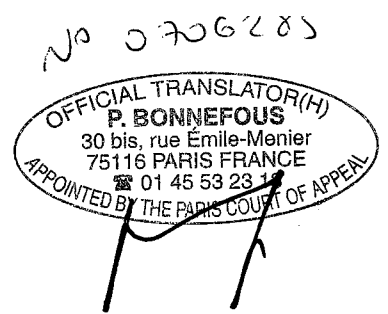


Translated from the French

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AUDIT

Egis Projects S.A.

Financial year ended 31 December 2006

Report of the Statutory Auditors
on the consolidated financial statements

ERNST & YOUNG

[Stamp on each page hereof,
with signature:
CERTIFIED TRUE COPY]



Egis Projects S.A.

Financial year ended 31 December 2006

Report of the Statutory Auditors
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ERNST & YOUNG

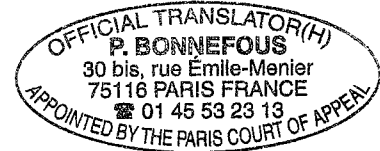
Ernst & Young Audit
A simplified joint stock company
with variable capital.
Nanterre Corporate Register no 344 366 315

Tour Ernst & Young
Faubourg de l'Arche
Postal address :
92037 Paris-La Défense cedex
Tel : 01 46 93 60 00

Egis Projects S.A.

Financial year ended 31 December 2006

Report of the Statutory Auditors
on the consolidated financial statements



Ladies and Gentlemen,

Pursuant to the mission entrusted to us by your General Meeting, we have audited the consolidated financial statements of Egis Projects S.A. for the financial year ended 30 December 2006, as appended to this report.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I – Opinion on the consolidated financial statements

We conducted our audit in accordance with accepted professional standards in France. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management as well as evaluating the overall adequacy of the presentation of information in these financial statements. We believe our audit provides a reasonable basis for our opinion expressed below.

In our opinion, the consolidated financial statements for the period then ended give a true and fair view of the financial position, assets and liabilities and net profit of the group constituted by the persons and entities included in the consolidation, in accordance with IFRS as adopted in the European Union.

II Justification of the assessments

Pursuant to the provisions of Article L 823-9 of the Commercial Code concerning the justification of our assessments, we draw your attention to the following items :

Accounting estimates

- **Long-term contracts**

The company recognises income from long-term contracts according to the methods described in paragraph 1.2.8 of the financial statements. This income depends on estimates on completion carried out by the project manager under the supervision of management.

On the basis of the information that has been provided to us, our work consisted of assessing the data and the assumptions on which these estimates of income on completion were based, reviewing the calculations made by your company, comparing the valuations of the income on completion of the previous periods with the corresponding actual income and examining the procedures for approval of these estimates by management.

- **Securities held for sale**

Your company values the securities held for sale according to the methods described in paragraph 1.2.5 and Note 7 to the financial statements. On the basis of the information that has been provided to us, our work consisted of assessing the reasons for the absence of consolidation of these investments as well as reviewing the data and assumptions on which the valuations are based and verifying, in particular, that Note 7 of the financial statements provides appropriate information.

- **Provisions for contingencies and risks**

Your company constitutes provisions for contingencies and risks based on estimates as described in Note 1.2.12 to the financial statements. Our work consists, in particular, of assessing the analyses of risks made by your company on the basis of the information currently available, as well as the reasonableness of the assumptions used and of the valuations resulting therefrom.

As stated in the introduction to the Notes to the consolidated financial statements, all of the estimates used are based on assumptions which by nature are uncertain, with their realisation being capable of differing, sometimes significantly, from the forecast data used.

The assessments thus made form part of our audit work of the consolidated financial statements, taken as a whole, and have thus contributed to the forming of our opinion expressed in the first part of this report.

III – Specific verifications

We have also performed, in accordance with accepted professional standards in France, the verification of the information given in the Group's management report. We have no comments to make about the fairness of the information or its consistency with the consolidated financial statements.

Paris-La-Défense, 6 June 2007

**The Statutory Auditors
Ernst & Young Audit**

(Signature)

