Prospectus dated 25 July 2014

NGE
(*société par actions simplifiée*)

€ 70,000,000 4.375 per cent. Notes due 31 July 2021

Issue Price: 100 per cent.

This prospectus (the **Prospectus**) constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU) (the **Prospectus Directive**). Application has been made to the *Autorité des marchés financiers* for approval of this Prospectus in its capacity as competent authority pursuant to Article 212-2 of its *Règlement général* which implements the Prospectus Directive.

The € 70,000,000 4.375 per cent. notes due 31 July 2021 (the **Notes**) of NGE (the **Issuer**) will be issued on 31 July 2014 (the **Issue Date**).

Interest on the Notes will accrue from, and including, the Issue Date at the rate of 4.375 per cent. *per annum*, payable annually in arrear on 31 July in each year, and for the first time on 31 July 2015 for the period from, and including, the Issue Date to, but excluding, 31 July 2015.

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at par on 31 July 2021 in accordance with the terms and conditions of the Notes. The Notes may, and in certain circumstances shall, be redeemed before their maturity date, in whole only but not in part, at their principal amount, together with, any accrued interest, in the event that certain French taxes are imposed, in accordance with Condition 8.3 of the terms and conditions of the Notes. The Notes may also be redeemed before their maturity date, in whole only but not in part, on the Make Whole Redemption Date, at their Optional Redemption Amount, together with, any accrued interest, all as defined and in accordance with Condition 8.2 of the terms and conditions of the Notes. Noteholders will be entitled, in the event of a Change of Control or of a breach of a Financial Covenant to request the Issuer to redeem or procure the purchase of their Notes at their principal amount together with any accrued interest, all as defined, and in accordance with the provisions set out in Condition 8.4 of the terms and conditions of the Notes.

The Notes will benefit from second ranking pledges over financial securities accounts of certain subsidiaries of the Issuer (*nantissements de compte-titres de second rang*) and a ranking agreement (*convention sur le rang*) will be entered into with the beneficiaries of the first ranking pledges granted by the Issuer over the same financial securities accounts (*nantissements de compte-titres de premier rang*), as further described in Conditions 4 and 5 of the terms and conditions of the Notes.

The Notes will be issued in dematerialised bearer form in the denomination of € 100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book entries. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. **Account Holder** shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, Clearstream Banking, *société anonyme* and Euroclear Bank S.A./N.V.

Application has been made to admit to trading the Notes on Euronext Paris. Euronext Paris is a regulated market within the meaning of the Directive 2004/39/EC.

Neither the Notes nor the long-term debt of the Issuer have been rated or are expected to be rated.

Copies of this Prospectus are available on the websites of the *Autorité des marchés financiers* (the **AMF**) (www.amf-france.org) and of the Issuer (www.groupe-nge.fr) and may be obtained, without charge on request, at the principal office of the Issuer during normal business hours.

See the "Risk Factors" section for a description of certain factors which should be considered by potential investors in connection with any investment in the Notes.

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and its General Regulations (*Règlement général*), in particular Articles 211-1 to 216-1, the *Autorité des marchés financiers* (**AMF**) has granted to this Prospectus the visa n°14-438 on 25 July 2014. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

Joint Lead Managers

CM-CIC
Société Générale Corporate & Investment Banking

This Prospectus has been prepared for the purpose of giving information with respect to the Issuer and the Issuer and its consolidated subsidiaries taken as a whole (the ***Group****) as well as the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.*

The Joint Lead Managers (as defined in "Subscription and Sale" below) have not separately verified the information contained in this Prospectus. Accordingly, the Joint Lead Managers do not make any representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information contained in this Prospectus. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by, or on behalf of, any of the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes.

No person is authorised to give any information or to make any representation related to the issue, offering or sale of the Notes not contained in this Prospectus. Any information or representation not so contained herein must not be relied upon as having been authorised by, or on behalf of, the Issuer or the Joint Lead Managers. The delivery of this Prospectus or any offering or sale of Notes at any time does not imply (i) that there has been no change with respect to the Issuer or the Group, since the date hereof and (ii) that the information contained in it is correct as at any time subsequent to its date. The Joint Lead Managers do not undertake to review the financial or general condition of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or prospective investor in the Notes of any information coming to its attention.

The Prospectus and any other information relating to the Issuer or the Notes should not be considered as an offer, an invitation, a recommendation by any of the Issuer or the Joint Lead Managers to subscribe or purchase the Notes. Each prospective investor of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. Investors should in particular conduct their own analysis and evaluation of risks relating to the Issuer, the Group, their business, their financial condition and the issued Notes and consult their own financial and legal advisers about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances. Potential investors should read carefully the section entitled "Risk Factors" set out in this Prospectus before making a decision to invest in the Notes.

The distribution of this Prospectus and the offering or the sale of the Notes in certain jurisdictions may be restricted by law or regulation. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution, offering or sale. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Note may be offered or sold, directly or indirectly, and neither this Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of Notes and distribution of this Prospectus and of any other offering material relating to the Notes, see "Subscription and Sale" below.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the ***Securities Act****). The Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act (****Regulation S****)) except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act.*

*In this Prospectus, references to **€**, **EURO**, **EUR** or to **euro** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.*

FORWARD LOOKING STATEMENTS

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

TABLE OF CONTENTS

Clause **Page**

PERSON RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

I hereby certify, having taken all reasonable care to ensure that such is the case, that the information contained in this Prospectus is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility accordingly.

The auditors' report with respect to the financial statements for the year ended 31 December 2011 can be found on pages 178 to 180 on this Prospectus. Such report contains the following remark:

"Without qualifying our opinion, we draw your attention to the matter set out in Note 5.1 to the consolidated financial statements which describes change of Group structure for the 31 December 2011 year-ended and pro forma information presenting impacts of the PPDC-TSO entry in the NGE group consolidation perimeter."

NGE
Parc d'activité de la Laurade
13103 Saint-Etienne-du-Grès
France

Duly represented by:
Prométhée Group
President of NGE and Chairman of the Executive Board (*Directoire*)

represented by:
Antoine Metzger
General Manager of Prométhée Group

Dated 25 July 2014

RISK FACTORS

The Issuer believes that the risk factors described below are important in making an investment decision in the Notes and/or may affect its ability to fulfill its obligations imposed by the Notes with regard to investors. The risks are contingent and the Issuer is unable to comment on the possible occurrence of these risks.

The following paragraphs set forth the main risk factors relating to the Issuer and the Notes that the Issuer considers significant for the Notes as of the date of this Prospectus. These risk factors are however not exhaustive. Additional risks not known to the Issuer or not material at this particular time may have a significant impact on an investment in the Notes. The risks described below may be combined and interrelated.

Prior to any decision to invest in the Notes, prospective investors should consider carefully all the information contained in this Prospectus, especially the risk factors detailed below. In particular, potential investors, underwriters and Noteholders must make their own analysis and their own assessment of all considerations of an investment in the Notes and risks relating to the Issuer, its business, its financial position, the Group and the Notes. They are also recommended to consult their own financial or legal advisors as to the risks of an investment in the Notes and as to the suitability of such an investment in light of their own particular circumstances.

The Issuer believes that the Notes should only be subscribed or acquired by (i) investors who are financial institutions or (ii) other professional investors who are in a position to assess the specific risks involved in an investment in the Notes or acting on the advice of financial institutions.

The order of presentation of the risk factors below is no indication of the probability of occurrence.

Terms defined in the "Terms of the Notes" section of this Prospectus will have the same meaning when used hereafter.

1. Risks relating to the Issuer and/or the Group

1.1 Macroeconomic risk linked to the industry sector and markets

The activity of the Group is dedicated to public works (earthworks, civil engineering, road, networks and railway works), which are subject to many risk factors both internal and external (operational, financial, legal, tax, environmental, etc.).

Notwithstanding the diversity of its activities and geographical implantations, the activity and financial results of the Group remain sensitive to changes in the macroeconomic environment of the main markets in which it operates (France, Europe, North Africa, Middle-East, Central America, Asia), which may impact the volume of activity, the intensity of competition and product pricings.

1.2 Risks related to the activities of the Group

(a) Risks related to the activity of designer/builder

The major projects and other works (see section "*Description of the Issuer*") carried out by the Group in its activity of designer/builder may involve different risks:

- during the design phase: under-sized budgets, design error, incorrect assessment of the local environment, unfavourable contractual arrangement, misunderstanding of client requirements, underestimation of staffing needs (insufficiency, lack of qualifications, inadequacy), difficulties with equipment (insufficiency, inadequacy, equipment failure) and with the materials needed to achieve a work under the foreseen conditions, etc.; and

- during the implementation phase: failure of counterparties (clients or partners), difficulty in mobilising resources sufficient in number or expertise, defects in implementation that affect costs negatively, problems with the quality of works or with work completion deadlines, lag between the time at which the expenses are incurred and the timetable for the payments of advances, insufficient cost control, difficulty in obtaining the necessary administrative authorisations to carry out the work and, in general, any erroneous estimation of items that may constitute an obstacle to the realisation of the work.

To mitigate such risks, the Group applies commitment and control procedures:

- internal engineering services, together with the functional departments, have to identify and assess the risks that may affect the business;

- operational services (general management, studies offices, construction management, etc.) have to follow the verification and validation steps of the consonance of supply to client requirements and the chosen calculations options; and

- works that exceeds one of the thresholds of commitment defined by the Group and/or present a specific risk have to be previously controlled and authorised by the Strategic Board (*Conseil Stratégique*).

Despite such procedures, the occurrence of such risks cannot be excluded, which would negatively impact the activities, financial results and prospects of the Group.

(b) Risks related to the activity as operator of a public service

In its activity as operator of a public service (highway infrastructure, operating a marina, water network, etc.), the Group enters into public service delegation agreements and concession contracts that involves specific risks.

Risks related to public procurement

Many clients of the Group being in the public sector, the results and prospects of the Group could be affected by the evolution of public procurement and the ability of public entities to get financings, especially in the current context of rise of public debt, difficulties of public finances in many countries (including France) and resulting austerity programs. In addition, administrative and political considerations can also affect the level of public procurement, for example because of the difficult emergence of consensus on budgets, election dates or changes in administration, which can jeopardize already approved projects.

Risk of mismatch between the costs incurred and the revenues made

In the operation and maintenance of a concession, the Group is exposed to the risk of mismatch between the costs incurred and the revenues made. The Group is therefore dependent on (i) the level and changes in traffic level or frequency of visits and infrastructure usage according to the nature of the concession contract, (ii) the acceptability of tolling or toll tariffs by users of the infrastructure operated, (iii) exposure to a decline in the inflation rate which has an impact on the tariffs and fraud by some users at tolls and (iv) "traffic risk", whose evolving components are the use of the infrastructure, the type of users (trucks, light vehicles), the level of fuel prices and the tariffs applied.

The risks associated with the operation of such infrastructures can be limited with adequate provisions (for example, the cost of resurfacing the road, which is related to the intensity of traffic, is covered by provisions).

The Group may also be exposed to risks related to the financing of the project (bank loans, expected income, etc.) in proportion to its stake in the share capital of the project company that holds the concession contract.

The occurrence of such risks could have a material adverse effect on the activities, financial results and prospects of the Group.

(c) Property risks associated with real estate and property development business

The Group is exposed to a limited real estate risk, exclusively related to its business premises locations (permanent or temporary).

The Group is also exposed to a property risk linked to loans for construction sites and negotiations of deposit and excavation areas, which may impact the deadlines and cost of the proposed operations. Any unexpected delay in obtaining proper authorisation could affect the deadline of a particular operation, thus generating delay penalties.

In Financed Projects, a licensor may decide to transfer the land risk to the licensee, causing land management (site visit, collection, optimum location of the work, etc.) to be an essential element to the effective implementation of works.

Exceptionally, the Group may be required to participate in real estate development transactions. The main risk relates to the sale price of the premises and built-up areas which may be less than those expected to ensure the safety of the investment.

The occurrence of such risks could have a significant adverse effect on the activities and results of the Group.

(d) Risks related to changes in purchasing costs

The Group is exposed to price increases of the equipment, supplies, raw materials (notably petroleum products such as asphalt or fuel) and materials it purchases. Such price increases, and their impact on the price of works or services, can also reduce the volume of orders from clients.

To mitigate this risk, (i) the quarries service of the Group develops quarries at which all subsidiaries, as well as third parties, can buy, (ii) the Group's purchasing department seeks to anticipate these changes by negotiating master agreements to streamline these costs, (iii) the internal engineering services negotiate, for each significant business, agreements with suppliers to obtain firm prices or ones that are reasonably indexed for a particular duration and (iv) works contracts may contain revision and price indexation clauses.

Despite these measures, the Group may not be able to obtain supplies at acceptable costs for certain products, which could significantly affect its financial results and prospects.

(e) Risks linked to Group partners

Risk of default

The Group is exposed to the risk of default of its partners (suppliers, subcontractors, joint-contractors or clients).

In 2013, the top ten clients of the Group accounted for 35% of its revenue and its first client accounted for 11% of its revenue.

To limit this risk, the Group pays particular attention to the selection and spread of partners with whom it signs contracts, both at the operational and financial levels. In addition, the diversity of activities and geographical locations of the Group contributes to reduce this risk.

However, the risk of default of a partner of the Group can not be excluded and, should it materialise, additional costs and delays (such as delivery delays) could be generated, which could have a significant impact on the reputation, the activities, the financial results and the prospects of the Group.

Risk of reliance

The Group is exposed to the risk of reliance on its partners (suppliers, subcontractors or joint-contractors) which are mainly national, international or local public works companies.

The insolvency of a partner or the non-renewal of the contractual relationship between the Group and such partner could make more difficult or significantly delay the implementation of projects by the Group, as the Group may not be in a position to substitute in a timely manner another partner to fulfil the technical specifications needed.

In addition, the renewal of contracts between the Group and its partners may have to be made on different conditions, including on tariffs.

The occurrence of such risks could materially impact the activities, the financial position and results of the Group.

(f) Risks related to the implementation of projects

During the implementation of projects, the Group is exposed to a number of elements that can generate additional costs and delays such as:

- delays caused by external events such as delays on previous works/batches (network diversion, etc.), the discovery of protected species (work interrupted for their displacement, etc.), the discovery of an unidentified network or the discovery of explosive devices;
- geological, geotechnical or archaeological risks;
- customs risk (taxation, supplies blocked, etc.);
- unilateral modification of the contract by the client or the contractor which could lead to termination of the contract;
- soil risk (foundation, earthwork, etc.);
- claims by third parties arising from the design or works;
- malice on the project site (theft, damage, etc.);
- delays in implementation or in commissioning, and resulting penalties;
- technical non-compliance; and
- quality problems.

To reduce these risks, a management system is implemented at the project sites (including a reporting to the Executive Committee (*Comité Exécutif*)) and corrective actions may be implemented during the project.

However, the occurrence of such risks cannot be excluded. As such risks cannot be systematically passed on to the client, in particular in the context of public services delegation agreements or concessions contracts, their occurrence could have a negative impact on the activities, the financial results and the prospects of the Group.

(g) Risks related to the Group's ability to manage and maintain its external growth

As part of its strategy for growth, the Group has made numerous acquisitions. The Group's ability to effectively manage its external growth requires it to implement, improve and use all of its resources efficiently. Specifically, the Group must continue to develop its operational, financial and accounting procedures and other internal control systems.

The continuation of this external growth strategy could be limited notably by excessive valuations, the absence of appropriate targets, competition for acquisition targets and, punctually, by the application of competition law.

The Group may encounter, for various reasons, difficulties in integrating future acquisitions in its organization, which could lead to results and cash flows being lower than expected, up to the writing off of goodwill.

To limit these risks and harmonise its internal management rules with those of the newly acquired entity, the Group usually opts for taking a majority stake.

If the Group is unable to effectively manage growth and implement appropriate procedures or if the implementation of this strategy runs into serious difficulties making it more expensive (higher level of debt and burden of interest charges for the Group) or less profitable than expected, it could materially adversely affect its image, its business, its financial results and its financial position.

(h) Risks associated with human resources

Risks associated with social conflicts

The business of the Group is one of services. In the daily management of men and women, the Group cannot exclude the possibility that conflicts may occur.

These social conflicts may in particular result in work stoppages, demonstrations and more generally in the disruption of normal activities of the Group.

The emergence of social conflicts may have material adverse effects on the activities, the profitability, the financial results, the financial position and the prospects of the Group.

Health risks at work

At the completion of new construction and maintenance, certain employees of the Group may be exposed to various nuisances (noise, vibration, dust, toxic or CMR (carcinogenic, mutagenic, reprotoxic)) that could lead to work stoppages.

Employees may also engage litigation to obtain the recognition of their exposure to these nuisances as occupational disease.

To limit the exposure of employees, and in accordance with applicable laws, specific and targeted action plans are implemented by the Group.

The occurrence of these risks could affect the reputation, the results, the financial situation and the prospects of the Group.

(i) Risks related to competitors

The markets in which the Group operates are mature and characterized by the presence of a large number of competitors.

Strategic and commercial information concerning the Group's future activities in terms of organic growth and acquisitions is highly sensitive, and the Group is implementing measures to raise awareness among its employees regarding confidentiality and risks relating to competitors, notably with a competitor guide updated periodically.

The high competition on the markets in which the Group operates could have a negative impact on the activities, the financial results, the financial position and the prospects of NGE.

(j) Environmental and industrial risks

The Group's activities, including public works and operation of classified facilities (quarries, asphalt mix plants/stations, binder plants, etc.), can affect the environment (pollution or contamination of soil and watercourses) and biodiversity (accidental disruption or destruction of a habitat or species) due to the presence of chemicals on construction sites and/or the operation of fixed or mobile facilities.

These risks, the importance of which varies according to the size and nature of activities of the site, are significant for most industrial sites because of their size.

These sites are under regular surveillance by the Group, with a particular focus on sites which are greater in size or more sensitive in the nature of their activity.

In addition, specific regulations apply to the activities of the Group: handling of demolition materials or materials from construction sites in the construction industry, production of various materials in the roads sector, protection of natural environments and biodiversity surrounding active project sites and during the operational phase of linear infrastructure, etc.

The occurrence of these risks and the cost of complying with applicable regulations may have an adverse effect on the reputation, the results (increase in operating, maintenance or restoration expenses) and the prospects of the Group.

(k) Risks associated with weather and natural phenomena

The Group's operations may be at risk from natural phenomena, especially weather.

In addition, the Group's activity structurally slows down during winter.

Adverse conditions (bad weather, rain, lightning, snow, ice, etc.) can lead to project site or activity stoppages or the accidental destruction of structures under construction, resulting in a failure to cover fixed costs. They may also result in increased costs in the execution of projects, as construction may have to be completed within a reduced time frame.

Adverse conditions could affect the level of activity, the financial results and the financial situation of the Group.

(l) Risks associated with information systems

As part of its activities, the Group uses information systems, in particular to centralize data management, provide its employees with adequate means of communication, protect the confidentiality of data and enable the preservation of these data. The Group is exposed to the risk of loss or hacking of its data.

To limit this risk, the Group (i) regularly informs its employees of the need to regularly back up data and of the confidentiality of certain information and (ii) has established technical data backup systems (copy to internal and secure external data centers) and control their access (firewall, proxy).

The failure of all or part of these information systems, data loss or hacking could hinder or prevent the continuance of the Group's activities and/or make the Group liable vis-à-vis third parties, which could have material adverse effects on the activities, the financial results, the financial position and the prospects of the Group.

(m) Risks associated with the Group's reputation

The Group is exposed to risks concerning its reputation, such as disparagement of its construction services, liability of its management, dissemination of false information, misuse of its name or its brands, etc.

In addition, when the Financed Projects in which the Group takes part are for public purposes, the Group's reputation could be affected in the event of failure of the public service (poor maintenance of roads, poor management of extraordinary events such as waves, snow or excessive congestion at tolls, etc.) or usual and/or exceptional event management default (upkeep of careening areas, repair of vehicles, users information, etc.)

The occurrence of these risks could have a significant negative effect on the reputation, the activities, the results and the prospects of the Group.

1.3 Financial Risks

(a) Risks associated with interest rates

With the exception of finance lease contracts (such as leasing contracts), which bear interest at fixed rates, the Group's debt mainly bears interest at floating rates.

The Group enters into hedging arrangements to mitigate the potential negative effect of an increase in interest rates.

Note 8.14 to the 2013 consolidated financial statements details the debts subject to interest rate risk (at 31 December 2013, the outstanding debt of the Group bearing interest at a floating rate was 123,0 million euros of a total outstanding gross debt of 244,5 million euros).

As hedging of interest rates is only partial, any increase of interest rates would increase the financial costs of the Group, which would reduce its profit margin and net income and could slow its growth.

(b) Risks associated with exchange rates

The majority of the Group's subsidiaries operate in the Euro-zone, limiting the Group's exposure to foreign exchange rates.

In addition, costs related to international contracts of the Group denominated in a currency other than Euro are generally paid in the same local currency.

Risks associated with exchange rates for the Group concern primarily cash flow discrepancies during the execution of a contract (funding of resources or working capital requirement) and the conversion into Euro of general costs and profit generated by a particular contract. The Group may implement a strategy to hedge all or part of these cash flows in order to reduce its exposure to risks associated with exchange rates (see note 8.18 to the consolidated financial statements as at 31 December 2013).

However, a significant change in exchange rates on which the Group remains exposed may affect the activity, the financial results and the prospects of the Group.

(c) Liquidity risk

Liquidity risk is the risk associated with the possibility that the Group may have insufficient net financial resources to meet its obligations and its operating expenses.

The Group experienced a significant increase of its working capital requirements in 2013, which should be reversed in 2014.

As of 31 December 2013, the main items of the Group's debt are as follows (see note 8.14 to the 2013 consolidated financial statements):

In thousands of euros	Current	Non-current		Total
		1 - 5 years	> 5 years	
Borrowings associated with concessions				-
Bank borrowings	55 102	96 195	3 867	155 165
Finance lease borrowings	20 957	51 628	14 763	87 349
Other borrowings	-	1 887	-	1 887
Accrued interest	149	-	-	149
Gross debt	**76 208**	**149 711**	**18 631**	**244 549**
Net cash				73 776
Net debt				**170 774**

As of 31 December 2013, the maturity of the syndicated loans and leasing lines are as follows:

In M€	2014	2015	2016	2017	2018	After 2018	Total
Maturity of gross debt	**76.2**	**61.9**	**49.7**	**27.6**	**10.6**	**18.6**	**244.6**
Including maturity of syndicated loan and others loans	55.1	42.9	36.4	16.8	2.0	3.9	157.1
Including maturity of the leasing debt	21.0	19.0	13.3	10.8	8.6	14.7	87.4
Interests due	0.1	-	-	-	-	-	0.1

(debt in gross value)

Liquidity analysis (annual financial statements)

In M€	2010	2011	2012	2013
Cash	105.1	124.9	136.7	147.1
Undrawn credit facilities	5.0	43.9	38.4	36.7
Liquidity	**110.1**	**168.8**	**175.1**	**183.8**
Short term debt (< 1 year)*	**73.2**	**87.3**	**86.3**	**89.5**
Coverage rate	**1.5x**	**1.9x**	**2.0x**	**2.1x**

*Excluding Securitisation programme of 60 million euros as of 31 December 2013.

1. *Syndicated loans*

NGE entered into a syndicated loan facility of 125 million euros on June 2011 with a pool of banks not fully drawn at that time. The principal amount was 95.8 million euros as of 31 December 2012 and 99 million euros as of 31 December 2013, no additional drawdown being available. The syndicated loan is amortized on a semi-annual basis and terminates on 30 June 2017.

As part of its syndicated loan, the Group is committed to maintain certain financial covenants that are tested once a year, non-compliance of which could result in early redemption. As of 31 December 2013, the Group was complying with these covenants.

Financial covenants of the syndicated loan dated 2012, as amended in 2013 and 2014

Ratios	Definition	Contractual 2012	Realised 2012	Contractual 2013, prior to amendment (3)	Realised 2013	Contractual 2014, after amendment (4)
Gross Leverage Ratio (excluding Securitisation)	Gross Debt / EBITDA	<3.0x	2.3x	<3.0x	***2.6***	*<3.5x*
Gross Leverage Ratio (including Securitisation)	Gross Debt (including Securitisation) / EBITDA	*NA*	*NA*	<3.7x	***3.2***	*<4.0x*
Net Leverage Ratio (including Securitisation)	Net Debt (including Securitisation) / EBITDA	*NA*	*NA*	<2.0x	***1.7***	*<2.3x*
Gearing Ratio	Net Debt / Equity	<1.0x	0.43x	<1.0x	***0.4***	<1.0x
Consolidated Cash Flow Ratio (2)	Cash Flow prior to debt service / debt service	>1.0x	1.05x	>1.0x Or > 70 m€	***Net Cash 73 m€***	>1.0x or 70 m€

	Or Net Cash position					

NA: Not applicable
(1) *following the amendment of 20 November 2013*
(2) *ratio considered as having been complied with if consolidated net cash is > 70 M€*
(3) *following the amendment of 20 November 2013, and prior to the amendment to be entered into on 25 July 2014 in the context of the issue of the Notes*
(4) *following the amendment to be entered into on 25 July 2014 in the context of the issue of the Notes*

All tranches of the syndicated loan are secured by first ranking pledges over the financial securities accounts on which are registered the shares of the principal subsidiaries of the Issuer which significantly contribute to its consolidated revenue and EBITDA.

In addition, shares of Albea, Alicorne, Atlandes and Hautes-Pyrénnées Rocades Tarbaises, which are project companies in which the Issuer holds a stake, are pledged for the benefit of the banks which are financing the said companies.

2. *Securitisation program of commercial debts*

The Group has implemented a securitisation program of commercial debts to a value of sixty million euros (€60,000,000) on 31 December 2013 for a five-year period.

3. *Credit facilities*

The Group has unconfirmed credit facilities to finance its working capital requirement totalling fifty million euros (€50,000,000) of which thirty-six million and seven hundred thousand euros (€36,700,000) were undrawn as of 31 December 2013.

1.4 Legal and tax risks

(a) Tax risk

The Group is exposed to tax risks arising from the complexity and formalities characterising the fiscal environment in which its operating and holding activities are carried out. In this context, the Group may be subject to tax procedures and litigations.

TSO has received several notifications from the Algerian tax authorities for corrections or correction proposals for an amount representing, for TSO's share in the concerned companies, close to 6 million euros. At 31 December 2013, one million five hundred thousand euros (€ 1,500,000) was accrued by the Group in relation to such notifications from the Algerian tax authorities. The Group has contested and/or is about to contest the claims and believes that any amount payable by TSO should be substantially less than the amount claimed by the Algerian tax authorities.

Any unfunded or inadequately provisioned litigation would be likely to have an adverse effect on the Group's results and financial position.

(b) Litigations and arbitration proceedings

Companies of the Group are engaged in proceedings, arbitrations and claims in the normal course of their business.

As of the date of this Prospectus, an arbitration proceeding is ongoing before the International Chamber of Commerce in relation to a contract in Algeria, with a financial exposure for the Group below 6 million euros.

On 11 January 2008, TSO entered into a contract with the Kingdom's of Cambodia's Ministry of Public Works and Transport for the rehabilitation of the southern railway line of Cambodia (RLL1 – Southern Line Contract). Considering the difficulties encountered in the execution of the contract and the substantial variations in its scope of works TSO claimed around USD 74,000,000 (excluding interest) to the Kingdom of Cambodia. Negotiations were opened with the Cambodian government

but failed to reach agreement. As of the date of this Prospectus, TSO SAS therefore contemplates to introduce a request for arbitration before the Secretariat of the International Court of Arbitration of the International Commerce Chamber.

On the basis of its past experience and the analysis of its legal department and advisors, proceedings, arbitrations and claims involving the Group are reviewed regularly, particularly when new information becomes available.

(c) Risks associated with legal and regulatory environment

The activities of the Group are varied and subject to numerous laws, regulations and standards as well as to specific technical documents relating to each project. These regulations, to which changes are sometimes difficult to anticipate and/or implement in a timely manner notably relate to:

- terms and procedure concerning the awarding and execution of public private contracts and tenders;
- construction law;

antitrust law (conspiracy to defraud or other anticompetitive practices, influence peddling, bribery and corruption, concealment of favouritism);

- as well as economic law, business law, administrative law, labour law, insurance law, social security law, property law, industrial property law, financial law etc.

As a result, the Group and/or its employees may be exposed to contractual, non-contractual (delict/tort) or criminal liability in their activities.

To carry out its activities, the Group must obtain various administrative authorisations (building permit, operating license, legal judgments on water, judgments on road usage, deposit authorisations, etc.).

In addition, the provisions of the *Code des marchés publics* prohibit economic operators which have been condemned in courts and/or have not fulfilled their tax and social security obligations from applying for public contracts.

The loss or withdrawal, temporary or permanently, of authorisations and/or non-compliance with the legislative and regulatory framework or their changes may have a significantly adverse effect on the activities, the image, the financial results and the prospects of the Group.

1.5 Insurance

Risks are associated with an insurance gap or inadequate insurance policies.

Public works sector is an area in which professional insurance covering the financial consequences of injury, damage or loss caused to third parties due to construction activity and ten-year liability insurance to cover damage during building works are generally mandatory.

An insurance gap or inadequate insurance policies may have an adverse effect on the financial results and the prospects of the Group.

(a) Insurance policy

The Legal Department, in collaboration with the management, adapts, negotiates and purchases all the Group's insurance policies with a view to (i) consistency and (ii) differential treatment of specific risks associated with each activity.

High levels of franchise are applicable to the insurance policies for (i) small claims (characterised by their low amount and frequency), (ii) damages to the Group's works during construction (except if required otherwise by contract) and (iii) damages to plant and equipment (although the latter may sometimes be covered by machinery breakdown insurance policies).

Large claims that may have a significant impact on the financial results of the Group are covered by insurance policies with high guarantee ceilings.

Road vehicles, which are mostly pooled within fleets by subsidiary, are not generally covered on a comprehensive basis.

(b) General and specific risks

The Group may be liable for civil action and be responsible for damages caused to third parties by the Group, or by persons or causes dependent upon it (civil liability, civil liability after delivery, ten-year construction liability and ten-year civil engineering liability).

Specific risks, by their nature or unique character, are covered by specific forms of civil liability insurance arrangements or by distinct policies (mechanical liability insurance, accidental pollution, freight, etc.).

(c) Insurance related to public service delegation agreements and concession contracts

Upon conclusion of each new public service delegation agreement and concession contract, the Group re-assesses the risks of the contract and the guarantees that may be required by the other party, and additional guarantees or insurance policies may be taken.

(d) Insurance ceiling

The maximum guaranteed ceiling for all damages, by type of claim and year of insurance, applicable to the Group's professional liability insurance, after delivery civil liability and/or product civil liability, is fifty million euros (€50,000,000), and includes standard limitations on non-consequential immaterial damages, property entrusted, removal and refitting fees, inexcusable fault of the employer, accidental environmental damage, ten-year civil engineering and withdrawal fees.

NGE holds insurance covering its legal liability as a builder of works and similar or ancillary buildings (buildings, platforms, roads and various private networks, piles, retaining walls, special foundations, etc.) in case of material damages affecting the strength of the work or making it improper to its destination, including for assignments or work outsourced, which every company must answer vis-à- vis any client for 10 years from the receipt of the work (Articles 1792 *et seq.* and 2270 of the French *Code civil* and Article L.121-1 of the French *Code des assurances*).

Mandatory ten-year insurance contract currently signed by NGE covers participation in building works subject to mandatory insurance whose total estimated cost of construction (including works and fees), as declared by the client, is no more than twenty-six million euros (€26,000,000) excluding VAT. Beyond this amount, NGE has to declare the work to the insurance company and enter into an amendment to extend the cover. Such extension of the cover may cause the payment of an additional premium. In the absence of declaration, the insurance company will apply the proportional rule in accordance with Article L.121-5 of the French *Code des assurances*.

Insurance companies usually require the subscription or the benefit of a CCRD (*contrat collectif de responsabilité décennale*) insurance policy for all projects with a total construction cost (global amount of the works and fees) above 15 million euros. The CCRD insurance policy is in addition to the mandatory ten-year insurance required from each builder. The amount of the ten year insurance policy of NGE is ten million euros (€10,000,000) including VAT, and includes complementary guaranties on collapse of NGE's works, proper functioning and project management.

NGE is covered by its mandatory ten-year insurance policy within the limits guaranteed. Above the limits, NGE may have to repair the damage in proportion of the quantum retained for its responsibility.

The Group believes that its current policies are consistent with its exposure profile given the conditions offered by the insurance markets in terms of capacity, scope of coverage and terms. The insurances described, due to market constraints, include exclusions and/or limitations and could be amended in response to changes in market conditions or in the risk profile of the Group.

However, the cost of such insurance may increase in the future and some risks to which the Group is exposed may not be covered by insurance, which could have a significant adverse effect on the financial position and results of the Group.

2. Risks linked to the Notes

2.1 Risks related to the Notes generally

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of such investor's own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets;

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the relevant risks; and

(vi) consult their legal advisers in relation to possible legal or fiscal risks that may be associated with any investment in the Notes.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult their legal counsel in order to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal counsel or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

No active secondary market for the Notes

An investment in the Notes should be considered primarily with a view to holding them until their maturity (i.e. 31 July 2021). Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of Notes. Although application has been made for the Notes to be admitted to trading on Euronext Paris, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

The Notes may be redeemed prior to maturity

In the event that the Issuer would be obliged to pay additional amounts in respect of any Notes due to any withholding as provided in Condition 8.3 of the terms and conditions of the Notes, the Issuer may and, in certain circumstances shall, redeem all of the Notes then outstanding in accordance with such Condition.

In addition, the Issuer may redeem all, but not some only, of the Notes at any time prior to their maturity date, at their relevant make whole redemption amount, as provided in Condition 8.2 of the terms and conditions of the Notes.

The Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. During a period when the Issuer may elect, or has elected, to redeem Notes, such Notes may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes.

Put option - Change of Control and breach of a Financial Covenant

In the event of a Change of Control and/or in the event of the occurrence of a breach of a Financial Covenant (all as more fully described in Condition 8.4 of the terms and conditions of the Notes), each Noteholder will have the right to request the Issuer to redeem or procure the purchase of all or part of its Notes at their principal amount together with any accrued interest.

In the event of such Change of Control and/or such breach of a Financial Covenant, any trading market in respect of those Notes in respect of which such redemption right is not exercised may become illiquid. In addition, Noteholders having exercised their put option may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Notes.

Second-ranking security in France

The Notes will benefit from second ranking pledges over financial securities accounts of certain subsidiaries of the Issuer (*nantissements de compte-titres de second rang*) (the **Second Ranking Shares Pledges**), as defined and further described in section "*Description of the Second Ranking Pledge Agreement and the Ranking Agreement*" in the Prospectus.

The creation and the enforcement of second ranking pledges over certain assets (such as securities) have not been tested before French courts, and there can be no assurance that a second ranking pledge over a financial securities account (*compte de titres financiers*) would be upheld if tested.

Accordingly, there is a risk that a second ranking pledge over a financial securities account may be held void or unenforceable by a French court. Although there is no express prohibition under French law on granting a second or lower ranking pledge over a financial securities account in which the shares or other securities of a French company are registered, some legal commentators have queried whether a second or lower ranking pledge is legally permissible to the extent that the granting of a pledge over a financial securities account is deemed, according to some legal scholars and practitioners, to remove the securities registered on the pledged financial securities account from the possession of the pledgor, thereby preventing such pledgor from granting further, second or lower ranking pledges thereon. In order to create second ranking shares pledges certain legal scholars and practitioners are of the view that it is possible to place the shares under the custody of an agreed third-party (*entiercement*). In the absence of French case law in this respect, no assurance can be given that a court would concur with such beliefs and positions.

Ranking Agreement

A ranking agreement (*convention sur le rang*) will be entered into with the beneficiaries of the first ranking pledges granted by the Issuer over financial securities accounts of certain subsidiaries of the Issuer (*nantissements de compte de titres financiers de premier rang*) (the **Ranking Agreement**), as defined and further described in section "*Description of the Second Ranking Pledge Agreement and the Ranking Agreement*" of the Prospectus. Pursuant to this Ranking Agreement, the First Ranking Beneficiaries agree that notwithstanding the fact that they benefit from first ranking shares pledges over financial securities accounts, the First Ranking Beneficiaries and the Second Ranking Beneficiaries will share the proceeds in case of enforcement of each pledge on a *pari passu* basis.

Such *pari passu* arrangement will depend on the enforceability of the Ranking Agreement. As a result, if the Ranking Agreement or the relevant provisions thereof were found to be invalid or held to be unenforceable for any reason, or if an administrator refuses to pursue its enforcement, the Noteholders would rank behind and be subordinated to any priority security interests, including the First Ranking Shares Pledges granted in favor of the Lenders.

In addition, the Ranking Agreement provides that the Shares Pledges will be enforced, according to a majority of both the beneficiaries of the First Ranking Shares Pledges and the beneficiaries of the Second Ranking Shares Pledges. Accordingly, a Noteholder will not be able individually to enforce the Second Ranking Shares Pledges and the choice of the majority will bind all Noteholders.

The Ranking Agreement and the Second Ranking Pledge Agreement will provide for an automatic release of the Second Ranking Shares Pledges when all the First Ranking Shares Pledges will have been fully released. The occurrence of such automatic release will be notified to the Noteholders.

Credit risk

Noteholders are exposed to the credit risk of the Issuer. Credit risk refers to the risk that the Issuer may be unable to meet its financial obligations under the Notes, thus creating a partial loss or a total loss for the investor.

The Notes includes certain restrictive covenants and do not prevent the Issuer from incurring additional indebtedness

The terms and conditions of the Notes only contain certain financial covenants (as set out in Condition 7.1 of the terms and conditions of the Notes).

The terms and conditions of the Notes contain a negative pledge undertaking that prohibits the Issuer and its Principal Subsidiaries (as defined in Condition 3 of the terms and conditions of the Notes) from creating security over assets without securing equally and rateably the Notes, in certain circumstances and subject to certain exceptions.

Subject to these financial covenants and negative pledge, the Issuer and its subsidiaries may incur significant additional debt that could be considered before or rank equally with the Notes. Accordingly, if the Issuer incurs significant additional debt ranking equally with the Notes, it will increase the number of claims that would be entitled to share rateably with Noteholders in any proceeds distributed in connection with an insolvency, bankruptcy or similar proceeding.

Modification of the Terms and Conditions of the Notes

The holders of the Notes will be grouped automatically for the defence of their common interests in a *Masse* of the Noteholders, as defined in Condition 13 of the terms and conditions of the Notes, and a general meeting of the Noteholders can be held. The provisions of the French *Code de commerce* permit in certain cases defined majorities to bind all the holders of the Notes including those who did not attend and vote at the relevant general meeting and those who voted in a manner contrary to the majority.

The general meeting of Noteholders may deliberate on any proposal relating to the modification of the Terms and Conditions of the Notes, notably on any proposal, whether for arbitration or settlement, relating to rights in controversy or which were subject of judicial decisions.

Withholding under the EU Savings Directive

Under the EC Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to an individual resident in that other Member State and to certain limited types of entities established in that other Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. On 10 April 2013, Luxembourg officially announced that it will no longer apply the withholding system as from 1 January 2015 and will provide details of payment of interest (or similar income) as from this date. A number of non-EU countries and territories (including Switzerland) have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system under the Savings Directive and an amount of, or in respect of, tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note, as a result of the imposition of such withholding tax. In addition, the Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

French Insolvency Law

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in order to defend their common interests if any safeguard proceedings (*procédure de sauvegarde*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*) (as from 1st July 2014), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a euro medium term notes programme) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (charges) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing-off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give rights to share capital.

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the debt securities held by the holders expressing a vote). No quorum is required to convene the Assembly.

For the avoidance of doubt, the provisions relating to the representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Change of law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial or administrative decision or change to French law or administrative practice after the date of this Prospectus.

Potential Conflicts of Interest

The Joint Lead Managers and their affiliates have engaged, and may in the future engage in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of

such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Absence of rating

The Notes not being rated, the assessment of the Issuer's ability to comply with its payment obligations under the Notes is made more complex for investors.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

*The proposed financial transactions tax (**FTT**)*

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

2.2 Risks related to the market generally

Market value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including market interest and yield rates.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchange on which the Notes are traded. The price at which a Noteholder will be able to

sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

The Notes bearing interest at a fixed rate, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

TERMS AND CONDITIONS OF THE NOTES

The Terms and Conditions of the Notes (the **Conditions**) will be as follows:

The issue of the € 70,000,000 4.375 per cent. Notes due 31 July 2021 (the **Maturity Date**) (the **Notes**) by NGE (the **Issuer**) was authorised pursuant to a decision of the Executive Board (*Directoire*) of the Issuer dated 16 July 2014, acting upon prior authorisation of the Strategic Board (*Conseil Stratégique*) dated 2 July 2014. The Issuer will enter into a fiscal agency agreement to be dated 25 July 2014 (the **Fiscal Agency Agreement**) with Société Générale as fiscal agent and calculation agent and as paying agent (the **Fiscal Agent**, the **Calculation Agent** and the **Paying Agent** which expressions shall, where the context so admits, include any successor for the time being as fiscal agent, calculation agent or paying agent and are collectively referred to as the Agents). Copies of the Fiscal Agency Agreement are available, without charge, for inspection, during normal business hours at the specified offices of the Fiscal Agent. References below to "*Conditions*" are, unless the context otherwise requires, to the numbered paragraphs below. In these Conditions, **holder of Notes**, **holder of any Note** or **Noteholder** means the person whose name appears in the account of the relevant Account Holder (as defined below) as being entitled to such Notes.

