

## BASE PROSPECTUS



(incorporated as a *société anonyme* in France)

**Euro 6,000,000,000**

### **Euro Medium Term Note Programme Due from one year from the date of original issue**

Under the Euro Medium Term Note Programme described in this Base Prospectus (the **Programme**), Autoroutes du Sud de la France (the **Issuer** or **Autoroutes du Sud de la France** or **ASF**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the **Notes**). The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 6,000,000,000 (or the equivalent in other currencies).

The Prospectus as defined in Article 5.4 of Directive 2003/71/EC (the **Prospectus Directive**) consists of this base prospectus (the **Base Prospectus**) containing all relevant information concerning the Issuer and its consolidated subsidiaries taken as a whole (the **Group**) and the base terms and conditions of the Notes to be issued under the Programme, together with supplements to this Base Prospectus from time to time (each, a Supplement and together the **Supplements**). In relation to each Tranche of Notes, the Prospectus must be read in conjunction with the applicable Final Terms (as defined below).

Application has been made to the *Commission de surveillance du secteur financier (CSSF)* in Luxembourg for approval of this Base Prospectus in its capacity as competent authority under the "*loi relative aux prospectus pour valeurs mobilières*" dated 10 July 2005 which implements the Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading. Application may be made (i) to the Luxembourg Stock Exchange during the period of 12 months from the date of this Base Prospectus for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange and/or (ii) to the competent authority of any other Member State of the European Economic Area (**EEA**) for Notes issued under the Programme to be admitted to trading on a Regulated Market (as defined below) in such Member State. The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC (a **Regulated Market**). However, Notes may be issued pursuant to the Programme which are not admitted to trading on any Regulated Market. The relevant final terms (the **Final Terms**) (a form of which is contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading, and, if so, the relevant Regulated Market.

Notes may be issued either in dematerialised form (**Dematerialised Notes**) or in materialised form (**Materialised Notes**) as more fully described herein.

Dematerialised Notes will at all times be in book entry form in compliance with Article L.211-4 of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (**Euroclear France**) (acting as central depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination") including Euroclear Bank S.A./N.V. (**Euroclear**) and the depository bank for Clearstream Banking, société anonyme **Clearstream, Luxembourg** or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (*au nominatif pur*), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a **Temporary Global Certificate**) will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached, on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Bearer Notes") upon certification as to non U.S. beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in "General Description of the Programme") intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

Notes issued under the Programme may be rated or unrated. Notes, whether Unsubordinated or Subordinated (all as defined in "General Description of the Programme"), will have such rating, if any, as is assigned to them by the relevant rating organisation as specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned under the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The final terms of the relevant Notes will be determined at the time of the offering of each Tranche based on then prevailing market conditions and will be set out in the relevant Final Terms.

Arranger  
**NATIXIS**  
Dealers

**BARCLAYS CAPITAL**  
**BAYERNLB**  
**BNP PARIBAS**  
**CALYON Crédit Agricole CIB**  
**DRESDNER KLEINWORT**  
**FORTIS BANK**

**HSBC**  
**JPMORGAN**  
**NATIXIS**  
**SOCIETE GENERALE CORPORATE & INVESTMENT BANKING**  
**THE ROYAL BANK OF SCOTLAND**  
**UBS INVESTMENT BANK**

The date of this Base Prospectus is 5 April 2007

**This Base Prospectus is to be read in conjunction with any document and/or information which is incorporated herein by reference in accordance with Article 11 of the Prospectus Directive.**

**No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (each as defined in "General Description of the Programme"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**Certain information contained in this Prospectus and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.**

**The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States 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 include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Materialised Notes in bearer form, delivered within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act (Regulation S) or, in the case of Materialised Notes in bearer form, the U.S. Internal Revenue Code of 1986, as amended (the U.S. Internal Revenue Code and the regulations thereunder). For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "Subscription and Sale".**

**This Base Prospectus has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.**

**This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers or the Arranger to subscribe for, or purchase, any Notes.**

**The Arranger and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.**

**In connection with the issue of any Tranche (as defined in "General Description of the Programme"), the Dealer or Dealers (if any) named as the stabilising manager(s) (the Stabilising Manager(s)) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche to be admitted to trading on a Regulated Market, the aggregate principal**

amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "EUR" or "euro" are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced on 1 January 1999, references to "\$", "USD" and "U.S. Dollars" are to the lawful currency of the United States of America, references to "¥", "JPY", "Japanese yen" and "Yen" are to the lawful currency of Japan and references to "Swiss francs" or "CHF" are to the lawful currency of Switzerland.

In this Base Prospectus, any discrepancies in any table between totals and the sums of the amounts listed in such table are due to rounding.

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## **RISK FACTORS RELATING TO THE NOTES**

*The following paragraphs describe some risk factors that are material to the Notes to be admitted to trading in order to assess the market risk associated with these Notes. They do not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular Series of Notes and the suitability of investing in the Notes in light of their particular circumstances. These risk factors may be completed in the Final Terms of the relevant Notes for a particular issue of Notes.*

### **1. General Risks Relating to the Notes**

#### **1.1 Independent Review and Advice**

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

#### **1.2 Potential Conflicts of Interest**

Each of the Issuer, the Dealer(s) or their respective affiliates may deal with and engage generally in any kind of commercial or investment banking or other business with any issuer of the securities taken up in an index, their respective affiliates or any guarantor or any other person or entities having obligations relating to any issuer of the securities taken up in an index or their respective affiliates or any guarantor in the same manner as if any index-linked Notes issued under the Programme did not exist, regardless of whether any such action might have an adverse effect on an issuer of the securities taken up in the index, any of their respective affiliates or any guarantor.

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the calculation agent, if any, for a Tranche of Notes and the Noteholders, including with respect to certain discretionary determinations and judgements that such calculation agent may make pursuant to the Terms and Conditions that may influence the amount receivable upon redemption of the Notes.

#### **1.3 Legality of Purchase**

Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

#### **1.4 Modification, waivers and substitution**

The conditions of the Notes contain provisions for calling General Meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority.

#### **1.5 Taxation**

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other 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 the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their

individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This risk factor has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

#### **1.6 EU Savings Directive**

Under Council Directive 2003/48/EC on taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, 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). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date. This Directive has been implemented in French law under Article 242 *ter* of the French *Code général des impôts*.

