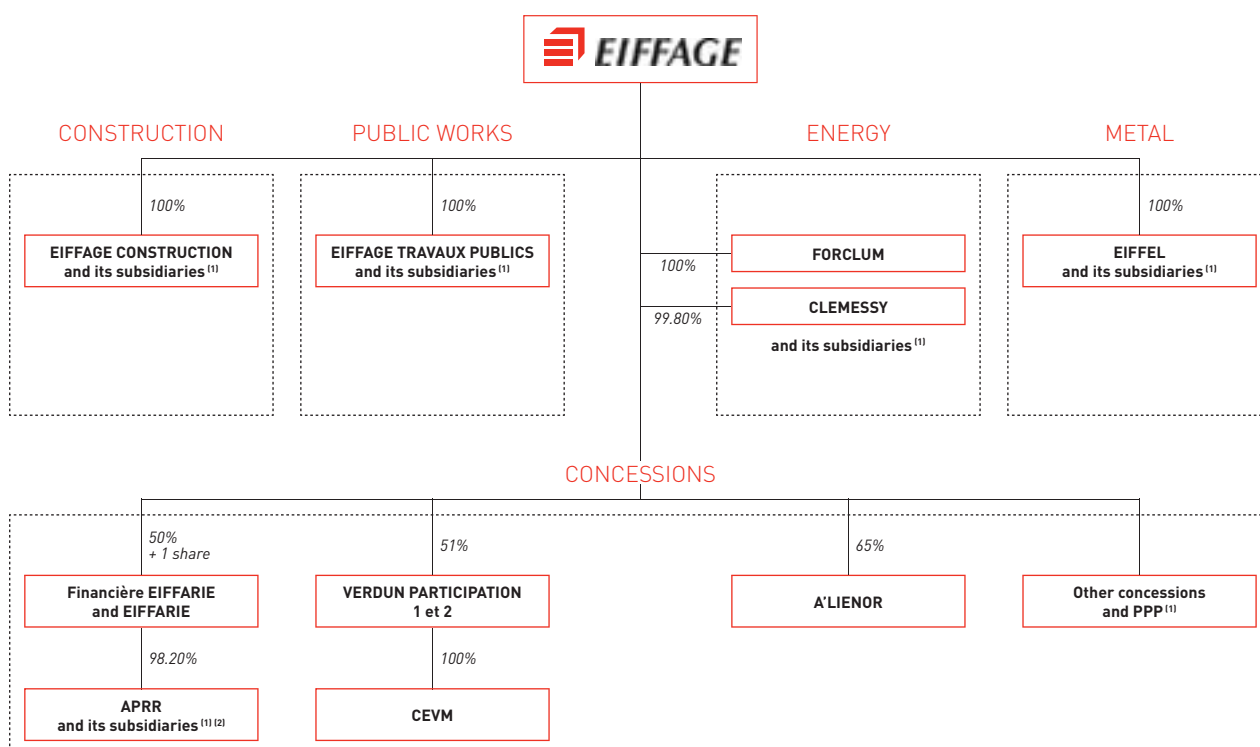
GENERAL INFORMATION

Historical Background and Organisation⁽¹⁾

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 fifth largest construction group after Vinci (France), Bouygues (France), Hochtief (Germany) and ACS (Spain).

Eiffage is organised into five divisions – Construction, Public Works, Energy, Metal and Concessions – which are organised into operational branches reporting directly to the holding company:

ORGANIGRAMME



(1) See list of subsidiaries and holdings on page 107 (interests expressed in percentages are identical to voting rights)

(2) APRR and its subsidiary AREA are fully consolidated companies, due to an ownership structure which gives Eiffage ultimate control

■ 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) and Eurovia (Vinci), and is a market leader in public works and earthworks.

■ The Energy division comprises Forclum and, since December 2008, Clemessy, which together form one of the leading French groups in the sector (its main competitors are Vinci Energies, Spie SA and Ineo). Crystal, which was also acquired in December 2008, was merged into the Forclum group early in 2011.

■ 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-Chateaufort and Bocard.

■ In infrastructure concessions, Eiffage controls APRR through its subsidiary Eiffarie with an 98.2% 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 Société Marseillaise du Tunnel Prado Carénage. In February 2009, TP Ferro (50% of which is held by Eiffage) completed work on the high-speed rail link from Perpignan to Figueras for which it holds the concession. Eiffage also holds 65% of A'liénor, which was awarded the concession for the Pau-Langon A65 motorway link, opened in December 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.