Thierry Aymonier

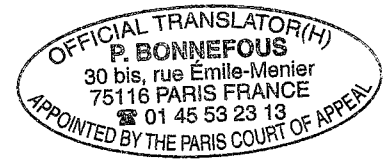




EGIS PROJECTS

CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

CONSOLIDATED FINANCIAL STATEMENTS



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CONSOLIDATED INCOME STATEMENT TO 31 DECEMBER

In € 000		2006 actual	2005 actual	2004 actual
Sales		62 045	64 502	81 576
Other revenues from activity	Note 21	3 679	1 206	381
TOTAL REVENUES FROM ORDINARY ACTIVITIES	Note 20	65 724	65 708	81 957
Other operating revenues		(17)	15	331
TOTAL REVENUES FROM OPERATING ACTIVITIES	Note 20	65 707	65 723	82 288
Purchases consumed		(12 667)	(9 707)	(16 660)
External costs		(25 793)	(28 293)	(29 752)
Staff costs	Note 22	(18 928)	(16 260)	(21 343)
Duties and taxes		(915)	(516)	(447)
Other operating costs		(2 225)	(234)	(2 284)
Depreciation and amortisation		(1 962)	(1 794)	(1 703)
TOTAL OPERATING COSTS		(62 490)	(56 804)	(72 189)
OPERATING PROFIT		3 217	8 919	10 099
Amortisation of goodwill		0	80	0
Result of disposals	Note 23	6 713	(153)	(1 735)
OPERATING INCOME			8 846	8 364
Gross borrowing cost		656	286	219
Income from cash and equivalents		0	0	20
Net borrowing cost		656	286	239
Other financial income and charges		450	1 873	2 607
FINANCIAL INCOME	Note 24	1 106	2 159	2 846
Income from companies accounted for by the equity method	Note 25	2 320	2 377	0
NET INCOME BEFORE TAX AND DISCONTINUED ACTIVITIES		13 356	13 382	11 210
Tax charge	Note 26	(3 925)	(2 240)	(4 839)
Net income from activities discontinued or in the process of discontinuation	Note 9	2 228	294	0
NET INCOME		11 659	11 256	6 371
<i>Shared between</i>				
Outside of the Group		469	347	183
Group share		11 190	10 909	6 188
Earnings per share— Continuing activities				
Earnings per share	Note 14	4.67	5.53	3.23
Earnings per share	Note 14	5.83	5.69	3.23

The income statements for 2005 and 2004 as presented differ from those which were certified by the Auditors by the reclassification of the dividends received from non-consolidated companies. This reclassification has been made from the “Other financial income” account to “Other revenues from activity” account to be comparable with 2006 as presented (cf. Note 2.1.4).

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

Assets In € 000		2006 actual		2005 actual	2004 actual
		Gross	Depreciation and amortisation	Net	Net
NON-CURRENT ASSETS					
	Intangible fixed assets	Note 3	595	(300)	295
	Goodwill	Note 4	-	0	-
	Tangible fixed assets	Note 5	14 806	(6 140)	8 666
	Securities of non-consolidated companies	Note 7	39 009	(2 060)	36 949
	Companies accounted for by the equity method	Note 6	3 048	-	3 048
	Other non-current financial assets		17 405	-	17 405
	Capital subscribed but not called up		-	-	-
	Other non-current financial assets	Note 8	-	-	-
	Discontinued activities and assets in the process of disposal	Note 9	-	-	-
	Deferred tax assets	Note 26	-	-	-
	TOTAL NON-CURRENT ASSETS		74 863	8 500	66 363
					57 924
					40 719
CURRENT ASSETS					
	Stocks and work in progress	Note 10	1 579	(871)	708
	Accounts receivable and other debtors	Note 11	17 052	(528)	16 524
	Miscellaneous receivables	Note 11	4 884	0	4 884
	Corporation tax receivables		47	-	47
	Other current financial assets and derivatives	Note 12	519	-	519
	Cash and equivalents	Note 13	28 433	-	28 433
	TOTAL CURRENT ASSETS		52 514	1 399	51 115
					42 593
					47 746
	TOTAL ASSETS		127 377	9 899	117 478
					100 517
					88 465
LIABILITIES AND SHAREHOLDERS' EQUITY					
In € 000					
SHAREHOLDERS' EQUITY					
	Share capital	Note 14		29 152	29 152
	Share premiums			-	-
	Consolidation reserves			24 613	18 819
	Translation differences			781	856
	Fair value on securities available for sale			5 061	4 587
	Group net income for the year			11 190	10 909
	Minority interests			600	413
	TOTAL SHAREHOLDERS' EQUITY			71 397	64 736
					50 331
NON-CURRENT LIABILITIES					
	Provisions for contingencies and risks – non-current	Note 15		2 961	316
	Subordinated borrowing	Note 16		-	-
	Borrowings and financial liabilities – non-current	Note 17		7 605	7 202
	Discontinued activities and liabilities being transferred	Note 97		-	1 990
	Deferred tax liabilities	Note 26		2	2
	TOTAL NON-CURRENT LAIBILITIES			10 568	9 510
					4 685
CURRENT LIABILITIES					
	Provisions for contingencies and risks –current	Note 15		5 822	920
	Borrowings and financial liabilities – current	Note 17		1 018	942
	Corporation tax payable			1 460	-
	Accounts payable and other creditors	Note 18		23 039	19 529
	Miscellaneous liabilities and accrual accounts	Note 19		4 174	4 880
	TOTAL CURRENT LIABILITIES			35 513	26 271
					33 449
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			117 478	100 517
					88 465