1. FORM, DENOMINATION AND TITLE

The Notes will be issued on 31 July 2014 (the **Issue Date**) in dematerialised bearer form (*dématerialisés au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in book entry form in the books of Euroclear France (**Euroclear France**), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) .

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books, and only in the denomination of €100,000.

2. STATUS

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts constitute direct, general, unconditional, unsubordinated and secured (subject to, and, in accordance with Conditions 4 and 5) obligations of the Issuer and rank and will at all times rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) at least equally and rateably with all other present or future unsubordinated and unsecured payment obligations of the Issuer.

3. NEGATIVE PLEDGE

So long as any of the Notes remains outstanding (as defined below), the Issuer undertakes that it will not, and will procure that none of its Principal Subsidiaries will, grant or permit to subsist any Security Interest other than Permitted Security Interest upon the whole or any part of the Issuer's or any of its Principal Subsidiaries' business (*fonds de commerce*), assets, rights or revenues, present or future, to secure any Financial Indebtedness incurred or guaranteed by the Issuer or any of its

Principal Subsidiaries, unless, at the same time or prior thereto, the Issuer's obligations under the Notes are equally and rateably secured therewith.

For the purposes of these Conditions:

Agilis means the *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Avignon under number 443 222 328.

Consolidated Assets (*actifs consolidés*) means the net value of total assets (*actif total*) as referred to in the most recent audited annual consolidated financial statements of the Issuer.

EHTP means the *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Tarascon under number 439 987 405.

Etablissements Cazal means the *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Carcassonne under number 313 211 864.

Facilities Agreement means the facilities agreement (*contrat de crédits*) dated 9 June 2011, as amended under a first amendment dated 28 September 2011, a second amendment dated 20 November 2013 and a third amendment to be dated 25 July 2014, between the Issuer as borrower, Crédit Lyonnais as facility agent and the financial institutions parties thereto as lenders.

Facility Agent means, as at the Issue Date, Crédit Lyonnais acting as agent for the Lenders in accordance with the provisions of the Facilities Agreement.

Financial Indebtedness means any indebtedness for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument or of bills of exchange, promissory notes, *bons de caisse* or any similar instrument;

(c) any amount raised by acceptance under any acceptance credit or bill discounting facility, receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirements for de-recognition under the accounting principles applicable to the consolidated financial statements of the Issuer);

(d) the amount of any liability in respect of any lease (including any credit-bail or lease-back) or hire purchase contract which would, in accordance with the accounting principles applicable to the Issuer, be treated as a finance lease;

(e) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing in accordance with the accounting principles applicable to the Issuer;

(f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(h) the amount of any personal liability for any of the items referred to in paragraphs (a) to (g) above.

GTS means the *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Lyon under number 348 099 987.

Guintoli means the *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Tarascon under number 447 754 086.

Hedging Banks means, as at the Issue Date, Crédit Lyonnais, Société Générale, BNP Paribas and Natixis.

Lenders means, as at the Issue Date, Crédit Lyonnais, Société Générale, Caisse d'Epargne et de Prévoyance Provence Alpes Corse, BNP Paribas, Banque Palatine, Lyonnaise de Banque, Banque CIC Nord Ouest and Natixis.

Muller TP means the *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Metz under number 447 754 235.

NGE Génie Civil means the *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Tarascon under number 487 469 330.

outstanding means all the Notes issued other than (i) those which have been redeemed on their due date or otherwise in accordance with the Conditions, (ii) those in respect of which claims have been prescribed under Condition 12 below and (iii) those which have been purchased and cancelled in accordance with the Conditions.

Permitted Security Interest means in respect of the Issuer and any of its Principal Subsidiaries:

(a) any Security Interest arising by operation of law and in the ordinary course of business;

(b) any Security Interest in relation to a trade receivables securitisation programme;

(c) any Security Interest arising under Financial Indebtedness which is treated as intra-group funding in the Issuer's consolidated accounts;

(d) any Security Interest existing on the Issue Date;

(e) the Shares Pledges;

(f) any netting or set-off arrangement entered into by the Issuer or any Principal Subsidiary in the ordinary course of their respective banking arrangements for the purpose of netting debit and credit balances;

(g) any Security Interest or lien arising in respect of taxes or imposed by law or state authorities, which are being contested in good faith by appropriate proceedings;

(h) any Security Interest arising under a financial lease, to the extent such financial lease is deemed to create a Security Interest under the applicable law;

(i) any Security Interest over or affecting any asset acquired by the Issuer or any of its Principal Subsidiaries after the Issue Date, provided that such Security Interest is created in order to secure the financing of the acquisition of such asset;

(j) any Security Interest over or affecting any asset of any company which becomes a Principal Subsidiary after the Issue Date where the Security Interest is created prior to the date on which that company becomes a Principal Subsidiary; and

(k) any Security Interest, other than those permitted under paragraphs (a) to (j) above, securing Financial Indebtedness of the Issuer or any of its Principal Subsidiaries the principal amount of which, when aggregated to the principal amount of any other Financial Indebtedness secured by any other Security Interest (other than those permitted under paragraphs (a) to (j) above) granted by the Issuer or any of its Principal Subsidiary does not exceed, at any time, 5 per cent. of the Consolidated Assets.

Principal Subsidiary means at any time:

(a) TSO, Guintoli, EHTP, NGE Génie Civil, Agilis, Siorat, GTS, Serfotex, Etablissements Cazal, Muller TP, as long as they remain a Subsidiary (as defined below) of the Issuer, and

(b) any Subsidiary of the Issuer whose gross revenues contributed to the Issuer's consolidated gross revenues (or, where such Subsidiary prepares consolidated accounts, whose gross consolidated revenues) represent more than 3 per cent. of the total gross consolidated revenues of the Issuer, as calculated from the then latest audited annual consolidated financial statements, and

(c) any other Subsidiary(ies), as chosen by the Issuer once a year and listed in the compliance certificate referred to in Condition 7.3 below, so that the sum of gross revenues contributed by all Principal Subsidiaries to the Issuer's consolidated gross revenues (including, where applicable, the sum of gross consolidated revenues contributed by those of the Principal Subsidiaries which prepare consolidated accounts) represents at least 70 per cent. of the total gross consolidated revenues of the Issuer as calculated from the then latest audited annual consolidated financial statements.

Security Agent means, as at the Issue Date, Crédit Lyonnais acting as agent for the beneficiaries of the Shares Pledges in accordance with the provisions of the Ranking Agreement.

Security Interest means any mortgage, lien, charge, pledge, privilege, delegation or other form of security interest (*sûreté réelle*) including any other encumbrance, or transfer of ownership for security purposes, over one or more present or future assets.

Serfotex means the *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Angers under number 402 969 117.

Shares Pledges means collectively the First Ranking Shares Pledges and the Second Ranking Shares Pledges (each as defined in Condition 4).

Siorat means the *société par actions simplifiée à associé unique* registered with the *Registre du commerce et des sociétés* of Brive under number 676 820 137.

Subsidiary means, in relation to any entity at any time, any other person or entity controlled directly or indirectly by such person or entity within the meaning of Article L.233-3 of the French *Code de commerce*.

TSO means the *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Meaux under number 747 252 120.

4. SHARES PLEDGES

Pursuant to the Facilities Agreement and to two share pledge agreements dated 9 June 2011 and 28 September 2011, the Lenders, the Facility Agent and the Hedging Banks benefit from first ranking pledges (*nantissements de premier rang*) over the financial securities accounts opened in the name of the Issuer in the books of (i) Guintoli, (ii) EHTP, (iii) NGE Génie Civil, (iv) Agilis, (v) GTS, (vi) SERFOTEX and (vii) TSO (together, the **First Ranking Shares Pledges**).

Pursuant to a share pledge agreement in the French language entered into between the Issuer, the Representative of the *Masse* (acting on behalf of the *Masse* of the Noteholders as beneficiary) and the Security Agent on or before the Issue Date (the **Second Ranking Pledge Agreement**), the Issuer grants a second ranking pledge (*nantissement de second rang*) over the financial securities accounts pledged under the First Ranking Shares Pledges, for the benefit of the *Masse* (as defined below) in accordance with article L.228-77 of the French *Code de commerce* (the **Second Ranking Shares Pledges**), as more fully described in the Second Ranking Pledge Agreement. Pursuant to the Second Ranking Pledge Agreement and the Ranking Agreement (as defined below), the Security Agent is appointed as agent of the Noteholders in order to create, manage and enforce the Second Ranking Shares Pledges for and on behalf of the Noteholders. By acquiring and holding the Notes, Noteholders will be deemed to appoint the Security Agent and will be deemed to have notice of the provisions of the Second Ranking Pledge Agreement which are summarised in the section "*Description of the Second Ranking Pledge Agreement and the Ranking Agreement*" in the Prospectus, and which include a mechanism of automatic release of the Second Ranking Shares Pledges upon release of the First Ranking Shares Pledges.

5. RANKING AGREEMENT

Pursuant to a ranking agreement (*convention sur le rang*) in the French language to be entered into on or before the Issue Date between the Security Agent, the Facility Agent, the beneficiaries of the First Ranking Shares Pledges and the Representative of the *Masse* (acting on behalf of the *Masse* of the Noteholders, as beneficiary of the Second Ranking Shares Pledges) (the **Ranking Agreement**) a *pro-rata* distribution of the proceeds will be made in case of enforcement of the Shares Pledges, as more fully described in the Ranking Agreement. By acquiring and holding the Notes, Noteholders shall be deemed to have accepted the terms of the Ranking Agreement which are summarised in the section "*Description of the Second Ranking Pledge Agreement and the Ranking Agreement*" in the Prospectus, and which include a mechanism of automatic release of the Second Ranking Shares Pledges upon release of the First Ranking Shares Pledges.

6. RATE OF INTEREST

6.1 Interest Payment Dates

The Notes bear interest from, and including, the Issue Date to, but excluding, 31 July 2021 (the **Maturity Date**) at the rate of 4.375 per cent. *per annum* (the **Rate of Interest**) payable annually in arrear on 31 July in each year (each an **Interest Payment Date**). The first payment of interest will be made on 31 July 2015.

6.2 Interest Payments

Each Note will cease to bear interest from the due date for redemption, unless the Issuer defaults in making due provision for their redemption on said date. In such event, interest on such Note shall continue to accrue at the same rate of interest (both before judgment) until the calendar day (included) on which all sums due in respect of such Note up to that calendar day are received by or on behalf of the relevant holder.

Interest will be calculated on an Actual/Actual (ICMA) basis. Where interest is to be calculated in respect of a period of less than one year, it shall be calculated on the basis of the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in such period in which the relevant period falls (including the first but excluding the last day of such period) i.e. divided by 365 (or by 366 if a February 29 is included in such period). Where interest is to be calculated in respect of a period which is more than one year, such interest shall be the aggregate of the interest payable in respect of a full year plus the interest payable in respect of the remaining period calculated in the manner as aforesaid.

7. COVENANTS

7.1 Financial Covenants

So long as any of the Notes is outstanding, the Issuer shall procure that as at each Testing Date with respect to the Relevant Period:

(a) the Net Leverage Ratio is less than 2.3, and

(b) the Gearing Ratio is less than or equal to 1.0,

(together, the **Financial Covenants**);

where:

Consolidated EBIT means, in respect of any Relevant Period, the "Operating Income from Ordinary activities" item (or equivalent) referred to in the annual consolidated financial statements of the Issuer; provided that, with respect to the new entities which shall become part of the Group, the relevant amounts to be taken into account shall be computed on the basis of the twelve (12) month period ending on the Testing Date, whatever the date of their integration;

Consolidated EBITDA means, in respect of any Relevant Period, the Consolidated EBIT increase by the "Amortization, depreciation and provisions net" item **(**or equivalent) and the "Net book value of the disposals" of non-current assets item (or equivalent) referred to in the annual consolidated financial statements of the Issuer; provided that, with respect to the new entities which shall become part of the Group, the relevant amounts to be taken into account shall be computed on the basis of the twelve (12) month period ending on the Testing Date, whatever the date of their integration;

Consolidated Equity means the "Equity attributable to owners of the parent" item (or equivalent) referred to in the annual consolidated financial statements of the Issuer;

Consolidated Gross Debt means the sum of the "Long-term borrowings" item (or equivalent), the "Short-term borrowings" item (or equivalent) and the "Bank overdrafts" item (or equivalent) referred to in the annual consolidated financial statements of the Issuer; for the avoidance of doubt, the Consolidated Gross Debt includes the Outstanding Securitisation Amount;

Consolidated Net Debt means the Consolidated Gross Debt minus the "Cash and Cash Equivalents" item (or equivalent) referred to in the annual consolidated financial statements of the Issuer;

Gearing Ratio means, in respect of any Relevant Period, the ratio of the Consolidated Net Debt divided by the Consolidated Equity;

Net Leverage Ratio means, in respect of any Relevant Period, the ratio of the Consolidated Net Debt divided by the Consolidated EBITDA;

Outstanding Securitisation Amount means the aggregate of the outstanding amount drawn by the Issuer and/or any Subsidiaries of the Issuer under a trade receivables securitisation programme;

Relevant Period means the period of twelve (12) months ending on or about the Testing Date; and

Testing Date means 31 December in each year.

The Financial Covenants shall be calculated in accordance with the accounting principles applicable to the consolidated financial statements of the Issuer taking into account IFRS (*International Financial Reporting Standards*) rules applicable as of the Issue Date and tested by reference to the relevant consolidated annual financial statements of the Issuer.

For the avoidance of doubt, non-compliance with any of the Financial Covenants will not constitute an Event of Default but each Noteholder will have the option to require the Issuer to redeem, or, at the Issuer's option, to procure the purchase of, all or part of the Notes held by such Noteholder(s) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to the date fixed for redemption as described in Condition 8.4.

7.2 Limitation on Acquisition Covenant

So long as any of the Notes is outstanding, the Issuer undertakes that it will not, and will ensure that none of its Subsidiaries will, acquire the shares of a company or a business or an undertaking other than a Permitted Acquisition.

Permitted Acquisition means the acquisition of the shares of a company or the acquisition of a business or of an undertaking (or, in each case, any interest in any of them) that:

(a) is made through an equity contribution in public-private partnerships and/or in public service delegation contracts, or

(b) respects the following criteria:

  (i) the aggregate enterprise value (*valeur d'entreprise*) of such acquisitions during a financial year does not exceed €30,000,000;

  (ii) no Event of Default (as defined in Condition 11 below) is on-going;

  (iii) all Financial Covenants as at the last Testing Date were complied with; and

  (iv) in the case of an acquisition of a company, post-acquisition, the Issuer controls such company.

7.3 Information undertakings

(a) So long as any Notes is outstanding, the Issuer shall supply to the Fiscal Agent and make available to the Noteholders as soon as they are available but in any event within one hundred and eighty (180) calendar days after the end of the financial year of the Issuer:

  (i) certified true copies of the audited annual consolidated financial statements of the Issuer for such financial year, and

  (ii) certified true copies of the audited annual non-consolidated financial statements of the Issuer for such financial year, and

  (iii) the audit reports with respect thereto.

(b) So long as any Notes is outstanding, the Issuer will inform the Security Agent immediately if the First Ranking Shares Pledges are enforced by their beneficiaries as a result of a default of the Issuer under the Facilities Agreement.

(c) So long as any Notes is outstanding, the Issuer shall supply to the Fiscal Agent (for the benefit of the Noteholders) as soon as possible but in any event within one hundred and eighty (180) calendar days after the end of the financial year of the Issuer:

(i) a compliance certificate, signed by its legal representative and by its auditors, stating whether or not the Issuer complies with all of its Financial Covenants and setting out, on a consolidated basis as of 31 December of the relevant fiscal year, computations of its Financial Covenants;

(ii) a compliance certificate, signed by its legal representative and by its auditors, stating any and all Security Interests over or affecting the shares of any of the Issuer's Principal Subsidiaries;

(iii) if applicable, a compliance certificate, signed by its legal representative, stating the Subsidiaries chosen as Principal Subsidiaries so that the sum of gross revenues contributed by all Principal Subsidiaries to the Issuer's consolidated gross revenues (including, where applicable, the sum of gross consolidated revenues contributed by those of the Principal Subsidiaries which prepare consolidated accounts) represents at least 70 per cent. of the total gross consolidated revenues of the Issuer as calculated from the then latest audited annual consolidated financial statements, in accordance with the definition of Principal Subsidiairies referred to in Condition 3; and

(iv) a compliance certificate, signed by its legal representative, stating whether or not all acquisitions of shares of companies, businesses and undertakings made during this financial year, met the criteria of Permitted Acquisition.

Upon receipt of any compliance certificate from the Issuer, the Fiscal Agent shall provide the Noteholders with such compliance certificate in accordance with Condition 14.

The Fiscal Agent shall have no obligation to read or analyse any information or report delivered to it under this Condition 7.3 and shall have no obligation to determine whether any such information or report complies with the provision of this Condition 7.3 and shall not be deemed to have notice of anything disclosed therein and shall incur no liability by reason thereof.

8. REDEMPTION AND PURCHASE

The Notes may not be redeemed otherwise than in accordance with this Condition 8 or with Conditions 10 and 11.

8.1 Final Redemption

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed by the Issuer in full at their Principal Amount on the Maturity Date.

8.2 Make Whole Redemption by the Issuer

The Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and having given not less than thirty (30) nor more than forty-five (45) calendar days' notice in accordance with Condition 14 to the Noteholders and the Fiscal Agent (which notice shall be irrevocable), have the option to redeem the Notes, in whole but not in part, at any time prior to their Maturity Date (the **Make Whole Redemption Date**) at their Optional Redemption Amount (as

defined below) together with any accrued and unpaid interest up to their effective redemption date and any Additional Amounts (as defined in Condition 10.2).

The Optional Redemption Amount will be calculated by the Calculation Agent and will be an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) being the greater of (x) 100 per cent. of the Principal Amount of the Notes so redeemed and, (y) the sum of the then present values on the Make Whole Redemption Date of (i) the Principal Amount of the Notes and (ii) of the remaining scheduled payments of interest on such Notes for the remaining term of such Note (determined on the basis of the interest rate applicable to such Note from but excluding the Make Whole Redemption Date), discounted to the Make Whole Redemption Date on an annual basis (Actual / Actual ICMA) at the Early Redemption Rate plus an Early Redemption Margin.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. The Calculation Agent shall act as an independent expert for each quotation, determination or calculation.

Early Redemption Margin means +0.50 per cent. *per annum*.

Early Redemption Rate means the average of the four quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Benchmark Security on the fourth business day in Paris preceding the Make Whole Redemption Date at 11.00 a.m. (Central European time (CET)).

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent after prior consultation with the Issuer if practicable under the circumstances, at 11.00 a.m. (Central European time (CET)) on the fourth business day in Paris preceding the Make Whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer.

Principal Amount means €100,000 per Note.

Reference Benchmark Security means the French government bond (*Obligation Assimilable du Trésor – OAT*) bearing interest at a rate of 3.25 per cent. *per annum* and maturing on 25 October 2021 with ISIN FR0011059088.

Reference Dealers means each of the four banks (that may include the Joint Lead Managers) selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

Similar Security means a reference bond or reference bonds issued by the French Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes chosen by the Calculation Agent.

8.3 Redemption for Taxation Reasons

(a) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 10, the Issuer may at any time, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Fiscal Agent and to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), redeem all, but not some only, of the Notes outstanding at their Principal Amount, together with all interest accrued to the date fixed for redemption, provided that the due

date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and/or interest without withholding for French taxes.

(b) If the Issuer would on the occasion of the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 10, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, subject to having given not less than seven (7) calendar days' prior notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their principal amount, together with all interest accrued to the date fixed for redemption of which notice hereunder may be given, provided that the due date for redemption shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and/or interest payable in respect of the Notes or, if such date has passed, as soon as practicable thereafter.

8.4 Redemption at the Option of Noteholders

(a) Following a Change of Control

If at any time while any of the Notes is outstanding there occurs a Change of Control, each Noteholder will have the option (a **put option**) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of all or part of the Notes held by such Noteholder(s) on the Optional Redemption Date (as defined below) at an amount equal to 100 per cent. of its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (as defined below).

Promptly upon becoming aware that a Change of Control has occurred, the Issuer shall give notice (a **Change of Control Notice**) to the Fiscal Agent and the Noteholders in accordance with Condition 14, specifying the nature of the event and the procedure for exercising the put option.

For the purposes of this Condition:

A **Change of Control** shall be deemed to have occurred if:

(i) the Control of the Issuer ceases to be held by Operational Managers; or

(ii) less than 50.02% of the share capital or voting rights of the Issuer is held, directly or indirectly, by NGE Invest, Financière Sainte-Anne and any other company controled by Operational Managers; or

(iii) the Issuer ceases to hold directly or indirectly at least 95% of the share capital or voting rights of Guintoli, TSO, EHTP or Etablissements Cazal.

For the purpose of this definition, **Control** has the meaning given to the word "*contrôle*" in Article L.233-3 of the French *Code de commerce*.

Financière Saint-Anne means the *société par actions simplifiée* registered with the *Registre du commerce et des sociétés* of Paris under number 503 859 241.

NGE Invest means the *société en commandite par actions* registered with the *Registre du commerce et des sociétés* of Avignon under number 531 462 661.

Operational Managers means Alain Joël Rousseau, Gilbert Roux, Francis Chatelain, Antoine Metzger, Michel Lavedrine, Joël Perelle, Michel Pavoine, Jean-Sébastien Leoni, Emmanuèle Perron

and any other individual directly or indirectly holding shares of the Issuer and duly appointed by the competent corporate bodies of the Issuer or any of its Principal Subsidiaries to replace or assume the functions of operational managers within the Issuer or any of its Principal Subsidiaries, all including their respective heirs.

(b) Following a Breach of a Financial Covenant

If at any time while any of the Notes is outstanding any of the Financial Covenants is not complied with on the Testing Date, each Noteholder will have the option (a **put option**) to require the Issuer to redeem, or, at the Issuer's option, to procure the purchase of, all or part of the Notes held by such Noteholder(s) at an amount equal to 100 per cent. of its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (as defined below).

(c) Put Option Process

To exercise a put option, a Noteholder must give notice to the relevant Account Holder, with a copy to the Fiscal Agent duly completed and signed on its behalf (the **Put Notice**), on any Business Day falling within the period of forty-five (45) calendar days after, with respect to a Change of Control, a Change of Control Notice or, with respect to the Financial Covenants, the notification in accordance with Condition 14 of a certificate referred to in Condition 7.3(c)(i) stating that the Issuer does not comply with any of the Financial Covenants, is given (the **Put Period**). The Put Notice shall include instructions for the transfer of such Noteholders' Notes to the specified account of the Fiscal Agent for the redemption or purchase of such Notes.

The form of the Put Notice shall be available from the Fiscal Agent. A Put Notice once given shall be irrevocable without the consent of the Issuer.

Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Notice and opened with a bank in a city in which banks use the TARGET System (as defined below). The Issuer shall redeem or, at its option, procure the purchase of the relevant Notes in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Notes to the account of the Fiscal Agent for the account of the Issuer as described above, on the Optional Redemption Date unless previously redeemed or purchased.

Optional Redemption Date is the 5th Business Day following the expiration of the Put Period.

(d) Purchases

The Issuer may at any time purchase Notes (together with rights to interest relating thereto) in the open market or otherwise (including by way of tender or exchange offer) at any price and on any condition, subject to compliance with any applicable laws. Notes so purchased by the Issuer may be held and resold in accordance with Articles L.213-1-A and D.213-1-A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes.

(e) Cancellation

All Notes which are redeemed or purchased for cancellation by the Issuer pursuant to this Condition 8 will forthwith be cancelled and accordingly may not be reissued or resold.

9. PAYMENTS

9.1 Method of Payment

Payments of principal, interest and other amounts in respect of the Notes will be made in euro, by credit or transfer to an account denominated in euro (or any other account to which euro may be credited or transferred) specified by the payee with a bank in a city in which banks use the TARGET System (as defined in Condition 9.2 below. Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payment.

Payments of principal and interest in respect of the Notes will be made subject to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 10 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.

9.2 Payments on Business Days

If any due date for payment of principal, interest or any other amount in respect of any Note is not a Business Day (as defined below), then the Noteholder shall not be entitled to payment of the amount due until the next following calendar day which is a Business Day and the Noteholder shall not be entitled to any interest or other additional sums in respect of such postponed payment.

For the purposes of these Conditions, **Business Day** means any day, not being a Saturday or a Sunday, (i) on which foreign exchange markets and commercial banks are open for business in Paris (ii) on which Euroclear France is operating and (iii) on which the Trans-European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) system (the **TARGET System**) or any successor thereto is operating.

9.3 Fiscal Agent, Calculation Agent and Paying Agent

The name and specified office of the initial Fiscal Agent, initial Calculation Agent and initial Paying Agent are as follows:

Fiscal Agent, Calculation Agent and Paying Agent
Société Générale
32, rue du Champs de Tir – BP 81236
44312 Nantes Cedex 3
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Calculation Agent or the Paying Agent and/or appoint a substitute Fiscal Agent, Calculation Agent and additional or other Paying Agents or approve any change in the office through which the Fiscal Agent, Calculation Agent& or Paying Agent acts, provided that, so long as any of the Notes is outstanding, there will at all times be a Fiscal Agent having a specified office in a major European city. Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than forty-five (45) nor less than thirty (30) calendar days' notice thereof shall have been given to the Noteholders by the Issuer in accordance with Condition 14.

10. TAXATION

10.1 Withholding Tax

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature (the **Taxes**) imposed, levied, collected, withheld or assessed by or within any jurisdiction, unless such withholding or deduction is required by law.

10.2 Additional Amounts

If, pursuant to French laws or regulations, any payment in respect of any Note become subject to deduction or withholding in respect of any present or future Taxes imposed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts (the **Additional Amounts**) as may be necessary in order that the holder of each Note, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such Additional Amounts in respect of any Note:

(a) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of such Note by reason of his having some connection with France other than the mere holding of such Note; or

(b) where such withholding or deduction is required to be made pursuant to the EU Council Directive 2003/48/EC (as amended by an EU Council Directive adopted by the Council on 24 March 2014) or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any reference in these Conditions to principal and/or interest shall be deemed to include any Additional Amounts which may be payable under this Condition 10.

11. EVENTS OF DEFAULT

Any Noteholder may, upon written notice to the Issuer (copy to the Fiscal Agent and the Representative (as defined in Condition 13), given before all continuing event of defaults shall have been cured, cause all, but not some only, of the Notes held by such Noteholder to become immediately due and payable, at their principal amount together with any accrued interest thereon until their actual redemption date if any of the following events (each an **Event of Default**) shall have occurred and be continuing:

(a) default by the Issuer in the payment of principal or interest (including any Additional Amounts) on any of the Notes, if such default shall not have been cured within fifteen (15) calendar days thereafter; or

(b) default by the Issuer in the due performance of any provision of the Notes other than as referred in (a) above (including but not limited to the requirement to comply with the Negative Pledge, Limitation on Acquisition Covenant and Information Undertakings), if such default shall not have been cured within thirty (30) calendar days after receipt by the Issuer of written notice of such default; or

(c) (i) any other present or future Financial Indebtedness of the Issuer or any of its Principal Subsidiaries in excess of Euro 10,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes (or becomes capable of being declared), following, where applicable, the expiry of any originally applicable grace period, due and payable prior to its stated maturity as a result of a default thereunder, or (ii) any such present or future Financial Indebtedness shall not be paid when due or, as the case may be, within any originally applicable grace period therefor; or

(d) merger, demerger, transfer or cessation of all or substantial part of its business, liquidation or dissolution of the Issuer, except in the case in which all of or substantially all of the Issuer's assets are transferred to a legal entity which simultaneously assumes all of the Issuer's debt and liabilities (including the Notes) and whose main purpose is the continuation of, and which effectively continues, the Issuer's activities; or

(e) the Issuer or any of its Principal Subsidiaries (i) makes any proposal for a general moratorium in relation to its debt, or (ii) a resolution is passed or a judgment is issued for the voluntary liquidation (*liquidation amiable*), winding-up, dissolution (*dissolution*), the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer, or (iii) to the extent permitted by law, the Issuer or any of its Principal Subsidiaries is subject to any other insolvency or bankruptcy proceedings under any applicable laws, or (iv) the Issuer or any of its Principal Subsidiaries makes any conveyance, assignment or other similar arrangement for the benefit of its creditors or enters into a composition with its creditors; or

(f) the First Ranking Shares Pledges (as defined in Condition 4) are enforced by their beneficiaries as a result of a default of the Issuer under the Facilities Agreement (as defined in Condition 4); or

(g) illegality or unenforceability of the Second Ranking Shares Pledges (as defined in Condition 4); or

(h) illegality or unenforceability of the Ranking Agreement (as defined in Condition 5); or

(i) the Ranking Agreement or the Second Ranking Pledge Agreement not being executed on the Issue Date.

For the avoidance of doubt, non-compliance with any of the Financial Covenants (as defined and in accordance with Condition 7.1) or the occurrence of a Change of Control (as defined and in accordance with Condition 8.4(a)) will not constitute an Event of Default.

12. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

13. REPRESENTATION OF THE NOTEHOLDERS

The Noteholders will be grouped automatically for the defence of their common interests in a masse (hereinafter referred to as the ***Masse***).

The *Masse* will be governed by the provisions of the French *Code de commerce* applicable to the *Masse*.

13.1 Legal Personality

The *Masse* will be a separate legal entity, by virtue of Article L.228-46 of the French *Code de commerce*, acting in part through a representative (the **Representative**) and in part through a general meeting of the Noteholders (the **General Meeting**).

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

13.2 Representative

The Representative shall be:
MASSQUOTE S.A.S.U.
RCS 529 065 880 Nanterre
7 bis, rue de Neuilly
F-92110 Clichy
France

Mailing address:
33, rue Anna Jacquin
92100 Boulogne Billancourt
France
Represented by its Chairman

The alternative representative (the **Alternative Representative**) shall be:

Gilbert Labachotte
8, boulevard Jourdan
75014 Paris
France

In the event of death, incompatibility, resignation or revocation of the Representative, such Representative will be replaced by the Alternative Representative. The Alternative Representative shall have the same powers as the Representative.

In the event of death, incompatibility, resignation or revocation of the Alternative Representative, a replacement will be elected by the General Meeting.

The Issuer shall pay to the appointed Representative an amount of 450 € *per annum*, payable on 31 July of each year from 2015 to 2021 provided that the Notes remain outstanding at each such dates. Should the alternative Representative replace the initial Representative, he will receive a remuneration of 450 € per year, which will only be due starting from the first day of his acting in such capacity.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third Business Day in Paris preceding the date set for the meeting of the relevant General Meeting.

The place where a General Meeting shall be held will be set out in the notice convening such General Meeting.

14. NOTICES

Any notice to the Noteholders will be duly given if (i) delivered to Euroclear France and (ii) published on the website of the Issuer (www.groupe-nge.fr).

Any notice to the Noteholders shall be deemed to have been given on the date of such publication or if published on different dates, on the date of the first publication.

15. FURTHER ISSUES AND ASSIMILATION

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects save for the issue

price and the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation.

In the event of such an assimilation, the Noteholders and the holders of such further notes will be grouped together in a single *masse* for the defence of their common interests. References in these Conditions to the Notes include any other notes issued pursuant to this Condition and assimilated with the Notes.

16. GOVERNING LAW AND JURISDICTION

The Notes are governed by, and shall be construed in accordance with, the laws of France.

The competent courts in Paris have non-exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for general corporate purposes including for the financing of possible external growth operations.

DESCRIPTION OF THE SECOND RANKING PLEDGE AGREEMENT AND THE RANKING AGREEMENT

The descriptions below are summaries of the Second Ranking Pledge Agreement and the Ranking Agreement (as defined below) and do not describe all of the provisions of these agreements. The Noteholders are deemed to have notice of the provisions of the Second Ranking Pledge Agreement and the Ranking Agreement. The Noteholders are advised to read all the terms of the Second Ranking Pledge Agreement and the Ranking Agreement.

1. Description of the Second Ranking Pledge Agreement

Pursuant to the Facilities Agreement and to two share pledge agreements dated 9 June 2011 and 28 September 2011, the Lenders, the Facility Agent and the Hedging Banks (the **First Ranking Beneficiaries)** benefit from first ranking pledges (*nantissements de premier rang*) over the financial securities accounts opened in the name of the Issuer in the books of (i) Guintoli, (ii) EHTP, (iii) NGE Génie Civil, (iv) Agilis, (v) GTS, (vi) SERFOTEX and (vii) TSO, (the **First Ranking Shares Pledges**).

Pursuant to a share pledge agreement in the French language to be entered into between the Issuer, the representative of the *Masse* (acting in the name and on behalf of the *Masse* of the Noteholders as beneficiary) and the Security Agent on or before the Issue Date (the **Second Ranking Pledge Agreement**), the Notes, in respect of any amount of principal, interest and other amounts due under the Notes, will benefit from second ranking pledges (*nantissements de second rang*) over the financial securities accounts pledged under the First Ranking Shares Pledges (the **Pledged Financial Securities Accounts**), granted for the benefit of the *Masse* in accordance with article L.228-77 of the French *Code de commerce* (together, the **Second Ranking Shares Pledges**, and together with the First Ranking Shares Pledges, the **Shares Pledges**).

The Issuer, as pledgor (the **Pledgor**), has, or will have on the Issue Date:

(i) irrevocably pledged in favour of the *Masse* (the **Second Ranking Beneficiary** and, together with the First Ranking Beneficiaries, the **Beneficiaries**) the Pledged Financial Securities Accounts, on which the Second Ranking Shares Pledges shall have been registered;

(ii) executed statements of pledges (*déclarations de nantissement de comptes de titres financiers*) (the **Statements of Pledges**) creating a pledge over the Pledged Financial Securities Accounts and the related special bank accounts (the **Pledged Special Bank Accounts**);

(iii) transmitted an executed copy of the Statements of Pledges to each relevant subsidiary of the Issuer as security account holder (*teneur de compte-titre*) and requested the relevant security account holder (which has accepted and undertaken to comply therewith) to immediately record in the shareholder register (*registre des mouvements de titres*) and shareholder's accounts (*comptes d'actionnaires*) of each relevant subsidiary, that the relevant Pledged Financial Securities Account is pledged in favour of the Second Ranking Beneficiary by virtue of the Statements of Pledges and to issue a certificate of confirmation of pledge (*attestation de nantissement de compte-titres*) related to the relevant Pledged Financial Securities Account; and

(iv) transmitted an executed copy of the Statements of Pledges to the bank holding the Pledged Special Bank Accounts and requested such bank (which has accepted and undertaken to comply therewith) to issue a certificate of confirmation of pledge (*attestation de nantissement de compte spécial*) related to each Pledged Special Bank Account.

The Second Ranking Shares Pledges and the obligations of the parties thereunder shall remain in force until the Discharge Date, being the earlier of (i) the date on which all the Secured Obligations (as

defined in the Second Ranking Pledge Agreement under the French term "*Obligations Garanties*") have been discharged in full and (ii) the date of the Automatic Release (as defined below).

Subject to the terms of the Ranking Agreement, the Second Ranking Shares Pledges may be enforced in the event of default by the Issuer in any payment under the Notes.

The Second Ranking Pledge Agreement also contains certain undertakings, representations and warranties given by the Pledgor and provisions relating to enforcement of the Second Ranking Shares Pledges.

So long as any of the Notes are outstanding, copies of the Second Ranking Pledge Agreement will be made available, free of charge, to the Noteholders during normal business hours at the specified offices of the Paying Agent and at the registered office of the Issuer.

2. Description of the Ranking Agreement

A ranking agreement (the **Ranking Agreement**) will be entered into on or before the Issue Date between:

(i) the Issuer as Pledgor;

(ii) the Security Agent;

(iii) the Facility Agent;

(iv) the First Ranking Beneficiaries ; and

(v) the Representative of the *Masse* acting in the name and on behalf of the *Masse* of the Noteholders, as Second Ranking Beneficiary.

Pursuant to the Ranking Agreement, the First Ranking Beneficiaries agree that notwithstanding the fact that they benefit from the First Ranking Shares Pledges, they will share the proceeds with the Second Ranking Beneficiary in case of enforcement of the Shares Pledge on a *pari passu* basis.

The rights of the First Ranking Beneficiaries and of the Second Ranking Beneficiary *vis-à-vis* the Issuer and amongst themselves with respect to the Shares Pledges will be set forth in the Ranking Agreement and will provide, *inter alia*, for:

- In the event of either the Facility Agent acting on behalf of the First Ranking Beneficiaries, or the Representative of the *Masse* acting on behalf of the *Masse* of the Noteholders as Second Ranking Beneficiary (the decision of the *Masse* to enforce or not to enforce the Shares Pledges binding all Noteholders, including those who did not attend and vote and those who voted in a manner contrary to the majority) request the enforcement of the Shares Pledges, such enforcement will have to be made by the Security Agent provided that the Beneficiaries requesting such enforcement represents a majority of 51% of all Beneficiaries. In case the decision is made to enforce the Shares Pledges (given that some only, but not necessarily all, of the Shares Pledges may be enforced), both the First Ranking Beneficiaries and the Second Ranking Beneficiary will benefit from the enforcement of the Shares Pledges.

  The aforesaid majority of the Beneficiaries is calculated based on the outstandings of the sums due by the Issuer to the Facility Agent and the Lenders under the Facilities Agreement and to the Noteholders under the Notes (the outstandings of the Hedging Banks being excluded).

- A *pro-rata* distribution of the proceeds between all Beneficiaries in case of enforcement of the Shares Pledges.

The Ranking Agreement and the Second Ranking Pledge Agreement provide for an automatic release of the Second Ranking Shares Pledges when all First Ranking Shares Pledges will have been fully released (the **Automatic Release**). Pursuant to the Second Ranking Pledge Agreement, the Noteholders give full power and authority to the Representative of the *Masse* acting in the name and on behalf of the *Masse* of the Noteholders to proceed to the Automatic Release. The occurrence of the Automatic Release will be notified to the Noteholders.

So long as any of the Notes are outstanding, copies of the Ranking Agreement will be made available, free of charge, to the Noteholders during normal business hours at the specified offices of the Paying Agent and at the registered office of the Issuer.

DESCRIPTION OF THE ISSUER

1. Information on the Issuer

The legal name of the Issuer is NGE ("**NGE**" or the "**Issuer**").

The Issuer is a *société par actions simplifiée*, governed by French law, and in particular by the provisions of the *Code de commerce* applicable to commercial companies, registered with the *Registre du commerce et des sociétés* of Tarascon under number 504 124 801.

It was incorporated on 7 May 2008 for a period of 99 years ending on 6 May 2107, subject to early dissolution or extension.

As of the date of this Prospectus, the share capital of the Issuer is €49,685,288. Pursuant to a shareholders' authorisation and a President's decision of 27 July 2012 relating to free allocation of A shares, the Executive Board (*Directoire*) of the Issuer will acknowledge on 28 July 2014 the allocation to a member of the Executive Committee, of 51,716 A free shares, representing 0.83 per cent of the share capital of NGE, resulting in a share capital increase of €413,728. Following such share capital increase, the share capital of the Issuer will be €50,099,016 as at 28 July 2014.

The registered office of the Issuer is at Parc d'activités de Laurade - 13103 Saint Etienne du Grès - France and its telephone number is +33 (0)4 90 91 60 00. Its postal address is Parc d'activités de Laurade - BP 22 - 13156 Tarascon Cedex - France.

The Issuer is the holding company of the group comprised of the Issuer and its consolidated subsidiaries (together the "**Group**").