#### **1.7 Change of Law**

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

#### **1.8 No active Secondary/Trading Market for the Notes**

Notes issued under the Programme will be new securities which may not be widely distributed and for which there may be no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although in relation to Notes to be admitted to trading on the Luxembourg Stock Exchange and/or any other Regulated Market in the European Economic Area, the Final Terms of the Notes will be filed with the *Commission de surveillance du secteur financier* in Luxembourg and/or with the competent authority of the Regulated Market of the European Economic Area where the Notes will be admitted to trading, which, in the case of Notes to be admitted to trading on the Luxembourg Stock Exchange shall be the Luxembourg Stock Exchange, there is no assurance that such filings will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

#### **1.9 Currency Risk**

Prospective investors of the Notes should be aware that an investment in the Notes may involve exchange rate risks. The reference assets or the Notes may be denominated in a currency other than the currency of the purchaser's home jurisdiction; and/or the reference assets or the Notes may be denominated in a currency other than the currency in which a purchaser wishes to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Notes or the reference assets.

#### **1.10 Credit ratings may not reflect all risks**

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

#### **1.11 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 the value of the reference assets or an index, including, but not limited to, the volatility of the

reference assets or an index, or the dividend on the securities taken up in the index, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes, the reference assets or the index 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 exchanges on which the Notes, the reference assets, the securities taken up in the index, or the index are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the reference assets or an index should not be taken as an indication of the reference assets' or an index's future performance during the term of any Note.

## **2. Risks related to the structure of a particular issue of Notes**

The Programme allows for different types of Notes to be issued. Accordingly, each Tranche of Notes may carry varying risks for potential investors depending on the specific features of such Notes such as, *inter alia*, the provisions for computation of periodic interest payments, if any, redemption and issue price.

### **2.1 Notes subject to optional redemption by the Issuer**

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the country of domicile (or residence for tax purposes) by the Issuer, or on behalf of France, or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may, and in some circumstances must, redeem all outstanding Notes in accordance with the Terms and Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances 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 relevant Notes.

### **2.2 Fixed Rate Notes**

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.

### **2.3 Floating Rate Notes**

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.

### **2.4 Inverse Floating Rate Notes**

Inverse floating rate Notes have an interest rate equal to a fixed base rate minus a rate based upon a reference rate. The market value of such Notes typically is more volatile than the market value of floating rate Notes based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### **2.5 Fixed to Floating Rate Notes**

Fixed to floating rate Notes initially bear interest at a fixed rate; conversion from a fixed rate to a floating rate then takes place either automatically or at the option of the Issuer if certain predetermined conditions are met. The conversion (whether it be automatic or optional) of the interest rate will affect the secondary market and the market

value of the Notes since the conversion may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the fixed to floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes.

## **2.6 Notes issued at a substantial discount or premium**

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

## **2.7 Index-Linked Notes**

Index-linked Notes are debt securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest will be dependent upon the performance of an index, which itself may contain substantial credit, interest rate or other risks. The amount of principal and/or interest, if any, payable by the Issuer might be substantially less than the issue price or, as the case may be, the purchase price invested by the Noteholder and may even be zero in which case the Noteholder may lose his entire investment.

Index-linked Notes are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to the Issuer or the Notes. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in determination or calculation of the equation by which the Notes settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the Notes. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

None of the Issuer, the Dealer(s) or any of their respective affiliates makes any representation as to an index. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to an index that is or may be material in the context of index-linked Notes. The issue of index-linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential).

## **2.8 Inflation-Linked Notes**

The decision to purchase inflation-linked Notes involves complex financial appreciations and risks as the inflation cannot be foreseen with certainty. The yield of Inflation-Linked Notes may be lower than the yield of non Inflation-Linked Notes. The Issuer makes no representation as to the tax treatment of such Notes or as to the lawfulness of the purchase of such Notes in any jurisdiction.

## **2.9 Partly-paid Notes**

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

## **2.10 Variable rate Notes with a multiplier or other leverage factor**

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

## **2.11 Structured Notes**

An investment in Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time



and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Note.

## **2.12 Subordinated Notes**

In the event of any insolvency or liquidation of the Issuer, holders of Subordinated Notes would receive payments on any outstanding Subordinated Notes only after senior Noteholders and other senior creditors have been repaid in full, if and to the extent that there is still cash available for those payments. Thus, holders of Subordinated Notes generally face a higher performance risk than holders of senior Notes.

## **RISK FACTORS RELATING TO THE ISSUER AND ITS OPERATIONS**

- **Operating risks**

### **Concentration of revenue sources**

97.8 per cent of the sales turnover of the Autoroutes du Sud de la France (ASF) group (the "ASF Group" or the "Group") consists of toll revenues received under its three present concession agreements. These concession agreements are the ASF network concession agreement expiring in 2032 (the "ASF Concession Agreement"), the Escota network concession agreement expiring in 2026 (the "Escota Concession Agreement") and, to a lesser extent, the Puymorens tunnel concession agreement signed by ASF and expiring in 2037 (the "Puymorens Concession Agreement"). Since it entered the VINCI Group in 2006, it has ceased to compete for new concession agreements, development of new concessions being managed by VINCI Concessions, a dedicated entity of the VINCI Group.

The remainder of turnover is generated by

- royalties related to sub-concessions (motorway service stations, hotels and restaurants) (1.5 per cent);
- rental of optical fibre networks to telecommunication operators (0.5 per cent);
- and by operation, maintenance and advisory activities linked to motorways infrastructures exercised by ASF and its subsidiaries through service contracts (0.2 per cent).

Activity outside France is insignificant.

The ASF Group is almost entirely dependent on the revenues generated by its two main concession agreements, the ASF Concession Agreement and the Escota Concession Agreement. This risk is, however, mitigated by the size of the Group network and the number of routes covered, which provides major trunk routes comprising essential international transit roads within France.

Conversely, the Issuer considers that the risks related to the diversification of its business are very limited

### **Change in traffic and toll receipts**

Toll receipts, which represent the bulk of ASF Group revenues, depend on the number of paying vehicles, tariffs and the network's ability to absorb traffic.

A certain number of factors can affect traffic volumes, including the quality, convenience and travel time of toll-free roads or toll motorways that are not part of the ASF Group networks, the economic climate and fuel prices in France, environmental legislation (including measures to restrict motor vehicle use in order to reduce air pollution), the existence of alternative modes of transport (in particular rail and air travel) and the extent to which customers are prepared to pay toll prices.

Tariffs and tariff increases are determined by the concession agreements. The ASF Group can give no assurance that the tariffs the Group is authorised to charge will be sufficient to guarantee an adequate level of profitability.

### **Changes in the inflation rate**

Toll rate adjustments are based on annual changes in the French consumer price index (excluding tobacco). Accordingly, ASF is exposed to the risk of a decline in the rate of inflation. A decrease in the inflation rate would result in lower toll rate increases, which could adversely affect the evolution of ASF's net operating cash flows.