CONSOLIDATED CASH FLOW STATEMENT TO 31 DECEMBER

<i>In € 000</i>	2006 actual	2005 actual	2004 actual
Global net income	11 658	11 256	6 371
Allowances for and releases from depreciation, amortisation and provisions (excluding those relating to current assets)	6 554	2 166	795
Impact of the fair value and of the effective rate	-	396	-
Other calculated income and costs	(232)	(2 838)	101
Translation differences relating to the income statement	(315)	(1 074)	878
Capital gains or losses on disposals	(9 713)	176	(2 675)
Net income of discontinued activities	(2 228)	-	0
Share of income from companies accounted for by the equity method	(2 320)	(2 377)	0
Dividends received from companies accounted for by the equity method	2 250	672	0
Abandonments of claims	0	0	1
CASH FLOW AFTER NET BORROWING COST AND TAX	5 654	8 377	5 471
Net borrowing cost	(657)	(286)	(240)
Tax charge (including deferred tax)	3 925	2 420	4 839
CASH FLOW BEFORE NET BORROWING COST AND TAX	8 922	10 511	10 070
Change in receivables	(558)	1 547	(4 405)
Change in accounts payable and related accounts	4 512	(3 290)	(4 139)
Change in stocks	455	(260)	14 161
Change in working capital requirement	4 409	(2 003)	5 617
Other cash differences	(632)	(4 863)	2 041
Tax paid	(3 925)	(2 348)	(4 489)
CASH FLOW FROM OPERATIONS (a)	8 774	1 297	13 239
	<i>Note 27.1</i>		
Acquisitions of intangible and tangible fixed assets	(4 256)	(3 411)	(2 194)
Proceeds of disposals of intangible and tangible fixed assets	(76)	2 774	527
Acquisitions of securities held for sale	126	(2 186)	(3 107)
Proceeds of disposals of securities held for sale	300	0	3 820
Effect of changes in scope of consolidation	4 914	190	(2 374)
Activities discontinued or in the process of disposal	2 257	(533)	-
Income and costs relating to disposals	-	0	-
Disbursements or proceeds on other investment securities	-	-	0
Disbursements or proceeds on financial assets	(1 242)	(1 684)	2 955
Disbursements or proceeds on other financial assets	(350)	-	-
CASH FLOW FROM INVESTMENTS (b)	1 673	(4 850)	(373)
	<i>Note 27.2</i>		
Amounts received from shareholders on the increase in share capital	28	-	(7)
Paid by the shareholders of the parent company	-	-	-
Paid by the minority interests of the consolidated companies	28	-	(7)
Change in financial liabilities	(656)	1 060	111
Interest payments	656	286	239
Change in miscellaneous receivables and liabilities	252	(1 431)	571
Dividends paid	(2 856)	(2 279)	(1 425)
Paid to the shareholders of the parent company	(2 090)	(2 110)	(1 362)
Paid to the minority interests of the consolidated companies	(849)	(206)	(124)
CASH FLOW FROM FINANCINGS (c)	(2 576)	(2 364)	(511)
	<i>Note 27.3</i>		
Effect of other movements (d)	(37)	(257)	(50)
Effect of currency fluctuations (e)	(142)	798	123
CHANGE IN CASH POSITION (I)=(a)+(b)+(c)+(d)+(e)	7 692	(5 376)	12 428
OPENING CASH POSITION	20 249	25 625	13 197
CHANGE (II)	7 692	(5 376)	12 428
CLOSING CASH POSITION	27 941	20 249	25 625
	<i>Note 28</i>		

CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>In € 000</i>	Subscribed capital	Share premiums	Other consolidated reserves	Translation differences	Fair value of securities held for sale	Group shareholders' equity	Minority interests	Total
At 1st January 2004	29 152	-	16 000	-	-	45 152	193	45 345
Translation differences				103		103		103
Income recognised directly in shareholders' equity	0	0	0	103	0	103	0	103
Net income for 2004			6 188			6 188	183	6 371
Total costs and income recognised	0	0	6 188	0	0	6 188	183	6 371
Distribution of dividends			(1 362)			(1 362)	(124)	(1 486)
Other changes			(3)			(3)	1	(2)
At 31 December 2004	29 152	0	20 823	103	0	50 078	253	50 331
Change of method : Impact of the change of fair value of the securities held for sale					4 587	4 587		4 587
At 1st January 2005	29 152	0	20 823	103	4 587	54 665	253	54 918
Translation differences				753		753	1	754
Securities of non-consolidated companies					0			
Income recognised directly in shareholders' equity	0	0	0	753	0	753	1	754
Net income for 2005			10 909			10 909	347	11 256
Total income and costs recognised	0	0	10 909	0	0	10 909	347	11 256
Distribution of dividends			(2 110)			(2 110)	(206)	(2 316)
Other changes			106			106	18	124
At 31 December 2005	29 152	0	29 728	856	4 587	64 323	413	64 736
Translation differences			(32)	(75)		(107)	0	(107)
Actuarial differences on staff benefits			(141)			(141)		(141)
Covering of net assets			(2 854)			(2 854)	(29)	(2 883)
Securities of non-consolidated companies					474	474	82	556
Income recognised directly in shareholders' equity	0	0	(3 027)	(75)	474	(2 628)	53	(2 575)
Net income for 2006			11 190			11 190	469	11 659
Total income and costs recognised	0	0	11 190	0	0	11 190	469	11 659
Distribution of dividends			(2 090)			(2 090)	(335)	(2 425)
Other changes			2			2	0	2
At 31 December 2006	29 152	0	35 803	781	5 061	70 797	600	71 397