2. History of the Group

1947: Creation of the earthworks company Guintoli

1988: Creation of Géotechnique et Travaux Spéciaux (GTS), to develop innovation capacity in soil reinforcement

1994: Creation of the Générale Routière group through the integration of Guintoli and its subsidiaries, EHTP, hydraulic specialist, and Routière Morin, a road works company

2002: Following the transfer of "Road" and "Quarries" activities to Appia (Eiffage group), the "NGE" Group is created with Guintoli, EHTP and GTS business sectors, "Financière NGE" being the financial holding company
Acquisition of GTEC, an electricity company
Creation of PlateForme, a training center for the NGE group

2006: Subsidiarisation of the Earthworks & Urban Infrastructures (Guintoli) and Civil Engineering (NGE Génie Civil) activities under the NGE company

2008: Creation of Holding NGE (the Issuer), holding company of the Group, renamed NGE in 2011
The A88 highway concession is awarded to the Group
Acquisition of a stake in Siorat (road works)

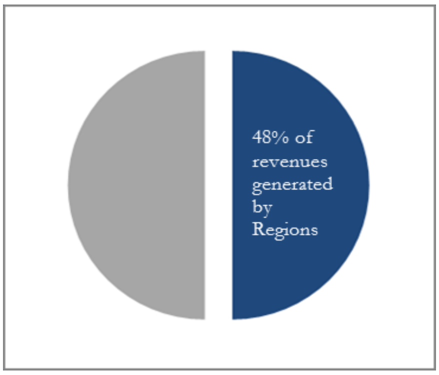
2009: Acquisition of TPRN (North)
Acquisition of the remaining share capital of Siorat

2011: The share capital of NGE is opened to institutional investors (Fonds Stratégique d'Investissement-FSI (now BPI France Participations) and CM-CIC Capital Finance)
Acquisition of TSO (Railway Construction and Maintenance) and its subsidiaries
The A63 highway concession is awarded to the Group
The A150 highway concession is awarded to the Group

2012: GTS takes over some of the Heaven Climber Group (specialist works) activities
Creation of NGE Contracting (international markets)

3. Overview of activities

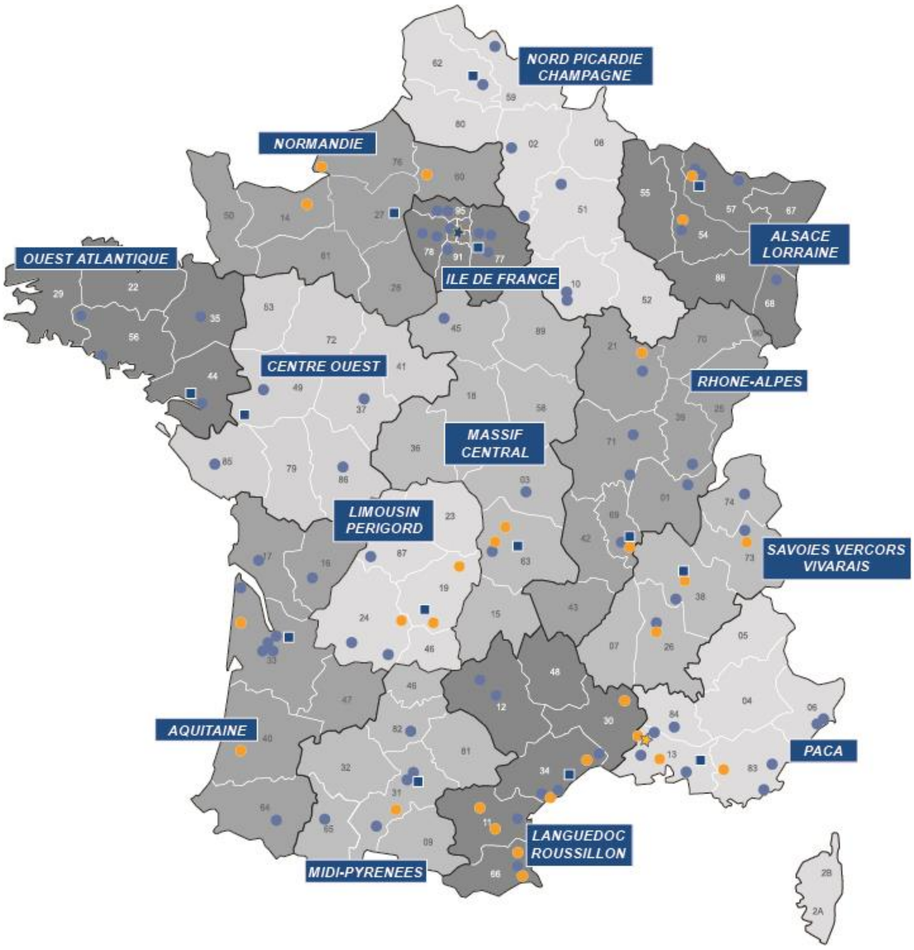
3.1. Presentation of the Group



The Group is a multi-expertise public works group involved in the conception, construction, management and maintenance of major infrastructures and urban and local projects in France and around the world. An historic leader[1] in Earthworks & Urban Infrastructures, through Guintoli, the Group has played an active role in major construction projects in France.

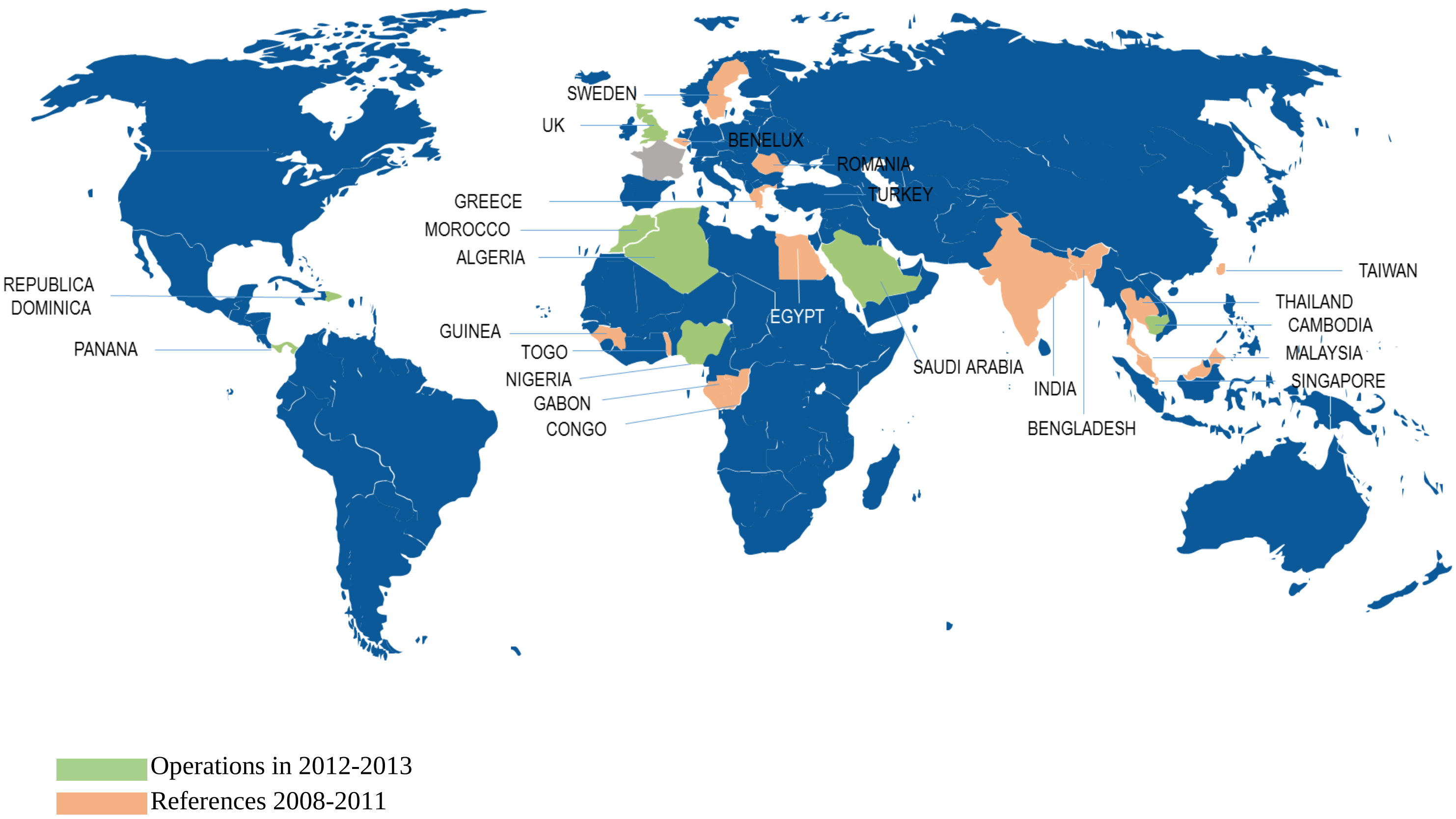
A strong regional base with 14 regional offices

around 6 000 sites



[1] Ranking "*Le Moniteur des Travaux Publics*" dated 23 December 2011 and 14 November 2012

International references and presence



NGE has a solid financial structure with a net debt over equity ratio below 0.65[2] and stable governance, led by managers who are also shareholders controlling the Group (see paragraph 9 "Major Shareholders" below).

In just over 10 years, the Group's workforce has been multiplied by more than 3, from 2,498 employees as of 31 December 2002 to more than 7,300 employees as of 31 December 2013, and its consolidated revenue has increased four-fold, from 353 million euros as of 31 December 2002 to 1,445 million euros as of 31 December 2013.

3.2. Areas of expertise

To develop a global offering for both its public and private clients, the Group is structured around six areas of expertise: Earthworks & Urban Infrastructures, Railway Construction and Maintenance, Hydraulic & Other Underground Networks, Road Building and Road Equipment, Civil Engineering and Geotechnical and Safety Contractors (see table below).

As at 31 December 2013, NGE generates close to 5% of its consolidated revenue abroad. NGE's objective is to generate 15% of its consolidated revenue outside France in the future, notably through TSO, which has been working on sites all over the world for forty years.

[2] On the basis of NGE's 2013 annual consolidated accounts

Organization of the Group based on six areas of expertise and three divisions

Area of expertise / Division	*Proportion in 2013 revenue*	Multi-expertise Regions Division	Major Projects Division	Specialised National Subsidiaries Division
Proportion in 2013 revenue		*48%*	*22%*	*30%*
Earthworks & Urban Infrastructures	*44%*	Guintoli (*)	Guintoli (*)	Cazal, Serfotex
Railway Construction and Maintenance	*14%*	-	-	TSO (*)
Hydraulic & Other Underground Networks	*12%*	EHTP (*)	EHTP (*)	SOC
Road Building and Road Equipment	*12%*	Siorat (*)	Siorat (*)	Agilis
Civil Engineering	*11%*	NGE Génie Civil (*)	NGE Génie Civil (*)	
Geotechnical and Safety Contractors	*7%*	-	-	GTS (*)

(*) and its subsidiaries

3.2.1. Earthworks & Urban Infrastructures

Earthworks & Urban Infrastructures represented 44% of the revenue of the Group as of 31 December 2013.

As earthworks specialists, Guintoli and its subsidiaries develop the natural terrain to make platforms, mostly for the following infrastructures: highways (such as the A16, A9, A20, A7 and A89 Balbigny-Violay), roads, railways (such as the following high-speed lines (*Lignes Grande Vitesse* – LGV): Méditerrannée, Est Européenne Phase 1 and 2, Sud Europe Atlantique), airports, logistics or industrial (such as platforms for shopping centers).

The Group, through Guintoli and its subsidiaries, is active on the market for public and private projects with a regional dimension.

The Group also participates in the implementation of urban developments and road works, in particular on the works of transit in dedicated sites (*transport en commun en sites propres*) such as trams and high level of service buses (*bus à haut niveau de service*). NGE was notably involved for such activities in Montpellier, Clermont-Ferrand, Bordeaux, Lyon, Grenoble, Nimes, Paris, Metz.

Clients of the Earthworks & Urban Infrastructures activity include notably municipalities, municipalities' communities, general councils, EDF and RFF.

3.2.2. Railway Construction and Maintenance

Railway Construction and Maintenance represented 14% of the revenue of the Group as of 31 December 2013.

With the integration of TSO in 2011, the Group became a major player in railway infrastructures works in France.

With construction, renewal and maintenance of railways and electrification and reshuffle of catenaries, TSO and its dedicated subsidiaries work on the national rail network (classic and high-speed lines) and on urban transport systems (subway, tram). The Group also benefits from the activities of the TSO subsidiaries specialised in the topography and development of railway software and on the maintenance and reconstruction of rail locomotives.

Clients of the Railway Construction and Maintenance activity include notably RFF, SNCF, RATP, the French Ministry of transports and Crossrail (London).

3.2.3. Hydraulic & Other Underground Networks

Hydraulic & Other Underground Networks represented 12% of the revenue of the Group as of 31 December 2013.

The Group, through EHTP and its subsidiaries, implements all types of work related to water: drinking water pipes, collection and transport of wastewater and networks (water, gas and fluids pressurized, telephony and optic fiber to serve local communities, agriculture and industry).

The Group also produces equipment such as tanks or pumping and treatment stations.

The Group masters many techniques related to plant and urban engineering, including the removal of lead pipes or trenchless renovation of non-accessible existing networks.

Clients of the Hydraulic & Other Underground Networks activity include notably municipalities, municipalities' communities, developers, EDF, RFF and SNCF.

3.2.4. Road Building and Road Equipment

Road Building and Road Equipment represented 12% of the revenue of the Group as of 31 December 2013.

The Group, through Siorat and its subsidiaries, develops its stationary on-road activities across France and installs new facilities on the regional scale (asphalt application workshops and dressing workshops), notably through the application of asphalt on roads and highways.

Through Agilis and its subsidiaries, the Group is also involved in the following activities:

- equipment of roads and development of urban or peri-urban areas;
- implementation of appropriate devices (such as concrete dividers, metal or mixed runners) to secure infrastructures;

- achievement of concrete pavement road, airport or rail with the use of extruded concrete;
- highlighting urban and natural sites by the creation of pedestrian or circulated zones, light roads and biking trails and contributing to the qualitative development of towns and villages; contributing to the improvement of the sound environment with the design and implementation of noise barriers (absorbent , reflective, visual, etc.) on all types of supports.

Clients of the Road Building and Road Equipment activity include notably general councils, municipalities and municipalities' communities, the French State, ADP and port and airport authorities.

3.2.5. Civil Engineering

Civil Engineering represented 11% of the revenue of the Group as of 31 December 2013.

Historically present on all types of infrastructure projects (construction of many civil engineering works), the Group, through NGE Civil Engineering, designs, sizes, builds and operates works using various materials such as reinforced concrete, wood or metal materials. Its expertise is applied in many fields such as the construction of wastewater treatment plants, water reservoirs, waterworks and fishways.

The Group's technical offering also includes Lagarrigue, which specializes in custom prefabrication. With its mastery of prefabrication processes and high-tech concrete (architectural concrete, concrete placing self, ultra-high performance concrete (*béton à ultra hautes performances* or UHPC), fiber-reinforced ultra-high performance (*béton fibré à ultra hautes performances* or UHPC)), the Group participates in large-scale operations, as illustrated with the production of roof shells at the *Gare d'Austerlitz* (2012 – 2013).

Clients of the Civil Engineering activity include notably SNCF, ADP, the General Council of Indre et Loire, the General Council of Val de Marne, RFF and RATP.

3.2.6. Geotechnical and Safety Contractors

Geotechnical and Safety Contractors represented 7% of the revenue of the Group as of 31 December 2013.

The Group, through GTS and its subsidiaries, is active on the stabilizing of geotechnical works and the securing of sites. It can optimize and select the most appropriate technics to the geotechnical context of a particular work with its expertise of soil reinforcement, soil injection, deep foundations, specific engineering, river and maritime works and site remediation/depollution.

GTS completes this range of activities with works in rope access.

In September 2012, GTS took over a large part of Heaven Climber group's business activities, bringing additional techniques to Geotechnical and Safety Contractors.

Clients of the Geotechnical and Safety Contractors activity include notably municipalies and municipalities' communities, general councils, manufacturers and semi-public companies.

3.3. Organization into three Divisions

In order to tailor its six areas of expertise to the needs and specific features of its different types of clients, the Group is organized into three Divisions, which are composed of all or some of the areas of expertise described above for the construction of infrastructures (see table above).

3.3.1. The Multi-expertise Regions Division

The Multi-expertise Regions Division represented 48% of the revenue of the Group as of 31 December 2013.

With its regional network of branches (more than 90 locations in France) divided into 14 regional departments, the Group implements a multi-expertise strategy based on one single contact person to meet the needs of each of its clients.

Each regional director is responsible for all activities in its region, to optimize the implementation of projects.

All of the six areas of expertise are performed in the French regions.

3.3.2. The Major Projects Division

The Major Projects Division represented 22% of the revenue of the Group as of 31 December 2013.

The Major Projects Division is divided in two sectors, Major Works and Financed Projects, and coordinates all of the Group's expertise for projects worth over 20 million euros or for particularly complex projects, which require specific monitoring by a dedicated team, such as construction and widening of highways or bridges.

3.3.3. The Specialized National Subsidiaries Division

The Specialized National Subsidiaries Division represented 30% of the revenue of the Group as of 31 December 2013.

The Specialized National Subsidiaries Division regroups six of the Group's principal subsidiaries (notably TSO, GTS and Agilis) and their subsidiaries, which are managed at national level in their areas of expertise. These subsidiaries are not managed in the Multi-expertise Regions or Major Projects divisions, as they do not operate in markets deep enough to justify a presence in each region. However, they operate throughout France and in the world, depending on market opportunities and projects.

4. Investment Policy

The Group's fleet, composed of around 7,500 pieces of referenced equipment/machinery, is owned under full ownership. NGE decided several decades ago to own the majority of its equipment/machinery to optimize its use, while also maintaining a certain level of leasing for more flexibility.

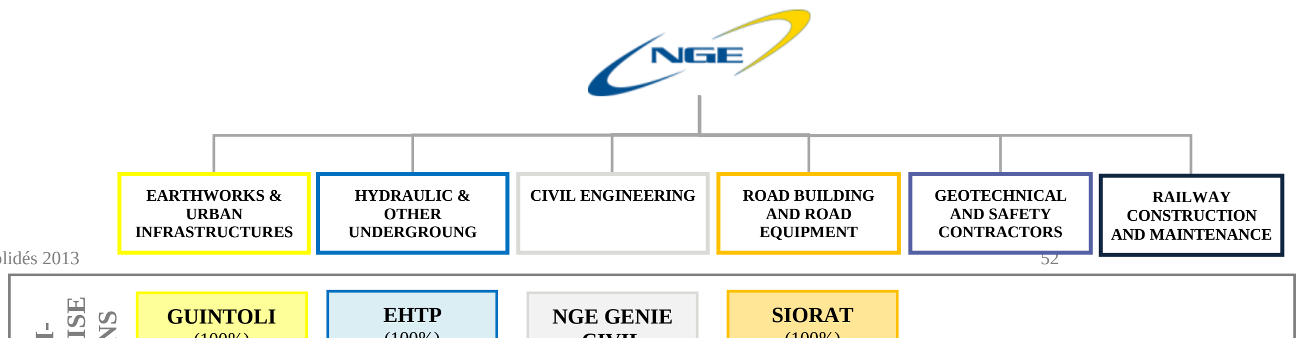
The fleet includes more than 1,500 items of heavy machinery such as earthworks equipment (scrap, bull, leveler, etc.), asphalt plant, drill rigs, locomotives, ballast cleaning machines or wagons, provided by first class manufacturers such as Caterpillar, Volvo, Liebherr, Mercedes, Sandvick.

NGE has its own mechanical team to maintain its fleet, including almost 300 mechanics around 31 workshops in France.

5. Organizational Chart

NGE is very decentralised. As at 31 December 2013, its scope of consolidation comprises 88 subsidiaries, 76 of which being fully consolidated and 12 being accounted for using the equity method.

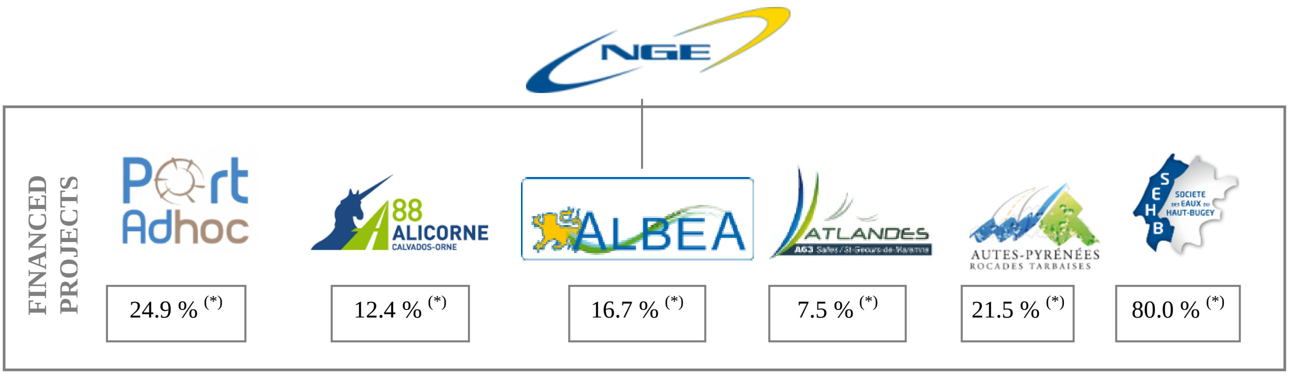
5.1. An organization based on six areas of expertise



NGE owns 100% of the shares of the subsidiaries listed above. Such subsidiaries own varying percentages in the share capital of their own subsidiaries, details of which are given on note 9 to the consolidated financial statements at 31 December 2013.

5.2. Privately Financed Projects (Public Service Delegation, Concessions and Public Private Partnerships)

Privately Financed Projects regroups project companies that design, construct, operate and maintain infrastructures. Such projects are privately pre-financed: infrastructures are financed through equity contributions from the shareholders of the project company and loans from credit institutions.



(*) percentage of the share capital of the project company held by NGE as at 31 December 2013

6. Trend information

As at 31 December 2013, NGE's order book was 1x (one time) its revenue.

7. Executive Board (*Directoire*) and Supervisory Bodies

7.1. Executive Board (*Directoire*)

The annual general shareholder's meeting of the Issuer held on 5 June 2014 decided to amend the management organisation of the Issuer. The amended by-laws (*statuts*) and management organisation of the Issuer are effective since 1st July 2014.

The Issuer is managed by an Executive Board (*Directoire*) comprised of two to five members.

As of the date of this Prospectus, the members of the Executive Board (*Directoire*) are:

- Prométhée Group, represented by Antoine Metzger (Chairman of the Executive Board (*Président du Directoire*) and President of the Issuer); and
- Gilbert Roux (member of the Executive Board (*membre du Directoire*) and General Manager (*Directeur Général*)).

None of the President or the General Manager performs any significant activity outside the Group.

The members of the Executive Board (*Directoire*) are registered at the address of the Issuer's registered office.

7.2. Executive Committee (*Comité Exécutif*)

To assist the Executive Board (*Directoire*), a non-statutory Executive Committee (*Comité Exécutif non statutaire*) meets monthly to implement the Group's strategy and ensure its operational management. As of the date of this Prospectus, such non-statutory Executive Committee is composed of:

- the members of the Executive Board (*Directoire*);
- Francis Chatelain, Michel Lavedrine, Jean-Sébastien Leoni, Michel Pavoine and Joëlle Perelle, all Deputy General Managers (*Directeurs Généraux Adjoints*); and
- Jean Bernadet, Stephane Perez, Orso Vesperini, Bruno Pavie and Thierry Robert.

No member of the Executive Committee (*Comité Exécutif*) performs any significant activity outside the Group.

The members of the Executive Committee (*Comité Exécutif*) are registered at the address of the Issuer's registered office.

7.3. Strategic Board (*Conseil Stratégique*)

The Strategic Board (*Conseil Stratégique*) is a collegial decision-making body set-up to assist the Executive Board (*Directoire*).

The Strategic Board (*Conseil Stratégique*) has the power, and sole responsibility, to:

- discuss, review and adopt the strategic directions and growth areas proposed by the President for the Issuer and the companies it controls within the meaning of article L. 233-3 of the *Code de commerce*;
- examine the evolution of the activities of the Issuer and the companies it controls within the meaning of article L. 233-3 of the *Code de commerce*, in France and abroad;
- adopt or amend the annual budget and business plan of the Issuer and its subsidiaries;
- authorise significant external growths;
- authorise the commitment of the Issuer to public service delegations and public private partnerships and the response to a binding request for proposal for works/projects with a significant turnover;
- suggest changes in the share capital;
- convene the shareholders to general meetings; and
- determine the compensation of the main managers other than the corporate officers.

As of the date of this Prospectus, the members of the Strategic Board (*Conseil Stratégique*) are:

NAME	FUNCTION IN THE STRATEGIC BOARD	PRINCIPAL ACTIVITIES PERFORMED OUTSIDE THE ISSUER
Alain Joël Rousseau	Chairman of the Strategic Board	-
Emmanuèle Perron	Vice-Chairman of the Strategic Board	President of the Corporate Law Division at Medef Vice-president of the National Federation of Public Works (*Fédération Nationale des Travaux Publics*)
Prométhée Group, represented by Antoine Metzger	Member of the Strategic Board	-
Francis Chatelain	Member of the Strategic Board	-
Michel Lavedrine	Member of the Strategic Board	-
Antoine Metzger	Member of the Strategic Board	-
Michel Pavoine	Member of the Strategic Board	-
Joël Perelle	Member of the Strategic Board	-
Gilbert Roux	Member of the Strategic Board	-
CM-CIC Investissement represented by Bertrand Ghez	Member of the Strategic Board	<u>CM-CIC Investissement is:</u> Member of the supervisory board (*conseil de surveillance*) of Provence Nature Développement Member of the board of directors (*conseil d'administration*) of Financière MG3F Administrator of Média Participations Member of the board of directors (*conseil d'administration*) of Altrad Investment Authority Member of the supervisory board (*conseil de surveillance*) of Groupe Berger Member of the supervisory committee (*comité de surveillance*) of Financière Intégral Member and President of the supervisory committee (*comité de surveillance*) of Ealis <u>Bertrand Ghez is:</u> Permanent Representative of Ugepar Administrator, member of the board of directors (*conseil d'administration*) of Agta Record Permanent Representative of CM-CIC Investissement: - at the supervisory board (*conseil de surveillance*) of Provence Nature Développement - at the board of directors (*conseil d'administration*) of Financière MG3F - administrator of Média Participations - at the board of directors (*conseil d'administration*) of Altrad Investment Authority President of Compagnie Carnot
CM-CIC Capital Finance represented by Xavier Blain		<u>CM-CIC Capital Finance is:</u> Member of the supervisory committee (*comité de*

		surveillance) of Batinvest Xavier Blain is: Permanent Representative of CM-CIC Investissement at the monitoring committee (*comité de suivi*) of Peri Thuras
BPI France Participations, represented by Anne-Sophie Herelle	Member of the Strategic Board	BPI France Participations is: Administrator of CDC Entreprises Capital Investissement Administrator of FSI PME Portefeuille Administrator of FT1 CI (STM) Anne-Sophie Herelle is: Investment Director of BPI France Participations, Grandes Entreprises et Entreprises de Taille Intermédiaire Member of the board of directors (*conseil d'administration*) of Novasep Member of the board of directors (*conseil d'administration*) of Cegedim
Jean-Paul Jacamon	Member of the Strategic Board	-

The members of the Strategic Board (*Conseil Stratégique*) are registered at the address of the Issuer's registered office.

Emmanuèle Perron, member and Vice-Chairman of the Strategic Board (*Conseil Stratégique*), also participates in some meetings of the Executive Committee (*Comité Exécutif*).

7.4. Absence of conflict of interest

To the best of the Issuer's knowledge, there is no conflict of interest between the duties to the Issuer of any of the members of the Executive Board (*Directoire*), Executive Committee (*Comité Exécutif*) or Strategic Board (*Conseil Stratégique*) of the Issuer and their private interests or other duties.

8. Main Shareholders

As of the date of this Prospectus, the main shareholders of the Issuer are:

SHAREHOLDERS	NUMBER OF SHARES	% OF SHARE CAPITAL AND VOTING RIGHTS
Financière Sainte Anne	3,022,457(2)	48.67%
BPI France Participations	1,323,408(3)	21.31%
CM-CIC Investissement	992,557(3)	15.98%
NGE Invest	872,230(2)	14.04%
Other shareholders(1)	9(2)	
TOTAL	**6,210,661**	**100%**

(1) Pursuant to a shareholders' authorisation and a President's decision of 27 July 2012 relating to free allocation of A shares, the Executive Board (*Directoire*) of the Issuer will acknowledge on 28 July 2014 the allocation to a member of the Executive Committee of 51,716 A free shares, representing 0.83 *per cent* of the share capital of NGE.
(2) A shares (3) B shares

Financière Sainte Anne, which holds 48.67% of the share capital and voting rights of the Issuer, is a holding company of managers of the Group, which is controlled by Prométhee Group, a company whose shares and voting rights are held by Alain Joël Rousseau and his family. Pursuant to the by-laws (*statuts*) of Financière Sainte Anne, in case of death, disability or severe inability of Alain Joël Rousseau, Prométhée Group will lose control of Financière Sainte Anne in favor of the other managers that are shareholders of Financière Sainte Anne.

Pursuant to a shareholders agreement dated 9 June 2011, as amended, entered into between all the shareholders of the Issuer, CM-CIC Investissement and BPI France Participations can obtain liquidity for their participation from 9 June 2018. A process and timetable have been defined to execute, no later than on the aforementioned date, a transaction approved by CM-CIC Investissement France and BPI France Participations (leveraged transaction, sale, IPO, etc.) allowing CM-CIC Investissement France and BPI France Investissement to sell all their shares. Such transaction, depending on its nature, may result in a change in the shareholding of the Issuer.

9. Legal and Arbitration Proceedings

Companies of the Group are engaged in proceedings, arbitrations and claims in the normal course of their business.

As of the date of this Prospectus, an arbitration proceeding is ongoing before the International Chamber of Commerce in relation to a contract in Algeria, with a financial exposure for the Group below 6 million euros.

In another matter, TSO has received several notifications from the Algerian tax authorities for corrections or correction proposals for an amount representing, for TSO's share in the concerned companies, 6 million euros. At 31 December 2013, one million five hundred thousand euros (€ 1,500,000) was accrued by the Group in relation to such notifications from the Algerian tax authorities. The Group has contested and/or is about to contest the claims and believes that any amount payable by TSO should be substantially less than the amount claimed by the Algerian tax authorities.

On 11 January 2008 TSO entered into a contract with the Kingdom’s of Cambodia’s Ministry of Public Works and Transport for the rehabilitation of the southern railway line of Cambodia (RLL1 – Southern Line Contract). Considering the difficulties encountered in the execution of the contract and the substantial variations in its scope of works TSO claimed around USD 74,000,000 (excluding interest) to the Kingdom of Cambodia. Negotiations were opened with the Cambodian government but failed to reach agreement. As of the date of this Prospectus, TSO SAS therefore contemplates to introduce a request for arbitration before the Secretariat of the International Court of Arbitration of the International Commerce Chamber.

On the basis of its past experience and the analysis of its legal department and advisors, proceedings, arbitrations and claims involving the Group are reviewed regularly, particularly when new information becomes available.

Save for the information mentioned above, there have been over the last 12 months no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

10. Material contracts

There are no material contracts that could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.

11. Financial information of the Issuer

CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AS AT 31 DECEMBER 2013

Contents

Consolidated statement of comprehensive income

In thousands of euros	Notes	12.31.2013	12.31.2012
Revenue from operating activities	**8.19**	**1 444 667**	**1 327 879**
Other revenue from ordinary activities	8.20	23 058	27 684
Purchases and change in inventories		(214 800)	(200 881)
Other expenses	8.21	(777 750)	(709 711)
Taxes other than on income		(19 221)	(17 098)
Personnel costs	8.31	(363 376)	(341 441)
Amortization, depreciation and provisions net		(57 717)	(57 566)
Other expenses from current operating activities		(10 296)	(4 101)
Other revenue from current operating activities		13 198	12 191
Operating result from ordinary activities		**37 763**	**36 956**
% of revenue		2,6%	2,8%
Other operating revenue and expenses	8.22	3 234	(2 052)
Operating income		**40 997**	**34 903**
Income from cash and cash equivalents		257	375
Gross borrowing cost		(8 006)	(8 431)
Net borrowing cost	**8.23**	**(7 749)**	**(8 056)**
Other financial income and expenses	**8.24**	**216**	**1 426**
Share in net income of associates	**8.3**	**(1 045)**	**(563)**
Income tax expense	**8.6**	**(11 597)**	**(7 946)**
Net income		**20 822**	**19 765**
- Attributable to owners of the parent		20 796	19 728
- Non-controlling interests		26	37
Earnings per share attributable to company shareholders			
- Earnings per share - Basic (attributable to owners of the parent)	8.26	3,35	3,06
- Earnings per share - Diluted (attributable to owners of the parent)	8.26	3,32	3,05

In thousands of euros	Notes	12.31.2013	12.31.2012*
Consolidated net income		**20 822**	**19 765**
Other comprehensive income that may not be recycled subsequently to net income			
Actuarials adjustments	8.16	(1 033)	(137)
Deferred tax on actuarials adjustments	8.6	373	49
Other comprehensive income that may be recycled subsequently to net income			
Fair value change on hedging instruments	8.18	1 589	(479)
Convertible bond coupon		-	(528)
Income tax on other comprehensive income	8.6	(574)	191
Consolidated comprehensive income		**21 177**	**18 860**
Comprehensive income attributable to owners of the parent		**21 151**	**18 823**
Comprehensive income attributable to non-controlling interests		**26**	**37**

** Restated figures in accordance with the change in accounting method pursuant to the application of IAS 19 revised as described in Note 8.16.*

Consolidated statement of financial position

ASSETS

In thousands of euros	Notes	12.31.2013	12.31.2012
Goodwill	8.1	221 405	215 560
Intangible assets	8.2	1 817	1 653
Property, plant and equipment	8.2	297 931	270 168
Investments in associates	8.3-8.4	5 215	889
Other financial assets	8.4-8.5	22 436	14 618
Deferred tax assets	8.6	1 125	23 655
Non-current assets		**549 930**	**526 543**
Inventories	8.7	15 107	13 911
Net trade receivables	8.8	457 278	410 884
Advance payments		5 430	13 543
Other current assets	8.9	62 794	53 090
Current accounts		72 643	64 783
Current tax assets		3 749	4 434
Cash and cash equivalents	8.11	147 089	136 702
Current assets		**764 090**	**697 347**
Assets held for sale and discontinued operations		-	19 887
Total assets		**1 314 020**	**1 243 777**

EQUITY AND LIABILITIES

In thousands of euros	Notes	12.31.2013	12.31.2012
Issued share capital		49 685	51 610
Premiums		7 239	124 421
Reserves		185 978	64 265
Net income for the period		20 796	19 728
Equity attributable to owners of the parent	**8.13**	**263 699**	**260 024**
Non-controlling interests		3 387	2 926
Total equity		**267 085**	**262 950**
Long Term borrowings (>1 year)	8.14	168 341	162 462
Provisions (>1 year)	8.15	71 826	71 294
Deferred tax liabilities	8.6	1 305	10 819
Non-current liabilities		**241 473**	**244 575**
Short Term borrowings (<1 year)	8.14	76 208	63 505
Bank overdrafts	8.11	73 314	22 786
Provisions (<1 year)	8.15-8.16	3 611	3 854
Advances and payments on account received		16 673	17 875
Net Trade payables		294 063	258 660
Other current liabilities	8.17	341 478	348 732
Current tax liabilities		115	3 533
Current liabilities		**805 462**	**718 945**
Liabilities held for sale and discontinued operations		-	17 307
Total equity and liabilities		**1 314 020**	**1 243 777**

Consolidated cash flow statement

In thousands of euros	Notes	12.31.2013	12.31.2012
OPERATING ACTIVITIES			
Net income		20 822	19 765
Share in net income of associates		1 045	563
Amortization, depreciation and provisions net		58 685	58 273
Other non-cash items		(4 765)	(13 833)
Change in deferred taxes		3 996	(9 607)
CASH FLOW FROM OPERATING ACTIVITIES		79 783	55 160
Change in working capital requirements	8.12	(34 537)	14 976
NET CASH FROM OPERATING ACTIVITIES		45 246	70 137
INVESTING ACTIVITIES			
Purchases of intangible assets and property, plant and equipment	8.2	(77 170)	(67 724)
Change in investments	8.4	(7 755)	(4 403)
Change in amounts due to non-current asset suppliers		1 826	2 176
Proceeds from disposals of non-current assets		6 032	3 668
Impact of changes in Group structure		(7 118)	1 958
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		**(84 185)**	**(64 325)**
FINANCING ACTIVITIES			
Dividends paid to associates		(9 999)	
Dividends paid to non-controlling interests in consolidated companies		(72)	
Issuance and interest paid on convertible bonds			(528)
Capital increase		(10 087)	
Proceeds from new borrowings		84 400	69 516
Repayment of borrowings		(65 444)	(60 764)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		**(1 202)**	**8 224**
Net change in cash and cash equivalents		**(40 141)**	**14 036**
Cash and cash equivalents at the beginning of the period		**113 916**	**99 880**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**73 775**	**113 916**

Consolidated statement of changes in equity

	Attributable to owners of Holding NGE								Non-controlling interests				
In thousands of euros	**Number of shares**	**Capital**	**Premiums**	**CB**	**Reserves**	**Currency translation difference**	**Net Income for the period**	**Total**	**In thousands of euros**	**Number of shares**	**Capital**	**Premiums**	**CB**
At January 1, 2012	***4 797 034***	**38 376**	**37 655**	**99 588**	**49 371**		**14 840**	**239 830**	**2 877**		**223**	**3 101**	**242 931**
Allocation of net income for FY 2011					14 840		(14 840)	-	223		(223)	-	-
Net income for the period							19 723	19 723			37	37	19 760
Changes on share capital	*1 654 260*	13 234	86 766	(100 000)				-				-	-
Revenue and expenses recognized outside profit or loss				(5)			5	-				-	-
Dividends								-	(305)			(305)	(305)
Gains (losses) on hedging instruments					(478)			(478)				-	(478)
Convertible bond coupon				417	(267)			150				-	150
Share-based payments					664			664					664
Changes in Group structure					135			135	93			93	228
At December 31, 2012	***6 451 294***	**51 610**	**124 421**	**-**	**64 265**	**-**	**19 728**	**260 024**	**2 888**	**-**	**37**	**2 926**	**262 950**
Allocation of net income for FY 2012			(109 020)		128 748		(19 728)	-	37		(37)	-	-
Net income for the period							20 796	20 796			26	26	20 822
Other income					(660)			(660)			-	-	(660)
Changes on share capital	*(240 633)*	(1 925)	(8 162)					(10 087)				-	(10 087)
Dividends					(9 999)			(9 999)	(72)			(72)	(10 071)
Gains (losses) on hedging instruments					1 015			1 015				-	1 015
Currency translation difference						(81)		(81)		(36)		(36)	(117)
Share-based payments					1 563			1 563				-	1 563
Changes in Group structure					1 128			1 128	544			544	1 672
At December 31, 2013	***6 210 661***	**49 685**	**7 239**	**-**	**186 060**	**(81)**	**20 796**	**263 699**	**3 397**	**(36)**	**26**	**3 387**	**267 085**

Notes to the consolidated financial statements

The consolidated financial statements at 31 December 2013, presented in this document, set out the activity of the NGE Group and its subsidiaries over the period from 1 January to 31 December 2013.
The NGE Group's financial statements at 31 December 2013 include NGE and its subsidiaries (together known as «the Group»), and the Group share in associates and joint arrangements.
The Group's financial statements were approved by the Chairman on 27 March 2014.

1. Highlights of the financial year

In February 2013, NGE carried out a capital reduction amounting to €10.1 million. Following this reduction, NGE's share capital totalled €49,685,288.
On 15 February 2013, the Group acquired Générale Routière, a company based in Morocco, with revenue of €30 million in 2013 and 575 employees. Details of this transaction are presented in Note 6.1 (Changes in Group structure). IAS 21 was applied in respect of this transaction, as set out in Note 3.3 (Foreign currency transactions).

2. Standards and interpretations applied

The Group's consolidated financial statements for the periods ended 31 December 2012 and 31 December 2013 were prepared in accordance with IFRS (International Financial Reporting Standards) applicable at 31 December 2013, as adopted by the European Union and available on the website http://ec.europa.eu/internal_market/accounting/ias_fr.htm. (Regulation No. 1606/2002 of the European Council dated 19 July 2002).

The accounting principles retained for the preparation of the financial statements are based on the standards and interpretations adopted by the European Union and mandatory at 1 January 2013.

2.1. New standards and interpretations applicable from 1 January 2013

- IAS 1 Amended «Presentation of Items of Other Comprehensive Income».
- Amendments to IAS 1 «Presentation of Items of Other Comprehensive Income».
- The NGE Group's consolidated financial statements at 31 December 2013 are impacted by the application of the amendment to this standard. The Group presents items of other comprehensive income separately in the consolidated income statement, whether they may be reclassified or not.
- IAS 12 Amended «Deferred Tax: Recovery of Underlying Assets». No significant impact.
- IAS 19 Amended «Employee Benefits». No significant impact.
- IFRS 7 Amended «Disclosures — Offsetting Financial Assets and Financial Liabilities». No significant impact.
- IFRS 13 «Fair Value Measurement».
- IFRS 13 provides a single framework for measuring fair value and replaces those currently contained in the various IFRS.
- With a limited number of exceptions, IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements.
- The Group reviewed its fair value measurement policies with no significant impact on the Group's consolidated financial statements at 31 December 2013.
- IFRIC 20 «Stripping Costs in the Production Phase of a Surface Mine». No significant impact.

The Group did not early apply any of the new standards and interpretations adopted by the IASB but not yet mandatory at 31 December 2013

2.2 Standards adopted by the IASB not yet mandatory at 31 December 2013

- IFRS 10 «Consolidated Financial Statements».
- IFRS 11 «Joint Arrangements».
- IFRS 12 «Disclosure of Interests in Other Entities».
- IAS 27 Amended «Separate Financial Statements».
- IAS 28 Amended «Investments in Associates and Joint Ventures».
- IAS 32 Amended «Offsetting Financial Assets and Financial Liabilities».
- IAS 36 Amended «Recoverable Amount Disclosures for Non-Financial Assets».

Their implementation is not expected to have any significant impact on the Group's financial statements.

3. Consolidation methods

3.1 Group structure and consolidation methods

The Group's consolidated financial statements are prepared at 31 December on the basis of the individual financial statements of the Group's subsidiaries at this date, restated to comply with the Group's standards.

Additions to and withdrawals from the Group's structure are recognised on the acquisition or disposal date or, for convenience where the impact is not significant, on the basis of the last balance sheet prior to the date of acquisition.