### **Traffic saturation on certain motorways**

Some of ASF's motorways, including the A7 (section located in the Rhone Valley) and certain urban sections of other motorways, are saturated and become over-saturated only at certain periods of the year. The ASF Group is working with the State and the relevant local authorities to identify solutions to reduce traffic to acceptable levels. However, no assurance can be given that the saturation problems will be resolved at an acceptable cost to ASF, or that the problems will not lead to new concessions being awarded to competitors. At present, the ASF Group estimates that traffic saturation does not have a material impact on its revenues.

### **Road users' resistance to tolls**

To date, the ASF Group has not experienced any major road-user resistance to tolls. However, from time to time in urban areas the company has had pressure from users and the authorities. In particular, it had to bow to pressure in relation to the four-lane Roques expressway in the suburbs of Toulouse, which was originally toll-free, by selling to the State the toll plaza located there for a price corresponding to the construction costs of the toll barrier and to the forecast profits for this relevant section. In addition, like other toll motorway operators, the company is exposed to user protests, mainly on the urban sections of the network.

### **Regulatory environment**

The ASF Group operates in a highly regulated environment and its results are influenced by government road policies.

As in all highly regulated industries, regulatory changes could affect the company's business. However, in the event of a change in technical regulations related directly to the concession or a substantial change in the taxation system or the introduction of new taxes levied on motorway operators that could seriously impair the financial equilibrium of concession operations, the concession agreements stipulate that the Group and the French State (the "State" or the "French State") will mutually negotiate compensatory measures in the interest of the continued provision of the public service.

### **State termination and buy-out option**

The concession agreements include a clause giving the State the right to buy back the concession, for reasons of public interest, exercisable on 1 January of each year starting in 2012 with one year's notice. If the State exercises its buyback option, the concessionaire will be paid compensation based on annual net concession income multiplied by the remaining number of years of the concession (See section 4.4 : "State buyback option"). Under public law, the French State may also unilaterally terminate the concession agreements for reasons of public interest before 2012, subject to judicial supervision. In this case, pursuant to a constant case law in France, the concessionaire will become entitled to a full indemnification of its damages, termination costs and losses of profits beyond the actual assets value as shown in the accounts. The same procedure will apply in case of partial (e.g. relating to only a part of the network) early termination of the concession in the public interest.

In addition, the State may terminate the concession agreement due to a serious breach of the company's contractual obligations (except in case of *force majeure*). In this case, the concession would be awarded to a new operator under a competitive bidding process and the company would receive the bid price paid by the new concessionaire (See section 4.4.: "Termination for default").

However, the ASF Group can give no assurance that this price will cover all of its liabilities. Moreover, if no operator were found, the Group would be entitled to no compensation.

## **Expiry of concession agreements, return of assets to the State**

Substantially all of ASF Group revenues are derived from operations under the ASF Concession Agreement and the Escota Concession Agreement. When the concessions expire, ASF and Escota will be required to surrender substantially all of the related assets to the State, without compensation.

## **Increased competition**

The ASF Group is exposed to competition from alternative road networks and also from alternative modes of transport (in particular rail and air travel).

Competition from alternative road networks is currently low.

For North/South traffic, the A75 from Clermont-Ferrand to Montpellier has generated increased competition for ASF motorways since the Millau viaduct was opened at the end of 2004. Traffic data for 2006 shows that the A20 is apparently not affected by this competition, however it can explain the modest increase in traffic observed for the A7 in the Rhône valley.

The most significant competition from toll-free roads concerns the A10, which competes with the RN10 between Poitiers and Saint-André-de-Cubzac. This section of the RN10 is almost entirely four-lane and the route followed is around 60 km shorter than that taken by the A10. Nearly half the heavy goods vehicles that use the A10 north of Poitiers choose this stretch of the RN10. In 2005 and 2006, heavy goods vehicle traffic fell significantly on the A10 following the lifting of the ban on these vehicles using the RN10 highway while major roadworks were in progress.

French transport policy currently focuses on restoring the balance among the various modes of transport. Efforts are being made to limit heavy goods vehicle traffic by encouraging freight back onto rail, with the target of at least doubling rail freight in the next ten years. At the European level, the European Commission's 2001 White Paper targets the rebalancing of modes of transport not in the next ten years but by 2030. This less ambitious goal takes into account the fact that only a small proportion of freight is currently carried by rail, and transport by lorry is unavoidable over very short distances, where there is no alternative mode sufficiently tailored to the needs of the economy. ASF consider that competition from rail is currently limited. Besides, according to government forecasts, road haulage is set to grow at a faster rate than rail freight in the coming years.

At present, passenger traffic on the new high-speed train links (TGV Méditerranée) does not represent a material source of competition for ASF and Escota networks, as illustrated by the traffic increase in the motorways following the same routes over the past five years.

## **Labour unrest and damage or destruction of sections of the Group's motorways could adversely affect the Group's revenues, results of operations and financial condition**

Like all motorway concessionaires, ASF and Escota face potential risks from labour unrest, natural disasters such as earthquakes, flooding, landslides or subsidence, collapse or destruction of sections of motorway or the spillage of hazardous substances. The occurrence of any such events could lead to a significant decline in toll revenues from the Group's motorways or a significant increase in expenditures for the operation, maintenance or repair of the Group Network. Although the Group carries all risk and accident insurance, there can be no assurance that these policies cover all of the incremental costs resulting from damage to the network. ASF and Escota do not carry business interruption insurance covering the loss of toll receipts as a result of strike action or blockages of toll booths by protestors or as a result of accidents or damage to roads, tunnels or bridges.

In relation to tunnels, following the Mont Blanc tunnel accident, the State imposed certain requirements relating to safety for tunnels longer than 300 metres. The tunnels operated by ASF and Escota have therefore been subject to specific studies to establish the changes required. Some work has already taken place and other work is pending.

- **Construction risks**

The large-scale construction projects expose the Group to the risk of shortages of materials or labour, higher material or labour costs, general factors affecting economic activity and the credit market, business failures by contractors or subcontractors, work stoppage due to bad weather or unforeseen engineering or environmental problems. Under the concession agreement, remedies can be sought in case the construction of a motorway fails to meet the initial schedule or a section of motorway is not made available on time.

Although ASF and Escota have significant experience and seek to limit this risk in their agreements with contractors, no assurance can be given that these factors will not, under certain circumstances, have an adverse effect on the Group. This risk is however limited considering that 96 per cent of the conceded network has already been built.

- **Environmental risks**

The Group incurs and will continue to incur costs to comply with environmental, health and safety laws and regulation.

These include regulations covering noise pollution, water protection, air quality and atmospheric pollution, waste prevention, protection of sites of archaeological interest, national parks, nature reserves, classified sites, "Natura 2000" sites (conservation areas for the protection of natural habitats and rare species of plants and animals), forest fire prevention and waste disposal. The Group may be subject to stricter laws and regulations in the future and incur higher compliance costs. In the case of an accident or damage to the environment, the Group may be subject to personal injury or property damage claims or legal proceedings for harm to natural resources. The business or profitability may be adversely affected in case of inability by the Group to cover environmental protection costs or costs arising from its partial liability for any accidents, by raising the tariffs pursuant to the terms of the concession agreements.