(1) Rankings given in this chapter were taken from the 2010 edition of Moniteur du Bâtiment et des Travaux Publics or are based on internal sources

As regards the Group's permanent activities, and apart from France where it has one of the densest and most deeply-rooted local networks in the industry, Eiffage operates throughout Europe, mainly in the Benelux countries, where it is a leader in the construction sector, Germany, Poland, the Czech Republic, Spain, Portugal and Italy. 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 107 to 109. Regulated agreements between Group companies are detailed in the Special Report by the Statutory Auditors, which can be found on page 123.

Parent-Subsidiary Relations

Eiffage, as the Group's parent company, provides its divisions with services through a wholly-owned, dedicated management structure, organised into the following departments:

- Group Executive Management
- Financial and Cash Management
- Group Accounting and Accounts Consolidation
- Communication
- General Delegation for Risks and Control
- Employee Relations and Human Resources
- Information Systems
- Sustainable Development
- Concessions Development

The other functional tasks are performed within each division, for their own account. The parent company management structure is remunerated by payment of fees calculated on the basis of each division's sales. These fees totalled €47 million in 2010 and 2009, and €57 million in 2008.

Name and Registered Office

Eiffage

163 quai du Docteur-Dervaux – 92600 Asnières-sur-Seine.

France

Legal Form and Applicable Legislation

Société Anonyme (public limited company) governed by French law.

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 Memorandum and 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 works, private civil engineering contracts or the construction of buildings;
- The acquisition, utilisation and sale of processes, patents and licences of any kind;

■ The study, construction, purchase, operation and sale of plants and quarries of any kind;

■ The manufacture, use and sale of products of any kind necessary to achieve its corporate purpose;

■ Any industrial, commercial, financial or 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 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,
France

Reference documents and regulated information are available from the registered office and the Company's website: www.eiffage.com

Financial Year

The financial year starts on 1 January and ends on 31 December.

Appropriation of Profit

(Article 32 of the Memorandum and Articles of Association)

he 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 this 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 for the purpose of distribution as may be decided by the General Meeting, without any shortfall arising in one year leading to an additional deduction from the profits of 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 information

General Meetings

(Articles 29 and 30 of the Memorandum and 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 Memorandum and 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 Memorandum and 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 crossing 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 shares 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 Memorandum and 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 a SICAVAS holding 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 business strategy and oversees its 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 Memorandum and Articles of Association)

The general management of the Company shall be the responsibility of either the Chairman of the Board of Directors or another individual appointed by the Board of Directors and given the title of Managing Director or Chief Executive Officer. 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/CEO, may appoint one or more individuals to assist him, who shall be given the title of Deputy Managing Director or Deputy Chief Executive Officer.

The age limit for the Managing Director/CEO and any Deputy Managing Directors/CEOs is 65. If the incumbent officer reaches the age of 65 the Board of Directors may extend his appointment for a maximum period of three years.

The Managing Director/CEO 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 2010, the share capital amounted to €360,000,000, divided into 90,000,000 shares with a nominal value of €4 each. Information on securities giving access to the capital and on share ownership is provided below.

AUTHORISATIONS TO INCREASE THE CAPITAL

The Ordinary and Extraordinary General Meeting of Shareholders of 21 April 2010 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. It is stipulated that the total issue should 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 was granted for twenty-six months, and has not yet been used.

TABLE SUMMARISING CURRENTLY VALID AUTHORISATIONS TO INCREASE THE CAPITAL

In euros	Date of EGM	Authorisation expiry date	Authorised amount (nominal capital)	Increase(s) in previous year	Increase(s) in this financial year	Amount available at end of financial year
Delegation of authority to increase the capital while maintaining preferential subscription rights	21.04.2010	20.06.2012	€150 M	–	–	€150 M
Authorisation to increase the amount of an issue if oversubscribed	21.04.2010	20.06.2012	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	21.04.2010	20.06.2012	€15 M	–	€0.746 M	€14.254 M
Delegation of authority to increase capital in order to remunerate a contribution of shares or securities	21.04.2010	20.06.2012	10% of the capital	–	–	10% of the capital

The General Meeting of 20 April 2011 will be asked to renew all the above delegations of authority for a further twenty-six months.