The following rules are used by the Group:

- The Group is considered to influence the operating and financial policies of companies in which it holds, directly or indirectly, a majority of the voting rights at Shareholders' Meetings or on the managing body. Such companies are Fully
- consolidated;
- Companies in which the Group exercises joint control with a limited number of associates are consolidated by the equity method;
- Companies in which the Group exercises significant influence are consolidated by the equity method;
- Interests in other entities refer to common interest entities created for a short period for a specific project and in which the Group does not hold any equity securities (which do not have any issued capital), whose existence may not be disclosed to third parties, which do not have a corporate body and which cannot hire staff, hold own assets, take on debt, or make any commitments to third parties. Consequently they do not enter into the Group's structure;
- Nevertheless, in order to reflect the economic impact of the projects in question in the consolidated financial statements, the following principles are applied;
- Technical and financial resources are made available by the associates according to the energy method, in proportion to their contributions;
- Revenue and related expenses are recognised in the consolidated financial statements pro rata to the Group's contribution to the projects in question.

3.2 Intra-group operations

Intra-group asset and liability or income and expense operations and transactions between consolidated companies are eliminated from the consolidated financial statements. This elimination is:

- in full where the operation is carried out between two controlled entities;
- to the extent of interests held in the equity-accounted company where an operation takes place between a Fully
- consolidated entity and an equity-accounted entity.

3.3 Foreign currency transactions

The accounts of foreign subsidiaries are kept in their functional currency.

Balance sheets whose functional currency differs from the consolidation currency are translated into euros at the closing rate, except for equity, which is translated at historical cost.

Translation differences on the balance sheet are recorded as translation adjustments in equity.

The income statement is translated using the average rate over the period.

Foreign currency transactions are translated into euros at the exchange rate in force on the date of the transaction. Resulting foreign exchange gains and losses are recognised in foreign exchange profit or loss and presented in other financial income and other financial expenses in the income statement.

Foreign exchange gains and losses on borrowings denominated in foreign currency or on derivative foreign exchange instruments which qualify as net investment hedges in subsidiaries are recorded as items of other comprehensive income and presented under translation reserve.

Goodwill and fair value adjustment resulting from the acquisition of foreign subsidiaries are considered as the subsidiary's assets and liabilities and accordingly are expressed in the subsidiary's functional currency and translated at the closing rate.

4. Accounting rules and policies

Estimates and assumptions have been made in order to prepare the financial statements in accordance with IFRS. These estimates are continually reviewed on the basis of past experience, as well as other factors which are used in assessing the carrying amount of the assets and liabilities.

4.1 Presentation of the financial statements

The Group presents its financial statements in accordance with IAS 1 and the IFRS framework, and based on recommendation No. 2013-03 dated 7 November 2013 of the ANC's College (Autorité des Normes Comptables) relating to the format of consolidated income statements, cash flow tables and consolidated statements of changes in equity. Accordingly, the following elements, in particular, should be noted:

- The income statement is presented by nature of product and expense in order to best represent the type of activity carried out by the Group, including income from disposal of equipment which forms part of the Group's current activities.

- The Group's main performance indicator is income from operating activities. It is calculated from operating income before taking into account estimated fair value of share-based payments, the impact of goodwill impairment tests and other operating income and expenses relating to the Group's non-operating activities (disposal of activities, acquisition costs);
- Net financial income/(loss) presents the Group's cost of net financial debt and other financial income and expense as separate items;

  The balance sheet shows the breakdown of current and non-current assets and liabilities;
- Presentation of the 2012 consolidated income statement has been adjusted in order to better reflect the nature of expenditure. A breakdown of the «Other income and expenses from operations» item is presented for all operating expense items with no impact on Income from operating activities.

4.2 Significant assessments and estimates

The preparation of the Group's financial statements requires that the Executive Management makes use of assessments, estimates and assumptions which impact the amounts recognised in the financial statements as assets and liabilities and income and expenses, as well as the information provided on contingent liabilities.
The development of factors underlying these estimates and assumptions, due to the uncertainty involved in such estimates and assumptions, could at a later date result in a significant adjustment to the amounts recognised in a subsequent period.

The use of assessments and estimates is particularly significant in the following areas:

- accounting for contracts;
- post-employment benefits;
- provisions for risks (notably for termination losses and disputes);
- recoverable amount of intangible assets and property, plant and equipment and notably goodwill;
- deferred tax assets;
- fair value of financial instruments.

4.3. Business combinations and goodwill

Business combinations since 1 January 2010 are recognised in accordance with the provisions of IFRS 3 revised.
In accordance with this revised standard, the Group recognises the assets acquired and identifiable liabilities taken over at fair value on the date on which control is gained.
Acquisition costs correspond to the fair value, on the exchange date, of the assets provided, outstanding liabilities and/or equity instruments issued in exchange for the entity acquired. Any price adjustments are valued at fair value at the end of each reporting period.
Any subsequent change in this fair value after the acquisition date, as a result of events after the date on which control is acquired, is recognised in profit or loss.
Costs which are directly attributable to the acquisition, such as due diligence fees, are recognised in expenses when they are incurred.
The acquisition value is attributed by recording the assets acquired and identifiable liabilities at fair value, except for assets classified as held-for-sale pursuant to IFRS 5, which are recorded at fair value less cost of sale.
The positive difference between the acquisition cost and the fair value of assets and identifiable liabilities acquired constitutes goodwill. Where appropriate, goodwill includes the share of fair value of non-controlling interests in accordance with the full goodwill method.
The Group has 12 months from the acquisition date to finalise the recognition of operations relating to the companies acquired.
In the case of a business combination achieved in stages, the previously held interest in the company is valued at fair value at the date on which control is acquired. Any resulting profit or loss is recognised in profit or loss.

In accordance with IAS 27 revised, acquisitions or disposals of non-controlling interests without any change in control are considered to be transactions with the Group's shareholders. This approach results in the difference between the price paid to increase the percentage interest in an entity already controlled and the additional share of equity thereby acquired being recorded in Group shareholders' equity
Similarly, a reduction in the percentage interest held by the Group in an entity with no loss of control is treated from an accounting standpoint as a transaction between shareholders, with no impact on income.

Goodwill relating to Fully consolidated subsidiaries is recorded in assets in the consolidated balance sheet, under «Goodwill». Goodwill relating to companies consolidated under the equity method is included under «Investments in equity-accounted companies».

Goodwill is not amortised but is subject to impairment testing at least once a year and every time there is an indication of impairment. When impairment is found, the difference between the asset's carrying amount and its recoverable value is recognised in profit or loss.
Badwill is recognised directly in profit or loss in the year of acquisition.

4.4. Intangible assets

These mainly include patents, licences and IT software, as well as fixed-term quarrying rights.
Other acquired intangible assets are recorded in the balance sheet at acquisition cost less, where appropriate, amortisation and aggregate impairment losses.
Quarrying rights are amortised over the period of excavation (the ratio of tonnage excavated during the financial year to the quarry's total estimated excavation capacity over the operating period).
Other intangible assets are amortised on a straight-line basis over their useful life.

4.5. Property, plant and equipment

Property, plant and equipment are recorded at acquisition or production cost less aggregate depreciation and any impairment losses.
Assets are subject to depreciation determined according to the actual useful life of the goods. The depreciable base is the purchase cost less, where appropriate, the final residual value of the goods. The residual value is the amount the Group would currently receive if the asset was already in the condition (age and wear) expected at the end of its useful life.
The main useful lives adopted are:

Buildings	15 to 40 years
Public works equipment	3 to 10 years
Transportation equipment	3 to 5 years
Railway equipment	8 to 30 years
Fittings	5 to 19 years
Furniture and office equipment	3 to 10 years

4.6. Impairment of non-financial fixed assets

Assets subject to impairment testing are regrouped into cash-generating units (CGU) corresponding to groups of similar assets whose use generates identifiable cash in-flows.
The groups of cash-generating units are:

- the Multi-expertise region;
- the Specialised National Subsidiaries or a group of integrated subsidiaries when these exercise their activity outside the
- «Multi-expertise - Regional» organisation;
- the Major Projects.

The recoverable amount of a cash-generating unit is the higher of the fair value (generally the market price), net of costs to sell, and the value in use.
Value in use is estimated using the discounted free cash flow method based on the following two items:

- Provisional cash flow with zero debt, i.e.:
• operating income + amortisation and depreciation;
• change in working capital requirements;
• renewal investments;
• taxes.

- Discount rate (opportunity cost of capital) determined for each CGU group according to its activity and associated risk profile.
The use of post-tax rates results in recoverable amounts that are identical to those obtained by applying pre-tax rates to pre-tax cash flows.

The use of post-tax rates results in recoverable amounts that are identical to those obtained by applying pre-tax rates to pre-tax cash flows.

The assumptions used in these calculations, as in any estimates, include a certain amount of uncertainty and may therefore be adjusted subsequently during later periods.
If the carrying amount of the cash-generating unit is higher than the recoverable amount, the cash-generating unit's assets are impaired to bring them to their recoverable amount. Impairment is deducted in priority from goodwill and recorded in the income statement under Other operating income and expense.
Cash flows beyond five years are extrapolated using a growth rate estimated at 1.0%. Total cash flows are discounted using a discount rate of 6.0%, corresponding to the Group's weighted average cost of capital after tax.
These calculations are based on a five-year forward plan prepared by the Management of the region and reviewed by the Group's Executive Management and Finance Department.

The Group also carries out sensitivity tests at CGU level based on discount rate and cash flow assumptions.
These calculations are based on a 5-year forward plan prepared by the regional Management and reviewed by the Group's Executive Management and Finance Department.
A reasonably possible change in assumptions regarding impairment tests for each of the groups of CGUs would not lead to a goodwill impairment expense. The discount rate from which the Group would start to record an impairment loss (the break-even) is 7.5%.

4.7. Finance leases

Goods acquired by means of finance leases (in particular lease financing) are capitalised when the finance lease has the effect of transferring substantially all the risks and rewards of ownership of these goods. They are offset by the recognition of a financial liability.
Assets held through finance leases are depreciated over their useful lives (see Note 4.5).
Finance costs in relation to this debt are recorded in financial expense.

4.8. Investments in associates

Investments in companies in which the Group exercises significant influence (associates) are valued using the equity method: they are initially recorded at acquisition cost including, where appropriate, any goodwill released.
Their carrying amount is then adjusted to take changes in the Group share of the net assets of these companies into account. The balance of this share appears in the balance sheet assets.
Note that the shares of net negative positions of equity-accounted companies are presented in Other current provisions.
Change over the financial year is shown in the income statement (Share in net income of associates).
Where there is an indication of impairment, the recoverable amount is tested as described in Note 4.3.

4.9. Other non-current financial assets

Non-current financial assets mainly include available-for-sale assets and receivables from investments, as well as deposit guarantees, loans and other financial receivables.

- Available-for-sale assets:
  Available-for-sale assets include the Group's equity investments in non-consolidated companies. They are valued at fair value on the balance sheet date. Where their fair value cannot be reliably determined, they are recognised at acquisition cost. Factors taken into consideration to determine impairment are a reduction in the share of equity held and a significant and prolonged deterioration in expected profitability. Changes in the fair value of available-for-sale investments are recognised in equity and transferred to profit or loss in the event that they are derecognised;
- Loans, deposits:
  Loans and deposits are recognised at amortised cost. Where applicable, they may be subject to an impairment provision. The impairment corresponds to the difference between the carrying amount and the recoverable amount and is recognised in profit or loss. The provision may be reversed if there is a favourable change in the recoverable amount;
- Derecognition of financial assets:
  A financial asset as defined by IAS 32 «Financial instruments: Presentation» is derecognised from the balance sheet, in full or in part, when the Group no longer expects any future cash flows from it and transfers substantially all of the risks and rewards of ownership of the asset.

4.10 Deferred taxation

In accordance with IAS 12, deferred taxation is recognised on the differences between the carrying amounts and the values for tax purposes of asset and liability items. They arise:

- From temporary differences which occur when the carrying amount of an asset or liability differs from its value for tax purposes.
- They are either:
  - Sources of future taxation (deferred tax liabilities): these include mainly income whose taxation is deferred;
  - Sources of future deductions (deferred tax assets): these concern mainly temporary non-deductible tax provisions;
- Tax loss carryforwards (deferred tax assets).
  Deferred tax assets are recognised where it is likely that the company will be able to recover them due to the existence of a taxable profit expected during future periods.
  The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced when it is no longer likely that sufficient taxable profit will be available to enable the benefit from this deferred tax asset to be used in full or in part. Unrecognised deferred tax assets are assessed at each balance sheet date and recognised to the extent that it becomes likely that a future profit will enable them to be recovered.

Deferred assets are recorded at the tax rate applicable on the balance sheet date, adjusted if necessary to include any changes in tax legislation. Changes in corporation tax rates are recorded in profit or loss for the period.
The balance of deferred taxes is determined on the basis of the tax position of each entity or the profit or loss of all entities included in the tax consolidation group, and is presented in assets or liabilities on the balance sheet by net position for each tax entity.

4.11. Inventories

Inventories are valued at acquisition or production cost by company or at their net realisable value, if this is lower at each balance sheet date.

4.12. Trade receivables

Trade receivables are valued at nominal value after deduction of provisions for possible recovery.
For the accounting of long-term contracts (IAS 11), this item includes, in particular:

- Situations occurring as work is performed and accepted by the developer;
- Future billing corresponding to work completed which has not been billed or accepted by the developer.

4.13. Cash and cash equivalents

Cash and cash equivalents include bank current accounts and cash equivalents corresponding to short-term investments with negligible risk of a change in value. Cash equivalents comprise in particular currency UCITs and deposit certificates with original maturities of less than three months.
Marketable securities are valued at fair value in accordance with IAS 39 - Financial instruments. Changes in fair value are recorded in the income statement.

Bank overdrafts are excluded from cash and presented in current borrowings.
Borrowings are initially recorded at the cost corresponding to the fair value of the amount received, net of issue costs.
They are subsequently valued at amortised cost using the effective interest rate method, which takes into account all issue costs and discounts or redemption premiums

4.14. Borrowings

Borrowings are initially recognized at cost, which represents the fair value of the amount received, net of issue costs.
Subsequent to initial recognition, borrowings are measured at amortized cost on the basis of the effective interest rate method, which factors in all issue costs and any redemption discount or premium.

4.15. Financial instruments

The Group uses derivative instruments such as forward currency contracts and interest rate swaps to hedge against interest rate risks. These derivative instruments are recognised at fair value.
At 31 December 2013, fair value includes credit risk or the entity's own risk pursuant to IFRS 13; these risks are estimated on the basis of observable market data.
All gains and losses due to changes in the fair value of derivatives which are not classified as hedging instruments are recognised directly in the income statement.
The fair value of forward currency contracts is calculated by reference to quoted prices for contracts with similar maturity profiles. The fair value of interest rate swaps is determined by reference to market values of similar instruments.

For hedge accounting purposes, hedges are classified:

- Either as fair value hedges when they hedge exposure to changes in the fair value of a recognised asset or liability, or a firm commitment (except for currency risk);
- Or as cash flow hedges when they hedge exposure to changes in cash flow attributable either to a particular risk associated with a recognised asset or liability, or to a highly probable forecast transaction or currency risk on a firm commitment;
- Or as net investment hedges in a foreign operation. Hedging instruments that satisfy the criteria laid down in IAS 39 on hedge accounting are recognised as follows: Fair value hedges.
  Changes in the fair value of a derivative that qualifies as a fair value hedge are recognised in profit or loss. Changes in the fair value of the hedged item attributable to the hedged risk adjust the carrying amount of the hedged item and are also recognised in profit or loss;
- Cash flow hedges.
  Profit or loss corresponding to the effective portion of the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.
  Amounts recognised directly in equity are included in profit or loss in the period in which the hedged transaction affects profit or loss.

  If the Group subsequently expects that the forecast transaction or commitment will no longer occur, amounts previously recognised directly in equity are 'recycled' into profit or loss. If the hedging instrument expires, is sold, terminated, or exercised without being replaced or renewed, or where its designation as a hedging instrument is revoked, amounts previously recognised in equity are retained there until the forecast transaction or firm commitment occurs.

4.16. Consolidated cash flow statement

The consolidated cash flow statement is presented using the indirect method. In accordance with this method, net income from consolidated companies is corrected for the effects of transactions with no impact on cash, and for income or expense items related to investing and financing flows. Interest and dividends from unconsolidated companies are shown in cash flows from investing and financing, respectively. At 31 December 2013, there are no cash and cash equivalents that are not available for use.

4.17. Provisions

Provisions are recognised when the Group has a present obligation towards a third party (legal or constructive) resulting from a past event, and when it is probable that an outflow of resources representing economic benefits will be necessary to extinguish the obligation and that the amount of the obligation can be reliably estimated.

4.17.1. Non-current provisions

Non-current provisions include mainly the share at over one year of:

- Provisions for litigation and disputes: these provisions are designed to cover litigation, disputes and uncertain future events arising from the Group's activities;
- Provisions for redevelopment of quarries, renewal and restoration.
  These involve the costs of returning quarry operating sites to a prior state;
- End-of-career payments.
  Commitments in respect of defined-benefit retirement schemes are provisioned in the balance sheet. They are determined using the projected unit credit method based on actuarial valuations carried out at each annual closing date.

The assumptions used for the actuarial calculations of the defined-benefit retirement commitments include uncertainties which may affect the value of the financial assets and obligations towards employees. These assumptions are reviewed annually and may lead to accounting adjustments.

For defined-benefit schemes financed through external management (pension funds or insurance contracts), the excess or shortfall in the fair value of assets compared to the present value of obligations is recognised in assets or liabilities.

The Group has applied the provisions of IAS 19 revised since 1 January 2013.
The main changes are:

- Elimination of the option to recognise actuarial differences immediately through profit or loss or using the corridor approach. Actuarial differences must be recognised through equity;
- Immediate recognition of all changes to the scheme;
- Elimination of the distinction between the impact of accretion and the return on plan assets. There is now a single notion of financial expense determined on the basis of the discount rate;
- Absence of presentation option: the cost of services (cost over the period, past service cost, profit or loss on liquidation) and interest (income from net changes in the asset or the actuarial debt multiplied by the discount rate used in the calculation) are recognised in the income statement and revaluation adjustments are recognised in Items of other comprehensive income (actuarial losses and gains on the debt and on hedges).

The NGE Group had opted for the recognition of actuarial differences immediately through profit or loss. Thus, actuarial differences generated are now recognised through equity. Other points have no significant impact for the Group.
The impact relating to this change in accounting method is presented in Note 8.16.

4.17.2. Current provisions

Current provisions correspond to provisions directly relating to the normal operating cycle, irrespective of their estimated expiration, such as provisions for risks linked to projects, construction work and end-of-projects.

4.18. Other income from activities

Recognition of Other income from activities gathers together mainly equipment sales, studies and fees, in accordance with IAS 18.

4.19. Accounting for contracts

The Group recognises income and expenses relating to construction contracts in accordance with the percentage of completion method defined by IAS 11 - Construction Contracts.
For the Group, percentage of completion is generally determined on the basis of physical progress or costs incurred.
Where forecasts for the completion of work result in a deficit, a provision is recognised independently of the percentage of completion of the project, according to the best estimate of the projected loss after taking into account any rights to additional revenue or rights of recourse, to the extent that it is probable that such revenue will be received and can be reliably measured. Provisions for losses upon completion are presented under liabilities in the balance sheet.
Part payments received under construction contracts, before the corresponding work has been carried out, are recognised under balance sheet liabilities as advance payments received.
Revenue determined using the percentage of completion method is based on the estimation of costs upon completion of a contract. This estimation may be adjusted in subsequent periods and may lead to adjustments in revenue and, potentially, to provisions for termination losses.

4.20. Share-based payment

The rules for assessing and recognising share allocation plans are defined in IFRS 2 «Share-based Payments».
Since these are operations which do not lead to monetary transactions, benefits thus granted are recognised in expenses over the vesting period and offset by an increase in equity. They are valued at fair value on the grant date of the equity instruments allocated.
Moreover, their valuation is not directly related to operating activity. Consequently, the Group judges it opportune not to include the expense in Income from operating activities, which is the Group's performance indicator, but rather to present it in Other operating income and expense, as detailed in Note 8.22.

4.21. Earnings per share

Basic earnings per share are calculated by dividing the income attributable to holders of ordinary shares in the parent company by the weighted average number of outstanding ordinary shares during the period.
For diluted earnings per share, the income attributable to holders of ordinary shares in the parent company and the weighted average number of outstanding shares are adjusted for the impact of all potentially dilutive equity instruments.

5. Financial risk factors

5.1. Interest rate risk

With the exception of finance leases which are fixed-rate, the Group's debt is primarily at variable rates.
The Group takes out hedging options to limit the risk of interest rate increases.
Note 8.18 in the notes to the consolidated financial statements presents the share of debt subject to interest rate risk.
Any increase in the level of interest rates would raise the cost of finance for the Group, which in turn would reduce its net financial income and net income and could slow its growth (see Note 8.18 for estimated figures on this risk).

5.2. Currency risk

The majority of the Group's subsidiaries exercise their activities in the euro zone. The Group's exposure to currency risk is thus limited. Moreover, costs related to the execution of international contracts denominated in local currency other than the euro, are generally paid in this same local currency.
Currency risks mainly concern the timing of cash flows during the execution of a contract (financing resources or working capital requirements), as well as translation into euros of overheads and the profit or loss generated by the said contract. The Group occasionally implements a strategy of hedging all or part of these cash flows in order to reduce its exposure to currency risk.
A significant change in exchange rates could nevertheless affect the Group's activities and earnings.

5.3. Liquidity risk

Liquidity risk corresponds to the risk that the Group does not have sufficient net financial resources to meet its obligations and operating expenses.
The Group saw a significant increase in its working capital requirements in 2013, which is expected to be reversed in 2014.
The Group's main debt items at 31 December 2013 are presented in Note 8.14 of the notes to the consolidated financial statements.

On 21 November 2013, the Group set up a five-year trade receivables securitisation programme in the amount of €60 million. This item is presented in Note 8.11.

The Group has unconfirmed credit lines available to finance its working capital requirements in the amount of €50 million, of which €13.3 million had been drawn at 31 December 2013. This item is presented in Note 8.11.

6. Group consolidation structure

6.1. Changes in Group structure

6.1.1. Acquisitions

On 15 February 2013, the Group acquired control of GENERALE ROUTIERE, a subsidiary based in Morocco. The Group holds 70% of its securities.
This acquisition was recognised using the acquisition method; acquisition costs amounted to €7.7 million.
In accordance with the acquisition method, the cost of acquisition must be allocated to the acquired assets and liabilities and contingent liabilities taken over. Allocation of the acquisition costs of GENERALE ROUTIERE led NGE to recognise GENERALE ROUTIERE's equipment at fair value. Fair values were allocated to the identifiable assets, liabilities and contingent liabilities on a provisional basis at 31 December 2013.
The fair value of the assets and liabilities acquired was provisionally estimated at €4.6 million, generating full goodwill of €4.2 million.
On 17 October 2013, the Group took over control of SGTPS, a subsidiary based in Réunion, in which ROCS directly acquired a 100% interest.
This acquisition was recognised using the acquisition method: the acquisition cost comprised payments made by ROCS totalling €1.8 million.
In accordance with the acquisition method, the cost of acquisition must be allocated to the acquired assets and liabilities and contingent liabilities taken over. Fair values were allocated to the identifiable assets, liabilities and contingent liabilities on a provisional basis at 31 December 2013.
The fair value of the assets and liabilities acquired was provisionally estimated at €0.6 million, generating goodwill of €1.2 million.

6.1.2. Disposals

The assets and liabilities of PORT-MEDOC, previously recognised at 31 December 2012 in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, were sold on 21 November 2013 and mainly included its intangible assets.
The income from this disposal and the profit/loss for the period 1 January to 21 November are presented under Other operating income and expense.

6.2. Group consolidation structure

The list of consolidated companies is presented on page 35.

7. Subsequent events

None.

8. Notes annexes

The Group's consolidated financial statements are presented in thousands of euros, unless otherwise stated.

8.1. Goodwill

Groups of CGU Cash Generating Unit)	12.31.2012	Impairment	Changes in Group structure	Currency translation difference	Other	12.31.2013
Regional Multi-Expertise Activities	65 457		36			65 493
Multi-Expertise Major Projects	21 545					21 545
Specialist French Subsidiaries	128 558		5 869	(60)		134 367
Total goodwill	**215 560**	**-**	**5 905**	**(60)**	**-**	**221 405**

Groups of CGU Cash Generating Unit)	31.12.2011	Impairment	Changes in Group structure	Currency translation difference	Other	12.31.2012
Regional Multi-Expertise Activities	65 537		(80)			65 457
Multi-Expertise Major Projects	21 545					21 545
Specialist French Subsidiaries	152 884		(765)		(23 561)	128 558
Total goodwill	**239 966**	**-**	**(845)**		**(23 561)**	**215 560**

Groups of CGU Cash Generating Unit)	Discount rate	
	2013	2012
Regional Multi-Expertise Activities	6,0%	7,0%
Multi-Expertise Major Projects	6,0%	7,0%
Specialist French Subsidiaries	6,0%	7,0%

8.2. Change in property, plant and equipment and intangible assets

	12.31.2012	Changes in Group structure	Increase	Decrease	Other	Currency translation difference	12.31.2013
Intangible assets	3 968	17	706	(112)			4 578
Land	18 621	783	976	(25)		(5)	20 350
Buildings	37 410	1 115	1 132	(45)		(9)	39 603
Machinery and equipment	353 375	7 389	52 950	(18 595)	713	(146)	395 686
Other property, plant and equipment	72 882	952	16 880	(6 309)	75	(12)	84 468
Property, plant and equipment under construction	1 939		4 526	(93)	(788)		5 584
Property, plant and equipment	484 227	10 239	76 464	(25 067)		(172)	545 690
Total gross amount	**488 195**	**10 256**	**77 170**	**(25 179)**	**-**	**(172)**	**550 268**
Intangible assets	**2 315**		**654**	**(221)**	**13**		**2 761**
Land	1 317		359	(24)			1 652
Buildings	11 861	(2)	2 311	(45)		(1)	14 124
Machinery and equipment	163 579	(414)	41 446	(15 149)		(90)	189 372
Property, plant and equipment under construction	37 302	(26)	10 672	(5 331)		(6)	42 611
Property, plant and equipment	**214 059**	**(442)**	**54 788**	**(20 549)**		**(97)**	**247 759**
Total amortization, depreciation and impairment	**216 374**	**(442)**	**55 442**	**(20 770)**	**13**	**(97)**	**250 520**
Net non-current assets	**271 821**	**10 698**	**21 728**	**(4 409)**	**(13)**	**(75)**	**299 748**

Impact of finance lease adjustments (IAS17) on property, plant and equipment:

	12.31.2012	Changes in Group structure	Increase	Decrease	Currency translation difference	12.31.2013
Total gross amount	142 611	7505	34501	(4 595)	(61)	179 961
Total amortization, depreciation and impairment	(50 262)	(2 886)	(14 010)	3 631	27	(63 500)
Total **net non-current assets**	92 349	4 619	20 491	(964)	(34)	116 461

	12.31.2012	Changes in Group structure	Increase	Decrease	Other	Currency translation difference	12.31.2013
Concession intangible assets	**30 988**	**(30 988)**					**-**
Intangible assets	**3 573**	**7**	**592**	**(204)**			**3 968**
Land	17 602	96	805	(45)	163		18 621
Buildings	36 155	78	999	(192)	370		37 410
Machinery and equipment	294 552	13 915	50 413	(8 331)	2 826		353 375
Other property, plant and equipment	66 928	588	13 520	(8 154)			72 882
Property, plant and equipment under construction	4 851		1 395	(946)	(3 361)		1 939
Property, plant and equipment	**420 088**	**14 677**	**67 132**	**(17 668)**	**(2)**		**484 227**
Total gross amount	**454 649**	**(16 304)**	**67 724**	**(17 872)**	**(2)**		**488 195**
Concession intangible assets	**11 277**	**(11 277)**					**-**
Intangible assets	**2 120**	**19**	**378**	**(202)**			**2 315**
Land	954		363				1 317
Buildings	9 789	78	2 194	(200)			11 861
Machinery and equipment	124 301	5 688	40 246	(6 653)	(3)		163 579
Other property, plant and equipment	35 058	953	8 262	(6 974)	3		37 302
Property, plant and equipment	**170 102**	**6 719**	**51 065**	**(13 827)**			**214 059**
Total amortization, depreciation and impairment	**183 499**	**(4 539)**	**51 443**	**(14 029)**	**-**		**216 374**
Net non-current assets	**271 150**	**(11 765)**	**16 281**	**(3 843)**	**(2)**		**271 821**

8.3. Investments in associates

12.31.2013	DEMETER	CDB*	SLE**	P2R	CORREZE ENROBES	LCA	GED	SABLIERES DE BRAM	SNPT	CDC***	SDS****	PORT ADHOC	TOTAL
Data on a 100% basis													
Revenue	338	3 132	822	8 841	7 107	693	0	805	0	60	1 787	0	23 585
Operating income	(2 212)	(180)	(4)	349	70	63	(139)	86	0	(3)	(1 311)	0	(3 281)
Net income	(2 156)	(400)	(5)	227	74	37	(145)	27	(1)	(7)	(1 350)	0	(3 699)
Equity	(13 131)	(1 432)	421	1 110	326	103	(272)	215	30	102	(1 350)	8 220	(5 658)
Percentage interest	25%	50%	39%	23%	43%	50%	50%	50%	25%	51%	25,5%	25%	
Share in net income	**(539)**	**(200)**	**(2)**	**52**	**32**	**19**	**(73)**	**14**	**(0)**	**(4)**	**(344)**	**0**	**(1 045)**
Equity attributable to owners of the parent	**(3 283)**	**(716)**	**433**	**316**	**77**	**52**	**(1 536)**	**108**	**8**	**47**	**(344)**	**4 175**	**(664)**

12.31.2013	DEMETER	CDB*	SLE**	P2R	CORREZE ENROBES	LCA	GED	SABLIERES DE BRAM	SNPT	TOTAL
Data on a 100% basis										
Revenue	407	3 077	894	7 168	7 252	945	-	904	-	20 647
Operating income	(1 927)	(146)	69	163	80	39	(6)	142	(6)	(1 592)
Net income	(1 820)	(400)	67	87	22	24	(13)	66	(6)	(1 973)
Equity	(10 974)	(1 032)	426	882	370	63	(127)	187	31	(10 174)
Percentage interest	25%	50%	39%	23%	43%	50%	50%	50%	25%	
Share in net income	**(455)**	**(200)**	**26**	**20**	**9**	**12**	**(8)**	**33**	**(2)**	**(563)**
Equity attributable to owners of the parent	**(2 744)**	**(516)**	**435**	**264**	**57**	**33**	**(1 464)**	**94**	**8**	**(3 833)**

**CDB : CALCAIRES DU BITTEROIS*
***SLE : LIANTS DE L'ESTUAIRE*
****CDC : CALCAIRES DU CATALANS*
*****SDS : SABLIERES DE LA SALANQUE*

Change in Investments in associates is as follows:

	Net amounts
At 31.12.2011	**(2006)**
Income for FY 2012	(563)
Dividends paid	(13)
Changes in Group structure	(1 254)
Other	3
At 12.31.2012	**(3 833)**
Income for FY 2013	(1 045)
Dividends paid	(10)
Changes in Group structure	4 226
Other	(1)
At 12.31.2012	**(664)**

8.4. Change in financial assets

	12.31.2012	Changes in Group structure	Increase	Decrease	Others	Currency translation difference	12.31.2013
Investments in associates	889	4 476		(140)	(10)		5 215
Available-for-sale financial assets	6 510		570	(144)			6 936
Other financial assets	8 397	37	7 557	(228)			15 763
Total gross amount	**15 796**	**4 513**	**8 127**	**(512)**	**(10)**	**-**	**27 914**
Investments in associates							-
Available-for-sale financial assets	289	3		(28)	(1)		263
Other financial assets							-
Total amortization, depreciation and impairment	**289**	**3**	**-**	**(28)**	**(1)**	**-**	**263**
Net financial assets	**15 507**	**4 510**	**8 127**	**(484)**	**(9)**	**-**	**27 651**

8.5. Other financial assets

	12.31.2013	12.31.2012
Shares and financial assets of PPP/Concessions	17 648	10 881
Shares of Cofor	1 635	1 398
Sundry	1 623	1 481
Total available-for-sale financial assets	**20 906**	**13 760**
Total Other financial assets	**1 530**	**858**
Other financial assets	**22 436**	**14 618**

8.6. Income tax and deferred tax

- Reconciliation between the effective income tax expense and the theoretical expense

	12.31.2013	12.31.2012
Consolidated net income	20 822	19 765
Income tax expense	(11 597)	(7 946)
Pre-tax net income	**32 419**	**27 711**
Standard tax rate	38,00%	36,10%
Theoretical tax expense	**12 319**	**10 004**
Permanent differences	(1 837)	(3 720)
DTA not recognized	358	1 064
Share in net income of associates	396	203
Tax rate differences	338	
Sundry	22	395
Effective tax expense	**11 597**	**7 946**
Effective tax rate	**35,77%**	**28,67%**

- Income tax expense

	12.31.2013	12.31.2012
Current taxes	7 601	14 959
Deferred taxes	3 996	(7 013)
Total	**11 597**	**7 946**

- Breakdown of deferred taxes

						Balance at December 31, 2013		
	Net Balance at January 1, 2013	Recognized in net income	Currency translation difference and other	Recognized in other comprehensive income	Recognized outside profit or loss	Balance before offsetting	Offsetting by fiscal sphere	Net tax Assets (Liabilities)
Temporary differences	5 978	4 709				10 686		
Provisions	16 652	(1 590)			(356)	14 706		
Tax losses	29 273	(8 005)	(8 391)		343	13 219		
IFC provisions	6 350	419		373	20	7 162		
Currency translation difference			(3)		3	-		
Deferred tax assets	**58 253**	**(4 467)**	**(8 394)**	**373**	**9**	**45 774**	**(44 649)**	**1 125**
Fixed assets	(42 157)	615			(1 450)	(42 992)		
Provisions	(2 381)	(225)			253	(2 353)		
Intangible		3			7	10		
Financial	(124)	79				(45)		
Financial Instruments				(574)		(574)		
Currency translation difference			10		(10)	-		
Deferred tax liabilities	**(44 662)**	**471**	**10**	**(574)**	**(1 200)**	**(45 954)**	**44 649**	**(1 305)**
Net tax Assets (Liabilities)	**13 591**	**(3 996)**	**(8 384)**	**(201)**	**(1 191)**	**(180)**	**-**	**(180)**

The change in “Other” tax losses corresponds to a reclassification of the result of the 2012 tax consolidation from Current assets to Deferred tax assets, with no impact on the Group’s net income

Tax losses not activated amount to €0.9 million.

8.7. Inventories

	12.31.2012	Changes in Group structure	Change	Currency translation difference	12.31.2013
Raw materials and supplies	15 259	248	546	(4)	16 049
Total gross amount	**15 259**	**248**	**546**	**(4)**	**16 049**
Raw materials and supplies	(1 348)		406		(942)
Total depreciation and impairment	**(1 348)**	**-**	**406**	**-**	**(942)**
Inventories and work-in-progress	**13 911**	**248**	**952**	**(4)**	**15 107**

	31.12.2011	Variations		31.12.2011	Variations
Raw materials and supplies	16 209	890	(1 840)		15 259
Total gross amount	**16 209**	**890**	**(1 840)**	**-**	**15 259**
Raw materials and supplies	(1 063)	(408)	123		(1 348)
Total depreciation and impairment	**(1 063)**	**(408)**	**123**	**-**	**(1 348)**
Inventories and work-in-progress	**15 146**	**482**	**(1 717)**	**-**	**13 911**

8.8. Trade receivables

	12.31.2013	12.31.2012
Trade receivables - Gross amount	458 650	412 312
Impairment	(1 371)	(1 428)
Trade receivables	**457 279**	**410 884**

The schedule of trade receivables breaks down as follows:

	TOTAL	Not yet due	<30 days	30<60 days	60<90 days	90<120 days	>120 days
Trade receivables at 12.31.2013	457 279	343 378	47 962	18 646	6 942	6 808	33 543
Trade receivables at 12.31.2012	410 884	331 230	38 382	13 140	5 244	3 748	19 140

8.9. Other current assets

x	12.31.2013	12.31.2012
State	44 975	35 547
Other receivables	13 008	16 108
Prepaid expenses	4 831	1 457

Impairment	(20)	(22)
Other current assets	**62 794**	**53 090**

8.10 Information on construction contracts

	12.31.2013	12.31.2012
Amount of income recorded from construction contracts for the fiscal year	1 444 667	1 327 879
From current contracts:		
- Advances received on current contracts	16 673	17 875
- Reserves applied by customers	5 413	5 690
- Amounts due from customers	109 044	78 204
- Amounts due to customers	48 437	43 294

8.11 Net cash

	12.31.2013	12.31.2012
Term deposits	16 198	17 151
UCITs	60 326	71 356
Interest-bearing accounts	19 250	16 500
Cash	51 315	31 695
Cash and cash equivalents	**147 089**	**136 702**
Bank overdrafts	(13 314)	(22 786)
Securitisation	(60 000)	
Bank overdrafts	**(73 314)**	**(22 786)**
Net cash in the balance sheet	**73 775**	**113 916**

Net cash includes an amount of 35 million Moroccan dirhams in foreign currency, or €3 million.

Credit lines
Credit lines excluding securitisation amounted to €50 million at 31 December 2013, and €61.2 million at 31 December 2012. These lines were drawn in the amount of €13.3 million and €22.7 million respectively.

Trade receivables securitisation programme
On 21 November 2013, the Group set up a five-year trade receivables securitisation programme in the amount of €60 million. This line is recognised in Cash and cash equivalents and Bank overdrafts for the amount financed.

8.12. Working capital requirement

			Flux		
	12.31.2013	12.31.2012	Provided by operating	Non-current asset suppliers	Changes in Group structure and other
Inventories	15 107	13 911	(976)		(220)
Trade receivables	457 278	410 884	(36 474)	(65)	(9 855)
Other assets	144 615	135 850	(8 989)		224
Held for sale assets	-	277	277		
Assets	**617 001**	**560 922**	**(46 163)**	**(65)**	**(9 851)**
Trade payables	294 063	258 660	27 243	1 891	6 269
Other liabilities	358 266	370 141	(7 641)		(4 234)
Held for sale liabilities	-	7 976	(7 976)		
Liability	**652 329**	**636 777**	**11 626**	**1 891**	**2 035**
Working capital [requirement] / Surplus	**35 328**	**75 855**	**(34 537)**	**1 826**	**(7 816)**

8.13. Equity instruments

NGE set up a bonus share allocation plan in July 2012. 51,716 shares will be allocated at the end of a two-year vesting period. These bonus shares will be recognised in equity. The fair value of options and bonus shares allocated to employees is recognised under Other operating income and expense over the vesting period.

8.14. Net financial debt

	12.31.2013				12.31.2012			
	Current	Non-current		Total	Current 1 - 5 years	Non-current		Current
		1 - 5 years	> 5 years			1 - 5 years	> 5 years	
Bank borrowings	55 102	96 195	3 867	155 165	44 375	114 199	2 231	160 804
Finance lease borrowings	20 957	51 628	14 763	87 349	18 551	36 400	6 141	61 092
Other borrowings		1 887		1 887		3 491		3 491
Accrued interest	149			149	579			579
Gross debt	**76 208**	**149 711**	**18 631**	**244 549**	**63 505**	**154 090**	**8 372**	**225 966**
Net cash				73 775				113 916
Net debt	**-**	**-**	**-**	**170 774**	**-**	**-**	**-**	**112 050**
o.w. fixed-rate debt	32 536	73 470	15 565	121 571	29 575	63 774	6 726	100 075
o.w. floating-rate debt	43 672	76 241	3 065	122 978	33 929	90 316	1 646	125 891

Banking covenants:

Under the Corporate credit agreement signed by the Group, its amendments and a waiver request accepted before 31 December 2013, the Group is required to comply with a number of contractually-defined financial ratios (precise terms that correspond to specific contractual definitions):
• gross leverage ratio: less than 4.5 at 31 December 2013;
• net leverage ratio: less than 2.7 at 31 December 2013;
• gearing ratio: less than or equal to 1 at 31 December 2013 ;
• consolidated cash flow ratio: higher than 1 at 31 December 2013 or Net cash of at least €70 million.
At 31 December 2013, the Group was in compliance with these ratios.