The Group complies with all applicable environmental regulations and standards and has set up a quality control system covering all projects. Formal design and management standards as well as guidelines have been issued, spanning all aspects of the business. On 4 June 2003, the Construction Department of ASF obtained ISO 9001: 2000 certification from Bureau Veritas Quality International for its quality management systems covering motorway design and construction activities, this certification was renewed on 30 June 2006 for three additional years. For all major construction projects, contractors are required to submit and apply an environmental protection plan. The plan, which sets out the contractor's commitments and obligations for the duration of the project, is contractually binding. Since 2002, the contractors which do the most to prevent damage to the environment during motorway construction work are awarded the "ASF Construction Environnement Sécurité" label. The Infrastructure Department (ASF) and the Environmental Mission (Escota) are responsible for constant environmental monitoring, in connection with the ASF Group Sustainable Development Mission (created in August 2006) and with input from the Legal Department on regulatory aspects. The French Industry Association, Association des Sociétés Françaises d'Autoroutes (ASFA), has set up a Sustainable Development Committee, providing a forum for exchanges of experience among motorway operators.

Under the regulations designed to protect the public and workers against the health risks associated with exposure to asbestos, as set out in the decrees of 7 February 1996, the ASF Group has performed tests to detect the possible presence of asbestos in its premises and equipment. In the very limited number of cases where asbestos was found, the ASF Group implemented the preventive and corrective measures specified in the regulations.

- **Market risks**

### **Liquidity risks**

The ASF Group's exposure to liquidity risk relates to its obligation to its existing debt and to obtaining financing in future for working capital needs, capital expenditure and general purposes.

At 31 December 2006, the net debt of ASF Group was €7,354.7 million. Most of ASF Group financing has been incurred by CNA (Caisse Nationale des Autoroutes), a State owned financial entity, managed by the Caisse des Dépôts et Consignations (CDC), and created for providing financing to the SEMCAs (semi-public motorway concessionaire companies) benefiting from AAA rating issuer conditions in the bond market in the form of bullet loans.

In 2006, ASF and Escota ceased to benefit from the access to CNA loans further to the IPO of 49 per cent of the company capital in 2002. Then, in the context of the total privatisation, ASF and Escota signed in March 2006 an addendum to the "Convention Technique" of 1996, setting out the general conditions of CNA outstanding loans and providing that:

- ASF must comply with the following financial covenants calculated on the basis of the ASF consolidated financial statements:

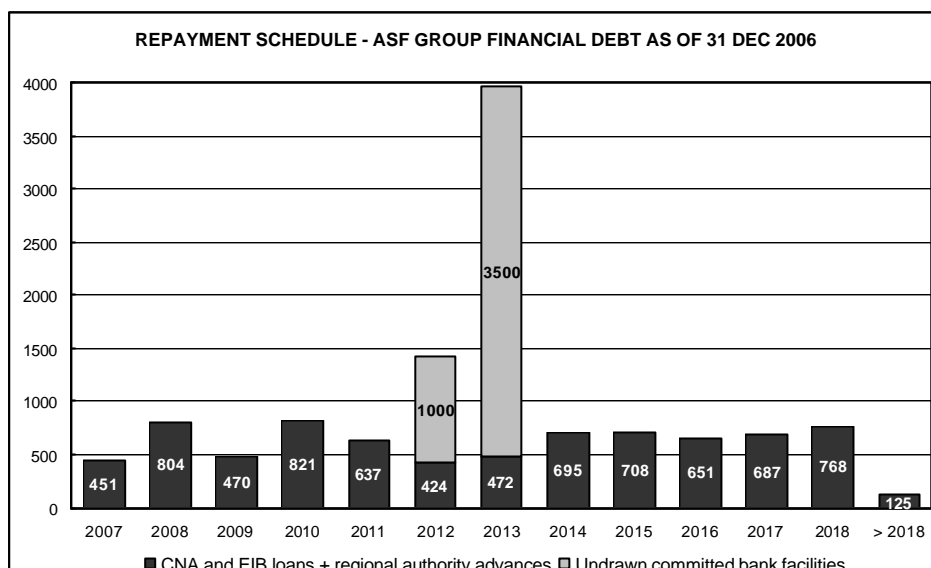
- Net Debt / EBITDA = 7
- EBITDA / Net Financial Costs > 2.2

- ASF Group shall ensure that its construction and operation activities, in France and in the member countries of the OECD, of roads, expressways, highways, transportation works, highway systems and parking facilities, or services related to such activities, represent at all times more than 85% of its consolidated assets and more than 80% of its annual consolidated income.

- Merger and reorganisation are not permitted except within ASF Group.

For the refinancing of CNA loans and the financing of future investments, ASF will have recourse mainly to the banking system and the bond market.

At 31 December 2006, ASF had cash reserves of €699.9 million, an available €1 billion syndicated revolving facility maturing in July 2012 and an unused €3.5 billion 7-year syndicated bank credit line, out of which €1.5 billion were dedicated to the partial financing of an exceptional dividend of €3,298 million. These bank credit lines have similar financial covenants as those provided for CNA loans.



The payment of the €3.3 billion exceptional dividend in January 2007 has been funded through the use of €50 million cash reserves, the total drawdown of the €1 billion facility and a €1,750 million drawdown from the €3.5 billion facility.

Following this payment, ASF still benefits from €1,750 million available credit facilities covering the total amount of CNA loans to be redeemed in 2007, 2008 and 2009.

The above-mentioned CNA loans and bank facilities do not provide any early repayment provisions based solely on a rating trigger. The €250 million EIB (European Investment Bank) loan contract signed in 2005 provides a rating clause under which, if ASF is downgraded, the parties shall consult one another in order to provide the lender with sufficient information to assess the situation. Following such consultation, the EIB is authorised to request the provision of guarantees or collateral in its favour. If ASF fails to satisfy this request within a reasonable time, the EIB may require an early redemption of the loans. Since the execution of the above-mentioned loans, ASF was downgraded by Standard and Poor's from A+ to BBB+, in connection with its privatisation. The EIB, after having considered ASF's situation following such downgrade, has not requested the provision of guarantees or collateral.