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			
1/01/06						44 894 788
2006	Exercise of share subscription options	40,270	322,160	378,538	359,480,464	44,935,058
	Halving of nominal value	44,935,058	–	–	359,480,464	89,870,116
	Reserved capital increase	3,294,510	13,178,040	146,605,695	372,658,504	93,164,626
	Exercise of share subscription options	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
2009	Cancellation of shares	– 1,583,342	– 6,333,368	– 46,706,140	360,000,000	90,000,000
2010	Reserved capital increase	186,458	745,832	4,995,210	360,745,832	90,186,458
	Cancellation of shares	– 186,458	– 745,832	– 6,293,355	360,000,000	90,000,000

General information

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 31.12.2008		As at 31.12.2009		As at 31.12.2010		
	Number of shares	% held	Number of shares	% held	Number of shares	% held	% voting rights ^[1]
Employee shareholders:							
– Eiffage 2000	15,134,325	16.5	17,826,485	19.8	20,037,604	22.3	23.1
– FCPE Eiffage 2011	2,875,760	3.1	2,748,791	3.0	2,643,464	2.9	3.0
– FCPE Eiffage Classique	539,820	0.6	519,263	0.6	228,700	0.2	0.3
– Held directly	728,929	0.8	661,469	0.7	641,363	0.7	0.7
Caisse des Dépôts	18,137,857	19.8	–	–	–	–	–
FSI	–	–	17,966,000	20.0	17,966,600	20.0	20.7
Eiffaime	7,448,854	8.1	7,448,854	8.3	7,448,854	8.3	8.6
Groupama	5,601,489	6.1	5,601,489	6.2	5,601,489	6.2	6.4
Treasury shares	2,544,473	2.8	3,417,257	3.8	3,092,832	3.5	–
Free float	38,571,835	42.2	33,810,392	37.6	32,339,094	35.9	37.2
TOTAL	91,583,342	100%	90,000,000	100%	90,000,000	100%	100%

[1] voting rights that can be exercised at General Meetings.

Eiffage Group employees hold Eiffage shares through the SICAVAS Eiffage 2000 investment fund. A capital increase reserved for employees was carried out in December 2006, subscribed via an FCPE investment fund called Eiffage 2011. The Eiffage Classique FCPE, which held APRR securities, sold them to purchase Eiffage shares.

As at 31 December 2010, Eiffaime, which was formed by Group managers, held 8.3% of the capital.

In July 2009, Caisse des Dépôts transferred its entire interest in Eiffage to its subsidiary, Fonds Stratégique d'Investissement (FSI).

In view of the declarations received by Eiffage relating to the crossing of the ownership thresholds set by the Memorandum and Articles of Association, the shareholders who hold more than 1% of the capital as at 31 December 2010 other than those listed in the above table or mentioned above are: Natixis, Geneval, BNP Paribas, Crédit Mutuel, CNP Assurances, AXA, Grupo Rayet, Gecina and Norges Bank.

To the Board of Directors' knowledge, no other shareholder directly or indirectly holds more than 1% of the capital either singly or in concert.

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 Memorandum and 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 Eiffage Classique 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 to 20 of the Memorandum and Articles of Association;

■ Powers currently delegated to the Board of Directors are described in the directors' report (share buy-back programme, page 61) and in the table summarising authorisations to increase the capital, page 151 ;

■ The Company's Memorandum and Articles of Association are amended in accordance with the applicable laws and regulations;

■ The credit facilities described on page 67 of this document (in the section "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

Eiffage acquired 777,550 shares in 2010 pursuant to the authorisations given by the General Meeting of Shareholders, and disposed of 749,667 shares. 165,850 shares were transferred to employees who exercised stock options, 186,458 shares were subscribed within the framework of a capital increase reserved for employees, and the same number (186,458) were cancelled by the Board. As a result, at the end of the financial year Eiffage held 3,092,832 of its own shares (3.5% of the share capital), purchased at an average price of €49.41 (nominal value: €4).

SHARE LISTING

Eiffage SA's shares are listed on NYSE Euronext-Paris (compartment A).