8.15. Current and non-current provisions

	12.31.2012	Changes in Group structure	Increase	Decrease	Currency translation	12.31.2013
Provisions for retirement payments	17 586	55	4 082	(1 887)		19 836
Provisions for quarry redevelopment	760	262	115	(516)		621
Provisions for renewal						-
Provisions for site restoration	382		16	(122)		276
Provisions for disputes and litigation	46 133	1 330	8 907	(9 787)	(8)	46 575
Other non-current provisions	6 433		697	(2 612)		4 518
Non-current provisions	**71 294**	**1 647**	**13 817**	**(14 924)**	**(8)**	**71 826**
Other sundry provisions	3 854			(243)		3 611
Current provisions	**3 854**	**-**		**(243)**	**-**	**3 611**
Total provisions	**75 148**	**1 647**	**13 817**	**(15 167)**	**(8)**	**75 437**

	31.12.2011	Changes in Group structure	Increase	Decrease	Currency translation difference	12.31.2012
Provisions for retirement payments	14 337	3 010	3 277	(3 038)		17 586
Provisions for quarry redevelopment	1 070	(100)		(210)		760
Provisions for renewal	2 493	(2 493)				-
Provisions for site restoration	258		124			382
Provisions for disputes and litigation	51 798	100	24 493	(30 258)		46 133
Other non-current provisions	3 544		3 400	(511)		6 433
Non-current provisions	**73 500**	**517**	**31 294**	**(34 017)**	**-**	**71 294**
Other sundry provisions	4 755		1 908	(2 809)		3 854
Current provisions	**4 755**	**-**	**1 908**	**(2 809)**	**-**	**3 854**
Total provisions	**78 255**	**517**	**33 202**	**(36 826)**	**-**	**75 148**

8.16. End-of-career payments

	IAS 19	Adjustments	IAS 19 Revised	IAS 19	Adjustments	IAS 19 Revised
	12.31.12			31.12.13		
ASSUMPTIONS						
Discount rate (including inflation)	3,30%	3,30%	3,30%	2,90%	2,90%	2,90%
Rate of salary increase	4,50%	4,50%	4,50%	4,50%	4,50%	4,50%
Rate of social security expenses - Managers	47,10%	47,10%	47,10%	47,10%	47,10%	47,10%
Rate of social security expenses - Non-managers	40,60%	40,60%	40,60%	40,60%	40,60%	40,60%

CHANGE IN COMMITMENT						
Commitment at opening	16 576		16 576	19 803		19 803
Service cost over the period	693		693	1 263		1 263
Past service cost						-
Liquidation						-
Interest expense	438		438	580		580
Acquisitions/Disposals	2 996		2 996	306		306
Actuarial losses (gains) on the commitment	137		137	1 033		1 033
Benefits paid	(1 037)		(1 037)	(962)		(962)
Commitment at closing	**19 803**	**-**	**19 803**	**22 023**	**-**	**22 023**

CHANGE IN ASSETS	**31.12.12**	**31.12.12**	**31.12.12**	**31.12.13**	**31.12.13**	**31.12.13**
Fair value of assets at the start of the period	2 239		2 239	2 213		2 213
Contributions/Benefits paid						-
Acquisitions/Disposals	(26)		(26)			-
Value of assets at end of period	**2 213**	**-**	**2 213**	**2 213**	**-**	**2 213**

FINANCIAL HEDGING						
Financial hedging	(17 590)		(17 590)	(19 810)		(19 810)
Unrecognised actuarial losses						-
Pension assets (provision)	**(17 590)**		**(17 590)**	**(19 810)**		**(19 810)**

	IAS 19	Adjustments	IAS 19 Revised	IAS 19	Adjustments	IAS 19 Revised
		12.31.12			12.31.13	
EXPENSE FOR THE PERIOD						
Service cost over the period	693		693	1 263		1 263
Past service cost						-
Liquidation						-
Cost net of interest	438		438	580		580
Net actuarial differences	137	(137)		1 033	(1 033)	-
Expense (Income)	**1 268**	**(137)**	**1 131**	**2 876**	**(1 033)**	**1 843**

Other items of comprehensive income						**-**
Actuarial losses (gains) on the commitment		137	137		1 033	1 033
Actuarial losses (gains) on assets						-
Losses (gains) recognised in Other items of comprehensive income	**-**	**137**	**137**	**-**	**1 033**	**1 033**

CHANGE IN PROVISION	**31.12.12**	**31.12.12**	**31.12.12**	**31.12.13**	**31.12.13**	**31.12.13**
Provision at opening	(14 337)		(14 337)	(17 590)		(17 590)
Expense (Income)	(1 268)	137	(1 131)	(2 876)	1 033	(1 843)
Actuarial differences generated		(137)	(137)		(1 033)	(1 033)
Acquisitions/Disposals	(3 022)		(3 022)	(306)		(306)
Benefits paid directly by the employer	1 037		1 037	962		962
Contributions paid						-
Provision at closing	**(17 590)**	**-**	**(17 590)**	**(19 810)**	**-**	**(19 810)**

8.17. Other current liabilities

	12.31.2013	12.31.2012
Social security payables	78 368	61 065
Tax payables	104 635	96 829
Gross amount due to customers	48 437	43 294
Loans and advances to silent partnerships and others	106 904	143 459
Prepaid income	3 133	4 085
Other current liabilities	**341 478**	**348 732**

8.18. Financial instruments

								Method for determining fair value		
12.31.2013	**Carrying amount**	**Fair value**	**Available-for- sale financial assets**	**Financial assets at fair value through income**	**Loans and receivables**	**Liabilities at amortized cost**	**Hedging instruments**	**Level 1 Quoted market price on an active market**	**Level 2 Model using observable market data**	**Level 3 Model using non-observable market data**
Other financial assets	22 436	22 436	20 906		1 530				1 530	20 906
Trade and other receivables	457 278	457 278			457 278				457 278	
Group debtors	72 643	72 643			72 643				72 643	
Cash and cash equivalents	147 089	147 089		147 089				60 326	86 763	
Total assets	**699 446**	**699 446**	**20 906**	**147 089**	**531 451**	**-**	**-**	**60 326**	**618 214**	**20 906**
Borrowings and other financing	317 863	317 863				316 136	1 727		317 863	
Advances and payments on account received	16 673	16 673			16 673				16 673	
Trade payables	294 063	294 063			294 063				294 063	
Gross amount due to customers	48 437	48 437			48 437				48 437	
Current accounts payable	106 904	106 904			106 904				106 904	
Total liabilities	**783 941**	**783 941**	**-**	**-**	**466 078**	**316 136**	**1 727**	**-**	**783 941**	**-**

								Method for determining fair value		
12.31.2012	**Carrying amount**	**Fair value**	**Available-for- sale financial assets**	**Financial assets at fair value through income**	**Loans and receivables**	**Liabilities at amortized cost**	**Hedging instruments**	**Level 1 Quoted market price on an active market**	**Level 1 Quoted market price on an active market**	**Level 1 Quoted market price on an active market**
Other financial assets	14 618	14 618	13 760		855		3		858	13 760
Trade and other receivables	410 884	410 884			410 884				410 884	
Group debtors	64 783	64 783			64 783				64 783	
Cash and cash equivalents	136 702	136 702		136 702				71 356	65 346	
Total assets	**626 987**	**626 987**	**13 760**	**136 702**	**476 522**	**-**	**3**	**71 356**	**541 871**	**13 760**
Borrowings and other financing	248 753	248 753				245 434	3 319		248 753	
Advances and payments on account received	17 875	17 875			17 875				17 875	
Trade payables	258 660	258 660			258 660				258 660	
Gross amount due to customers	43 294	43 294			43 294				43 294	
Current accounts payable	143 459	143 459			143 459				143 459	
Total liabilities	**712 041**	**712 041**	**-**	**-**	**463 288**	**245 434**	**3 319**	**-**	**712 041**	**-**

Interest rate hedges:

Derivative instruments authorised to hedge debt are swaps or options taken out with leading banking institutions. In terms of interest rate hedging contracts at 31 December 2013, the total amount of gross borrowings subject to uncapped interest rate risk was €34 million, compared with €15.5 million at 31 December 2012.
At 31 December 2013, at constant debt and taking into account interest rate derivatives in the portfolio at that date, a 25 basis point rise in variable interest rates would increase annual financial expenses by €0.3 million.

The value of interest rate hedging instruments is presented as follows:

Fair values as of 12.31.2013	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount
Cash flow hedging swap			**670**		**3 880**
Options qualifying for hedge accounting					**12 535**
Forex hedging					**-**
Tunnels			**1 057**		**72 070**
Total interest rate hedging	**-**	**-**	**1 727**	**-**	**88 485**

Fair values as of 12.31.2013	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount
Cash flow hedging swap			806		7 935
Options qualifying for hedge accounting	3				20 151
Forex hedging			148		12 809
Tunnels			2 365		82 252
Total interest rate hedging	**3**	**-**	**3 319**	**-**	**123 147**

8.19 Income from operating activities

Total revenue is recognised in accordance with IAS 11.

8.20 Other income from activities

	12.31.2013	12.31.2012
Other revenue from ordinary activities	17 026	24 749
Income from sale of equipment	6 032	2 935
Other revenue from ordinary activities	**23 058**	**27 684**

8.21. External expenses

	12.31.2013	12.31.2012
Subcontracting	330 792	288 528
Purchases not held in inventory	60 697	79 521
Other services (leasing, temporary work, etc.)	386 261	341 662
Other expenses	**777 750**	**709 711**

8.22 Other operating income and expense

	12.31.2013	12.31.2012
Net capital gains (losses) on disposal of operations	6 800	
Earnings from discontinued operations (Port-Médoc)	(959)	(1 295)
Share-based payments	(1 781)	(757)
Acquisition expenses External growth	(760)	
Sundry	(66)	
Other operating revenue and expenses	**3 234**	**(2 052)**

8.23. Cost of net financial debt

	12.31.2013	12.31.2012
Income from cash and cash equivalents	257	375
Interest on bank borrowings	(5 556)	(6 920)
Interest on leasing	(2 450)	(1 511)
Cost of net financial debt	**(7 749)**	**(8 056)**

8.24. Other financial income and expenses

	12.31.2013	12.31.2012
Income from equity interests	194	86
Other financial income	149	1 312
Exchange differences	(127)	28
Other financial income and expenses	**216**	**1 426**

8.25. EBITDA

	12.31.2013	12.31.2012
Operating income from ordinary activities	37 763	36 956
Net depreciation and amortization	57 717	57 566
Net book value of disposals	4 619	2 965
EBITDA	**100 099**	**97 487**

8.26. Earnings per share

	12.31.2013	12.31.2012
Numerator		
Net income attributable to owners of the parent (a)	20 796	19 728
Denominator		
Weighted average number of shares (c)	6 210 661	6 451 294
Weighted average number of free shares	51 716	21 548
Weighted average number of theoretical equity instruments (e)	**6 262 377**	**6 472 842**
Earnings per share (euros) (a/c)	**3,35**	**3,06**
Diluted earnings per share (euros) (a/e)	**3,32**	**3,05**

Potentially dilutive ordinary shares comprised 51,716 bonus shares issued in July 2012, with no discount on the capital increase carried out for financial investors.

8.27 Related party transactions

Significant related party transactions are presented below

in millions of euros		12.31.2013	
Companies	**Type**	**Receivables (debt)**	**Income (expense)**
Concessions and PPP	Loans	14	0.5
Other associates	Current account	24	(0.5)
Managing bodies	Total cost		(6.1)

8.28 Segment information

in millions of euros	December 31, 2013				
	Regional Multi-Expertise Activities	**Multi-Expertise Major Projects**	**Specialist French Subsidiaries**	**Eliminations**	**Total**
Profit or loss					
Revenue from operating activities	695	320	430		1 445
Inter-segment sales	3		11	(15)	-
Total	**698**	**320**	**441**	**(15)**	**1 445**
Operating income from ordinary activities	7,4	18,3	12,1		37,8
Operating income					41

in millions of euros	December 31, 2013				
	Regional Multi-Expertise Activities	Multi-Expertise Major Projects	Specialist French Subsidiaries	Eliminations	Total
Profit or loss					
Revenue from operating activities	671	255	402		1 328
Inter-segment sales			10	(10)	-
Total	**671**	**255**	**412**	**(10)**	**1 328**
Operating income from ordinary activities	8,2	13,2	15,6		37,0
Operating income					34,9

In 2013, the Group derived 4.8% of its revenue from its international operations, compared with 2.8% in 2012.

8.29. Off-balance sheet commitments

	12.31.2013	12.31.2012
Deposits, guarantees and sureties given	389 785	350 635
Others sureties	118 325	118 410
Total commitments given	**508 110**	**469 045**
Deposits, guarantees and sureties given	28 899	22 513
Total commitments received	**28 899**	**22 513**

Other securities mainly comprise the securities of certain subsidiaries pledged in the context of a corporate credit agreement.

8.30. Headcount

	12.31.2013	12.31.2012
Senior Management	1 096	958
Junior Management	2 158	1 983
Other Management	4 090	3 418
Average workforce	**7 344**	**6 359**

8.31. Wages and social charges

	12.31.2013	12.31.2012
Gross compensation	245 548	227 943
Competitiveness and jobs tax credit	(6 181)	
Social charges	113 696	105 407
Incentive and profit-sharing plans	10 314	8 091
Total	**363 376**	**341 441**
Retirement payments	2 195	2 723
Total	**365 571**	**344 164**

9. List of Consolidated companies

				12.31.2013		12.31.2012	
Company	**Head Office**	**Form**	**SIRET**	**Method**	**% Interest**	**Method**	**% Interest**
NGE	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	504 124 801 00029	Parent	100	Parent	100
ABTP BIARD	ZA Vallade 24100 BERGERAC	SAS	423 753 565 00013	Fully consolidated	64,5	Fully consolidated	63
AGILIS	245 Allée du Sirocco - ZA la Cigalière IV 84250 LE THOR	SAS	443 222 328 00025	Fully consolidated	100	Fully consolidated	100
AGILIS (*Société Anonyme Simplifiée)	CASABLANCA - ZI Sapino - Lot 854 20240 NOUACEUR	SAS* de droit marocain	RCS Casablanca	Fully consolidated	85	Fully consolidated	50
AIRCO	Lieu-dit Lacombe 19100 BRIVE-LA-GAILLARDE	SARL	390 281 319 00025	Fully consolidated	100	Fully consolidated	70
ALBEA EXPLOITATION	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	538 012 881 00016	Fully consolidated	50	Fully consolidated	50
ALPILLES PARTICIPATIONS	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	401 065 321 00036	Fully consolidated	100	Fully consolidated	100
BARAZER TP	Zone Industrielle de Guerneach 56110 GOURIN	SAS	353 607 294 00033	Fully consolidated	100	Fully consolidated	100
BERENGIER DEPOLLUTION	Lieudit La Perière 49170 SAINT GERMAIN DES PRES	SAS	413 395 104 00057	Fully consolidated	100	Fully consolidated	60
BROUTIN TP	Zone Industrielle 62440 Harnes	SAS	789 188 349 00029	Fully consolidated	100	Fully consolidated	100
CALCAIRES DU BITERROIS	Lieudit Garrigue de Bayssan 34500 BEZIERS	SAS	514 743 574 00014	Equity method	50	Equity method	50
CALCAIRES CATALANS	Route d'Opoul Carrière de Sarrat de la traverse 66600 SALSES LE CHÂTEAU	SAS	791 851 900 00013	Equity method	50	Fully consolidated	50
CALCAIRES DU DIJONNAIS (CDD)	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	788 588 358 00010	Fully consolidated	74	Fully consolidated	100
CARRIERES DE BAYSSAN	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	413 838 020 00043	Fully consolidated	100	Fully consolidated	100
CARRIERES DE BOULBON	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	438 796 252 00015	Fully consolidated	100	Fully consolidated	100
CAZAL (Ets)	Zone Artisanale 11410 SALLES-SUR-L'HERS	SAS	313 211 864 00027	Fully consolidated	100	Fully consolidated	100
CORREZE ENROBES	ZI Tulle Est 19000 TULLE	SARL	400 002 218 00016	Equity method	43	Equity method	43
DEC	Centre d'affaires Edouard VII 20 rue Caumartin 75009 PARIS	SAS	393 695 234 00046	Fully consolidated	100	Fully consolidated	100
DEMETER TECHNOLOGIES	22 avenue de Palarin 31120 PORTET-SUR-GARONNE	SA	423 101 294 00027	Equity method	25	Equity method	25
EHTP	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	439 987 405 00024	Fully consolidated	100	Fully consolidated	100
ERIS PARTICIPATIONS	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SCA	501 714 52100017	Fully consolidated	100	Fully consolidated	100
EXTER	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	453 453 045 00016	Fully consolidated	50	Fully consolidated	50
FRASCA	12 rue Eugène Freyssinet 77500 CHELLES	SAS	572 062 859 00036	Fully consolidated	100	Fully consolidated	100
FVF	Chemin du Corps de Garde 77500 CHELLES	SAS	483 288 163 00015	Fully consolidated	100	Fully consolidated	100
GED	La Guerre 14540 ROCQUANCOURT	SAS	494 269 590 00027	Equity method	50	Equity method	50
générale routière	719 Boulevard Modibo Keita Polo 20420 CASABLANCA	SA de droit marocain	RCS Casablanca 89363	Fully consolidated	70	-	-
GIPERAIL	38, rue Jean Mermoz 78600 MAISONS-LAFFITE	SNC	413 173 238 00044	Fully consolidated	50	Fully consolidated	50
GRANULATS DE L'EST	40 rue du Mahatma Gandhi ZA du Moulin Joli Local 97419 LA POSSESSION	SAS	800 730 673 00012	Fully consolidated	100	-	-
GMS ENROBES	Lieudit Bataillard et Pandu 38590 SILLANS	SAS	482 029 303 00013	Fully consolidated	54	Fully consolidated	54

GTEC	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	439 987 579 00059	Fully consolidated	100	Fully consolidated	100
GTS	29 rue des Tâches 69800 SAINT-PRIEST	SAS	348 099 987 00029	Fully consolidated	100	Fully consolidated	100
GUINTOLI	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	447 754 086 00018	Fully consolidated	100	Fully consolidated	100
GUINTOLI BELGIUM	Rue de la Borgnette 12 7503 FROYENNES	SA	BE 0444.044.422	Fully consolidated	100	Fully consolidated	100
HOLDING LPF	38 rue Faidherbe 33110 LE BOUSCAT	SAS	529 780 470 00025	TUP (Universal transfer of assets)	-	-	-
HOLDING SLD-ERA	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	498 538 628 00013	Fully consolidated	100	Fully consolidated	100
HOLDING TPRN	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	513 281 907 00016	Fully consolidated	73	Fully consolidated	73
L.C.A Les Carrières d'Avrainville	Plaine de Socourt 88130 CHARMES	SAS	509 981 833 00015	Equity method	50	Equity method	50
LA CHAMPENOISE	La Champagne 24270 SAINT-CYR-LES-CHAMPAGNES	SAS	307 013 938 00013	Fully consolidated	65	Fully consolidated	65
LACIS	Avenue de Pagnot - Lieudit Magudas 33160 SAINT-MEDARD-EN-JALLES	SAS	513 027 821 00026	Fully consolidated	100	Fully consolidated	100
LAGARRIGUE	Place de la République 12300 FIRMI	SAS	426 680 187 00017	Fully consolidated	100	Fully consolidated	100
LEFEBVRE	Chemin de la Calade 34400 LUNEL	SAS	314 696 782 00015	Fully consolidated	100	Fully consolidated	100
LIANTS DE L'ESTUAIRE (LSE)	Zone Industrielle du Havre Sandouville 76430 SAINT ROMAIN DE COLBOSC	SARL	344 110 572 00015	Equity method	39	Equity method	39
LIANTS DU SUD OUEST (LSO)	Lacombe 19100 BRIVE	SAS	381 801 844 00014	Fully consolidated	100	Fully consolidated	100
LPF TP	Rue des Queyries 33100 BORDEAUX	SAS	433 689 510 000 25	Fully consolidated	100	-	-
METRICRAIL	38, Rue Jean Mermoz 78600 MAISONS LAFFITE	SARL	453 685 307 00036	Fully consolidated	50	Fully consolidated	50
MIRE	12 rue Eugène Freyssinet 77500 CHELLES	SAS	432 623 130 00049	Fully consolidated	100	Fully consolidated	100
MOURGUES	Quartier du Pélissier - Rue Paradou 83490 LE MUY	SAS	305 362 352 00034	Fully consolidated	100	Fully consolidated	100
MULLER TP	Domaine de Sabré 57420 COIN-LES-CUVRY	SAS	447 754 235 00037	Fully consolidated	100	Fully consolidated	100
NGE CONTRACTING	Centre d'affaires Edouard VII 20 rue Caumartin 75009 PARIS	SAS	789 570 009 00017	Fully consolidated	100	Fully consolidated	100
NGE ENERGIES NOUVELLES	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	513 316 018 00011	Fully consolidated	100	Fully consolidated	100
NGE GENIE CIVIL	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	487 469 330 00012	Fully consolidated	100	Fully consolidated	100
NGE SAUDI ARABIA	Sheikh Abdullah Al Angari Street Al Worood District - P.O. Box 61295 RIYADH 11565	LLC Limited Liability Company		Fully consolidated	54	-	-
NICOLO	Route de la Baronne ZA St Esteve 06640 SAINT JEANNET LES PLANS	SAS	408 822 757 00022	Fully consolidated	100	Fully consolidated	100
OFFROY (Ets)	CRS Fleur de Lys 77840 CROUY-SUR-OURCQ	SAS	745 751 693 00029	Fully consolidated	100	Fully consolidated	100
OLICHON	Rue Jules Védrines Zone Industrielle de Keryado 56100 LORIENT	SAS	865 500 052 00010	Fully consolidated	100	Fully consolidated	100
P2R	Rue Ampère - ZI du Mariage 69330 PUSIGNAN	SARL	421 063 074 00015	Equity method	23	Equity method	23
PASS	22 bis rue de Romainville 03300 CUSSET	SAS	401 528 971 00013	Fully consolidated	55	Fully consolidated	55
PASS et Cie	22 bis rue de Romainville 03300 CUSSET	SAS	976 420 281 00025	TUP (Universal transfer of assets)	-	Fully consolidated	55
PEVERAIL	Chemin du Corps de Garde Zone Industrielle 77500 CHELLES	SNC	432 549 590 00011	Fully consolidated	50	Fully consolidated	50

PLATE-FORME	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SARL	443 642 731 00014	Fully consolidated	100	Fully consolidated	100
PORT-ADHOC	14 Avenue de l'Opéra 75001 PARIS	SAS	428 758 882 00024	Equity method	25	-	-
REHACANA	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	501 698 153 00019	Fully consolidated	100	Fully consolidated	100
ROCS	40 rue du Mahatma Gandhi ZA du Moulin Joli Local 97419 LA POSSESSION	SAS	352 272 439 00022	Fully consolidated	100	Fully consolidated	100
SABLIERES DE BRAM (Les)	Lieu-dit Cap de Porc 11150 BRAM	SAS	521 103 507 00013	Equity method	50	Equity method	50
SABLIERE DE LA SALANQUE	Route de Narbonne 66000 PERPIGNAN	SAS	624 200 804 00026	Equity method	25,5	-	-
SEGAUTO	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	513 027 920 00018	Fully consolidated	100	Fully consolidated	100
SERFOTEX	Lieudit La Perière 49170 SAINT GERMAIN DES PRES	SAS	402 969 117 00041	Fully consolidated	100	Fully consolidated	100
SFI	ZA du Petit Parc - Zone Sud 78920 ECQUEVILLY	SAS	422 032 805 00034	TUP (Universal transfer of assets)	-	Fully consolidated	100
SGTPS	16 Rue Claude Chappe ZAC Développement 2000 97420 LE PORT	SAS	383 108 214 00024	Fully consolidated	100	-	-
SIFEL	12 rue Eugène Freyssinet 77500 CHELLES	SAS	385 045 091 00035	Fully consolidated	100	Fully consolidated	100
SIORAT (Entreprise R)	Le Griffolet 19270 USSAC	SAS	676 820 137 00054	Fully consolidated	100	Fully consolidated	100
SLD TP	Zone Industrielle de la Croix d'Argent 54200 TOUL	SAS	329 702 773 00030	Fully consolidated	100	Fully consolidated	100
SNPT	75 Route de Revel 31400 TOULOUSE	SAS	753 158 666 00010	Equity method	25	Equity method	25
SOC	Avenue de Pagnot Lieudit Magudas 33160 SAINT-MEDARD-EN-JALLES	SAS	449 336 924 00013	Fully consolidated	100	Fully consolidated	100
SOCAL	Lieu-dit Engay 11400 LABECEDE LAURAGAIS	SAS	382 184 315 00010	Fully consolidated	100	Fully consolidated	100
SOCIETE DES BITUMES EUROPEENS (SDBE)	Centre d'affaires Edouard VII 20 rue Caumartin 75009 PARIS	SAS	419 921 200 00038	Fully consolidated	100	Fully consolidated	100
SOCIETE GENERALE DE LIANTS (SGL)	Zone portuaire - Chemin des Ségonnaux 13200 ARLES	SAS	424 034 056 00012	Fully consolidated	95	Fully consolidated	95
SOPRESOC	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SARL	512 529 868 00014	TUP (Universal transfer of assets)	-	Fully consolidated	100
SOTRAC	Avenue de Saint Claude 39260 MOIRANS-EN-MONTAGNE	SAS	384 713 137 00022	Fully consolidated	100	Fully consolidated	100
SPESOT	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SARL	512 526 054 00014	TUP (Universal transfer of assets)	-	Fully consolidated	100
SUD FONDATIONS	1 allée Daniel Bégu - ZA d'Estigeac 33127 MARTIGNAS-SUR-JALLE	SAS	399 050 251 00020	Fully consolidated	100	Fully consolidated	100
TP LYAUDET	ZA la Courtine 63820 SAINT-JULIEN-PUY-LAVEZE	SAS	343 940 490 00018	Fully consolidated	100	Fully consolidated	100
TPRN	Rue Albert 1er 59150 WATTRELOS	SAS	332 346 857 00011	Fully consolidated	73	Fully consolidated	73
TRAMONTANE FINANCES	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	789 270 360 00017	Fully consolidated	100	Fully consolidated	100
TSO	Chemin du Corps de Garde 77508 CHELLES Cedex	SAS	747 252 120 00015	Fully consolidated	100	Fully consolidated	100
TSO CATENAIRES	Chemin du Corps de Garde 77508 CHELLES Cedex	SAS	432 455 764 00014	Fully consolidated	100	Fully consolidated	100
VAL TP	730 rue de la Calatière - ZI Ouest Veyziat 01100 OYONNAX	SAS	344 187 992 00021	Fully consolidated	100	Fully consolidated	100
VGC	Ecart de Saint Hubert 57360 MALANCOURT-LA-MONTAGNE	SAS	507 607 307 00018	Fully consolidated	50	Fully consolidated	50

STATUTORY AUDITORS' REPORT REVIEW ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Michel GALAINE
Statutory Auditor
770 Rue Alfred Nobel
SYNERGIE - Le Millénaire
34000 MONTPELLIER

Jocelyn MICHEL
Statutory Auditor
26, boulevard Saint Roch
B.P. 278
84011 AVIGNON CEDEX 1

STATUTORY AUDITOR'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

SAS NGE

Société par actions simplifiée with a share capital of 49 685 288 €
Siège social : Parc d'activité de la Laurade - 13103 SAINT ETIENNE DU GRES

RCS TARASCON 504 124 801

Ordinary General Meeting on June 5, 2014
This report contains 34 pages

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

To the shareholders,

In compliance with the assignment entrusted to us by your general meeting, we hereby report to you, for the year ended December 31, 2013, on :

- The audit of the accompanying consolidated financial statements of NGE Company ;
- The justification of our assessments ;
- The specific verification required by law.

These consolidated statements have been approved by the President. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2013, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(code de commerce)* relating to the justification of our assessments, we bring to your attention the following matter:

Every year, the company performs an impairment test of the goodwill, according to the procedures described in note 4.
We verified these implementation methods, as well as the cash flows forecasts, the underlying assumptions and we have ensured that the provided information in note 4 has been correctly disclosed.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. SPECIFIC VERIFICATION

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

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

Montpellier and Avignon,
April 29, 2014

AREs X•PERT AUDIT

Michel GALAINE
Statutory Auditor

Jocelyn MICHEL
Statutory Auditor
Legal Auditor

Contents

Consolidated Financial Statements

Notes to the consolidated financial statements

Consolidated statement of comprehensive income

In thousands of euros	Notes	12.31.2012	12.31.2011
Revenue from operating activities		**1 327 879**	**1 138 188**
Ancillary revenue		27 534	22 844
Purchases and change in inventories		(200 881)	(193 921)
Taxes other than on income		(19 360)	(15 886)
Personnel costs		(345 134)	(285 099)
Amortization, depreciation and provisions net		(57 566)	(47 407)
Other revenue and expenses from current operating activities		(695 516)	(588 748)
Current operating income		**36 956**	**29 971**
% of revenue		2,8%	2,6%
Other operating revenue and expenses	6.15	(2 052)	(407)
Operating income		**34 903**	**29 564**
Income from cash and cash equivalents		375	398
Gross borrowing cost		(8 431)	(5 849)
Net borrowing cost		(8 056)	(5 451)
Other financial income and expenses	6.16	1 426	164
Share in net income of associates	6.3	(563)	(1 037)
Income tax expense	6.5	(7 946)	(8 177)
Net income		**19 765**	**15 063**
- Attributable to owners of the parent		19 728	14 840
- Non-controlling interests		37	223
Earnings per share attributable to company shareholders			
- Earnings per share - Basic (attributable to owners of the parent)	6.17	2,93 €	2,67 €
- Earnings per share - Diluted (attributable to owners of the parent)	6.17	3,05 €	2,30 €

In thousands of euros	12.31.2012	12.31.2011
Net income	**19 765**	**15 063**
Cash flow hedges	(479)	(1 561)
Convertible bond coupon	(528)	(920)
Income tax on other comprehensive income	191	460
Consolidated comprehensive income	**18 948**	**13 042**
Comprehensive income attributable to owners of the parent	18 911	12 819
Comprehensive income attributable to non-controlling interests	37	223

Consolidated statement of financial position

ASSETS			
In thousands of euros	**Notes**	**12.31.2012**	**12.31.2011**
Goodwill	6.1	215 560	239 966
Concession intangible assets	6.2	-	19 711
Intangible assets	6.1	1 653	1 452
Property, plant and equipment	6.1	270 168	249 989
Investments in associates	6.3	889	2 056
Other financial assets	6.4	14 618	11 875
Deferred tax assets	6.5	23 655	365
Non-current assets		**526 543**	**525 414**
Inventories	6.6	13 911	15 146
Net trade receivables	6.7	410 884	396 925
Advance payments	6.7	13 543	4 834
Other current assets	6.7	53 090	59 271
Current accounts	6.7	64 783	56 074
Current tax assets	6.5	4 434	2 582
Cash and cash equivalents	6.9	136 702	124 934
Current assets		**697 347**	**659 766**
Held for sale assets		19 887	-
Total assets		**1 243 777**	**1 185 180**

EQUITY AND LIABILITIES

In thousands of euros	Notes	12.31.2012	12.31.2011
Issued share capital		51 610	38 376
Premiums		124 421	37 655
Bonds reimbursable in shares		-	99 588
Reserves		64 265	49 371
Net income for the period		19 728	14 840
Equity attributable to owners of the parent	**6.8**	**260 024**	**239 830**
Non-controlling interests		2 926	3 101
Total equity	**6.8**	**262 950**	**242 931**
Long Term borrowings (>1 year)	6.9	162 462	161 746
Provisions (>1 year)	6.10	71 294	73 500
Deferred tax liabilities	6.5	10 819	20 415
Non-current liabilities		**244 575**	**255 661**
Short Term borrowings (<1 year)	6.9	63 505	62 231
Bank overdrafts	6.9	22 786	25 054
Provisions (<1 year)	6.10	3 854	4 755
Advances and payments on account received	6.11	17 875	21 294
Net Trade payables	6.11	258 660	253 656
Other current liabilities	6.11	348 732	317 068
Current tax liabilities	6.11	3 533	2 530
Current liabilities		**718 945**	**686 588**
Held for sale liabilities		17 307	-
Total equity and liabilities		**1 243 777**	**1 185 180**

Consolidated cash flow statement

In thousands of euros	Notes	12.31.2012	12.31.2011
OPERATING ACTIVITIES			
Consolidated net income		19 765	15 063
Share in net income of associates		563	1 037
Amortization, depreciation and provisions net		58 273	43 868
Other non-cash items		(13 833)	(245)
Change in deferred taxes		(9 607)	2 943
CASH FLOW FROM OPERATING ACTIVITIES		55 160	62 666
Change in working capital requirements	6.12	14 976	17 207
NET CASH FROM OPERATING ACTIVITIES		**70 137**	**79 873**
INVESTING ACTIVITIES			
Purchases of intangible assets and property, plant and equipment		(67 724)	(44 411)
Change in investments		(4 403)	108
Change in amounts due to non-current asset suppliers		2 176	(3 523)
Proceeds from disposals of non-current assets		3 668	12 179
Impact of changes in Group structure		1 958	(172 203)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		**(64 325)**	**(207 850)**
FINANCING ACTIVITIES			
Dividends paid to non-controlling interests in consolidated companies		-	(315)
Issuance and interest paid on convertible bonds		(528)	65 224
Capital increase		-	38 926
Proceeds from new borrowings		69 516	149 555
Repayment of borrowings		(60 764)	(96 441)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		**8 224**	**156 949**
Net change in cash and cash equivalents		**14 036**	**28 973**
Cash and cash equivalents at the beginning of the period		99 880	70 907
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**113 916**	**99 880**

Consolidated statement of changes in equity

	Attributable to owners of NGE							Non-controlling interests			
In thousands of euros	*Number of shares*	Capital	Premiums	CB	Reserves	Net Income for the period	Total attributable to owners of the parent	Reserves	Net Income for the period	Total	Total equity
At January 1, 2011	***3 533 772***	**35 338**	**-**	**30 000**	**43 717**	**4 228**	**113 282**	**10 599**	**651**	**11 250**	**124 532**
Allocation of net income for FY 2010					4 228	(4 228)	-	651	(651)	-	-
Net income attributable to owners of the parent						14 840	14 840		223	223	15 063
Changes on share capital	*1 263 262*	3 038	37 655				40 694				40 694
Dividends							-	(328)		(328)	(328)
Gains (losses) on hedging instruments					(1 561)		(1 561)			-	(1 561)
Issuance, repayment on convertible bonds				69 588			69 588			-	69 588
Convertible bond coupon					(920)		(920)			-	(920)
Actuarials adjustments					(1 888)		(1 888)				(1 888)
Changes in Group structure					5 794		5 794	(8 046)		(8 046)	(2 251)
At December 31, 2011	***4 797 034***	**38 376**	**37 655**	**99 588**	**49 371**	**14 840**	**239 830**	**2 877**	**223**	**3 101**	**242 931**
Allocation of net income for FY 2010					14 840	(14 840)	-	223	(223)	-	-
Net income attributable to owners of the parent						19 723	19 723		37	37	19 760
Changes on share capital	*1 654 260*	13 234	86 766	(100 000)			-			-	-
Revenue and expenses recognized outside profit or loss				(5)		5	-			-	-
Dividends							-	(305)		(305)	(305)
Gains (losses) on hedging instruments					(478)		(478)			-	(478)
Convertible bond coupon				417	(267)		150			-	150
Share-based payments					664		664				664
Changes in Group structure					135		135	93		93	228
At December 31, 2012	***6 451 294***	**51 610**	**124 421**	**-**	**64 265**	**19 728**	**260 024**	**2 888**	**37**	**2 926**	**262 950**

Notes to the consolidated financial statements

The consolidated financial statements at December 31, 2012, presented herein (in thousands of euros), detail the trading activities of NGE Group and its subsidiaries over the period from January 1, 2012 to December 31, 2012.
The financial statements of NGE Group at December 31, 2012 encompass NGE and its subsidiaries (jointly referred to as "the Group") as well as the Group's investments in associates and in jointly controlled entities. The Group's financial statements were approved for publication by the Chairman on March 28, 2013.

1. Highlights of the fiscal year

During fiscal year 2011, the following transactions were carried out:
• On June 9, 2011, the issue of 496,278 convertible bonds with a total nominal value of €30 million (ORA 2), due on July 31, 2013.
• On September 28, 2011, the issue of 496,278 convertible bonds with a total nominal value of €30 million (ORA 3), due on July 31, 2013.
• On September 28, 2011, the issue of 661.704 convertible bonds with a total nominal value of €40 million (ORA 4), due on July 31, 2013.
All of the ORA (2, 3 and 4) were reimbursed on July 10, 2012, as a consequence, a capital increase was performed by an increase of share capital of K€13,234 and of premiums of K€86,766.

2. Standards and interpretations applied

The Group's consolidated financial statements for the periods ended December 31, 2011 and December 31, 2012, have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable at December 31, 2012 as adopted by the European Union and available from the following website:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm. (Regulation 1606/2002 of the European Parliament and of the Council of July 19, 2002).
The accounting policies applied to prepare the financial statements are those resulting from the application of the standards and interpretations adopted by the European Union and effective at December 31, 2012. These policies are consistent with those applied in the consolidated financial statements for the period ended December 31, 2011 except for the adoption of the following standards and interpretations:
• IFRS 7 «Amendments Transfers of Financial Instruments".
• IAS 12 «Deferred tax: Recovery of Underlying Assets".
These new standards had no material impact on the Group's consolidated financial statements at December 31, 2012.

The Group did not opt for early implementation of any new standards and interpretations adopted by the IASB but not yet effective at December 31, 2012.

3. Consolidation methods

The Group's consolidated financial statements are prepared at December 31 on the basis of the financial statements of the Group's subsidiaries at that date, adjusted to bring them into line with Group policies.
Changes in group structure (newly consolidated companies and deconsolidated companies) are made on the acquisition date, or the date of disposal, or for reasons of convenience where they are non-material, on the basis of the most recent statement of financial position prior to the acquisition date. Step acquisitions were taken into account for the purposes of preparing the Group's consolidated financial statements.

The Group applies the following rules:
• companies that the Group directly or indirectly controls are fully consolidated;
• companies in which the Group enjoys joint control with a limited number of partners are accounted for under the equity method;
• companies over which the Group enjoys significant influence are accounted for under the equity method.
All internal transactions are eliminated for consolidation purposes.

Silent partnerships
Case of major projects worked on in partnership with other companies within the framework of special purpose entities in companies in which the Group holds no interest: silent partnerships are joint undertakings established temporarily for the purposes of a project, in which the Group holds no ownership interest (which have no equity), the existence of which cannot be

disclosed to third parties, that have no legal personality and accordingly cannot hire or own assets in their own right, take on debt or make commitments to third parties. Such entities are not consolidated. Nevertheless, in order to reflect the financial impact of such projects in the consolidated financial statements, the following policies have been put in place:
• the technical and financial resources are put in by the partners on the basis of the input method (méthode de l'énergie), in proportion to their contributions;
• associated revenue and expenses are recognized in the consolidated financial statements pro-rata to the Group's contribution to the relevant projects.

4. Accounting policies and measurement methods

When preparing the financial statements under IFRS, estimates and assumptions were made. These estimates are regularly reviewed on the basis of past experience as well as other factors underpinning the measurement of the carrying amount of assets and liabilities.

4.1. Deferred tax

Deferred tax is recognized for all differences between the carrying amounts of assets and liabilities and their tax bases. It stems from:
• temporary differences arising where the carrying amount of an asset or liability differs from its tax base. These are either:
  - sources of future taxation (deferred tax liabilities): primarily consisting of income, the taxation of which is deferred,
  - sources of future deductions (deferred tax assets): primarily consisting of provisions that are temporarily not tax deductible;
• tax loss carryforward (deferred tax assets).
Deferred tax assets are recognized where it is probable there will be sufficient future taxable profits against which they can be utilized.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that there will be sufficient future taxable profits against which all or part of the loss or credit of this deferred tax asset can be utilized. Unrecognized deferred tax assets are reviewed at each balance sheet date and are recognized to the extent that it becomes probable that there will be future taxable profits against which they can be utilized.

Deferred tax is recognized at the tax rate at the end of the reporting period, adjusted where necessary to reflect any tax law changes. The impact of changes in income tax rates is expensed in profit or loss for the fiscal year.
On December 31, 2012, deferred tax assets and liabilities have been offset by tax consolidation group, comparable data as of 12.31.2011 were also adjusted.

4.2. Business combinations and goodwill

Amended IFRS 3, effective since January 1, 2010, introduced changes to the acquisition method (previously called the ''purchase method'') compared to what had been set out in the prior version of IFRS 3, and in particular:
• recognition in profit or loss for the period of all direct acquisition costs;
• the option to measure non-controlling interests in the acquiree either at fair value or at their proportionate share of identifiable net assets of the acquiree; this option is applied on a transaction-by-transaction basis;
• fair value measurement on the acquisition date of contingent consideration (earn-outs); subsequent to the acquisition date, contingent consideration is measured at fair value at the end of each reporting period; any subsequent fair value changes occurring more than one year from the acquisition date are recognized in profit or loss where the contingent consideration clause gives rise to a financial liability;
• in the case of a business combination achieved in stages (step acquisition), on the date control is obtained the previous investment in the acquiree is measured at fair value; any resulting gain or loss is recognized in profit or loss.

Business combinations are thus recognized by the Group under the acquisition method:
• the assets, liabilities and contingent liabilities of the acquiree are measured at fair value;
• the residual difference between the acquisition cost and the share of the net assets measured at fair value is recognized as goodwill;
• goodwill represents the difference recognized between the acquisition cost of the shares (including any contingent consideration that is recognized when it is probable and where the amount thereof can be measured reliably) and the share acquired in the fair value of the identified assets, liabilities and contingent liabilities at the acquisition date; the latter are first adjusted in line with the Group's accounting policies and in accordance with consolidation rules. The goodwill recognized in the balance sheet is not amortized but instead tested for impairment annually.

In addition, amended IAS 27 introduced a number of changes and in particular:
• purchases or disposals of non-controlling interests which do not trigger a change in control are accounted for as equity transactions with owners. Under this method, the difference between the price paid to increase the percentage interest in already controlled entities and the additional share of equity thereby acquired is recognized in Group equity.
Similarly, a reduction in the Group's percentage interest in an entity over which control is retained is treated for accounting purposes as an equity transaction and has no impact on profit or loss;

• disposals of securities with loss of control giving rise to the recognition under capital gains (losses) on disposal of the change in fair value calculated on the full holding on the date of the transaction. Any residual holding retained is thus measured at fair value when control is lost.