### Interest rate risk

Due to the level of its net debt, ASF may be affected by the evolution of the euro zone interest rates. ASF intends to preserve and optimise its financial results on a long term basis by implementing interest rate hedging policy based on a targeted allocation of net debt between fixed rate, capped rate, inflation linked rate and floating rate depending on the level of leverage measured by the net debt/EBITDA ratio. This policy was reviewed and agreed by the VINCI Group Audit Committee in August 2006. The Treasury Committee, which comprises: the VINCI Executive Vice President and Chief Financial Officer, the VINCI-ASF Group Treasurer and his assistant, the VINCI Concessions CFO and the Head of the Back Office department and which meets at least once a month, follows the interest rate exposure of the ASF group and implements the coverage policy.

In connection with this policy, the ASF Group uses loans issued at a fixed rate, and implements some hedging instruments, which allow it to maintain a significant part of its debt at a fixed or capped rate.

At 31 December 2006, 94.5 per cent of ASF gross debt was at a fixed rate, 4.8 per cent was inflation linked and 0.7 per cent was left at a variable rate. Since then, the financing of the exceptional dividend paid in January 2007 has been raised at a variable rate. The maximum part of debt kept at floating rate shall not exceed 25 per cent in 2007.

## **Foreign exchange risk**

Given that almost all ASF Group business is carried out in France, its exposure to foreign exchange risks is very limited.

The exposure linked to financing raised in foreign currencies is hedged. As of today, one outstanding loan was issued in foreign currency (in Swiss francs obtained in 1998). It has been hedged by a cross-currency swap, converting their combined nominal amount into €301.1 million.

- **Legal risks**

As part of the ordinary course of their business, ASF and Escota are subject to a number of administrative proceedings and civil actions relating to the construction, operation and management of the Group network.

In addition, the award to ASF of the A89 Balbigny – La Tour de Salvigny concession has been challenged before the French *Conseil d'Etat*. See "Information concerning the Issuer (Section 4.6.) –A89: on the road to a motorway all the way from Bordeaux to Clermont-Ferrand".

The ASF Group considers that its insurance policies provide adequate coverage of material potential risks; ASF and Escota general civil liability is covered up to €30 million per claim. Cover for losses arising from liability claims for accidental environmental damage amounts to €5 million per claim and for total claims per insurance year at ASF and Escota. Companies that participate in the construction of motorways are required to carry insurance covering their own liability. Although ASF and Escota carry property and casualty and liability insurance, they can give no assurance that these policies will cover the total amount of claims related to the construction, maintenance or operation of the motorways, bridges and tunnels.



## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF shall be incorporated in, and form part of, this Base Prospectus:

- (a) the English language version of the Issuer's Annual financial report 2006 which includes the audited consolidated annual financial statements of the Issuer for the year ended 31 December 2006, together with the explanatory notes and the related auditors reports or the **2006 FS**; and
- (b) the English language version of the 2005 Registration Document of the Issuer submitted to the *Autorité des marchés financiers* on 10 March 2006 under No D. 06-0120 or the **2005 RD**.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agent for the time being in Luxembourg. This Base Prospectus will be published on the websites of (a) the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) during a period of twelve months from the date of this Base Prospectus and (b) the Issuer ([www.asf.fr](http://www.asf.fr)). The Final Terms related to Notes admitted to trading on any Regulated Market will be published on the websites of (a) the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and (b) the Issuer ([www.asf.fr](http://www.asf.fr)).

Any information not listed in the cross-reference table below but included in the documents incorporated by reference is given for information purposes only.

### Page / Paragraph

#### FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

##### Historical Financial Information

##### **2006 FS**

(i) Consolidated balance sheet	Pages 18 – 2006 FS
(ii) Consolidated statement of income	Page 17 – 2006 FS
(iii) Cash flow statement	Page 19 – 2006 FS
(iv) Notes to the consolidated financial statements	Page 21 - 71 – 2006 FS
(v) Auditors' report	Page 72 - 74 – 2006 FS

##### **2005 RD**

(i) Consolidated balance sheet	Pages 104 and 105 – 2005 RD
(ii) Consolidated statement of income	Page 103 – 2005 RD
(iii) Cash flow statement	Page 106 – 2005 RD

**Page / Paragraph**

(iv) Notes to the consolidated financial statements

Page 108 - 208 - 2005 RD

(v) Auditors' report

Page 208 - 2005 RD

**Financial statements**

If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.

Pages 101 - 208 – 2005 RD,  
"Consolidated Financial Statements".

Pages 10 - 74 – 2006 FS,  
"Consolidated Financial Statements".

**Auditing of historical annual financial information**

A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.

Page 208 2005 RD, "Consolidated  
Financial Statements".

Pages 73-74 2006 FS, "Consolidated  
Financial Statements".

**PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THIS BASE  
PROSPECTUS**

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

## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer shall be required to prepare a Supplement to the Base Prospectus pursuant to the provisions of Article 16 of the Prospectus Directive 2003/71/EC, the Issuer will prepare and make available an appropriate Supplement to this Base Prospectus, which in respect of any subsequent issue of Notes to be admitted to trading on the Luxembourg Stock Exchange or on a Regulated Market of a Member State of the European Economic Area, shall constitute a Supplement to the Base Prospectus for the purpose of the relevant provisions of the Prospectus Directive 2003/71/EC.

## GENERAL DESCRIPTION OF THE PROGRAMME

The following general description of the Programme is qualified in its entirety by the remainder of this Base Prospectus. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and, unless specified to the contrary in the relevant Final Terms, will be subject to the Terms and Conditions of the Notes below.

<b>Issuer</b>	Autoroutes du Sud de la France
<b>Risk factors related to the Notes</b>	There are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme including general risks relating to the Notes and risks related to the structure of a particular issue of Notes. These are set out under <i>Risk Factors relating to the Notes</i> above.
<b>Description</b>	Euro Medium Term Note Programme for the continuous offer of Notes (the <b>Programme</b> )
<b>Arranger</b>	Natixis
<b>Dealers</b>	Barclays Bank PLC Bayerische Landesbank BNP PARIBAS CALYON Dresdner Bank Aktiengesellschaft Fortis Bank nv-sa HSBC Bank plc J.P. Morgan Securities Ltd Natixis Société Générale The Royal Bank of Scotland plc UBS Limited
	The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to <b>Permanent Dealers</b> are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to <b>Dealers</b> are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
<b>Programme Limit</b>	Euro 6,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
<b>Fiscal Agent, Principal Paying Agent, Luxembourg Paying Agent and Paris Paying Agent</b>	Fortis Banque Luxembourg SA
<b>Calculation Agent</b>	Fortis Banque Luxembourg SA
<b>Method of Issue</b>	The Notes will be issued on a syndicated or non-syndicated basis.
<b>Maturities</b>	Subject to compliance with all applicable relevant laws, regulations and directives, any maturity from one year from the date of original issue.
<b>Currencies</b>	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.
<b>Denomination(s)</b>	The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be

€50,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Dematerialised Notes will be issued in one denomination only.

