

Paris, August 28, 2008

First Half 2008 net income Group share: €243.1 million

The Eurazeo Supervisory Board, chaired by Michel David-Weill, met on Thursday, August 28, 2008 to review the annual accounts for the 1st Half 2008, prepared by the Executive Board.

€million, as of June 30	1 st Half 2008	1 st Half 2007 restated ⁽¹⁾	Change	1 st Half 2007 reported
Ordinary income	1,977.0	1,222.2	+ 61.8 %	1,217.4
Other operating income	340.8	986.7	NS	986.7
Operating expenses	- 1,828.9	-1,138.7	NS	-1,118.8
Operating income	488.9	1,070.2	- 54.3 %	1,085.3
Net financial expenses	- 170.0	- 117.6	+ 44.6 %	- 117.3
Shares of income of entities accounted for by the equity method	59.3	78.1	- 24.2 %	78.2
Tax and other	- 133.4	- 69.3	+ 92.4 %	- 73.7
Net income	244.7	961.4	NS	972.5
Net income Group share	243.1	783.2	NS	792.6

Patrick Sayer, Chairman of the Executive Board, said: *“The 1st Half 2008 results reflect the solidity of our company and the continued development of our portfolio companies. These companies have performed satisfactorily in a less profitable environment. This performance is mainly due to the actions we have implemented for each of our portfolio companies throughout recent months to take into account the change in environment. Eurazeo’s teams remain more focused than ever on value creation in our portfolio companies.”*

I – 1st Half 2008 results

Net income Group share amounted to €243.1 million. This is not directly comparable to the €783.2 million from the 1st Half 2007 which included capital gains realized at the time of the disposals of Eutelsat and Fraikin (€599.4 million after tax).

Eurazeo group consolidated revenues for the 1st Half 2008 rose to €1,977.0 million. This reflects both the growth of the subsidiaries and the ability of the Group to successfully integrate its acquisitions.

There were no changes in consolidation scope for Eurazeo during the 1st Half 2008.

⁽¹⁾ Effect of the definitive allocation of goodwill (“Purchase Price Allocation”) and other restatements.

Consolidated net income including minorities amounted to €244.7 million. This net income includes :

- €165.6 million of post-tax capital gains realized following the disposal of the majority of Veolia shares and €21.8 million from the partial sale of our Air Liquide shares ;
- A depreciation of APCOA's goodwill by €63.5 million, principally explained by the underperformance of the United Kingdom. Accounting rules do not allow this decrease to be compensated by the progress in other countries: APCOA's revenues in the 1st Half 2008 rose by 12.4% and its EBITDA by 14.3% compared to the same period in 2007 ;
- The standard amortisation of intangible assets of certain stakes, resulting from the definitive allocation of goodwill ("Purchase Price Allocation") principally at ELIS (€18.8 million after tax).

Adjusted for these factors and equivalent items in 2007, post-tax operating income amounted to €126 million, the same level as in 2007, despite the downturn in the environment.

Company accounts

The company's net income after tax for the 1st Half 2008 rose to €854.5 million versus €486.2 million in the 1st Half 2007. The strong growth of the 1st Half 2008 mainly comes from the capital gains realized on the sale of Danone shares to Legendre Holding 22, the 100%-owned subsidiary of Eurazeo, which does not appear in the consolidated accounts.



II –1st Half 2008 highlights

Group companies highlights

✓ ***Europcar***

Europcar acquired the Australian and New Zealand subsidiaries of its master franchisee “ECA Car Rental” and regained management control of the Asia Pacific franchises. Through a direct presence in Australia and New Zealand, this acquisition gives the Europcar Group, for the first time, a direct operational presence outside of Europe and more direct access to the fast-growing Asia-Pacific market. With an average fleet of over 7,000 vehicles in Australia and New Zealand, in 2007 “ECA Car rental” achieved over two million rental days generating revenues of €75 million (123 million Australian dollars).

Europcar also continued to develop strategic partnerships and notably announced, in February 2008, the signing of two partnership agreements, one with All Nippon Airways, one of the leading Japanese airlines, and the other in China in preparation for the Olympic Games with one of the leading car rental companies in Beijing.

✓ ***B&B Hotels***

At the end of June 2008, the B&B group comprised 192 hotels, of which 15 in Germany and 10 franchised hotels in France.

During the 1st Half 2008, B&B opened two new hotels: a 127 room hotel in Lille-Euralille, France, in June, and a 132 room hotel in Munich North, Germany.

In addition, the Group purchased a hotel in Aulnay-sous-Bois in partnership with ANF on July 1st, 2008. Further openings are scheduled for the 2nd Half.

The Group is accelerating its European development through the implementation of the partnership agreement with Tank & Rast in Germany and the approval of new projects in Italy and in Poland.

✓ ***ANF***

At June 30, 2008, on the basis of professional appraisals, ANF’s asset portfolio, including B&B hotels, was valued at €1,241.3 million⁽¹⁾, compared to €1,134.1 million⁽¹⁾ at December 31, 2007, an increase of 9.5%. This improvement is a reflection of the work undertaken by ANF to maximize the value of its portfolio, mainly in Marseilles.

✓ ***APCOA***

During the 1st Half 2008, APCOA strengthened its management team with the appointment of a new Chief Operating Officer and a new Chief Financial Officer.

In order to allay the problems encountered in the United Kingdom, in particular the under-performance of a number of contracts (notably in on-street parking), the local management team has been completely changed over the last 12 months. The measures taken have enabled APCOA to reinstate its commercial development.

Elsewhere, the Group has entered two new markets, Hungary and Turkey.

⁽¹⁾ B&B hotels are valued at historic cost.