4.3. Impairment of property, plant and equipment, intangible assets and goodwill

The impairment test is carried out at the level of the cash generating unit(s) to which the goodwill has been allocated by comparing the recoverable amount and the carrying amount of cash generating units. The cash generating units consist of:

• Regional Multi-Expertise activities;
• Specialist French subsidiaries or a group of consolidated subsidiaries where they operate outside the “Regional Multi-Expertise” structure;
• Multi-Expertise Major Works.

The recoverable amount of a cash generating unit is the higher of the fair value (generally the market price), net of costs to sell, and the value in use. The value in use is determined as the net present value of future cash flows after tax. These calculations are based on a five-year forecast drawn up by regional management and reviewed by Senior Management and the Group’s Finance Department. Cash flows beyond the five-year period are extrapolated on the basis of a perpetuity growth rate estimated at 2.0%. All flows are discounted on a basis of a discount rate of 7.0% representing the Group’s weighted average after-tax cost of capital.
As is true for all estimates, the assumptions underlying these calculations are partly uncertain and may thus be adjusted in subsequent periods.
If the carrying amount of the cash generating unit exceeds the recoverable amount, the assets of the cash generating unit are impaired down to their recoverable amount. Impairment losses are first deducted from goodwill and recognized in profit or loss.
A reasonable change of assumptions underlying impairment test performed for each of the cash generating units would not linked to a depreciation of goodwill.

4.4. Intangible assets

Pursuant to IAS 38, intangible assets acquired separately are recognized at cost where the future economic benefits from the asset will flow to the Group and this cost can be reliably measured.
In the case of business combinations, intangible assets are recognized at fair value on the date of the combination, separately from goodwill where they meet the conditions set out in IFRS 3.
Development expenses are recognized as intangible assets where they satisfy the criteria set out in IAS 38, namely:
• the technical feasibility of the intangible asset for sale or use has been established;
• the Group intends to complete the intangible asset and either use or sell it;
• the intangible asset is likely to generate future economic benefits.
In the case of an asset that is scheduled to be used internally:
• its usefulness must have been established;
• the availability of the technical, financial and other resources required to complete the development and use or sell the intangible asset must have been demonstrated;
• it must be possible to reliably measure the expenses attributable to the intangible asset over the course of its development.
Development expenses that fail to meet these criteria are expensed as incurred.
Intangible assets with definite useful lives are amortized on a straight-line basis over their useful lives.
Intangible assets with indefinite useful lives are not amortized. They are tested for impairment annually. This consists of comparing their recoverable amount with their carrying amount. Impairment losses are recognized in profit or loss. Intangible assets that are amortized are also tested for impairment where there are indications of impairment.
The method used to test intangible assets for impairment is based on discounted future cash flows.

4.5. Property, plant and equipment

Property, plant and equipment is measured at acquisition cost, less cumulative depreciation and impairment losses.
Where buildings and equipment have material components with different useful lives or depreciation periods, the latter are recognized separately (component accounting). Assets are depreciated over schedules determined on the basis of the actual period over which the asset is used. The asset’s depreciable basis is the purchase cost less any residual value. The amount of the residual value reflects what the Group would currently recover if the asset were already of the age and in the condition expected at the end of its useful life.
The main useful lives are:

Constructions	15 to 40 years
Public works equipment	3 to 10 years
Transportation equipment	3 to 5 years
Rail equipment	8 to 30 years
Organizations/Layouts	5 to 19 years
Office furniture and equipment	3 to 10 years

4.6. Finance leases

Lease financed assets are recognized as balance sheet assets and amortized/depreciated in accordance with the rules set out in Notes 4.4 and 4.5, offset by the recognition of borrowings for the amount of the principal to be repaid. Financial charges relating to this liability are recognized under financial expenses.

4.7. Concession assets

IFRIC 12, published in November 2006, was adopted by the members of the Accounting Regulatory Committee (ARC) on November 6, 2008 and is effective for fiscal years beginning on or after March 24, 2009. Given that this interpretation makes it possible to enhance financial disclosures, NGE has applied these principles from the 2009 balance sheet date.

IFRIC 12 covers concession arrangements involving the performance of a public service, under which the grantor controls the operating assets. The grantor is deemed to control the infrastructure where the following criteria are satisfied:

• the grantor controls or regulates what services are provided using the infrastructure, determines the beneficiaries of these services and specifies how the operator is paid;

• the grantor controls the residual interest in the infrastructure at the end of the arrangement.

The interpretation distinguishes between two sets of activities carried out by the operator:

• construction activities relating to its obligations to design, build and finance structures that it makes available to the grantor: revenue is recognized on the basis of the percentage of completion method in accordance with IAS 11;

• operation and maintenance of the concession structures:
revenue is recognized pursuant to IAS 18.

In consideration for the above, the operator is remunerated:

Either by users: intangible asset model. The operator has the right to charge tolls (or other fees) to users, in consideration for financing and building the infrastructure. Under this model, the operator's right is recognized on the balance sheet under "Concession intangible assets". This license represents the fair value of the concession structures plus the interim financial charges recognized during the construction period. It is amortized over the term of the arrangement on whatever basis reflects the rate at which the economic benefits arising from the arrangement are consumed, from the commissioning of the structures. This accounting treatment applies to Port-Médoc;

Or alternatively by the grantor: financial asset model. The operator has an unconditional contractual right to receive payments from the grantor, regardless of the level of use of the infrastructure by users. Under this model, the services provided by the operator (design, construction, operation or maintenance) give rise to the recognition of a financial receivable on the asset side of the operator's balance sheet. On the balance sheet, these financial receivables are classified under "Other financial assets".

4.8. Financial assets

All investments are initially recognized at cost, namely the fair value of the price paid and including the acquisition costs associated with the investment.

• Loans and deposits:

Loans and deposits are recognized at amortized cost. Where necessary, a provision for impairment may be recognized. The impairment loss represents the difference between the net carrying amount and the recoverable amount and is recognized in profit or loss. A provision may be reversed should the recoverable amount increase.

• Assets held for trading:

Marketable securities are included in the financial assets held for trading category and are accordingly recognized at fair value. Gains and losses are recognized in profit or loss.

• Available-for-sale financial assets:

Pursuant to IAS 39, available-for-sale financial assets encompass financial assets other than:

- loans and receivables issued by the company (other financial assets);
- held-to-maturity investments or financial assets held for trading (marketable securities).

Controlling interests in unconsolidated companies are deemed to fall into this category. Subsequent to initial recognition, investments classified as "available-for-sale financial assets" are measured at fair value at the balance sheet date. Changes in the fair value of available-for-sale financial assets are recognized separately outside profit or loss (previously termed "recognized in equity"), until the investment is either sold or it has been shown that the investment has been wholly impaired, at which point the cumulative fair value change previously recognized outside profit or loss is taken to profit or loss.

Controlling interests in unconsolidated companies, the fair value of which cannot be reliably determined (shares not exchange traded) are recognized at cost.

• Derecognition of financial assets:

Financial assets meeting the definition of IAS 32 "Financial instruments: disclosure and presentation" are wholly or partly derecognized when the Group no longer expects future cash flows from them and has transferred substantially all the associated risks and rewards.

4.9. Investments in associates

Investments in companies over which the Group exercises significant influence (associates) are accounted for under the equity method: they are initially recognized at cost and subsequently adjusted to reflect changes in the Group's share of the net assets of these companies. The remainder of this share is recognized on the asset side of the balance sheet. Any change during the period is presented in profit or loss (share in net income of associates).

4.10. Inventories

Inventories are measured at cost (FIFO or CMP) or net realizable value if lower.

4.11. Recognition of contracts

For the Group, the stage of completion is generally determined on the basis of the completion of a physical proportion of the contract work or the proportion of project costs incurred to date.

Where the contract is expected to be loss-making, a provision is recognized independently of the stage of completion of the project, on the basis of the best estimate of the anticipated outcome including any additional income or claims, insofar as they are likely and can be reliably measured. Provisions are funded on the liability side of the balance sheet for losses upon completion.
Partial payments received under construction contracts, prior to the completion of the corresponding work, are recognized under "Advances and payments on account received" on the liability side of the balance sheet.

The revenue determined under the percentage of completion method is based on the estimated costs at completion. This estimate may change in subsequent periods and result in adjustments to revenue and, potentially, provisions for losses upon completion.

4.12. Ancillary revenue

The ancillary revenue recognized mainly consists of sales of equipment, studies and license fees.

4.13. Trade receivables

Trade receivables are measured at nominal value less any provisions for doubtful receivables.
With respect to the recognition of long-term contracts (IAS 11), this heading notably includes:

- progress reports provided in the course of the project and signed off on by the client;
- accrued receivables relating to justifiable work that it has not yet been possible to invoice or have signed off by the client.

4.14. Cash and cash equivalents

Cash and cash equivalents include cash in bank, cash on hand, short-term deposits and all money-market investments subject to a negligible risk of changes in value. Marketable securities are measured at fair value, in accordance with IAS 39 - Financial Instruments.
The Group is not materially exposed to either currency risk or interest rate risk.

4.15. Significant judgments and estimates

When preparing the Group's financial statements, Senior Management are required to make judgments, estimates and assumptions that impact the amounts of assets, liabilities, revenue and expenses recognized in the financial statements, as well as the disclosures on contingent liabilities.
The completion of transactions underpinning these estimates and assumptions may, by virtue of the associated uncertainty, result in a material adjustment to the amounts recognized in subsequent periods.

These transactions mainly relate to the following areas:

- recognition of contracts;
- post-employment benefits;
- provisions for contingencies and losses (in particular for losses upon completion, for disputes);
- recoverable amount of intangible assets and property, plant and equipment and in particular goodwill;
- deferred tax assets;
- fair value of derivative instruments.

4.16. Provisions

Provisions are recognized where the Group has a present obligation to a third party (legal or constructive) as a result of a past event, and where it is probable that an outflow of resources constituting economic benefits will be required to settle the obligation and where the amount of the obligation can be reliably estimated.
Non-current provisions mainly consist of:

- Provisions for disputes and litigation

These provisions are to cover disputes, litigation and foreseeable contingencies arising from the Group's business activities;

- Provisions for the redevelopment of quarries, renewal and restoration

This represents the cost of restoring quarry sites and provisions for renewing concessions;

- Retirement payments

Retirement payments are either i) made by external bodies or ii) provisions are funded on the liability side of the balance sheet. Actuarial assumptions regarding defined benefit pension obligations contain uncertainties that may affect the value of financial assets and obligations to employees. These assumptions are reviewed annually and may trigger accounting adjustments.
Current provisions mainly consist of provisions for project risks, works and project acceptance.

4.17. Presentation of the financial statements

The Group presents its financial statements in accordance with IAS 1 and the IFRS conceptual framework and follows CNC (Conseil National de la Comptabilité) recommendation no. 2004-R.02 of October 27, 2004 on the format of the income statement, the statement of cash flows and the statement of changes in equity. The result is notably as follows:

- the income statement is presented by nature of revenue and expense in order to better reflect the type of business activities carried on by the Group, including capital gains (losses) on the disposal of equipment that is a normal part of the Group's business activities;
- the Group's key performance indicator is current operating income, which is defined as the difference between the revenue and expenses generated from ordinary activities;
- operating income is calculated by deducting from current operating income the estimated fair value of share-based payments, the impact of goodwill impairment tests and other operating revenue and expenses generated from the Group's extraordinary activities (disposal of operations, restructuring, etc.);

• net financial income/(loss) splits out the Group's borrowing cost and other financial income and expenses.
The balance sheet breaks down current and non-current assets and liabilities.

4.18. Borrowings

Borrowings are initially recognized at cost, which represents the fair value of the amount received, net of issue costs.
Subsequent to initial recognition, borrowings are measured at amortized cost on the basis of the effective interest rate method, which factors in all issue costs and any redemption discount or premium.

4.19. Bonus shares

The fair value of options and bonus shares awarded to staff is recognized under other operating revenue and expenses over the vesting period.

4.20. Earnings per share

Basic earnings per share is calculated by dividing net income attributable to holders of ordinary shares in the parent company by the weighted average number of ordinary shares outstanding over the period.
For the purposes of calculating diluted earnings per share, the net income attributable to holders of ordinary shares in the parent company plus the weighted number of shares outstanding are adjusted for the impact of any potentially dilutive equity instruments.

4.21. Derivative instruments

The Group uses derivative instruments such as currency forwards and interest rate swaps to hedge its interest rate risks. These derivative instruments are measured at fair value.
All gains and losses stemming from fair value changes to derivatives that are not classified as hedging instruments are recognized directly in profit or loss.
The fair value of currency forwards is calculated by reference to the current prices for contracts with similar maturity profiles. The fair value of interest rate swaps is determined by reference to the market value of similar instruments.
For hedge accounting purposes, hedges are either classified as:
• fair value hedges where they protect against exposure to fair value changes in recognized assets or liabilities, or a firm commitment (excluding currency risk);
• cash flow hedges where they protect against exposure to changes in cash flows resulting either from a specific risk to recognized assets or liabilities, a highly probable future transaction or currency risks on a binding commitment; or
• hedges of a net investment in a foreign operation.
Hedging instruments satisfying the hedge accounting criteria in IAS 39 are recognized as follows:
- Fair value hedges
Changes in the fair value of derivatives classified as fair value hedges are recognized in profit or loss. Changes in the fair value of the hedged item due to the risk hedged impact the carrying amount of the hedged item and are also recognized in profit or loss;
- Cash flow hedges
Gains or losses on the effective portion of the hedging instrument are recognized outside profit or loss (previously termed "recognized in equity") whereas the ineffective portion is recognized in profit or loss.
The amounts recognized outside profit or loss are taken to profit or loss in the period in which the hedged transaction impacts net income.
Where the Group does not expect the anticipated transaction or commitment to take place, the sums previously recognized outside profit or loss are taken to profit or loss. Where the hedging instrument matures, is sold, cancelled or exercised without being replaced or renewed, or where it no longer qualifies as a hedging instrument, the sums previously recognized outside profit or loss are not reclassified until the completion of the anticipated transaction or binding commitment.

4.22. Consolidated statement of cash flows

The statement of cash flows is presented in accordance with the indirect method. Under this method, consolidated net income is adjusted for the effect of non-cash transactions, and for income or expenses associated with investing or financing activities. Interest and dividends from non-consolidated companies are respectively included under cash flows from financing and investing activities. There is no trapped cash as of 12.31.2012.

5. Scope of consolidation

5.1. Changes in Group structure

Port-Médoc assets were reclassified according to IFRS as ''Held for sale assets/liabilities'' on a specific line of the balance sheet. Held for sale assets are composed for the most part of concession intangible assets. The sale of Port-Médoc should take place within the next 12 months.
On September 28, 2011, NGE acquired 100% of the shares in PPDC, the parent company that controls TSO Group. The financial statements of the PPDC-TSO group (''TSO'') are recognized in the consolidated financial statements of NGE as of that date. The pro-forma data required by IFRS 3 «Business Combinations" are shown below.
The acquisition was recognized under the acquisition method: the acquisition cost was measured as the sum of cash payments made by NGE, i.e. €147.8 million.
Under the acquisition method, the cost of acquisition must be allocated to the assets acquired, the liabilities and any contingent liabilities taken on. In allocating TSO's cost of acquisition, NGE recognized all TSO equipment at fair value.

The allocation of fair values to TSO's identifiable assets, liabilities and contingent liabilities was done provisionally at December 31, 2011.
In accordance with IFRS 3, the purchase price allocation has been completed during the 12 months following the acquisition date. The impact of this allocation to the fair value of acquired assets and liabilities reaches €23.5 million over the period.

During 2012, NGE took control over OFFROY, owned at 100% by TSO. Consolidated following the equity method in 2011, OFFROY has been fully consolidated on December 31, 2012.
The purchase price allocation has been completed and included to the Specialist French Subsidiaries cash generating unit.

5.2. Scope of consolidation

The list of consolidated companies can be found on page 31.
Impacts on the balance sheet are insignificant.

6. Notes to the consolidated financial Statements

The Group's consolidated financial statements are presented in thousands of euros, unless otherwise stated.

6.1. Changes in goodwill and non-current assets

6.1.1 Changes in goodwill

	12.31.2011	Reclassifications	Impairment	Changes in Group structure	Other	12.31.2012
Regional Multi-Expertise Activities	65 537			(80)		65 457
Multi-Expertise Major Works	21 545					21 545
Specialist French Subsidiaries	152 884			(765)	(23 561)	128 558
Total goodwill	**239 966**	**-**	**-**	**(845)**	**(23 561)**	**215 560**

	31.12.2010	Reclassifications	Impairment	Changes in Group structure	Other	12.31.2011
Regional Multi-Expertise Activities	65 537					65 537
Multi-Expertise Major Works	21 545					21 545
Specialist French Subsidiaries	13 950			138 934		152 884
Total goodwill	**101 032**	**-**	**-**	**138 934**	**-**	**239 966**

6.1.2 Change in non-current assets

Details of changes in the scope of consolidation are given in paragraph 5.1.

	12.31.2011	Changes in Group structure	Increase	Decrease	Other	12.31.2012
Concession intangible assets	**30 988**	**(30 988)**	**-**	**-**	**-**	**-**
Intangible assets	**3 573**	**7**	**592**	**(204)**	**-**	**3 968**
Land	17 602	96	805	(45)	163	18 621
Buildings	36 155	78	999	(192)	370	37 410
Machinery and equipment	294 552	13 915	50 413	(8 331)	2 826	353 375
Other property, plant and equipment	66 928	588	13 520	(8 154)	-	72 882
Property, plant and equipment under construction	4 851	-	1 395	(946)	(3 361)	1 939
Property, plant and equipment	**420 088**	**14 677**	**67 132**	**(17 668)**	**(2)**	**484 227**
Investments in associates	**2 056**	**(1 267)**	**100**	**-**	**-**	**889**
Available-for-sale financial assets	**6 258**	**-**	**650**	**(422)**	**24**	**6 510**
Other financial assets	**5 931**	**8**	**2 620**	**(165)**	**3**	**8 397**
Total gross amount	**468 894**	**(17 563)**	**71 094**	**(18 459)**	**25**	**503 991**
Concession intangible assets	**11 277**	**(11 277)**	**-**	**-**	**-**	**-**
Intangible assets	**2 120**	**19**	**378**	**(202)**	**-**	**2 315**
Land	954	-	363	-	-	1 317
Buildings	9 789	78	2 194	(200)	-	11 861
Machinery and equipment	124 301	5 688	40 246	(6 653)	(3)	163 579
Other property, plant and equipment	35 058	953	8 262	(6 974)	3	37 302
Property, plant and equipment	**170 102**	**6 719**	**51 065**	**(13 827)**	**-**	**214 059**
Available-for-sale financial assets	**312**	**-**	**-**	**(23)**	**-**	**289**
Total amortization, depreciation and impairment	**183 811**	**(4 539)**	**51 443**	**(14 052)**	**-**	**216 663**
o.w. impairment losses	727	-	-	-	-	727
Net non-current assets	**285 083**	**(13 024)**	**19 651**	**(4 407)**	**25**	**287 328**

	31.12.2010	Changes in Group structure	Increase	Decrease	Other	12.31.2011
Concession intangible assets	**30 965**	**-**	**22**	**(105)**	**106**	**30 988**
Intangible assets	**3 257**	**247**	**88**	**(19)**	**-**	**3 573**
Land	14 224	2 671	489	-	218	17 602
Buildings	25 136	10 329	903	(694)	481	36 155
Machinery and equipment	220 392	62 886	22 070	(11 047)	251	294 552
Other property, plant and equipment	57 878	6 350	7 243	(4 543)	-	66 928
Property, plant and equipment under construction	1 066	3 665	1 406	-	(1 286)	4 851
Property, plant and equipment	**318 696**	**85 901**	**32 111**	**(16 284)**	**(336)**	**420 088**
Investments in associates	**8 410**	**(6 416)**	**62**	**-**	**-**	**2 056**
Available-for-sale financial assets	**1 324**	**541**	**4 789**	**(309)**	**(87)**	**6 258**
Other financial assets	**542**	**145**	**5 352**	**(108)**	**-**	**5 931**
Total gross amount	**363 194**	**80 418**	**42 424**	**(16 825)**	**(317)**	**468 894**
Concession intangible assets	**10 399**	**-**	**878**	**-**	**-**	**11 277**
Intangible assets	**1 793**	**-**	**149**	**(19)**	**197**	**2 120**
Land	891	-	63	-	-	954
Buildings	8 751	-	1 676	(638)	-	9 789
Machinery and equipment	101 604	-	31 520	(8 793)	(30)	124 301
Other property, plant and equipment	32 784	-	6 075	(3 831)	30	35 058
Property, plant and equipment	**144 030**	**-**	**39 334**	**(13 262)**	**-**	**170 102**
Total amortization, depreciation and impairment	**156 222**	**-**	**40 673**	**(13 281)**	**197**	**183 811**
o.w. impairment losses	727	-	-	-	-	727
Net non-current assets	**206 972**	**80 418**	**1 751**	**(3 544)**	**(514)**	**285 083**

6.2. Concession assets

At December 31, 2011, this line item includes all non-current assets of Fully consolidated companies that have entered into concession arrangements or Public Private Partnerships (PPP). These non-current assets will be transferred free of charge to the grantor or to the user of the PPP agreement upon expiry thereof. These assets relate to Port Médoc where the concession arrangements expire in 2055.
On 12.31.2012, all the assets were classified as "Held for sale assets".

6.3. Investments in associates (reported using the equity method)

12.31.2012	DEMETER	CDB*	SLE**	P2R	CORREZE ENROBES	LCA	GED	SABLIÈRES DE BRAM	SNPT
Data on a 100% basis									
Revenue	407	3 077	894	7 168	7 252	945	0	904	0
Operating income	(1 927)	(146)	69	163	80	39	(6)	142	(6)
Net income	(1 820)	(400)	67	87	22	24	(13)	66	(6)
Equity	(10 974)	(1 032)	426	882	370	63	(127)	187	31
Percentage interest	25%	50%	39%	23%	43%	50%	50%	50%	25%
Share in net income	**(455)**	**(200)**	**26**	**20**	**9**	**12**	**(7)**	**33**	**(2)**
Equity attributable to owners of the parent	**(2 744)**	**(516)**	**435**	**264**	**57**	**33**	**(1 464)**	**94**	**8**

12.31.2011	DEMETER	CDB*	SLE**	P2R	CORREZE ENROBES	LCA	GED	SABLIÈRES DE BRAM	OFFROY
Data on a 100% basis									
Revenue	206	2 310	684	6 288	7 788	1 225	-	667	-
Operating income	(1 816)	(313)	5	88	136	36	(838)	113	-
Net income	(1 814)	(440)	1	29	61	30	(880)	56	-
Equity	(9 155)	(632)	359	803	376	42	(114)	122	3611
Percentage interest	25%	50%	39%	23%	43%	50%	50%	50%	35%
Share in net income	**(454)**	**(220)**	**-**	**7**	**26**	**15**	**(440)**	**28**	**-**
Equity attributable to owners of the parent	**(2 289)**	**(316)**	**409**	**244**	**59**	**21**	**(1 457)**	**61**	**1 262**

**CDB : CALCAIRES DU BITTEROIS*
***SLE: LIANTS DE L'ESTUAIRE*

6.4. Equity attributable to owners of the parent

	12.31.2012	12.31.2011
Shares and financial assets of PPP/Concessions	10 876	8 502
Shares of COFOR	1 398	1 398
Other financial assets	2 344	1 975
Other financial assets	**14 618**	**11 875**

6.5. Income tax expense and deferred tax

- **Reconciliation between the effective income tax expense and the theoretical expense**

	12.31.2012	12.31.2011
Consolidated net income	19 765	15 063
Income tax expense	(7 946)	8 177
Pre-tax net income	**27 711**	**23 239**
Standard tax rate	36,10%	34,43%
Theoretical tax expense	**10 004**	**8 001**
Permanent differences	(3 720)	533
DTA not recognized	1 064	-
Share in net income of associates	(203)	(357)
Sundry	801	-
Effective tax expense	**7 946**	**8 177**
Effective tax rate	**28,67%**	**35,19%**

- **Breakdown of deferred taxes**

	12.31.2012	12.31.2011
Assets stemming from:		
Retirement payments	6 350	4 773
Tax deferment	21 873	10 453
Capitalized losses	29 273	1 405
Offset of DTA and DTL by tax group	(33 841)	(16 266)
Deferred tax assets	**23 655**	**365**
Liabilities stemming from:		
Tax deferment	28 542	25 195

Finance lease	16 118	11 486
Offset of DTA and DTL by tax group	(33 841)	(16 266)
Deferred tax assets	**10 819**	**20 415**

- **Income tax expense**

	12.31.2012	12.31.2011
Current taxes	14 959	5 234
Deferred taxes	(7 013)	2 943
Total	**7 946**	**8 177**

6.6. Inventories

	12.31.2011	Changes in Group structure	Increase	Decrease	12.31.2012
Raw materials and supplies	16 209	890	78	(1 918)	15 259
Total gross amount	**16 209**	**890**	**78**	**(1 918)**	**15 259**
Raw materials and supplies	(1 063)	(408)	(923)	1 046	(1 348)
Total depreciation and impairment	**(1 063)**	**(408)**	**(923)**	**1 046**	**(1 348)**
Inventories and work-in-progress	**15 146**	**482**	**(845)**	**(872)**	**13 911**

	31.12.2010	Changes in Group structure	Increase	Decrease	12.31.2011
Raw materials and supplies	16 666	6 146		(6 602)	16 209
Total gross amount	**16 666**	**6 146**	**-**	**(6 602)**	**16 209**
Raw materials and supplies	(1 233)	(96)		266	(1 063)
Total depreciation and impairment	**(1 233)**	**(96)**	**-**	**266**	**(1 063)**
Inventories and work-in-progress	**15 433**	**6 050**		**(6 337)**	**15 146**

6.7. Trade and other receivables

	12.31.2012	12.31.2011
Trade receivables - gross amount	412 312	398 788
Impairment	(1 428)	(1 863)
Trade receivables	**410 884**	**396 925**
Advance payments	**13 543**	**4 834**
State	35 547	38 045
Other receivables	16 107	18 513
Prepaid expenses	1 457	2 734
Impairment	(21)	(21)
Other current assets	**53 090**	**59 271**
Group debtors	**64 783**	**56 074**

The schedule of trade receivables breaks down as follows: (gross value)

	TOTAL	Not yet due	<30 days	30<60 days	60<90 days	90<120 days	>120 days
Trade receivables at 12.31.2012	412 312	331 230	38 382	13 140	5 244	3 748	20 568
Trade receivables at 12.31.2011	398 788	314 835	40 505	16 987	3 845	2 681	19 934

6.8. Equity instruments

NGE set up a free share plan on July 2012. At maximum, 55,000 free shares will be granted after a 2 years-acquisition period. These free shares are accounted for as equity. Fair value of options and free shares granted to employees is accounted for as other operating revenue and expenses over the acquisition period. As of December 31, 2012, 51,716 free shares were granted.

6.9. Net borrowings

6.9.1. Cash

	12.31.2012	12.31.2011
Marketable securities	88 507	101 245
Cash	48 195	23 689
Cash and cash equivalents	**136 702**	**124 934**
Bank overdrafts	(22 786)	(25 054)
Net cash in the balance sheet	**113 916**	**99 880**

Credit facilities totaled €61,2 million at December 31, 2012 and €68,9 million at December 31, 2011, of which €22,8 million and €25,0 million, respectively, had been drawn down.

6.9.2. Loans and borrowings

	12.31.2012				12.31.2011			
	Current	Non-current		Total	Current	Non-current		Total
		1 - 5 years	> 5 years			1 - 5 years	> 5 years	
Borrowings associated with concessions				-	1 250	5 000	1 563	7 813
Bank borrowings	44 375	114 199	2 231	160 804	43 543	115 850	11 898	171 291
Finance lease borrowings	18 551	36 400	6 141	61 092	16 299	23 775	706	40 779
Other borrowings		3 491		3 491		2 955		2 955
Accrued interest	579			579	1 139			1 139
Gross debt	**63 505**	**154 090**	**8 372**	**225 966**	**62 231**	**147 580**	**14 167**	**223 977**
Net cash				113 916				99 880
Net debt				**112 050**				**124 097**
o.w. fixed-rate debt	29 575	63 774	6 726	100 075	28 645	54 180	4 106	86 931
o.w. floating-rate debt	33 929	90 316	1 646	125 891	33 586	93 400	10 061	137 046

Bank covenants :

The terms of the Group's loan require it to comply with certain contractually defined financial covenants.
As of December 31, 2012, the Group was in compliance with these covenants.

6.10. Current and non-current provisions

	12.31.2011	Changes in Group structure	Increase	Decrease	12.31.2012
Provisions for retirement payments	14 337	3 010	3 277	(3 038)	17 586
Provisions for quarry redevelopment	1 070	(100)	-	(210)	760
Provisions for renewal	2 493	(2 493)	-	-	-
Provisions for site restoration	258	-	124	-	382
Provisions for disputes and litigation	51 798	100	24 493	(30 258)	46 133
Other non-current provisions	3 544	-	3 400	(511)	6 433
Non-current provisions	**73 500**	**517**	**31 294**	**(34 017)**	**71 294**
Other sundry provisions	4 755	-	1 908	(2 809)	3 854
Current provisions	**4 755**	**-**	**1 908**	**(2 809)**	**3 854**
Total provisions	**78 255**	**517**	**33 202**	**(36 826)**	**75 148**

	31.12.2010	Changes in Group structure	Increase	Decrease	12.31.2011
Provisions for retirement payments	10 305	1 247	3 833	(1 048)	14 337
Provisions for quarry redevelopment	1 079	-	-	(9)	1 070
Provisions for renewal	2 493	-	-	-	2 493
Provisions for site restoration	100	122	36	-	258
Provisions for disputes and litigation	35 889	9 795	11 974	(5 860)	51 798
Other non-current provisions	1 430	2 859	2 122	(2 867)	3 544
Non-current provisions	**51 296**	**14 023**	**17 965**	**(9 784)**	**73 500**
Other sundry provisions	3 419	-	1 336	-	4 755
Current provisions	**3 419**	**-**	**1 336**	**-**	**4 755**
Total provisions	**54 715**	**14 023**	**19 301**	**(9 784)**	**78 255**

6.11. Trade and other payables

	12.31.2012	12.31.2011
Trade payables	**258 660**	**253 656**
Advances and payments on account received	**17 875**	**21 294**
Current tax liabilities	**3 533**	**2 530**
Social security payables	61 065	54 007
Tax payables	96 829	90 708
Gross amount due to customers	43 294	59 907
Loans and advances to silent partnerships and others	143 459	96 022
Prepaid income	4 085	14 482
Other sundry payables	-	1 942
Other current liabilities	**348 732**	**317 068**

6.12. Working capital requirement

Working capital requirement	12.31.2012	12.31.2011	Provided by operating activities	Non-current asset suppliers	Changes in Group structure and other
Inventories	13 911	15 146	(1 746)		511
Trade receivables	410 884	396 925	10 031		3 928
Other assets	135 850	122 762	12 521		567
Held for sale assets	**277**	**-**	**277**		
Operating asset	**560 922**	**534 833**	**21 083**	**-**	**5 006**
Trade payables	258 660	253 656	1 488	2 176	1 340
Other liabilities	370 141	340 892	26 596		2 653
Held for sale liabilities	7 976	-	7 976		
Operating liability	636 777	594 548	36 060	2 176	3 993
Working capital [requirement] / surplus	**75 854**	**59 715**	**14 976**	**2 176**	**(1 013)**

6.13. Financial instruments

12.31.2012	Carrying amount	Fair value	Available-for- sale financial assets	Financial assets at fair value through income	Loans and receivables	Liabilities at amortized cost	Hedging instruments
Other financial assets	14 618	14 618	14 615				3
Trade receivables	410 884	410 884			410 884		
Other current assets	53 090	53 090			53 090		
Group debtors	64 783	64 783			64 783		
Cash and cash equivalents	136 702	136 702		136 702			
Total assets	**680 077**	**680 077**	**14 615**	**136 702**	**528 757**	**-**	**3**
Borrowings > 1 year	162 462	162 462				159 143	3 319
Borrowings < 1 year	63 505	63 505				63 505	
Bank overdrafts	22 786	22 786				22 786	
Advances and payments on account received	17 875	17 875			17 875		
Trade payables	258 660	258 660			258 660		
Other current liabilities	348 732	348 732			348 732		
Total liabilities	**874 020**	**874 020**	**-**	**-**	**625 267**	**245 433**	**3 319**

12.31.2011	Carrying amount	Fair value	Available-for- sale financial assets	Financial assets at fair value through income	Loans and receivables	Liabilities at amortized cost	Hedging instruments
Other financial assets	11 875	11 875	11 757				118
Trade receivables	396 925	396 925			396 925		
Other current assets	59 271	59 271			59 271		
Group debtors	56 074	56 074			56 074		
Cash and cash equivalents	124 934	124 934		124 934			
Total assets	**649 079**	**649 079**	**11 757**	**124 934**	**512 270**	**-**	**118**
Borrowings > 1 year	161 746	161 746				158 791	2 955
Borrowings < 1 year	62 231	62 231				62 231	
Bank overdrafts	25 054	25 054				25 054	
Advances and payments on account received	21 294	21 294			21 294		
Trade payables	253 656	253 656			253 656		
Other current liabilities	317 068	317 068			317 068		
Total liabilities	**841 049**	**841 049**	**-**	**-**	**592 018**	**246 075**	**2 955**

Interest rate hedging:

Derivative instruments authorized for debt-hedging purposes consist of swaps or options entered into with leading financial institutions. With respect to the interest rate hedging contracts in place at December 31, 2012, total gross borrowings exposed to uncapped interest rate risk amounted to €15,5 million compared to €28 million at December 31, 2011.
At constant debt levels at December 31, 2012 and having regard to the interest rate derivatives in the portfolio at that date, a 100 basis point increase in floating rates would increase annual financial expenses by €0,9 million.
The value of interest rate hedging instruments breaks down as follows:

Fair values as of 12.31.2012	Non-current assets	Current assets	Non-current liabilities	Current liabilitie s	Notional amount
Cash flow hedging swap			806		7 935
Options qualifying for hedge accounting	3				20 151
Forex hedging			148		12 809
Tunnels			2 365		82 252
Total interest rate hedging	**3**	**-**	**3 319**	**-**	**123 147**

Fair values as of 12.31.2011	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount
Cash flow hedging swap			487		21 808
Options qualifying for hedge accounting	118				12 752
Forex hedging			1 291		30 566
Tunnels			1 177		82 408
Total interest rate hedging	**118**	**-**	**2 955**	**-**	**147 534**

6.14. Revenue

Revenue by business breaks down as follows:

	12.31.2012	12.31.2011
Earthworks & Urban Infrastructures	42%	46%
Hydraulic & other Underground Networks	14%	18%
Civil Engineering	9%	8%
Road building and road equipment	13%	15%
Geotechnics and Safety Works	6%	6%
Railway construction and maintenance	15%	6%
Other activities	1%	1%

Total revenue	**100%**	**100%**

	12.31.2012	12.31.2011
Regional Multi-Expertise Activities	51%	58%
Specialist French Subsidiaries	30%	23%
Multi-Expertise Major Works	19%	19%
Total revenue	**100%**	**100%**

6.15. Other operating revenue and expenses

	12.31.2012	12.31.2011
Net capital gains (losses) on disposal of operations	-	407
Asset impairment	-	-
Share-based payments	(757)	-
Sundry*	**(1 295)**	**(815)**
Other operating revenue and expenses	**(2 052)**	**(408)**

* Operating results of held for sale businesses (Port-Médoc)

6.16. Other financial income and expenses

	12.31.2012	12.31.2011
Net capital gains (losses) on disposal of securities	300	(131)
Income from equity interests	86	1 010
Other financial income	788	184
Exchange differences	28	(695)
Sundry	224	(203)
Other financial income and expenses	**1 426**	**164**

6.17. Earnings per share

	12.31.2012	12.31.2011
Numerator		
Net income attributable to owners of the parent (a)	19 728	14 840
Net income attributable to shareholders (b)	18 911	12 819
Denominator		
Weighted average number of shares (c)	6 451 294	4 797 034
Weighted average number of convertible bonds (d)	-	1 654 260
Weighted average number of free shares	**21 548**	
Weighted average number of theoretical equity instruments (e)	**6 472 842**	**6 451 294**
Earnings per share (euros) (b/c)	**2,93**	**2,67**
Diluted earnings per share (euros) (a/e)	**3,05**	**2,30**

Theoretical equity instruments include 51 716 free shares granted in July 2012.

6.18. Off-balance sheet commitments

	12.31.2012	12.31.2011
Deposits, guarantees and sureties given	350 635	331 676
Others sureties	118 410	112 666
Total commitments given	**469 045**	**444 342**
Deposits, guarantees and sureties given	22 513	28 806
Total commitments received	**22 513**	**28 806**

6.19. Employees

	12.31.2012	12.31.2011
Senior Management	958	888
Junior Management	1 983	1 894
Other Management	3 418	3 205
Average workforce	**6 359**	**5 987**

6.20. Environment

In environmental terms, the NGE Group does not believe it is exposed to major specific risks, having no fixed production facility, along the lines of permanent industrial facilities. Pollution risks are limited to temporary site facilities. NGE Group endeavors to respect applicable regulations.