<b>Status of the Unsubordinated Notes</b>	Unsubordinated Notes ( <b>Unsubordinated Notes</b> ) will constitute direct, general, unconditional, unsecured (subject to the provisions of Condition 4) and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.
<b>Status of the Subordinated Notes</b>	<p>Subordinated Notes (<b>Subordinated Notes</b>) will be unsecured subordinated obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves and <i>pari passu</i> with any other unsecured subordinated obligations of the Issuer with the exception of any <i>prêts participatifs</i> granted to the Issuer as set out in Condition 3(b) - see Terms and Conditions of the Notes – Status of Subordinated Notes.</p> <p>If so specified in the relevant Final Terms, the payment of interest in respect of Subordinated Notes without a specified maturity date (<b>Undated Subordinated Notes</b>) may be deferred in accordance with the provisions of Condition 5(h) - see Terms and Conditions of Notes - Interest and Other Calculations.</p>
<b>Negative Pledge</b>	There will be a negative pledge in respect of Unsubordinated Notes as set out in Condition 4 - see Terms and Conditions of the Notes - Negative Pledge.
<b>Events of Default (including cross default)</b>	There will be events of default and a cross-default in respect of Unsubordinated Notes as set out in Condition 9(a) and limited events of default only in respect of Subordinated Notes as set out in Condition 9(b) - see "Terms and Conditions of the Notes - Events of Default".
<b>Redemption Amount</b>	The relevant Final Terms will specify the basis for calculating the redemption amounts payable.
<b>Optional Redemption</b>	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders and if so the terms applicable to such redemption.
<b>Redemption by Instalments</b>	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
<b>Early Redemption (including following a Change of Control) at the option of the Issuer and/or Noteholders</b>	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity for tax reasons. See Condition 6 "Terms and Conditions of the Notes - Redemption, Purchase and Options". If at any time while any of the Notes remains outstanding, there occurs a Change of Control and (only if, at the start of the Change of Control Period any of the Notes are rated by any Rating Agency) within the Change of Control Period a Rating Downgrade in respect of that Change of Control occurs, the holder of each Note will have the option (unless, prior to the giving of a Put Event Notice by a Noteholder, the Issuer gives notice to the Noteholders of its intention to redeem the Notes) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note, all as defined and further described in Condition 6 "Terms and Conditions of the Notes - Redemption, Purchase and Options – Redemption at the option of Noteholders following a Change of Control".
<b>Taxation</b>	Except as otherwise specified in the relevant Final Terms, payments in respect of the Notes will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France as provided by Article 131 quater of the French <i>Code Général des Impôts</i> to the extent that the Notes are issued (or deemed to

be issued) outside France and constitute *obligations*.

<b>Interest Periods and Interest Rates</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Final Terms.
<b>Fixed Rate Notes</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
<b>Floating Rate Notes</b>	Floating Rate Notes will bear interest determined separately for each Series on the basis and by reference to the fluctuating rate or benchmark as specified in the relevant Final Terms.  Interest periods will be specified in the relevant Final Terms.
<b>Zero Coupon Notes</b>	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Dual Currency Notes</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Final Terms.
<b>Index Linked Notes</b>	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.
<b>Other Notes</b>	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Notes that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.
<b>Form of Notes</b>	Notes may be issued in either dematerialised form ( <b>Dematerialised Notes</b> ) or in materialised form ( <b>Materialised Notes</b> ).  Materialised Notes will be in bearer materialised form ( <b>Materialised Bearer Notes</b> ) only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Bearer Notes. Materialised Notes may only be issued outside France.
<b>Governing Law</b>	French.
<b>Clearing Systems</b>	Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
<b>Initial Delivery of Dematerialised Notes</b>	Not later than one Paris business day before the issue date of each Tranche of Dematerialised Notes, the <i>lettre comptable</i> relating to such Tranche shall be deposited with Euroclear France as central depository.
<b>Initial Delivery of Materialised Notes</b>	On or before the issue date for each Tranche of Materialised Bearer Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
<b>Issue Price</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
<b>Approval - Admission to trading and listing</b>	Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's

regulated market and to be listed on the Official list of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer(s) in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Method of  
Publication of the  
Final Terms**

This Base Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) during a period of twelve months from the date of this Base Prospectus. The Final Terms related to Notes admitted to trading on any Regulated Market will be published on the website of the Luxembourg Stock Exchange. In addition, if the Notes are admitted to trading on a Regulated Market other than the Luxembourg Stock Exchange, the relevant Final Terms will provide whether additional methods of publication are required and describe any such methods.

**Selling Restrictions**

There are restrictions on the sale of Notes and the distribution of offering material in various jurisdictions. See Subscription and Sale. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.

The Notes constitute Category 2 securities for the purposes of Regulation S under the United States Securities Act of 1933, as amended.

Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the **D Rules**) unless (i) the relevant Final Terms states that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the **C Rules**) or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute registration required obligations under the United States Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

The TEFRA rules do not apply to any Dematerialised Notes.

**Rating**

The Programme has been rated BBB+ by Standard and Poor's and Baa1 by Moody's Investors Service. Notes issued under the Programme may be rated or unrated. Notes, whether Unsubordinated or Subordinated, will have such rating, if any, as is assigned to them by the relevant rating organisation as specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating assigned under the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.



## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed or attached on Definitive Materialised Bearer Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. References in the Conditions to **Notes** are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Autoroutes du Sud de la France (the **Issuer**) with the benefit of an agency agreement dated 5 April 2007 between the Issuer and Fortis Banque Luxembourg SA as fiscal agent, Principal Paying Agent, Luxembourg Paying Agent, Paris Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent (the **Agency Agreement**). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the **Fiscal Agent**, the **Paying Agents** (which expression shall include the Fiscal Agent), the **Redenomination Agent**, the **Consolidation Agent** and the **Calculation Agent(s)**. References below to "Conditions" are, unless the context requires otherwise, to the numbered paragraphs below.

Certain defined terms contained in the 2001 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules published by the Fédération Bancaire Française (together the **FBF Master Agreement**) have either been used or reproduced in Condition 5 below.

Copies of the Agency Agreement are available for inspection during normal business hours at the specified offices of each of the Paying Agents.

For the purpose of these Terms and Conditions, **Regulated Market** means any regulated market situated in a Member State of the European Economic Area (**EEA**) as defined in Directive 2004/39/EC.

### 1. Form, Denomination(s), Title, Redenomination

- (a) **Form:** Notes may be issued either in dematerialised form (**Dematerialised Notes**) or in materialised form (**Materialised Notes**).

- (i) Title to Dematerialised Notes will be evidenced in accordance with Article L.211-4 of the French *Code monétaire et financier* by book entries (*inscriptions 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 Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France (**Euroclear France**) (acting as central depository) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the **Registration Agent**).