✓ **ELIS**

ELIS has pursued its strategy of external growth. Four small acquisitions were completed during the 1st Half 2008 – three in France and one in Germany – allowing the Group to strengthen its position in these countries.

ELIS has also grown its sales teams by recruiting some one hundred individuals during the 1st Half of the year. The construction of a new treatment centre in the South-East of France has been agreed in order to respond to growing demand and to significantly modernize the industrial facilities in the region.

✓ **Rexel (accounted for by the equity method)**

On June 30, 2008, Rexel concluded the sale to Sonepar of the Hagemeyer non-retained assets as well as the asset swap between Rexel Germany and Sonepar Sweden. The closing of these transactions followed the success of Rexel's offer for Hagemeyer in March 2008.

This combination strengthens Rexel's worldwide leadership position in the distribution of low tension and weak current electrical supplies with pro forma revenues of €14.3 billion in 2007 (compared to €10.7 billion on an actual basis). The acquisition of the majority of Hagemeyer's European activities considerably enlarges Rexel's presence in Europe and creates a more solid Group in terms of end markets, with a larger exposure to the maintenance and renovation markets.

Now present in 34 countries versus 29 before the transaction, Rexel has grown its European network of agencies by around 50% and has become a leader in the United Kingdom and Scandinavian markets. The new Group has become number one in North America and in Asia-Pacific and will strengthen its position as number two in Europe. Rexel is from now on number one or two in twenty countries (compared to ten before) which represents 75% of the European market.

✓ **Italy : reinforcement of the private equity activity of Gruppo Banca Leonardo (not consolidated)**

In May 2008 Gruppo Banca Leonardo acquired a 20% stake in BS Private Equity, a leader in private equity for small and mid-sized companies in Italy, and has an option to acquire the outstanding 80% in the future.

Under the current difficult market conditions, particularly for the advisory and brokerage areas, Gruppo Banca Leonardo benefits from having a wide range of business activities whilst also maintaining a strict control of risks and costs.

New investments

✓ **Accor**

During the 1st Half 2008, Eurazeo significantly increased its stake in the share capital of Accor where, in concert with Colony, it is now the largest shareholder. At June 30, 2008, the concert agreement held 18.9% of the share capital and 17.0% of the voting rights of Accor.

Taking into account the interests of Eurazeo Partners, Eurazeo's directly-held stake in Accor at June 30, 2008 stood at 7.8%, or 18,031,341 shares.

Since June 30, 2008, Eurazeo has completed its investment program through the acquisition of a further 2 million shares on July 16, 2008, raising its directly-held interest to 8.8% (after further syndication to Eurazeo Partners, based on the number of shares of Accor in issue as at July 31, 2008).

Following a change in the number of shares making up Accor's share capital at July 31, 2008, on August 6, 2008 Eurazeo declared that, through interests held by Eurazeo and Eurazeo Partners via Legendre Holding 19, it had exceeded the 10% threshold in Accor's share capital.

The provisional acquisition cost of Accor shares amounts to €47.43 per share.

On August 27, 2008, Accor's Board of Directors approved the appointment of Patrick Sayer as Eurazeo's primary representative.

Changes to the portfolio of listed shares

✓ *Veolia*

In line with the disinvestment announced in August 2007, Eurazeo has sold 8,382,241 Veolia shares, equivalent to almost the entirety of its interest. With put spread protection of between €49.50 - 38.50 per share, Eurazeo has realized a capital gain on the sale of €165.6 million (after tax).

✓ *Danone*

As part of the program to optimize its financial structure, Eurazeo has transferred all of its shares in Danone – 27,951,990 shares or 5.4% of the share capital – to Legendre Holding 22, a 100% subsidiary of Eurazeo. This company benefits from medium term financing, without recourse to Eurazeo, of €708 million.

✓ *Air Liquide*

With a view to maximizing available financial resources at a time when the market may present attractive opportunities, Eurazeo has started to execute on its strategy of exiting this investment as announced on June 2nd, 2008.

In this context, of the 13,328,103 shares held at June 30, 2008:

- 9,003,049 shares were sold between July 1st and end August 2008 ;
- 3,457,142 shares are subject to a guaranteed sale price in four monthly tranches between end September and end December 2008 at a price of €90.24 per share, or €312 million. The financing of this operation of €311 million corresponds to the proceeds of the sales.

Thus, Eurazeo's residual exposure does not exceed 867,912 shares. These shares are committed to a conditional sale until end December 2008.

In total, pro forma of the disposal of the shares in Air Liquide and Veolia and the transfer of the Danone shares to a 100% owned subsidiary with built in leverage, Eurazeo will have reduced its net exposure to these listed stocks from €2,264 million at December 31, 2007 to €618 million at August 26, 2008.

✓ *Cash position*

Taking into account the movements described above, on September 15, 2008 Eurazeo will have entirely repaid and rebuilt its syndicated €1 billion credit line entirely and will have net cash assets at its disposal in the company accounts of over €400 million.

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About Eurazeo

With €5 billion in diversified assets, Eurazeo is a leading listed European investment company. Eurazeo is a majority or key shareholder in companies such as APCOA, B&B Hotels, ELIS, Europcar, Rexel and ANF and the leading shareholder in Accor⁽¹⁾. Eurazeo is also the major shareholder in Danone.

Eurazeo is quoted on Eurolist by Euronext Paris (code ISIN: FR0000121121, code Bloomberg: RF FP, code Reuters: EURA.PA).

⁽¹⁾ in concert with Colony

Eurazeo 2008 financial calendar

- ✓ 3rd Quarter 2008 revenues will be released on November 14, 2008
- ✓ Full Year 2008 revenues will be released on February 13, 2009

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