List of consolidated companies

				12.31.2012			12.31.2011		
Company	Head Office	Form	SIRET	Method	% Control	% Interest	Method	% Control	% Interest
NGE	**Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES**	**SAS**	**504 124 801 00029**	**Parent**	**100**	**100**	**Parent**	**100**	**100**
ABTP BIARD	ZA Vallade 24100 BERGERAC	SARL	423 753 565 00013	Fully consolidated	63	63	Fully consolidated	63	63
AGILIS	245 Allée du Sirocco ZA la Cigalière IV 84250 LE THOR	SAS	443 222 328 00025	Fully consolidated	100	100	Fully consolidated	100	100
AGILIS MAROC	CASABLANCA - ZI Sapino Lot 854- 20240 NOUACEUR	SAS		Fully consolidated	50	50		-	-
AIRCO	Lieu-dit Lacombe 19100 BRIVE-LA-GAILLARDE	SARL	390 281 319 00025	Fully consolidated	70	70	Fully consolidated	70	70
ALBEA EXPLOITATION	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	538 012 881 00016	Fully consolidated	50	50		-	-
ALPILLES PARTICIPATIONS	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	401 065 321 00036	Fully consolidated	100	100	Fully consolidated	100	100
BARAZER	Zone Industrielle de Guerneach 56110 GOURIN	SAS	353 607 294 00033	Fully consolidated	100	100	Fully consolidated	100	100
BERENGIER DEPOLLUTION	ZAC des Fonciaux Chemin des Fours à Chaux 78121 CRESPIERES	SARL	413 395 104 00024	Fully consolidated	60	60	Fully consolidated	60	60
CALCAIRES DU BITTEROIS	Lieudit Garrigue de Bayssan 34500 BEZIERS	SAS	514 743 574 00014	Equity method	50	50	Equity method	50	50
CALCAIRES DU DIJONNAIS	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	788 588 358 00010	Fully consolidated	100	100		-	-
CARRIERES DE BAYSSAN	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	413 838 020 00043	Fully consolidated	100	100	Fully consolidated	100	100
CARRIERES DE BOULBON	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	438 796 252 00015	Fully consolidated	100	100	Fully consolidated	100	100
CAZAL	Zone Artisanale 11410 SALLES-SUR-L'HERS	SAS	313 211 864 00027	Fully consolidated	100	100	Fully consolidated	100	100
CIRCE INVESTISSEMENT	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	501 698 153 00019	Fully consolidated	100	100	Fully consolidated	100	100
CORREZE ENROBES	ZI Tulle Est 19000 TULLE	SARL	400 002 218 00016	Equity method	43	43	Equity method	43	43
DEC	Centre d'affaires Edouard VII 20 rue Caumartin 75009 PARIS	SAS	393 695 234 00046	Fully consolidated	100	100	Fully consolidated	100	100
DEMETER	22 avenue de Palarin 31120 PORTET-SUR-GARONNE	SA	423 101 294 00027	Equity method	25	25	Equity method	25	25
EHTP	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	439 987 405 00024	Fully consolidated	100	100	Fully consolidated	100	100
ERIS PARTICIPATIONS	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SCA	501 714 52100017	Fully consolidated	100	100		-	-
EXTER	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	453 453 045 00016	Fully consolidated	50	50	Fully consolidated	50	50
FRASCA	12 rue Eugène Freyssinet 77500 CHELLES	SAS	572 062 859 00036	Fully consolidated	100	100	Fully consolidated	100	100
FVF	Chemin du Corps de Garde Zone Industrielle 77500 CHELLES	SAS	483 288 163 00015	Fully consolidated	100	100	Fully consolidated	100	100
GED	La Guerre 14540 ROCQUANCOURT	SAS	494 269 590 00027	Equity method	50	50	Equity method	50	50
GIPERAIL	38, rue Jean Mermoz 78600 MAISONS-LAFFITE	SNC	413 173 238 00044	Fully consolidated	50	50	Fully consolidated	50	50
GMS ENROBES	Lieudit Bataillard et Pandu 38590 SILLANS	SAS	482 029 303 00013	Fully consolidated	54	54	Fully consolidated	60	60
GTEC	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	439 987 579 00059	Fully consolidated	100	100	Fully consolidated	100	100
GTS	29 rue des Tâches 69800 SAINT-PRIEST	SAS	348 099 987 00029	Fully consolidated	100	100	Fully consolidated	100	100
GUINTOLI	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	447 754 086 00018	Fully consolidated	100	100	Fully consolidated	100	100
GUINTOLI BELGIUM	Rue de la Borgnette 12 7503 FROYENNES	SA	BE 0444.044.422	Fully consolidated	100	100	Fully consolidated	100	100
HOLDING CORAIL	22 bis rue de Romainville 03300 CUSSET	SAS	401 528 971 00013	Fully consolidated	55	55	Fully consolidated	45	45
HOLDING SLD-ERA	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	498 538 628 00013	Fully consolidated	100	100	Fully consolidated	100	100
HOLDING TPRN	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	513 281 907 00016	Fully consolidated	73	73	Fully consolidated	73	73
L.C.A Les Carrières d'Avrainville	Plaine de Socourt 88130 CHARMES	SAS	509 981 833 00015	Equity method	50	50	Equity method	50	50
LA CHAMPENOISE	La Champagne 24270 SAINT-CYR-LES-CHAMPAGNES	SAS	307 013 938 00013	Fully consolidated	65	65	Fully consolidated	65	65
LACIS (ex Mercure Finances)	Avenue de Pagnot Lieudit Magudas	SAS	513 027 821 00026	Fully consolidated	100	100	Fully consolidated	100	100

Company	Head Office	Form	SIRET	12.31.2012			12.31.2011		
				Method	% Control	% Interest	Method	% Control	% Interest
	33160 SAINT-MEDARD-EN-JALLES								
LAGARRIGUE	Place de la République 12300 FIRMI	SAS	426 680 187 00017	Fully consolidated	100	100	Fully consolidated	100	100
LAGARRIGUE PREFA	Place de la République 12300 FIRMI	SAS	489 810 432 00018	Merger	-	-	Fully consolidated	100	100
LEFEBVRE	Chemin de la Calade 34400 LUNEL	SAS	314 696 782 00015	Fully consolidated	100	100	Fully consolidated	100	100
LIANTS DE L'ESTUAIRE	Zone Industrielle du Havre Sandouville76430 SAINT ROMAIN DE COLBOSC	SARL	344 110 572 00015	Equity method	39	39	Equity method	39	39
LIANTS DU SUD OUEST (LSO)	Lacombe 19100 BRIVE	SAS	381 801 844 00014	Fully consolidated	100	100	Fully consolidated	100	100
METRICRAIL	38, Rue Jean Mermoz 78600 MAISONS LAFFITE	SARL	453 685 307 00036	Fully consolidated	50	50	Fully consolidated	50	50
MIRE	12 rue Eugène Freyssinet 77500 CHELLES	SAS	432 623 130 00049	Fully consolidated	100	100	Fully consolidated	100	100
MOURGUES	Quartier du Pélissier - Rue Paradou83490 LE MUY	SAS	305 362 352 00034	Fully consolidated	100	100	Fully consolidated	100	100
MULLER TP	Domaine de Sabré 57420 COIN-LES-CUVRY	SAS	447 754 235 00037	Fully consolidated	100	100	Fully consolidated	100	100
NGE CONTRACTING	Centre d'affaires Edouard VII 20 rue Caumartin 75009 PARIS	SAS	789 570 009 00017	Fully consolidated	100	100		-	-
NGE ENERGIES NOUVELLES	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	513 316 018 00011	Fully consolidated	100	100	Fully consolidated	100	100
NGE GENIE CIVIL	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	487 469 330 00012	Fully consolidated	100	100	Fully consolidated	100	100
NICOLO	Route de la Baronne ZA St Esteve 06640 SAINT JEANNET LES PLANS	SAS	408 822 757 00022	Fully consolidated	100	100	Fully consolidated	100	100
OFFROY	CRS Fleur de Lys 77840 CROUY-SUR-OURCQ	SA	745 751 693 00029	Fully consolidated	100	100	Equity method	35	35
OLICHON	Rue Jules Védrines Zone Industrielle de Keryado 56100 LORIENT	SAS	865 500 052 00010	Fully consolidated	100	100	Fully consolidated	100	100
P2R	Rue Ampère ZI du Mariage 69330 PUSIGNAN	SARL	421 063 074 00015	Equity method	23	23	Equity method	23	23
PASS	22 bis rue de Romainville 03300 CUSSET	SAS	976 420 281 00025	Fully consolidated	55	55	Fully consolidated	45	45
PEVERAIL	Chemin du Corps de Garde Zone Industrielle 77500 CHELLES	SNC	432 549 590 00011	Fully consolidated	50	50	Fully consolidated	50	50
PLATEForm	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SARL	443 642 731 00014	Fully consolidated	100	100	Fully consolidated	100	100
PORT MEDOC	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SA	428 758 882 00024	Fully consolidated	100	100	Fully consolidated	100	100
PPDC	Chemin du Corps de Garde Zone Industrielle 77500 CHELLES	SAS	429 561 608 00010	Merger	-	-	Fully consolidated	100	100
PRO-FIL	40 rue du Mahatma Gandhi ZA du Moulin Joli Loca 97419 LA POSSESSION	SAS	488 834 706 00019	Merger	-	-	Fully consolidated	70	70
ROCS	40 rue du Mahatma Gandhi ZA du Moulin Joli Loca 97419 LA POSSESSION	SAS	352 272 439 00022	Fully consolidated	100	100	Fully consolidated	100	100
RUPT MATERIAUX	Route de Vecoux Idt Sevrichamp 88360 RUPT SUR MOSELLE	SARL	401 574 751 00012	Fully consolidated	100	100	Fully consolidated	100	100
SABLIERES DE BRAM	Lieu-dit Cap de Porc 11150 BRAM	SAS	521 103 507 00013	Equity method	50	50	Equity method	50	50
SAMPIETRO	ZA de Choisy Rue des Vieux Moulins Prolongée 88200 REMIREMONT	SAS	315 068 684 00044	Fully consolidated	100	100	Fully consolidated	100	100
SATS	Rue Thomas Edison 12000 RODEZ	SAS	332 197 714 00055	Merger	-	-	Fully consolidated	100	100
SEGAUTO	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	513 027 920 00018	Fully consolidated	100	100	Fully consolidated	100	100
SERFOTEX	Lieudit La Perière 49170 SAINT GERMAIN DES PRES	SAS	402 969 117 00041	Fully consolidated	100	100	Fully consolidated	100	100
SFI	ZA du Petit Parc - Zone Sud78920 ECQUEVILLY	SAS	422 032 805 00034	Fully consolidated	100	100	Fully consolidated	100	100
SIFEL	12 rue Eugène Freyssinet 77500 CHELLES	SAS	385 045 091 00035	Fully consolidated	100	100	Fully consolidated	100	100
SIORAT	Le Griffolet 19270 USSAC	SAS	676 820 137 00054	Fully consolidated	100	100	Fully consolidated	100	100
SLD TP	Zone Industrielle de la Croix d'Argent54200 TOUL	SAS	329 702 773 00030	Fully consolidated	100	100	Fully consolidated	100	100
SNTP	75 Route de Revel 31400 TOULOUSE	SAS	753 158 666 00010	Equity method	25	25		-	-
SOC	Avenue de Pagnot Lieudit Magudas 33160 SAINT-MEDARD-EN-JALLES	SAS	449 336 924 00013	Fully consolidated	100	100	Fully consolidated	100	100
SOCAL	Lieu-dit Engay 11400 LABECEDE LAURAGAIS	SAS	382 184 315 00010	Fully consolidated	100	100	Fully consolidated	100	100
SOCIETE DES BITUMES EUROPEENS	Centre d'affaires Edouard VII 20 rue Caumartin 75009 PARIS	SAS	419 921 200 00038	Fully consolidated	100	100	Fully consolidated	100	100

				12.31.2012			12.31.2011		
Company	Head Office	Form	SIRET	Method	% Control	% Interest	Method	% Control	% Interest
(SDBE)									
SOCIETE GENERALE DE LIANTS	Zone portuaire Chemin des Ségonnaux 13200 ARLES	SAS	424 034 056 00012	Fully consolidated	95	95	Fully consolidated	95	95
SOPRESOC	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SARL	512 529 868 00014	Fully consolidated	100	100	Fully consolidated	100	100
SOTRAC	Avenue de Saint Claude 39260 MOIRANS-EN-MONTAGNE	SAS	384 713 137 00022	Fully consolidated	100	100	Fully consolidated	100	100
SPESOT	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SARL	512 526 054 00014	Fully consolidated	100	100	Fully consolidated	100	100
SUD FONDATIONS	1 allée Daniel Bégu ZA d'Estigeac 33127 MARTIGNAS-SUR-JALLE	SAS	399 050 251 00020	Fully consolidated	100	100	Fully consolidated	100	100
TOPRAIL	Chemin du Corps de Garde Zone Industrielle 77500 CHELLES	SNC	449 232 495 00019	Fully consolidated	100	100	Fully consolidated	50	50
TP LYAUDET	ZA la Courtine 63820 SAINT-JULIEN-PUY-LAVEZE	SAS	343 940 490 00018	Fully consolidated	100	100	Fully consolidated	100	100
TPRN	Rue Albert 1er 59150 WATTRELOS	SAS	332 346 857 00011	Fully consolidated	100	73	Fully consolidated	100	73
TRAMONTANE FINANCES	Parc d'activités de Laurade 13103 SAINT-ETIENNE-DU-GRES	SAS	789 270 360 00017	Fully consolidated	100	100		-	-
TRIEL GRANULATS	1 rue de Folenrue 27200 VERNON	SAS	484 452 420 00025	Fully consolidated	50	50	Fully consolidated	50	50
TSO	Chemin du Corps de Garde Zone Industrielle 77500 CHELLES	SAS	747 252 120 00015	Fully consolidated	100	100	Fully consolidated	100	100
TSO CATENAIRES	Chemin du Corps de Garde Zone Industrielle 77500 CHELLES	SAS	432 455 764 00014	Fully consolidated	100	100	Fully consolidated	100	100
VAL TP	730 rue de la Calatière ZI Ouest Veyziat 01100 OYONNAX	SAS	344 187 992 00021	Fully consolidated	100	100	Fully consolidated	100	100
VGC	Ecart de Saint Hubert 57360 MALANCOURT-LA-MONTAGNE	SAS	507 607 307 00018	Fully consolidated	50	50	Fully consolidated	50	50

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

TALENZ
Entreprendre est un art majeur
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STATUTORY AUDITOR'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

SAS NGE

Société par actions simplifiée with a share capital of 49 685 288 €
Siège social : Parc d'activité de la Laurade - 13103 SAINT ETIENNE DU GRES

RCS TARASCON 504 124 801

Ordinary General Meeting on May 23, 2013
This report contains 34 pages

Statutory Auditor's report
On the consolidated Financial Statements
For the year ended December 31, 2012

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

To the shareholders,

In compliance with the assignment entrusted to us by your general meeting and status, we hereby report to you, for the year ended December 31, 2012, on:

- The audit of the accompanying consolidated financial statements of NGE Company ;
- The justification of our assessments ;
- The specific verification required by law.

These consolidated statements have been approved by the Chairman. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2012, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(code de commerce)* relating to the justification of our assessments, we bring to your attention the following matter:

Every year, the company performs an impairment test of the goodwill, according to the procedures described in note 4.
We verified these implementation methods, as well as the cash flows forecasts, the underlying assumptions and we have ensured that the provided information in note 4 has been correctly disclosed.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. SPECIFIC VERIFICATION

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

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

Montpellier and Avignon,
April 30, 2013

AREs X•PERT AUDIT

Michel GALAINE
Statutory Auditor

Jocelyn MICHEL
Statutory Auditor
Legal Auditor

CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AS AT 31 DECEMBER 2011

Contents

Consolidated Financial Statements

Notes to the consolidated financial statements

Consolidated statement of comprehensive income

In thousands of euros	Notes	12.31.2011	12.31.2010
Revenue from operating activities		**1 138 188**	**902 735**
Ancillary revenue		22 844	21 141
Purchases and change in inventories		(193 921)	(171 310)
Taxes other than on income		(15 886)	(12 385)
Personnel costs		(285 099)	(247 195)
Amortization, depreciation and provisions net		(47 407)	(33 238)
Other revenue and expenses from current operating activities		(588 748)	(449 473)
Current operating income		**29 971**	**10 276**
% of revenue		2,6%	1,1%
Other operating revenue and expenses	6.15	(407)	290
Operating income		**29 564**	**10 565**
Income from cash and cash equivalents		398	549
Gross borrowing cost		(5 849)	(4 338)
Net borrowing cost		**(5 451)**	**(3 790)**
Other financial income and expenses	**6.16**	**164**	**1 545**
Share in net income of associates	**6.3**	**(1 037)**	**(1 349)**
Income tax expense	**6.5**	**(8 177)**	**(2 094)**
Net income		**15 063**	**4 878**
- Attributable to owners of the parent		14 840	4 228
- Non-controlling interests		223	651
Earnings per share attributable to company shareholders			
- Earnings per share - Basic (attributable to owners of the parent)	6.17	2,67 €	0,81 €
- Earnings per share - Diluted (attributable to owners of the parent)	6.17	2,30 €	0,65 €

In thousands of euros	12.31.2011	12.31.2010
Consolidated net income	**15 063**	**4 878**
Cash flow hedges	(1 561)	257
Convertible bond coupon	(920)	(2 456)
Income tax on other comprehensive income	460	846
Consolidated comprehensive income	**13 042**	**3 525**
Comprehensive income attributable to owners of the parent	12 819	2 874
Comprehensive income attributable to non-controlling interests	223	651

Consolidated statement of financial position

ASSETS

In thousands of euros	Notes	12.31.2011	12.31.2010
Goodwill	6.1	239 966	101 032
Concession intangible assets	6.2	19 711	20 566
Intangible assets	6.1	1 452	1 464
Property, plant and equipment	6.1	249 989	174 666
Investments in associates	6.3	2 056	8 410
Other financial assets	6.4	11 875	1 866
Deferred tax assets	6.5	16 631	16 363
Non-current assets		**541 679**	**324 366**
Inventories	6.6	15 146	15 433
Net trade receivables	6.7	396 925	303 286
Advance payments	6.7	4 834	1 848
Other current assets	6.7	59 271	47 005
Current accounts	6.7	56 074	35 156
Current tax assets	6.5	2 582	3 693
Cash and cash equivalents	6.9	124 934	105 089
Current assets		**659 767**	**511 509**
Total assets		**1 201 445**	**835 875**

EQUITY AND LIABILITIES

In thousands of euros	Notes	12.31.2011	12.31.2010
Issued share capital		38 376	35 338
Premiums		37 655	-
Bonds reimbursable in shares		99 588	30 000
Reserves		49 371	43 715
Net income for the period		14 840	4 228
Equity attributable to owners of the parent	**6.8**	**239 830**	**113 281**
Non-controlling interests		3 101	11 250
Total equity	**6.8**	**242 931**	**124 531**
Long Term borrowings (>1 year)	6.9	161 746	94 779
Provisions (>1 year)	6.10	73 500	51 296
Deferred tax liabilities	6.5	36 681	26 488
Non-current liabilities		**271 927**	**172 563**
Short Term borrowings (<1 year)	6.9	62 231	39 059
Bank overdrafts	6.9	25 054	34 182
Provisions (<1 year)	6.10	4 755	3 419
Advances and payments on account received	6.11	21 294	14 699
Net Trade payables	6.11	253 656	235 884
Other current liabilities	6.11	317 068	211 539
Current tax liabilities	6.11	2 530	-
Current liabilities		**686 588**	**538 782**
Total equity and liabilities		**1 201 445**	**835 875**

Consolidated cash flow statement

In thousands of euros	Notes	12.31.2011	12.31.2010
OPERATING ACTIVITIES			
Consolidated net income		15 063	4 878
Share in net income of associates		1 037	1 349
Amortization, depreciation and provisions net		43 868	33 238
Other non-cash items		(245)	(289)
Change in deferred taxes		2 943	(3 107)
CASH FLOW FROM OPERATING ACTIVITIES		62 666	36 069
Change in working capital requirements	6.12	17 207	(33 206)
NET CASH FROM OPERATING ACTIVITIES		**79 873**	**2 863**
INVESTING ACTIVITIES			
Purchases of intangible assets and property, plant and equipment		(44 411)	(45 609)
Change in investments		108	(6 101)
Change in amounts due to non-current asset suppliers		(3 523)	(501)
Proceeds from disposals of non-current assets		12 179	7 702
Impact of changes in Group structure	5.1	(172 203)	2 569
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		**(207 850)**	**(41 940)**
FINANCING ACTIVITIES			
Dividends paid to non-controlling interests in consolidated companies		(315)	(237)
Issuance and interest paid on convertible bonds		65 224	(2 392)
Capital increase		38 926	-
Proceeds from new borrowings		149 555	37 520
Repayment of borrowings		(96 441)	34 891
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		**156 949**	**-**
Net change in cash and cash equivalents		**28 973**	**(39 077)**
Cash and cash equivalents at the beginning of the period		**70 907**	**109 984**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**99 880**	**70 907**

Consolidated statement of changes in equity

	Attributable to owners of NGE							Non-controlling interests			
In thousands of euros	*Number of shares*	Capital	Premiums	CB	Reserves	Net Income for the period	Total attributable to owners of the parent	Reserves	Net Income for the period	Total	Total equity
At January 1, 2010	***3 533 772***	**35 338**	**-**	**30 000**	**20 549**	**22 601**	**108 487**	**10 227**	**125**	**10 352**	**118 839**
Allocation of net income for FY 2009					22 601	(22 601)	-	125	(125)	-	-
Net income attributable to owners of the parent						4 228	4 228		651	651	4 879
Dividends								(334)		(334)	(334)
Translation adjustments							-	-		-	-
Gains (losses) on hedging instruments					257		257			-	257
Convertible bond					(1 638)		(1 638)			-	(1 638)
Share-based payments							-	(295)		(295)	(295)
Changes in Group structure					1 948		1 948	876		876	2 824
At December 31, 2010	***3 533 772***	**35 338**	**-**	**30 000**	**43 717**	**4 228**	**113 282**	**10 599**	**651**	**11 250**	**124 532**
Allocation of net income for FY 2010					4 228	(4 228)	-	651	(651)	-	-
Net income attributable to owners of the parent						14 840	14 840		223	223	15 063
Changes on share capital	*1 263 262*	3 038	37 655				40 694				40 694
Dividends							-	(328)		(328)	(328)
Gains (losses) on hedging instruments					(1 561)		(1 561)			-	(1 561)
Issuance, repayment on convertible bonds				69 588			69 588			-	69 588
Convertible bond coupon					(920)		(920)			-	(920)
Actuarials adjustments					(1 888)		(1 888)				(1 888)
Changes in Group structure					5 794		5 794	(8 046)		(8 046)	(2 251)
At December 31, 2011	***4 797 034***	**38 376**	**37 655**	**99 588**	**49 371**	**14 840**	**239 830**	**2 877**	**223**	**3 101**	**242 931**

Notes to the consolidated financial statements

The consolidated financial statements at December 31, 2011, presented herein (in thousands of euros), detail the trading activities of NGE Group and its subsidiaries over the period from January 1, 2011 to December 31, 2011. The financial statements of NGE Group at December 31, 2011 encompass NGE and its subsidiaries (jointly referred to as “the Group”) as well as the Group’s investments in associates and in jointly controlled entities. The Group’s financial statements were approved for publication by the Chairman on March 28, 2012.

1. Highlights of the fiscal year

Legal changes

With the collective approval of the shareholders concerned having been given, on June 9, 2011, “FINANCIERE NGE”, RCS (Trade and Companies Register) no. 438 969 081, was merged into “HOLDING NGE” (RCS no. 504 124 801) and “NGE” (RCS no. 398 881 599) was then also merged into “HOLDING NGE”.
Upon completion of these transactions, which were subject to the legal framework on mergers, and following the transfer of all the assets and liabilities of the companies concerned, “HOLDING NGE”, represented by its Chairman, Joël Rousseau, assumed, actively and passively, the rights and obligations of the former company NGE, whose commitments it will carry out in accordance with the law.
For the purposes of business continuity and transparency, “HOLDING NGE” then changed its name to “NGE”

Capital transactions

On June 9, 2011, following the merger of FINANCIERE NGE into NGE, capital was increased by €1,203,116 through the creation of 601,558 new €2 shares. The same day, the share capital was increased by €24,811,980 by increasing the nominal value of all shares from €2 to €8, charged against the share premium.
On September 28, 2011, capital was again increased by €5,293,632 through the creation of 661,704 shares with a nominal value of €8 and the share premium was raised by €34,706,374.80.

Financial transactions

As part of the restructuring of the Group and the refinancing of the existing debt through equity or quasi-equity, the following transactions were carried out :

- the issue of 496,278 convertible bonds with a total nominal value of €30 million (ORA 2);
- the issue of 496,278 convertible bonds with a total nominal value of €30 million (ORA 3);
- the issue of 661,704 convertible bonds with a total nominal value of €40 million (ORA 4);
- the redemption of the existing €30 million bond issue (ORA 1);
- the issue of subordinated bonds with a total value of €20 million.

NGE also contracted a €125 million loan from its pool of banks. A first tranche of €32 million was drawn down on June 9, 2011, in order to redeem the balance of the Group’s senior debt for the same amount.
On September 28, 2011, two further tranches were drawn down, of €45 million and €23 million, respectively. This loan will be repaid on a straight-line basis over six years. NGE pledged some of its controlling interests as collateral for the loan.

2. Standards and interpretations applied

The Group’s consolidated financial statements for the periods ended December 31, 2010 and December 31, 2011, have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable at December 31, 2011 as adopted by the European Union and available from the following website : http://ec.europa.eu/internal_market/accounting/ias/index_en.htm. (Regulation 1606/2002 of the European Parliament and of the Council of July 19, 2002).

The accounting policies applied to prepare the financial statements are those resulting from the application of the standards and interpretations adopted by the European Union and effective at December 31, 2011. These policies are consistent with those applied to prepare the consolidated financial statements for the period ended December 31, 2010 except for the adoption of the following standards and interpretations:

- Amended IAS 24 «Related party disclosures»;
- Amended IAS 32 «Classification of rights issues»;
- Amended IFRIC 14 «Prepayments of a minimum funding requirement»;
- Amended IFRIC 19 «Extinguishing financial liabilities with equity instruments».

These new standards had no material impact on the Group's consolidated financial statements at December 31, 2011.
The Group did not opt for early implementation of any new standards and interpretations adopted by the IASB but not yet effective at December 31, 2011.

3. Consolidation methods

The Group's consolidated financial statements are prepared at December 31 on the basis of the financial statements of the Group's subsidiaries at that date, adjusted to bring them into line with Group policies.
Changes in group structure (newly consolidated companies and deconsolidated companies) are made on the acquisition date, or the date of disposal, or for reasons of convenience where they are non-material, on the basis of the most recent statement of financial position prior to the acquisition date. Step acquisitions were taken into account for the purposes of preparing the Group's consolidated financial statements.

The Group applies the following rules:

- companies that the Group directly or indirectly controls are fully consolidated;
- companies in which the Group enjoys joint control with a limited number of partners are accounted for under the equity method;
- companies over which the Group enjoys significant influence are accounted for under the equity method.

All internal transactions are eliminated for consolidation purposes.
The list of consolidated companies can be found on page 18.

Silent partnerships

Case of major projects worked on in partnership with other companies within the framework of special purpose entities in companies in which the Group holds no interest: silent partnerships are joint undertakings established temporarily for the purposes of a project, in which the Group holds no ownership interest (which have no equity), the existence of which cannot be disclosed to third parties, that have no legal personality and accordingly cannot hire or own assets in their own right, take on debt or make commitments to third parties. Such entities are not consolidated. Nevertheless, in order to reflect the financial impact of such projects in the consolidated financial statements, the following policies have been put in place:

- the technical and financial resources are put in by the partners on the basis of the input method (méthode de l'énergie), in proportion to their contributions;
- associated revenue and expenses are recognized in the consolidated financial statements pro-rata to the Group's contribution to the relevant projects.

4. Accounting policies and measurement methods

When preparing the financial statements under IFRS, estimates and assumptions were made. These estimates are regularly reviewed on the basis of past experience as well as other factors underpinning the measurement of the carrying amount of assets and liabilities.

4.1. Deferred tax

Deferred tax is recognized for all differences between the carrying amounts of assets and liabilities and their tax bases. It stems from:
• temporary differences arising where the carrying amount of an asset or liability differs from its tax base. These are either:
- sources of future taxation (deferred tax liabilities): primarily consisting of income, the taxation of which is deferred,
- sources of future deductions (deferred tax assets): primarily consisting of provisions that are temporarily not tax deductible;
• tax loss carryforwards (deferred tax assets).
Deferred tax assets are recognized where it is probable there will be sufficient future taxable profits against which they can be utilized.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that there will be sufficient future taxable profits against which all or part of the loss or credit of this deferred tax asset can be utilized. Unrecognized deferred tax assets are reviewed at each balance sheet date and are recognized to the extent that it becomes probable that there will be future taxable profits against which they can be utilized.

Deferred tax is recognized at the tax rate at the end of the reporting period, adjusted where necessary to reflect any tax law changes. The impact of changes in income tax rates is expensed in profit or loss for the fiscal year.

4.2. Business combinations and goodwill

Amended IFRS 3, effective since January 1, 2010, introduced changes to the acquisition method (previously called the ‘‘purchase method’’) compared to what had been set out in the prior version of IFRS 3, and in particular:
• recognition in profit or loss for the period of all direct acquisition costs;
• the option to measure non-controlling interests in the acquiree either at fair value or at their proportionate share of identifiable net assets of the acquiree; this option is applied on a transaction-by-transaction basis;
• fair value measurement on the acquisition date of contingent consideration (earn-outs); subsequent to the acquisition date, contingent consideration is measured at fair value at the end of each reporting period; any subsequent fair value changes occurring more than one year from the acquisition date are recognized in profit or loss where the contingent consideration clause gives rise to a financial liability;
• in the case of a business combination achieved in stages (step acquisition), on the date control is obtained the previous investment in the acquiree is measured at fair value; any resulting gain or loss is recognized in profit or loss.

Amended IFRS 3 is not applied retrospectively. It therefore has no effect on business combinations carried out before January 1, 2010. The changes introduced by the new version of the standard had no material impact in either 2010 or 2011.
Business combinations are thus recognized by the Group under the acquisition method:
• the assets, liabilities and contingent liabilities of the acquiree are measured at fair value;
• the residual difference between the acquisition cost and the share of the net assets measured at fair value is recognized as goodwill;
• goodwill represents the difference recognized between the acquisition cost of the shares (including any contingent consideration that is recognized when it is probable and where the amount thereof can be measured reliably) and the share acquired in the fair value of the identified assets, liabilities and contingent liabilities at the acquisition date; the latter are first adjusted in line with the Group’s accounting policies and in accordance with consolidation rules. The goodwill recognized in the balance sheet is not amortized but instead tested for impairment annually.

In addition, amended IAS 27 introduced a number of changes and in particular:
• purchases or disposals of non-controlling interests which do not trigger a change in control are accounted for as equity transactions with owners. Under this method, the difference between the price paid to increase the percentage interest in already controlled entities and the additional share of equity thereby acquired is recognized in Group equity.
Similarly, a reduction in the Group’s percentage interest in an entity over which control is retained is treated for accounting purposes as an equity transaction and has no impact on profit or loss;
• disposals of securities with loss of control giving rise to the recognition under capital gains (losses) on disposal of the change in fair value calculated on the full holding on the date of the transaction. Any residual holding retained is thus measured at fair value when control is lost.
Amended IAS 27 had no material impact on the Group’s financial statements at December 31, 2010 or December 31, 2011.

4.3. Impairment of property, plant and equipment, intangible assets and goodwill

The impairment test is carried out at the level of the cash generating unit(s) to which the goodwill has been allocated by comparing the recoverable amount and the carrying amount of cash generating units. The cash generating units consist of:

• Regional Multi-Expertise activities;
• Specialist French subsidiaries or a group of consolidated subsidiaries where they operate outside the “Regional Multi-Expertise” structure;
• Multi-Expertise Major Works.

The recoverable amount of a cash generating unit is the higher of the fair value (generally the market price), net of costs to sell, and the value in use. The value in use is determined as the net present value of future cash flows after tax. These calculations are based on a five-year forecast drawn up by regional management and reviewed by Senior Management and the Group's Finance Department. Cash flows beyond the five-year period are extrapolated on the basis of a perpetuity growth rate estimated at 2.0%. All flows are discounted on a basis of a discount rate of 8.0% representing the Group's weighted average after-tax cost of capital.
As is true for all estimates, the assumptions underpinning these calculations are partly uncertain and may thus be adjusted in subsequent periods.
If the carrying amount of the cash generating unit exceeds the recoverable amount, the assets of the cash generating unit are impaired down to their recoverable amount. Impairment losses are first deducted from goodwill and recognized in profit or loss.

4.4. Intangible assets

Pursuant to IAS 38, intangible assets acquired separately are recognized at cost where the future economic benefits from the asset will flow to the Group and this cost can be reliably measured.
In the case of business combinations, intangible assets are recognized at fair value on the date of the combination, separately from goodwill where they meet the conditions set out in IFRS 3.
Development expenses are recognized as intangible assets where they satisfy the criteria set out in IAS 38, namely:
• the technical feasibility of the intangible asset for sale or use has been established;
• the Group intends to complete the intangible asset and either use or sell it;
• the intangible asset is likely to generate future economic benefits.
In the case of an asset that is scheduled to be used internally:
• its usefulness must have been established;
• the availability of the technical, financial and other resources required to complete the development and use or sell the intangible asset must have been demonstrated;
• it must be possible to reliably measure the expenses attributable to the intangible asset over the course of its development.
Development expenses that fail to meet these criteria are expensed as incurred.
Intangible assets with definite useful lives are amortized on a straight-line basis over their useful lives.
Intangible assets with indefinite useful lives are not amortized. They are tested for impairment annually. This consists of comparing their recoverable amount with their carrying amount. Impairment losses are recognized in profit or loss. Intangible assets that are amortized are also tested for impairment where there are indications of impairment.
The method used to test intangible assets for impairment is based on discounted future cash flows

4.5. Property, plant and equipment

Property, plant and equipment is measured at acquisition cost, less cumulative depreciation and impairment losses.
Where buildings and equipment have material components with different useful lives or depreciation periods, the latter are recognized separately (component accounting). Assets are depreciated over schedules determined on the basis of the actual period over which the asset is used. The asset's depreciable basis is the purchase cost less any residual value. The amount of the residual value reflects what the Group would currently recover if the asset were already of the age and in the condition expected at the end of its useful life.
The main useful lives are:

Constructions	15 to 40 years
Public works equipment	3 to 10 years
Transportation equipment	3 to 5 years
Rail equipment	8 to 30 years
Organizations/Layouts	5 to 19 years
Office furniture and equipment	3 to 10 years

4.6. Finance leases

Lease financed assets are recognized as balance sheet assets and amortized/depreciated in accordance with the rules set out in Notes 4.4 and 4.5, offset by the recognition of borrowings for the amount of the principal to be repaid. Financial charges relating to this liability are recognized under financial expenses.

4.7. Concession assets

IFRIC 12, published in November 2006, was adopted by the members of the Accounting Regulatory Committee (ARC) on November 6, 2008 and is effective for fiscal years beginning on or after March 24, 2009. Given that this interpretation makes it possible to enhance financial disclosures, NGE has applied these principles from the 2009 balance sheet date.
IFRIC 12 covers concession arrangements involving the performance of a public service, under which the grantor controls the operating assets. The grantor is deemed to control the infrastructure where the following criteria are satisfied:

- the grantor controls or regulates what services are provided using the infrastructure, determines the beneficiaries of these services and specifies how the operator is paid;
- the grantor controls the residual interest in the infrastructure at the end of the arrangement.
The interpretation distinguishes between two sets of activities carried out by the operator:
- construction activities relating to its obligations to design, build and finance structures that it makes available to the grantor: revenue is recognized on the basis of the percentage of completion method in accordance with IAS 11;
- operation and maintenance of the concession structures:
revenue is recognized pursuant to IAS 18.
In consideration for the above, the operator is remunerated:
Either by users: intangible asset model. The operator has the right to charge tolls (or other fees) to users, in consideration for financing and building the infrastructure. Under this model, the operator's right is recognized on the balance sheet under "Concession intangible assets". This license represents the fair value of the concession structures plus the interim financial charges recognized during the construction period. It is amortized over the term of the arrangement on whatever basis reflects the rate at which the economic benefits arising from the arrangement are consumed, from the commissioning of the structures. This accounting treatment applies to Port-Médoc;
Or alternatively by the grantor: financial asset model. The operator has an unconditional contractual right to receive payments from the grantor, regardless of the level of use of the infrastructure by users. Under this model, the services provided by the operator (design, construction, operation or maintenance) give rise to the recognition of a financial receivable on the asset side of the operator's balance sheet. On the balance sheet, these financial receivables are classified under "Other financial assets".

4.8. Financial assets

All investments are initially recognized at cost, namely the fair value of the price paid and including the acquisition costs associated with the investment.
- Loans and deposits:
Loans and deposits are recognized at amortized cost. Where necessary, a provision for impairment may be recognized. The impairment loss represents the difference between the net carrying amount and the recoverable amount and is recognized in profit or loss. A provision may be reversed should the recoverable amount increase.
- Assets held for trading:
Marketable securities are included in the financial assets held for trading category and are accordingly recognized at fair value. Gains and losses are recognized in profit or loss.
- Available-for-sale financial assets:
Pursuant to IAS 39, available-for-sale financial assets encompass financial assets other than:
• loans and receivables issued by the company (other financial assets);
• held-to-maturity investments or financial assets held for trading (marketable securities).
Controlling interests in unconsolidated companies are deemed to fall into this category. Subsequent to initial recognition, investments classified as "available-for-sale financial assets" are measured at fair value at the balance sheet date. Changes in the fair value of available-for-sale financial assets are recognized separately outside profit or loss (previously termed "recognized in equity"), until the investment is either sold or it has been shown that the investment has been wholly impaired, at which point the cumulative fair value change previously recognized outside profit or loss is taken to profit or loss.
Controlling interests in unconsolidated companies, the fair value of which cannot be reliably determined (shares not exchange traded) are recognized at cost.
- Derecognition of financial assets:
Financial assets meeting the definition of IAS 32 "Financial instruments: disclosure and presentation" are wholly or partly derecognized when the Group no longer expects future cash flows from them and has transferred substantially all the associated risks and rewards.

4.9. Investments in associates

Investments in companies over which the Group exercises significant influence (associates) are accounted for under the equity method: they are initially recognized at cost and subsequently adjusted to reflect changes in the Group's share of the net assets of these companies. The remainder of this share is recognized on the asset side of the balance sheet. Any change during the period is presented in profit or loss (share in net income of associates).

4.10. Inventories

Inventories are measured at cost (FIFO or CMP) or net realizable value if lower.

4.11. Recognition of contracts

The Group recognizes revenue and expenses on construction contracts on the basis of the percentage of completion method defined in IAS 11 – Construction Contracts.
For the Group, the stage of completion is generally determined on the basis of the completion of a physical proportion of the contract work or the proportion of project costs incurred to date.
Where the contract is expected to be loss-making, a provision is recognized independently of the stage of completion of the project, on the basis of the best estimate of the anticipated outcome including any additional

income or claims, insofar as they are likely and can be reliably measured. Provisions are funded on the liability side of the balance sheet for losses upon completion.
Partial payments received under construction contracts, prior to the completion of the corresponding work, are recognized under “Advances and payments on account received” on the liability side of the balance sheet.

The revenue determined under the percentage of completion method is based on the estimated costs at completion. This estimate may change in subsequent periods and result in adjustments to revenue and, potentially, provisions for losses upon completion.

4.12. Ancillary revenue

The ancillary revenue recognized mainly consists of sales of equipment, studies and license fees.

4.13. Trade receivables

Trade receivables are measured at nominal value less any provisions for doubtful receivables.
With respect to the recognition of long-term contracts (IAS 11), this heading notably includes:
• progress reports provided in the course of the project and signed off on by the client;
• accrued receivables relating to justifiable work that it has not yet been possible to invoice or have signed off by the client.

4.14. Cash and cash equivalents

Cash and cash equivalents include cash in bank, cash on hand, short-term deposits and all money-market investments subject to a negligible risk of changes in value. Marketable securities are measured at fair value, in accordance with IAS 39 - Financial Instruments.
The Group is not materially exposed to either currency risk or interest rate risk.

4.15. Significant judgments and estimates

When preparing the Group’s financial statements, Senior Management are required to make judgments, estimates and assumptions that impact the amounts of assets, liabilities, revenue and expenses recognized in the financial statements, as well as the disclosures on contingent liabilities.
The completion of transactions underpinning these estimates and assumptions may, by virtue of the associated uncertainty, result in a material adjustment to the amounts recognized in subsequent periods.

These transactions mainly relate to the following areas:
• recognition of contracts;
• post-employment benefits;
• provisions for contingencies and losses (in particular for losses upon completion, for disputes);
• recoverable amount of intangible assets and property, plant and equipment and in particular goodwill;
• deferred tax assets;
• fair value of derivative instruments.

4.16. Provisions

Provisions are recognized where the Group has a present obligation to a third party (legal or constructive) as a result of a past event, and where it is probable that an outflow of resources constituting economic benefits will be required to settle the obligation and where the amount of the obligation can be reliably estimated.
Non-current provisions mainly consist of:
• Provisions for disputes and litigation
These provisions are to cover disputes, litigation and foreseeable contingencies arising from the Group’s business activities;
• Provisions for the redevelopment of quarries, renewal and restoration
This represents the cost of restoring quarry sites and provisions for renewing concessions;
• Retirement payments
Retirement payments are either i) made by external bodies or ii) provisions are funded on the liability side of the balance sheet. Actuarial assumptions regarding defined benefit pension obligations contain uncertainties that may affect the value of financial assets and obligations to employees. These assumptions are reviewed annually and may trigger accounting adjustments.
Current provisions mainly consist of provisions for project risks, works and project acceptance.

4.17. Presentation of the financial statements

The Group presents its financial statements in accordance with IAS 1 and the IFRS conceptual framework and follows CNC (Conseil National de la Comptabilité) recommendation no. 2004-R.02 of October 27, 2004 on the

format of the income statement, the statement of cash flows and the statement of changes in equity. The result is notably as follows:
• the income statement is presented by nature of revenue and expense in order to better reflect the type of business activities carried on by the Group, including capital gains (losses) on the disposal of equipment that is a normal part of the Group's business activities;
• the Group's key performance indicator is current operating income, which is defined as the difference between the revenue and expenses generated from ordinary activities;
• operating income is calculated by deducting from current operating income the estimated fair value of share-based payments, the impact of goodwill impairment tests and other operating revenue and expenses generated from the Group's extraordinary activities (disposal of operations, restructuring, etc.);
• net financial income/(loss) splits out the Group's borrowing cost and other financial income and expenses.

The balance sheet breaks down current and non-current assets and liabilities.

4.18. Borrowings

Borrowings are initially recognized at cost, which represents the fair value of the amount received, net of issue costs.
Subsequent to initial recognition, borrowings are measured at amortized cost on the basis of the effective interest rate method, which factors in all issue costs and any redemption discount or premium.

4.19. Bonus shares

The fair value of options and bonus shares awarded to staff is recognized under other operating revenue and expenses over the vesting period.

4.20. Earnings per share

Basic earnings per share is calculated by dividing net income attributable to holders of ordinary shares in the parent company by the weighted average number of ordinary shares outstanding over the period.
For the purposes of calculating diluted earnings per share, the net income attributable to holders of ordinary shares in the parent company plus the weighted number of shares outstanding are adjusted for the impact of any potentially dilutive equity instruments.

4.21. Derivative instruments

The Group uses derivative instruments such as currency forwards and interest rate swaps to hedge its interest rate risks. These derivative instruments are measured at fair value.
All gains and losses stemming from fair value changes to derivatives that are not classified as hedging instruments are recognized directly in profit or loss.
The fair value of currency forwards is calculated by reference to the current prices for contracts with similar maturity profiles. The fair value of interest rate swaps is determined by reference to the market value of similar instruments.
For hedge accounting purposes, hedges are either classified as:
• fair value hedges where they protect against exposure to fair value changes in recognized assets or liabilities, or a firm commitment (excluding currency risk);
• cash flow hedges where they protect against exposure to changes in cash flows resulting either from a specific risk to recognized assets or liabilities, a highly probable future transaction or currency risks on a binding commitment; or
• hedges of a net investment in a foreign operation.
Hedging instruments satisfying the hedge accounting criteria in IAS 39 are recognized as follows:
- Fair value hedges
Changes in the fair value of derivatives classified as fair value hedges are recognized in profit or loss. Changes in the fair value of the hedged item due to the risk hedged impact the carrying amount of the hedged item and are also recognized in profit or loss;
- Cash flow hedges
Gains or losses on the effective portion of the hedging instrument are recognized outside profit or loss (previously termed "recognized in equity") whereas the ineffective portion is recognized in profit or loss.
The amounts recognized outside profit or loss are taken to profit or loss in the period in which the hedged transaction impacts net income.
Where the Group does not expect the anticipated transaction or commitment to take place, the sums previously recognized outside profit or loss are taken to profit or loss. Where the hedging instrument matures, is sold, cancelled or exercised without being replaced or renewed, or where it no longer qualifies as a hedging instrument, the sums previously recognized outside profit or loss are not reclassified until the completion of the anticipated transaction or binding commitment.

4.22. Consolidated statement of cash flows

The statement of cash flows is presented in accordance with the indirect method. Under this method, consolidated net income is adjusted for the effect of non-cash transactions, and for income or expenses associated with investing or financing activities. Interest and dividends from non-consolidated companies are respectively included under cash flows from financing and investing activities.