For the purpose of these Conditions, **Account Holder** means any authorised financial 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 depository bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

- (ii) Materialised Notes are issued in bearer form (**Materialised Bearer Notes**). Materialised Bearer Notes are serially numbered and are issued with coupons (each, a **Coupon**) and, where appropriate, a talon (a **Talon**) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

In accordance with Article L.211-4 of the French *Code monétaire et financier*, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

- (b) **Denomination(s):** Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the **Specified Denomination(s)**) save that the minimum denomination of each Note admitted to trading on a Regulated Market in circumstances which require the publication of a Base Prospectus under the Prospectus Directive will be €50,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency). Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to Materialised Bearer Notes in definitive form having, where appropriate, Coupons, Receipt(s) and/or a Talon attached thereto on issue (**Definitive Materialised Bearer Notes**), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, **holder of Notes** or **holder of any Note**, or **Noteholder** means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Bearer Note and the Receipts, Coupons (**Receiptholder** and **Couponholder** being construed accordingly), or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination:**

- (i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Note, Receipt, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 15 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the **EC**), as amended from time to time (the **Treaty**)), or events have occurred which have substantially the same effects (in either case, **EMU**), redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the

Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the Redenomination Date.

- (ii) Unless otherwise specified in the relevant Final Terms, the redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to Noteholders by the Issuer.
- (iii) Upon redenomination of the Notes, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.
- (iv) Unless otherwise specified in the relevant Final Terms, the Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, without the consent of the holder of any Note, Receipt, Coupon or Talon, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of Notes, Receipts, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 as soon as practicable thereafter.
- (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any Note, Receipt, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.

## 2. Conversion and Exchanges of Notes

### (a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such Noteholder.

(b) **Materialised Notes**

Materialised Bearer Notes of one Specified Denomination may not be exchanged for Materialised Bearer Notes of another Specified Denomination.

### 3. Status

The obligations of the Issuer under the Notes may be either unsubordinated (**Unsubordinated Notes**) or subordinated (**Subordinated Notes**).

(a) **Status of Unsubordinated Notes**

The Unsubordinated Notes and, where applicable, any relative Receipts and Coupons are direct, general, unconditional, unsecured (subject to the provisions of Condition 4) and unsubordinated obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

(b) **Status of Subordinated Notes**

(i) Subordination

Subordinated Notes (which term shall include both Subordinated Notes with a specified maturity date (**Dated Subordinated Notes**) and Subordinated Notes without a specified maturity date (**Undated Subordinated Notes**)) are unsecured subordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and *pari passu* with any other unsecured subordinated obligations of the Issuer with the exception of any *prêts participatifs* granted to the Issuer. If any judgement is rendered by any competent court declaring the transfer of the whole of its business (*cession totale de l'entreprise*) or the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the holders of Subordinated Notes shall be subordinated to the payment in full of unsubordinated creditors and, subject to such payment in full, the holders of Subordinated Notes shall be paid in priority to any *prêts participatifs* granted to the Issuer. In the event of incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the Subordinated Notes will be terminated. The holders of Subordinated Notes shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

(ii) Dated Subordinated Notes

Unless otherwise specified in the relevant Final Terms, payments of interest relating to Dated Subordinated Notes constitute obligations which rank equally with the obligations of the Issuer in respect of Unsubordinated Notes issued by the Issuer in accordance with Condition 3(a).

(iii) Undated Subordinated Notes

Unless otherwise specified in the relevant Final Terms, payments of interest relating to Undated Subordinated Notes constitute obligations which rank equally with the obligations of the Issuer in respect of Unsubordinated Notes issued by the Issuer in accordance with Condition 3(a) and may be deferred in accordance with the provisions of Condition 5(h).

The use of the proceeds of issues of Undated Subordinated Notes will be set out in the applicable Final Terms.

#### 4. Negative Pledge

So long as any of the Unsubordinated Notes or, if applicable, any Receipts or Coupons relating to them, remains outstanding, the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other security interest (*sûreté réelle*) upon the whole or any part of its assets, present or future, to secure any present or future Relevant Indebtedness (as defined below) incurred or guaranteed by it (whether before or after the issue of the Unsubordinated Notes) unless the Issuer's obligations under the Unsubordinated Notes, Receipts and Coupons are equally and rateably secured therewith.

For the purposes of this Condition:

**Limited-recourse Borrowings** means any indebtedness for borrowed money, whether or not in the form of, or represented by, bonds or notes (**Indebtedness**) incurred by the Issuer to finance the ownership, acquisition, development, operation and/or maintenance of an asset or project in respect of which the person (or persons) to whom any such Indebtedness is or may be owed by the Issuer has (or have) no recourse to the Issuer for the repayment thereof other than:

- (i) recourse to the Issuer for amounts not exceeding an amount equal to the cash flow from, or the value of, such asset or project; and/or
- (ii) recourse to the Issuer for the purpose of enabling amounts to be claimed in respect of such Indebtedness in an enforcement of any security interest given by the Issuer over such asset or rights under, or in respect of, such project (or the income, cash flow or other proceeds deriving therefrom) to secure such Indebtedness; and/or
- (iii) recourse to the Issuer under any form of assurance, undertaking or support, which is limited to a claim for damages for breach of an obligation (not being a payment obligation or an indemnity in respect thereof, which, for the avoidance of doubt, would fall to be considered under subparagraph (i) above) by the Issuer.

**Relevant Indebtedness** means any indebtedness for borrowed money, represented by bonds or notes (*obligations*) which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily traded in on any stock exchange, over-the-counter-market or other securities market, and which does not constitute Limited-recourse Borrowings.

This Condition 4 shall not apply to Subordinated Notes.

#### 5. Interest and other Calculations

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**Business Day** means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer or any successor thereto (the **TARGET System**) is operating (a **TARGET Business Day**) and/or;
- (ii) in the case of a specified currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or;
- (iii) in the case of a specified currency and/or one or more business centre(s) specified in the relevant Final Terms (the **Business Centre(s)**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

**Day Count Fraction** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the **Calculation Period**):

- (iv) if **Actual/365 - FBF** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during the Calculation Period and whose denominator is 365. If part of that Calculation Period falls in a leap year, Actual /365 - FBF shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366
- (v) if **Actual/365** or **Actual/Actual - ISDA** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (vi) if **Actual/Actual-ICMA** is specified in the relevant Final Terms:
  - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (B) if the Calculation Period is longer than one Determination Period, the sum of:
    - the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any yearin each case where
  - Determination Period** means the period from and including a Determination Date in any year to but excluding the next Determination Date; and
  - Determination Date** means the date specified in the relevant Final Terms or, if none is so specified, the Interest Payment Date;
- (vii) if **Actual/365 (Fixed)** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (viii) if **Actual/360** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (ix) if **30/360, 360/360** or **Bond Basis** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)) and
- (x) if **30E/360** or **Eurobond Basis** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last

day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**Effective Date** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

**Euro-zone** means the region comprised of member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

**FBF Definitions** means the definitions set out in the FBF Master Agreement, unless otherwise specified in the relevant Final Terms.