Share Prices and Trading Volumes

(on NYSE Euronext-Paris)

	High (€)	Low (€)	Number of shares	Amount (€ million)
2009				
September	48.50	42.00	2,679,591	120.90
October	43.78	36.07	1,971,445	80.50
November	39.45	35.65	2,431,215	91.64
December	42.45	36.87	3,144,189	125.38
2010				
January	43.23	37.80	2,296,775	91.91
February	39.86	33.53	2,029,210	74.26
March	38.62	33.38	2,446,190	89.00
April	41.43	36.90	2,602,743	103.38
May	39.90	35.45	4,333,607	162.11
June	41.25	33.28	3,914,767	147.07
July	40.30	34.71	2,782,332	106.45
August	40.20	34.70	1,432,718	54.03
September	38.19	34.76	1,709,989	62.37
October	37.32	34.03	1,377,935	49.29
November	37.88	32.38	2,887,563	100.49
December	36.07	33.01	2,210,967	76.86
2011				
January	38.45	32.85	3,404,118	122.76
February	43.94	37.22	4,224,708	170.79

Source: Euronext

Dividends

Year for which dividends were distributed	Total dividend (€)	Number of share on which dividend was paid	Payment per share
2005	67,342,182	44,894,788	1.50
2006	93,172,338	93,172,338	1.00
2007	111,820,010	93,183,342	1.20
2008	108,000,000	90,000,000	1.20
2009	108,000,000	90,000,000	1.20
2010	108,000,000	90,000,000	1.20

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.

General information

Statutory Auditors

PRIMARY STATUTORY AUDITORS

KPMG SA

1. cours Valmy – 92923 Paris la Défense Cedex, France

Member of the Compagnie régionale
des Commissaires aux Comptes de Versailles
représenté by M. 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, France

Member of the Compagnie Régionale des Commissaires aux
Comptes 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

M. Bernard Paulet

1 Cours Valmy, 92923 Paris-la Défense cedex, France

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

M. Yves Nicolas

63 Rue de Villiers, 92200 Neuilly-sur-Seine, France

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 2010 and 2009 to the auditors who cer-
tified the consolidated financial statements can be found in the
notes to the financial statements, on pages 104 and 105 of this
document.

Person Responsible for Information

Mr Max Roche, Chief Finance Officer

163 Quai du Docteur Dervaux, 92600 Asnières-sur-Seine, France

Tel (switchboard): +33 (0)1 41 32 80 00

Appended Information (documents available to the public)

During the period of validity of this reference document the Memo-
randum and Articles of Association, the Statutory 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 pro-
vided 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 fol-
lowing information is deemed to form part of this reference
document:

- the consolidated financial statements and the reports of the Sta-
tutory Auditors on such consolidated financial statements as at 31
December 2008, appearing on pages 104 to 141 and 142 respectively
of the French version of the reference document no. D.09 – 0189
filed with the AMF on 2 April 2009;
- the consolidated financial statements and the reports of the Sta-
tutory Auditors on such consolidated financial statements as at 31
December 2009, appearing on pages 58 to 99 and 100 respectively
of the French version of the reference document no. D.10 – 0219 filed
with the AMF on 6 April 2010.

Other Documents

The following documents have been included in this reference docu-
ment and thus do not need to be published separately, in accor-
dance with the AMF's General Regulations:

■ Annual financial report:

Financial statements for the financial year ended 31 December 2010	Pages 111 to 121
Report by the Statutory Auditors on the annual financial statements	Page 122
Consolidated financial statements for the financial year ended 31 December 2010	Pages 70 to 109
Report by the Statutory Auditors on the consolidated financial statements	Page 110
Directors' report – Article 222-3 of the AMF's General Regulations	Pages 54 to 63
Declaration by the individuals accepting responsibility for the annual financial report	Page 155

- Fees paid to each of the Statutory Auditors and to members of
their networks: pages 104 and 105 of this reference document.

- Chairman's report on corporate governance and internal control:
pages 124 *et seq.* 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 directors' report reproduced on page 54 gives a true and fair account of the state of the 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.

The Statutory Auditors have prepared a report on the consolidated financial statements for the financial year ended 31 December 2009, presented on page 100 of the French version of the reference document no. D.10.0219 filed with the AMF on 6 April 2010, in which they make one observation.

The Statutory Auditors have prepared a report on the consolidated financial statements for the financial year ended 31 December 2010 presented in this document, reproduced on page 110, in which they make one observation.

Asnières-sur-Seine, 30 March 2011

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.

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This document was prepared by the issuer, under the responsibility of the signatories.



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EIFFAGE GROUP,
EXPERTISE IN SYNERGY



163 quai du Docteur-Dervaux – 92600 Asnières-sur-Seine

Telephone: +33 (0)1 41 32 80 00 – Fax: +33 (0)1 41 32 80 10

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