5. Scope of consolidation

5.1. Changes in Group structure

The Group took over the company Mourgues with a 100% interest. Goodwill arising on acquisition of Mourgues has been definitively determined. The allocation of the cost of acquisition to the assets, liabilities and contingent liabilities acquired has been finalized. This goodwill has been allocated to the Specialist Subsidiaries cash generating unit of the NGE Group.

On September 28, 2011, NGE acquired 100% of the shares in PPDC, the parent company that controls TSO Group. The financial statements of the PPDC-TSO group (‘‘TSO’’) are recognized in the consolidated financial statements of NGE as of that date. The pro-forma data required by IFRS 3 «Business Combinations» are shown below.
The acquisition was recognized under the acquisition method: the acquisition cost was measured as the sum of cash payments made by NGE, i.e. €147.8 million.
Under the acquisition method, the cost of acquisition must be allocated to the assets acquired, the liabilities and any contingent liabilities taken on. In allocating TSO’s cost of acquisition, NGE recognized all TSO equipment at fair value.
The allocation of fair values to TSO’s identifiable assets, liabilities and contingent liabilities was done provisionally at the reporting date.

Restated value of equipment	€20.0 million
Related deferred tax	(€7.0) million
Total identified assets net of tax:	€13.0 million

Net assets other than TSO’s identified assets were a negative €3.9 million, so unattributed goodwill totaled €138.7 million. Most of this goodwill relates to the French business and is therefore measured in euros. Under IFRS 3, the value of goodwill and its allocation among NGE’s different cash-generating units will be definitively established in the 12 months following the takeover.
This acquisition was financed by contributions of equity and drawdowns of borrowings (see note 1. Financial transactions).

2011 Acquisitions	MOURGUES	TSO Group
Cost of acquisition of shares	400	147 855
Fair value of assets and liabilities acquired	174	9 147
Goodwill	**226**	**138 708**

The impact on the balance sheet of these changes in Group structure is detailed in the following table:

Changes in Group structure in 2011	MOURGUES	TSO Group	Total
Goodwill	76	138 615	138 691
Other non-current assets	269	88 136	88 405
Non-current assets	**345**	**226 751**	**227 096**
Current receivables	236	137 538	137 774
Cash	166	3 476	3 642

Current assets	**402**	**141 014**	**141 416**
Total assets	**747**	**367 765**	**368 512**
Equity	**400**	**146 316**	**146 716**
Provisions	7	14 016	14 023
Long-term borrowings	139	43 596	43 735
Deferred tax liabilities		8 345	8 345
Total non-current liabilities	**146**	**65 957**	**66 103**
Short-term borrowings		27 590	27 590
Trade payables	71	36 951	37 022
Other liabilities	130	90 951	91 081
Current liabilities	**201**	**155 492**	**155 693**
Total equity and liabilities	**747**	**367 765**	**368 512**

Pro-forma data

In accordance with IFRS 3, the pro forma figures shown in the table below have been calculated by simulating TSO's acquisition on January 1, 2011. The actual acquisition date was September 28, 2011, and the consolidated financial statements have therefore been restated to include the additional costs and income accrued during or estimated for the period from January 1 to September 28, 2011:

• Revenue and expenses of TSO companies over the restated period:
- Elimination of intra-group transactions for the period,
- Additional depreciation charges on assets restated on acquisition and the related tax effects,
- Elimination over the period of the impact of identified liabilities;

	Revenue from operating activities	Current operating income	Net borrowing cost	Income tax expense	Net income
Consolidation as of 12.31.2011	1 138	29,9	(5,4)	(8,1)	15,1
TSO from January 1 to September 28, 2011	136	7	(1,6)	(1,9)	3,5
Interests expenses			(1,6)	0,6	(1,1)
2011 Pro-forma data	**1 274**	**36,9**	**(8,6)**	**(9,4)**	**17,5**

5.2 Scope of Consolidation

Please refer to pages 180-184

6. Notes to the consolidated financial Statements

The Group's consolidated financial statements are presented in thousands of euros, unless otherwise stated.

6.1. Changes in goodwill and non-current assets

6.1.1 Changes in goodwill

	12.31.2010	Reclassifications	Impairment	Changes in Group structure	Other	12.31.2011
Regional Multi-Expertise Activities	65 537					65 537
Multi-Expertise Major Works	21 545					21 545
Specialist French Subsidiaries	13 950			138 934		152 884
Total goodwill	**101 032**	**-**	**-**	**138 934**	**-**	**239 966**

	12.31.2009	Reclassifications	Impairment	Changes in Group structure	Other	12.31.2010
Regional Multi-Expertise Activities	59 167	6 011	(5)	364		65 537
Multi-Expertise Major Works	20 647	898				21 545
Specialist French Subsidiaries	14 198			60	(308)	13 950
Siorat and subsidiaries	4 564	(4 564)				
Sampietro	1 590	(1 590)				
TPRN	755	(755)				
Total goodwill	**100 921**	**-**	**(5)**	**424**	**(308)**	**101 032**

6.1.2 Change in non-current assets

Details of changes in the scope of consolidation are given in paragraph 5.1. The «Other» line item relates to reclassifications of intangible assets.

	12.31.2010	Changes in Group structure	Increase	Decrease	Other	12.31.2011
Concession intangible assets	**30 965**	**-**	**22**	**(105)**	**106**	**30 988**
Intangible assets	**3 257**	**247**	**88**	**(19)**		**3 573**
Land	14 224	2 671	489	-	218	17 602
Buildings	25 136	10 329	903	(694)	481	36 155
Machinery and equipment	220 392	62 886	22 070	(11 047)	251	294 552
Other property, plant and equipment	57 878	6 350	7 243	(4 543)	-	66 928
Property, plant and equipment under construction	1 066	3 665	1 406	-	(1 286)	4 851
Property, plant and equipment	**318 696**	**85 901**	**32 111**	**(16 284)**	**(336)**	**420 088**
Investments in associates	**8 410**	**(6 416)**	**62**	**-**	**-**	**2 056**
Available-for-sale financial assets	**1 324**	**541**	**4 789**	**(309)**	**(87)**	**6 258**
Other financial assets	**542**	**145**	**5 352**	**(108)**		**5 931**
Total gross amount	**363 194**	**80 418**	**42 424**	**(16 825)**	**(317)**	**468 894**
Concession intangible assets	**10 399**	**-**	**878**	**-**	**-**	**11 277**
Intangible assets	**1 793**	**-**	**149**	**(19)**	**197**	**2 120**
Land	891	-	63	-	-	954
Buildings	8 751	-	1 676	(638)	-	9 789
Machinery and equipment	101 604	-	31 520	(8 793)	(30)	124 301
Other property, plant and equipment	32 784	-	6 075	(3 831)	30	35 058
Property, plant and equipment	**144 030**	**-**	**39 334**	**(13 262)**	**-**	**170 102**
Available-for-sale financial assets	**-**		**312**	**-**	**-**	**312**
Total amortization, depreciation and impairment	**156 222**	**-**	**40 673**	**(13 281)**	**197**	**183 811**
o.w. impairment losses	727					727
Net non-current assets	**206 972**	**80 418**	**1 751**	**(3 544)**	**(514)**	**285 083**

	12.31.2009	Changes in Group structure	Increase	Decrease	Other	12.31.2010
Concession intangible assets	**30 867**	**-**	**106**	**(8)**	**-**	**30 965**
Intangible assets	**2 755**	**1**	**110**	**(6)**	**397**	**3 257**
Land	14 172	15	240	(203)		14 224
Buildings	23 950	48	1 139	(1)		25 136
Machinery and equipment	196 118	774	37 502	(13 979)	(23)	220 392
Other property, plant and equipment	56 102	279	5 593	(4 040)	(56)	57 878
Property, plant and equipment under construction	**3 823**	**(3 120)**	**838**	**(475)**	**-**	**1 066**
Property, plant and equipment	**294 165**	**(2 004)**	**45 312**	**(18 698)**	**(79)**	**318 696**
Investments in associates	**2 181**	**6 208**	**123**	**(102)**	**-**	**8 410**
Available-for-sale financial assets	**1 819**	**40**	**139**	**(491)**	**(183)**	**1 324**
Other financial assets	**754**	**34**	**72**	**(65)**	**(253)**	**542**
Total gross amount	**332 541**	**4 279**	**45 862**	**(19 370)**	**(118)**	**363 194**
Concession intangible assets	**9 533**	**-**	**874**	**(8)**	**-**	**10 399**
Intangible assets	**1 324**	**-**	**475**	**(6)**	**-**	**1 793**
Land	916	-	107	(132)	-	891
Buildings	7 414	-	1 416	(79)	-	8 751
Machinery and equipment	87 633	-	23 300	(9 329)	-	101 604
Other property, plant and equipment	30 647	-	5 721	(3 584)	-	32 784
Property, plant and equipment	**126 610**	**-**	**30 544**	**(13 124)**	**-**	**144 030**
Total amortization, depreciation and impairment	**137 467**	**-**	**31 893**	**(13 138)**	**-**	**156 222**
o.w. impairment losses	727					727
Net non-current assets	**195 074**	**4 279**	**13 969**	**(6 232)**	**(118)**	**206 972**

6.2. Concession assets

This line item includes all non-current assets of fully consolidated companies that have entered into concession arrangements or Public Private
Partnerships (PPP). These non-current assets will be transferred free of charge to the grantor or to the user of the PPP agreement upon expiry thereof. These assets relate to Port Médoc where the concession arrangements expire in 2055.

6.3. Investments in associates (reported using the equity method)

12.31.2011	DEMETER	CDB	E26	SLE	P2R	CORREZE ENROBES	LCA	GED	COFOR	SABLIÈRE DE BRAM	OFFROY
Data on a 100% basis											
Revenue	206	2 310	-	684	6 288	7 788	1 225	-	-	667	-
Operating income	(1 816)	(313)	-	5	88	136	36	(838)	-	113	-
Net income	(1 814)	(440)	-	1	29	61	30	(880)	-	56	-
Equity	(9 155)	(632)	-	359	803	376	42	(114)	-	122	3611
Percentage interest	25%	50%	-	39%	23%	43%	50%	50%	-	50%	34,94%
Share in net income	**(454)**	**(220)**	**-**	**-**	**7**	**26**	**15**	**(440)**	**-**	**28**	**-**
Equity attributable to owners of the parent	**(2 289)**	**(316)**	**-**	**409**	**244**	**59**	**21**	**(1 457)**	**-**	**61**	**1 262**

12.31.2010	DEMETER	CDB	E26	SLE	P2R	CORREZE ENROBES	LCA	GED	COFOR	SABLIÈRE DE BRAM
Data on a 100% basis										
Revenue	368	1 299	13 025	700	5 118	7 185	860	-	1 950	301

Operating income	(1 437)	(152)	1 234	11	79	156	9	(2 006)	(282)	(7)
Net income	(1 438)	(289)	814	5	29	86	5	(2 054)	(171)	(34)
Equity	(7 340)	(192)	3 287	357	773	340	12	(2 034)	(718)	66
Percentage interest	25%	50%	25%	39%	23%	43%	50%	50%	30%	50%
Share in net income	**(360)**	**(145)**	**203**	**2**	**7**	**37**	**3**	**(1 027)**	**(51)**	**(17)**
Equity attributable to owners of the parent	**(1 835)**	**(96)**	**1 582**	**408**	**239**	**46**	**6**	**(1 017)**	**6 096**	**33**

- The company E26 was sold during the year.
- Following a reduction in its percentage interest, the Group reclassified its stake in Cofor to «Other financial assets».

6.4. Equity attributable to owners of the parent

	12.31.2011	12.31.2010
Shares and loans of/to Alicorne*	8 502	5
Shares of Cofor	1 398	-
Other financial assets	1 975	1 861
Other financial assets	**11 875**	**1 866**

**Alicorne is the concession holder of the A88 motorway.*

6.5. Income tax expense and deferred tax

- **Reconciliation between the effective income tax expense and the theoretical expense**

	12.31.2011	12.31.2010
Consolidated net income	15 063	4 879
Income tax expense	8 177	2 094
Pre-tax net income	**23 239**	**6 973**
Standard tax rate	34,43%	34,43%
Theoretical tax expense	**8 001**	**2 401**
Permanent differences	533	(64)
Adjustments to prior losses	-	(707)
Share in net income of associates	(357)	464
Effective tax expense	8 177	2 094
Effective tax rate	**35,19%**	**30,03%**

- **Breakdown of deferred taxes**

	12.31.2011	12.31.2010
Assets stemming from:		
Retirement payments	4 773	3 388
Tax deferment	10 453	10 493
Capitalized losses	1 405	2 160
Sundry		321
Total deferred tax assets	**16 631**	**16 363**
Liabilities stemming from:		
Tax deferment	25 195	23 059
Finance lease	11 486	3 429
Total deferred tax liabilities	**36 681**	**26 488**

- **Income tax expense**

	12.31.2011	12.31.2010
Current taxes	5 234	5 201
Deferred taxes	2 943	(3 107)
Total	**8 177**	**2 094**

- Unrecognized deferred tax assets

Unrecognized deferred tax assets amounted to €0.6 million at December 31, 2011 and involved companies that are not part of the tax group.

6.6. Inventories

	12.31.2010	Changes in Group structure	Increase	Decrease	12.31.2011
Raw materials and supplies	16 666	6 146		(6 602)	16 209
Total gross amount	**16 666**	**6 146**	**-**	**(6 602)**	**16 209**
Raw materials and supplies	(1 233)	(96)		266	(1 063)
Total depreciation and impairment	**(1 233)**	**(96)**	**-**	**266**	**(1 063)**
Inventories and work-in-progress	**15 433**	**6 050**	**-**	**(6 337)**	**15 146**

	12.31.2009	Changes in Group structure	Increase	Decrease	12.31.2010
Raw materials and supplies	18 999	644		(2 977)	16 666
Total gross amount	**18 999**	**644**	**-**	**(2 977)**	**16 666**
Raw materials and supplies	(1 399)			166	(1 233)
Total depreciation and impairment	**(1 399)**	**-**	**-**	**166**	**(1 233)**
Inventories and work-in-progress	**17 600**	**644**	**-**	**(2 811)**	**15 433**

6.7. Trade and other receivables

	12.31.2011	12.31.2010
Trade receivables - gross amount	398 788	305 823
Impairment	(1 863)	(2 537)
Trade receivables	**396 925**	**303 286**
Advance payments	**4 834**	**1 848**
State	38 045	30 103
Other receivables	18 513	16 685
Prepaid expenses	2 734	238
Impairment	(21)	(21)
Other current assets	**59 271**	**47 005**
Group debtors	**56 074**	**35 156**

The schedule of trade receivables breaks down as follows:

	TOTAL	Not yet due	<30 days	30<60 days	60<90 days	90<120 days	>120 days
Trade receivables at 12.31.2011	398 788	314 835	40 505	16 987	3 845	2 681	19 934
Trade receivables at 12.31.2010	305 823	233 336	32 988	16 345	6 777	1 859	14 518

6.8. Equity instruments

In June 2008, NGE issued 2,999,952 convertible bonds with a nominal value of €10 each, representing a total of €30 million. As part of its capital transactions on June 9, 2011 and September 28, 2011, the Group decided to redeem these bonds early in cash. The convertible bonds issued during 2011 (ORA 2, ORA 3 and ORA 4 - see note 1) are recognized as equity in accordance with IAS 32 because they can only be redeemed for NGE shares. The coupon paid on these bonds is therefore recognized directly in equity.

6.9. Net borrowings

6.9.1. Cash

	12.31.2011	12.31.2010
Marketable securities	101 245	95 439
Cash	23 689	9 651

Cash and cash equivalents	**124 934**	**105 089**
Bank overdrafts	(25 054)	(34 182)
Net cash in the balance sheet	**99 880**	**70 907**

Credit facilities totaled €68.9 million at December 31, 2011 and €39.2 million at December 31, 2010, of which €25.0 million and €34.2 million, respectively, had been drawn down.

6.9.2. Loans and borrowings

	12.31.2011				12.31.2010			
	Current	Non-current		Total	Current	Non-current		Total
		1 - 5 years	> 5 years			1 - 5 years	> 5 years	
Borrowings associated with concessions	1 250	5 000	1 563	7 813	1 250	5 000	2 813	9 063
Bank borrowings	43 543	115 850	11 898	171 291	28 204	68 537	9 439	106 180
Finance lease borrowings	16 299	23 775	706	40 779	5 252	7 997	995	14 244
Other borrowings		2 955		2 955	347			347
Accrued interest	1 139			1 139	4 006			4 006
Gross debt	**62 231**	**147 580**	**14 167**	**223 977**	**39 059**	**81 534**	**13 247**	**133 840**
Net cash				99 880				70 907
Net debt				**124 097**				**62 932**
o.w. fixed-rate debt	28 645	54 180	4 106	86 931	18 322	39 270	5 615	63 207
o.w. floating-rate debt	33 586	93 400	10 061	137 046	16 945	42 306	7 632	66 883

The total nominal amount of hedging instruments was €117 million, i.e. 85% of floating rate borrowings (see note 6.13).

Bank covenants:

The terms of the Group's loan require it to comply with certain contractually defined financial ratios.
As of December 31, 2011, the Group was in compliance with these ratios

6.10. Current and non-current provisions

	12.31.2010	Changes in Group structure	Increase	Decrease	12.31.2011
Provisions for retirement payments	10 305	1 247	3 833	(1 048)	14 337
Provisions for quarry redevelopment	1 079	-	-	(9)	1 070
Provisions for renewal	2 493	-	-	-	2 493
Provisions for site restoration	100	122	36	-	258
Provisions for disputes and litigation	35 889	9 795	11 974	(5 860)	51 798
Other non-current provisions	1 430	2 859	2 122	(2 867)	3 544
Total non-current provisions	**51 296**	**14 023**	**17 965**	**(9 784)**	**73 500**
Other sundry provisions	3 419	-	1 336	-	4 755
Total current provisions	**3 419**	**-**	**1 336**	**-**	**4 755**
Total provisions	**54 715**	**14 023**	**19 301**	**(9 784)**	**78 255**

	12.31.2009	Changes in Group structure	Increase	Decrease	12.31.2010
Provisions for retirement payments	8 217	100	2 086	(98)	10 305
Provisions for quarry redevelopment	2 457	-	15	(1 393)	1 079
Provisions for renewal	2 493	-	-	-	2 493
Provisions for site restoration	241	-	15	(156)	100
Provisions for disputes and litigation	36 052	-	6 084	(6 247)	35 889
Other non-current provisions	599	-	1 001	(170)	1 430
Total non-current provisions	**50 059**	**100**	**9 201**	**(8 064)**	**51 296**
Other sundry provisions	2 028	-	1 566	(175)	3 419
Total current provisions	**2 028**	**-**	**1 566**	**(175)**	**3 419**
Total provisions	**52 087**	**100**	**10 767**	**(8 239)**	**54 715**

6.11. Trade and other payables

	12.31.2011	12.31.2010
Trade payables	**253 656**	**235 884**
Advances and payments on account received	**21 294**	**14 699**
Current tax liabilities	**2 530**	**-**
Social security payables	54 007	30 725
Tax payables	90 708	70 939
Gross amount due to customers	59 907	54 301
Loans and advances to silent partnerships and others	96 022	36 308
Prepaid income	14 482	7 986
Other sundry payables	1 942	11 280
Other current liabilities	**317 068**	**211 539**

6.12. Working capital requirement

Working capital requirement	12.31.2011	12.31.2010	Flux Provided by operating activities	Non-current asset suppliers	Changes in Group structure and other
Inventories	15 146	15 433	(6 337)		6 050
Trade receivables	396 925	303 286	2 087		91 552
Other assets	122 762	87 701	(4 594)	(517)	40 172
Operating asset subtotal	**534 833**	**406 420**	**(8 844)**	**(517)**	**137 774**
Trade payables	253 656	235 884	(15 209)	(4 040)	37 022
Other liabilities	340 892	226 238	23 573		91 081
Operating liability subtotal	**594 548**	**462 122**	**8 364**	**(4 040)**	**128 103**
Working capital [requirement] / surplus	**59 715**	**55 702**	**17 207**	**(3 523)**	**(9 671)**

6.13. Financial instruments

12.31.2011	Carrying amount	Fair value	Available-for- sale financial assets	Financial assets at fair value through income	Loans and receivables	Liabilities at amortized cost	Hedging instruments
Other financial assets	11 875	11 875	11 757				118
Trade and other receivables	396 925	396 925			396 925		
Other current assets	59 271	59 271			59 271		
Group debtors	56 074	56 074			56 074		
Cash and cash equivalents	124 934	124 934		124 934			
Total assets	**649 079**	**649 079**	**11 757**	**124 934**	**512 270**	**-**	**118**
Borrowings > 1 year	161 746	161 746				158 791	2 955
Borrowings < 1 year	62 231	62 231				62 231	
Bank overdrafts	25 054	25 054				25 054	
Advances and payments on account received	21 294	21 294			21 294		
Trade payables	253 656	253 656			253 656		
Other current liabilities	317 068	317 068			317 068		
Total liabilities	**841 049**	**841 049**	**-**	**-**	**592 018**	**246 075**	**2 955**

12.31.2010	Carrying amount	Fair value	Available-for- sale financial assets	Financial assets at fair value through income	Loans and receivables	Liabilities at amortized cost	Hedging instruments
Other financial assets	1 866	1 866	1 777				99
Trade and other receivables	303 286	303 286			303 286		
Other current assets	47 005	47 005			47 005		
Group debtors	35 156	35 156			35 156		
Cash and cash equivalents	105 089	105 089		105 089			
Total assets	**492 401**	**492 401**	**1 777**	**105 089**	**385 447**	**-**	**99**
Borrowings > 1 year	94 781	94 781				93 407	1 374
Borrowings < 1 year	39 059	39 059				39 059	
Bank overdrafts	34 182	34 182				34 182	
Advances and payments on account received	14 699	14 699			14 699		
Trade payables	235 884	235 884			235 884		
Other current liabilities	211 539	211 539			211 539		
Total liabilities	**630 143**	**630 143**	**-**	**-**	**462 122**	**166 648**	**1 374**

Interest rate hedging:

Derivative instruments authorized for debt-hedging purposes consist of swaps or options entered into with leading financial institutions. With respect to the interest rate hedging contracts in place at December 31, 2011, total gross borrowings exposed to uncapped interest rate risk amounted to €28 million compared to €19.1 million at December 31, 2010.
At constant debt levels at December 31, 2011 and having regard to the interest rate derivatives in the portfolio at that date, a 100 basis point increase in floating rates would increase annual financial expenses by €1.0 million.
The value of interest rate hedging instruments breaks down as follows:

Fair values as of 12.31.2011	Non-current assets	Current assets	Non-current liabilities	Current liabilitie s	Notional amount
Cash flow hedging swap			487		21 808
Options qualifying for hedge accounting	118		1 291		12 752
Tunnels			1 177		82 408
Total interest rate hedging	**118**	**-**	**2 955**		**116 968**

Fair values as of 12.31.2010	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Notional amount
Cash flow hedging swap			54		9 375
Options qualifying for hedge accounting	99				9 132
Tunnels			1 320		29 298
Total interest rate hedging	**99**	**-**	**1 374**		**47 805**

6.14. Revenue

Revenue by business breaks down as follows:

	12.31.2011	12.31.2010
Earthworks & Urban Infrastructures	46%	49%
Hydraulic & other Underground Networks	18%	23%
Civil Engineering	8%	7%
Road building and road equipment	15%	13%
Geotechnics and Safety Works	6%	7%
Railway construction and maintenance	6%	-
Other activities	1%	1%
Total revenue	100%	100%
	12.31.2011	12.31.2010

Specialist French Subsidiaries	23%	19%
Multi-Expertise Major Works	19%	17%
Regional Multi-Expertise Activities	58%	64%
Total revenue	**100%**	**100%**

6.15. Other operating revenue and expenses

	12.31.2011	12.31.2010
Net capital gains (losses) on disposal of operations	407	-
Asset impairment	-	(5)
Share-based payments	-	295
Other operating revenue and expenses	**407**	**290**

Net capital gains (losses) on disposal in 2011 mainly comprises the impact of selling E26 (€0.5 million) and the reduction in the Group's percentage interest in Cofor (+€0.9 million).

6.16. Other financial income and expenses

	12.31.2011	12.31.2010
Net capital gains (losses) on disposal of securities	(131)	(201)
Income from equity interests	1 010	175
Other financial income	184	1 583
Exchange differences	(695)	-
Sundry	(203)	(11)
Other financial income and expenses	**164**	**1 545**

6.17. Earnings per share

	12.31.2011	12.31.2010
Numerator		
Net income attributable to owners of the parent (a)	14 840	4 228
Net income attributable to shareholders (b)	12 819	2 874
Denominator		
Weighted average number of shares (c)	4 797 034	3 533 772
Weighted average number of convertible bonds (d)	1 654 260	2 999 952

Weighted average number of theoretical equity instruments (e)	**6 451 294**	**6 533 724**
Earnings per share (euros) (b/c)	**2,67**	**0,81**
Diluted earnings per share (euros) (a/e)	**2,30**	**0,65**

The potentially dilutive ordinary shares include the 1 654 260 convertible bonds classified as equity instruments. The coupon (net of tax) due on these bonds is deducted from net income attributable to owners of the parent to determine the net income attributable to partners.

6.18. Off-balance sheet commitments

	12.31.2011	12.31.2010
Deposits, guarantees and sureties given	331 676	233 221
Others sureties	112 666	52 502
Total commitments given	**444 342**	**285 723**
Deposits, guarantees and sureties given	28 806	45 915
Total commitments received	**28 806**	**45 915**

6.19. Employees

	12.31.2011	12.31.2010
Senior Management	888	657
Junior Management	1 894	1 468
Other Management	3 205	2 845
Average workforce	**5 987**	**4 970**

6.20. Environment

In environmental terms, the NGE Group does not believe it is exposed to major specific risks, having no fixed production facility, along the lines of permanent industrial facilities. Pollution risks are limited to temporary site facilities. NGE Group endeavors to respect applicable regulations.

List of consolidated companies

	12.31.2011			12.31.2010		
Company	Method	% Control	% Interest	Method	% Control	% Interest
NGE	**Parent**	**100**	**100**	**Parent**	**100**	**100**
ABTP BIARD	Fully consolidated	63	63	Fully consolidated	63	58
AGILIS	Fully consolidated	100	100	Fully consolidated	100	91
AIRCO	Fully consolidated	70	70	Fully consolidated	70	64
ALPILLES PARTICIPATIONS	Fully consolidated	100	100	Fully consolidated	100	91
BARAZER	Fully consolidated	100	100	Fully consolidated	100	91
BERENGIER DEPOLLUTION	Fully consolidated	60	60	Fully consolidated	60	55
BPE LOCATION				Fully consolidated	50	46
CALCAIRES DU BITTEROIS	Equity method	50	50	Equity method	50	46
CALLIOPE FINANCES	Fully consolidated	100	100	Fully consolidated	100	91
CARRIERES DE BAYSSAN	Fully consolidated	100	100	Fully consolidated	100	91
CARRIERES DE BOULBON	Fully consolidated	100	100	Fully consolidated	100	91
CAZAL	Fully consolidated	100	100	Fully consolidated	100	91
CIRCE INVESTISSEMENTS	Fully consolidated	100	100	Fully consolidated	100	91
CORREZE ENROBES	Equity method	43	43	Equity method	43	39
DEC	Fully consolidated	100	100	Fully consolidated	100	91
DEMETER	Equity method	25	25	Equity method	25	23
E26				Equity method	25	23
EHTP	Fully consolidated	100	100	Fully consolidated	100	91
EXTER	Fully consolidated	50	50	Fully consolidated	50	46
FRASCA	Fully consolidated	100	100			
FVF	Fully consolidated	100	100			

	12.31.2011			12.31.2010		
Company	Method	% Control	% Interest	Method	% Control	% Interest
GED	Equity method	50	50	Equity method	50	46
GIPERAIL	Fully consolidated	50	50			
GMS ENROBES	Fully consolidated	60	60	Fully consolidated	60	55
GTEC	Fully consolidated	100	100	Fully consolidated	100	91
GTS	Fully consolidated	100	100	Fully consolidated	100	91
GUINTOLI	Fully consolidated	100	100	Fully consolidated	100	91
GUINTOLI BELGIUM	Fully consolidated	100	100	Fully consolidated	100	91
HOLDING COFOR				Equity method	30	27
HOLDING CORAIL	Fully consolidated	45	45	Fully consolidated	45	41
HOLDING SLD-ERA	Fully consolidated	100	100	Fully consolidated	100	91
HOLDING TPRN	Fully consolidated	73	73	Fully consolidated	100	66
L.C.A Les Carrières d'Avrainville	Equity method	50	50	Equity method	50	46
LA CHAMPENOISE	Fully consolidated	65	65	Fully consolidated	65	59
LAGARRIGUE	Fully consolidated	100	100	Fully consolidated	100	91
LAGARRIGUE PREFA	Fully consolidated	100	100	Fully consolidated	100	91
LEFEBVRE	Fully consolidated	100	100	Fully consolidated	100	91
LIANTS DE L'ESTUAIRE	Equity method	39	39	Equity method	39	35
LIANTS DU SUD OUEST (LSO)	Fully consolidated	100	100	Fully consolidated	100	91
MERCURE FINANCES	Fully consolidated	100	100	Fully consolidated	100	91
METRICRAIL	Fully consolidated	50	50			
MIRE	Fully consolidated	100	100			

	12.31.2011			12.31.2010		
Company	Method	% Control	% Interest	Method	% Control	% Interest
MOURGUES	Fully consolidated	100	100			
MULLER ASSAINISSEMENT				Fully consolidated	100	91
MULLER TP	Fully consolidated	100	100	Fully consolidated	100	91
NGE ENERGIES NOUVELLES	Fully consolidated	100	100	Fully consolidated	100	91
NGE GENIE CIVIL	Fully consolidated	100	100	Fully consolidated	100	91
NHE				Fully consolidated	100	91
NICOLO	Fully consolidated	100	100	Fully consolidated	100	91
OFFROY	Equity method	35	35			
OLICHON	Fully consolidated	100	100			
P2R	Equity method	23	23	Equity method	23	21
PASS	Fully consolidated	45	45	Fully consolidated	45	41
PEVERAIL	Fully consolidated	50	50			
PLATEFORME	Fully consolidated	100	100	Fully consolidated	100	91
PORT MEDOC	Fully consolidated	100	100	Fully consolidated	100	91
PPDC	Fully consolidated	100	100			
PRO-FIL	Fully consolidated	70	70	Fully consolidated	70	64
ROCS	Fully consolidated	100	100	Fully consolidated	100	91
RUPT MATERIAUX	Fully consolidated	100	100	Fully consolidated	100	91
SABLIERES DE BRAM	Equity method	50	50	Equity method	50	46
SAMPIETRO	Fully consolidated	100	100	Fully consolidated	100	91
SATS	Fully consolidated	100	100	Fully consolidated	100	91

	12.31.2011			12.31.2010		
Company	Method	% Control	% Interest	Method	% Control	% Interest
SERFOTEX	Fully consolidated	100	100	Fully consolidated	100	91
SOCIETE FINANCIERE HYDRO AISNE-MEUSE	Fully consolidated	100	100			
SFI	Fully consolidated	100	100	Fully consolidated	100	91
SIFEL	Fully consolidated	100	100			
SIORAT	Fully consolidated	100	100	Fully consolidated	100	91
SLD TP	Fully consolidated	100	100	Fully consolidated	100	91
SOC	Fully consolidated	100	100	Fully consolidated	100	91
SOCAL	Fully consolidated	100	100	Fully consolidated	100	91
SOCIETE DES BITUMES EUROPEENS	Fully consolidated	100	100	Fully consolidated	100	91
SOCIETE GENERALE DE LIANTS	Fully consolidated	95	95	Fully consolidated	95	86
SOLES ESPIRA				Fully consolidated	100	91
SOPRESOC	Fully consolidated	100	100	Fully consolidated	100	91
SOTRAC	Fully consolidated	100	100	Fully consolidated	100	91
SPESOT	Fully consolidated	100	100	Fully consolidated	100	91
SUD FONDATIONS	Fully consolidated	100	100	Fully consolidated	100	91
TOPRAIL	Fully consolidated	50	50			
TP LYAUDET	Fully consolidated	100	100	Fully consolidated	100	91
TPRN	Fully consolidated	100	73	Fully consolidated	100	66
TRIEL GRANULATS	Fully consolidated	50	50	Fully consolidated	50	46
TSO	Fully consolidated	100	100			
TSO CATENAIRES	Fully consolidated	100	100			

	12.31.2011			12.31.2010		
Company	Method	% Control	% Interest	Method	% Control	% Interest
VAL TP	Fully consolidated	100	100	Fully consolidated	100	91
VGC	Fully consolidated	50	50	Fully consolidated	50	46

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

«N.G.E. »

S.A.S. AU CAPITAL DE 38.376.272 €UROS

SIEGE SOCIAL : PARC D'ACTIVITE DE LA LAURADE

12103 SAINT ETIENNE DU GRES

RCS : TARASCON 504 124 801

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

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«N.G.E. »

S.A.S. AU CAPITAL DE 38.376.272 €UROS
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STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

To the Shareholders

In compliance with the assignment entrusted to us by your annual general meeting and status, we hereby report to you, for the year ended **December 31, 2011** on:

- the audit of the accompanying consolidated financial statements of *NGE* Company,
- the justification of our assessments,
- the specific verifications and information required by law.

These consolidated financial statements have been approved by The Chairman. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 5.1 to the consolidated financial statements which describes change of Group structure for the 31 December 2011 year-ended and pro forma information presenting impacts of the PPDC-TSO entry in the NGE group consolidation perimeter

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II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matter:

- *Every year, the company performs an impairment test of the goodwill, according to the procedures described in note 4. We verified these implementation methods, as well as the cash flows forecasts, the underlying assumptions and we have ensured that the provided information in note 4 has been correctly disclosed*

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATIONS AND INFORMATION

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements

MONTPELLIER & AVIGNON, March 30, 2012.
THE STATUTORY AUDITORS,

AREs X•PERT AUDIT

M. Michel GALAINE

M. Jocelyn MICHEL

TAXATION

The following is an overview of certain withholding tax considerations relating to the Notes in the European Union and in France. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in France or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

1. EU Savings Directive

On 3 June 2003, the European Council of Economics and Finance Ministers adopted Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**). Pursuant to the Savings Directive, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, inter alia, details of payments of interest within the meaning of the Savings Directive (interest, premium or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State or to certain limited types of entities established in that other Member State (the **Disclosure of Information Method**).

For these purposes, the term **paying agent** is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals or certain entities.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

Throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax is currently 35 per cent. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. On 10 April 2013, Luxembourg officially announced that it will no longer apply the withholding system as from 1 January 2015 and will apply the Disclosure of Information Method as from tis date as from this date.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the **OECD Model Agreement**) with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate of 35% and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

2. France

2.1 Withholding Tax

Holders of the Notes who concurrently hold shares of the Issuer or who are otherwise affiliated with the Issuer may also be impacted by other rules not described in the present section.

Pursuant to Article 125 A III of the French *Code général des impôts*, payments of interest and other revenues made by the Issuer with respect to the Notes are not subject to the withholding tax unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**), in which case, a 75 per cent. withholding tax is applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty to such payments). The 75 per cent. withholding tax is applicable irrespective of the tax residence of the holder of the Notes. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes are not deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to a bank account opened in a financial institution located in a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. (subject to more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, the law provides that the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* will not apply in respect of the Notes if the Issuer can prove that the principal purpose and effect of the issue of the Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to *Bulletin officiel des Finances Publiques-Impôts* (BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211 and BOI-ANNX-000364-20120912), the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of each issue of the Notes, if the Notes are notably:

(a) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(b) admitted, at the time of their issue, to the clearing operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Consequently, payments of interest and other revenues made by the Issuer under the Notes are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts*. In addition, they will be subject neither to the Deductibility Exclusion nor to the withholding tax set

out under Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid to a bank account opened in a financial institution located in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non Cooperative State.

Pursuant to Article 125 A of the French *Code général des impôts*, subject to certain exceptions, interest and similar revenues received from 1 January 2013 by individuals fiscally domiciled in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and similar revenues paid to individuals fiscally domiciled in France.

2.2 EU Savings Directive

The Savings Directive has been implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

SUBSCRIPTION AND SALE

1. Placement Agreement

Pursuant to a placement agreement dated 25 July 2014 entered into between CM-CIC Securities and Société Générale (the **Joint Lead Managers**) and the Issuer (the **Placement Agreement**), the Joint Lead Managers have jointly and severally agreed with the Issuer, subject to satisfaction of certain conditions, to procure subscription and payment for, failing which, to subscribe the Notes at an issue price equal to 100 per cent. of their principal amount, less the commissions agreed between the Issuer and the Joint Lead Managers. The Placement Agreement entitles, in certain circumstances, the Joint Lead Managers to terminate it prior to payment being made to the Issuer. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

2. Subscription by the Operational Managers

The Operational Managers (as defined in "Terms and Conditions of the Notes – Redemption at the option of Noteholders following a Change of Control") will be indirectly subscribing to the issue of the Notes up to an amount € 5,000,000.

3. Selling Restrictions

3.1 United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, within the United States, or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Terms used in this paragraph and not otherwise defined in the Prospectus have the meanings given to them by Regulation S under the Securities Act (**Regulation S**).

The Notes are being offered and sold only outside the United States to non-U.S. persons in compliance with Regulation S and U.S. tax law.

In addition, until 40 calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

3.2 United Kingdom

The Lead Managers have represented and agreed that (in connection with the initial distribution of the Notes only):

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

3.3 France

Each of the Joint Lead Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

3.4 Italy

The offering of the Notes has not been registered with *the Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. The Joint Lead Managers have represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Any such offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 16190 of 29 October 2007 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time); and

(ii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

3.5 Spain

The Joint Lead Managers have represented and agreed that neither the Notes nor this Prospectus have been approved or registered in the administrative registries of the Spanish Securities Markets Commission (*Comision Nacional del Mercado de Valores*). Accordingly, the Notes may only be offered or sold in Spain: (i) in circumstances which do not constitute a public offering of securities in Spain within the meaning of Article 30bis of the Spanish Securities Market Law of 28 July 1988 (*Ley 24/1988, de 28 dejulio, del Mercado de Valores*), as amended, Royal Decree 1310/2005, of 4 November, and further relevant legislation and (ii) by entities duly authorised to provide investment services within Spain.

3.6 General

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes. Neither the Issuer nor the Joint Lead Managers represent that Notes may at any time lawfully be resold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such resale.

Each of the Joint Lead Managers has agreed that it will severally and not jointly comply, to the best of its knowledge, with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Prospectus or any other offering material relating to the Notes and obtain any consent, approval or

permission required for the purchase, offer or sale of the Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale and none of the Issuer or any Joint Lead Manager shall have responsibility therefore.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through Clearstream, Luxembourg (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg), Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgium) and Euroclear France (66 rue de la Victoire, 75009 Paris, France) with the common code 109034967. The International Securities Identification Number (ISIN) code for the Notes is FR0012044592.

2. The issue of the Notes has been authorised pursuant to a decision of the Executive Board *(Directoire)* of the Issuer dated 16 July 2014, acting upon prior authorisation of the Strategic Board (*Conseil Stratégique*) dated 2 July 2014.

3. For the sole purposes of the admission to trading of the Notes on Euronext Paris, and pursuant to Articles L.412-1 and L.621-8 of the French *Code monétaire et financier*, this Prospectus has been submitted to the AMF and received visa no. 14-438 dated 25 July 2014.

4. The total expenses related to the admission to trading of the Notes are estimated to € 4,375.

5. The members of the Executive Board (*Directoire*) and Strategic Board (*Conseil Stratégique*) of the Issuer have their business addresses at the registered office of the Issuer.

6. The statutory auditors of the Issuer for the period covered by the historical financial information are Michel Galaine and AREs X-PERT Audit – Jocelyn Michel. They have audited and rendered unqualified audit reports on the financial statements of the Issuer for each of the financial years ended 31 December 2010, 31 December 2011, 31 December 2012 and 31 December 2013. Michel Galaine belongs to the *Compagnie Régionale des Commissaires aux Comptes de* Montpellier and AREs X-PERT Audit – Jocelyn Michel belongs to the *Compagnie Régionale des Commissaires aux Comptes de* Nîmes.

7. The yield of the Notes is 4.375 per cent. *per annum*, as calculated at the Issue Date on the basis of the issue price of the Notes. It is not an indication of future yield.

8. Save for any fees payable to the Joint Lead Managers, as far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue of the Notes.

9. There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2013.

10. There has been no material adverse change in the prospects of the Issuer since 31 December 2013.

11. So long as any of the Notes are outstanding, copies of this Prospectus, the Fiscal Agency Agreement, the Pledge Agreement, the Ranking Agreement and the *statuts* (by-laws) of the Issuer will be available for inspection and copies of the most recent annual financial statements of the Issuer and the audit reports with respect thereto will be obtainable, free of charge, at the specified offices for the time being of the Paying Agents during normal business hours. This Prospectus is also available on the Issuer's website (www.groupe-nge.fr) and on the website of the AMF (www.amf-france.org).

    So long as any Notes is outstanding, the Issuer shall supply to the Fiscal Agent and make available to the Noteholders as soon as they are available but in any event within one hundred and eighty (180) calendar days after the end of the financial year of the Issuer:

    (i) the audited annual consolidated financial statements of the Issuer for such financial year, and

(ii) the audited annual non-consolidated financial statements of the Issuer for such financial year, and

(iii) the audit reports with respect thereto.

ISSUER

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