**Interest Accrual Period** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**Interest Amount** means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

**Interest Commencement Date** means the Issue Date or such other date as may be specified in the relevant Final Terms.

**Interest Determination Date** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

**Interest Payment Date** means the date(s) specified in the relevant Final Terms.

**Interest Period** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**Interest Period Date** means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

**ISDA Definitions** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms.

**Page** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (**Reuters**) and Telerate (**Telerate**)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

**Rate of Interest** means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

**Reference Banks** means the institutions specified as such in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone).

**Relevant Financial Centre** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, Paris.

**Relevant Rate** means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

**Relevant Time** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose **local time** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 a.m., Brussels time.

**Representative Amount** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

**Specified Currency** means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

**Specified Duration** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(c)(ii).

- (b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date except as otherwise provided in the relevant Final Terms.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

- (c) **Interest on Floating Rate Notes Index Linked Interest Notes and Inflation Linked Interest Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Note, Index Linked Interest Note and Inflation Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear (except as otherwise provided in the relevant Final Terms) on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.



(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and, unless otherwise specified in the relevant Final Terms, the provisions below relating to either FBF Determination or ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant FBF Rate. For the purposes of this sub-paragraph (A), **FBF Rate** for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

- (a) the Floating Rate is as specified in the relevant Final Terms, and
- (b) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), **Floating Rate** (*Taux Variable*), **Calculation Agent** (*Agent*), **Floating Rate Determination Date** (*Date de Détermination du Taux Variable*) and **Transaction** (*Transaction*) have the meanings given to those terms in the FBF Definitions, provided that Euribor means the rate calculated for deposits in euro which appears on Reuters Page EURIBOR01, as more fully described in the relevant Final Terms.

(B) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (B), **ISDA Rate** for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (c) the Floating Rate Option is as specified in the relevant Final Terms,
- (d) the Designated Maturity is a period specified in the relevant Final Terms, and

- (e) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity, Reset Date and Swap Transaction** have the meanings given to those terms in the ISDA Definitions.

(C) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (a) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
  - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
  - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date

- (b) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (a)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (a)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in the Euro-zone as selected by the Calculation Agent (the **Principal Financial Centre**) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (iv) *Rate of Interest for Index Linked Interest Notes and Inflation Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes and Inflation Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms.
- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon and is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(e)(i)).
- (e) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.
- (f) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.
- (g) **Accrual of interest:** Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (h) **Deferral of interest:** In the case of Undated Subordinated Notes, interest shall be payable on each Compulsory Interest Payment Date (as defined below) in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid (if the Issuer so elects) the interest accrued in the Interest Period ending on the day immediately preceding such date but the Issuer shall not have any obligation to make such payment. Notice of any Optional Interest Payment Date shall (for so long as the rules of, or applicable to, any Regulated Market so require) be given to the Noteholders in accordance with Condition 15 and to the relevant Regulated Market. Such notice shall be given at least seven days prior to the relevant Optional Interest Payment Date(s). Any interest not paid on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute **Arrears of Interest** which term shall include interest on such unpaid interest as referred to below. Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time upon the expiration of not less than seven days' notice to such effect given to the Noteholders in accordance with Condition 15 but all Arrears of Interest on all Undated Subordinated Notes outstanding shall become due in full on whichever is the earliest of:
- (i) the next Interest Payment Date if such Interest Payment Date is a Compulsory Interest Payment Date or,
  - (ii) the date on which any Undated Subordinated Notes are to be redeemed partially or in full (otherwise than at the option of the Noteholders) in accordance with their terms and conditions or,
  - (iii) (a) a judgement rendered by any competent court declaring the transfer of the whole of the business (*cession totale de l'entreprise*) or the judicial liquidation (*liquidation judiciaire*) of the Issuer or (b) the liquidation of the Issuer for any other reason.

If notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged to do so upon the expiration of such notice. When Arrears of Interest are paid in part, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall (to the extent permitted by law) bear interest accruing (but only, in accordance with Article 1154 of the Civil Code, after such interest has

been due for a period of at least one year) and compounding on the basis of the exact number of days which have elapsed at the prevailing rate of interest on the Undated Subordinated Notes in respect of each relevant Interest Period. For these purposes the following expressions have the following meanings:

**Compulsory Interest Payment Date** means any Interest Payment Date on which the Issuer has (i) declared or paid any dividend (final or interim) of any nature (whether in cash, shares or any other form and including, any interim dividend (*acompte sur dividende*) on any Share Capital Securities, (ii) redeemed, repurchased or otherwise acquired any Share Capital Securities by any means other than in connection with the performance by the Issuer of its obligations under any existing or future benefit plan, share option plan or free share allocation scheme reserved for directors, officers or employees of the Issuer or (iii) at its election, redeemed, repurchased or otherwise acquired any Parity Securities (other than Notes).

**Optional Interest Payment Date** means any Interest Payment Date, as the case may be, other than a Compulsory Interest Payment Date.

**Parity Securities** means any subordinated obligations or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Subordinated Notes.

**Share Capital Securities** means (a) any ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*, including *actions à dividendes prioritaires sans droit de vote*), or other priority shares (*actions de priorité*)) issued by the Issuer.

(i) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding**

(i) If any Margin or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes unit means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(j) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(k) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Early Redemption Amounts and Instalment Amounts:**

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market so require, such Regulated Market as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (1) **Calculation Agent and Reference Banks:** The Issuer shall use its best efforts to procure that there shall at all times be four Reference Banks (or such other number as may be required by the Conditions) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Luxembourg office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15.

## 6. Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any option provided by the relevant Final Terms including any Issuer's option in accordance with Condition 6(c) or any Noteholders' option in accordance with Condition 6(d), each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(b) below, its final Instalment Amount.

- (b) **Redemption by Instalments and Final Redemption:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified in the relevant Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(c) or (6)(d), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised Notes, on the due date for such payment or (ii) in the case of Materialised Notes, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (c) **Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption:** If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), redeem or exercise any Issuer's option (as may be described) in relation to all, or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest), if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Bearer Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market requirements.

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the French *Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and Regulated Market requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published (i) as long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange and the rules of such Stock Exchange so permit, on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or (ii) in a leading newspaper with general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located, which in the case of the Luxembourg Stock Exchange is expected to be *d'Wort*, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Bearer Notes drawn for redemption but not surrendered.

- (d) **Redemption at the Option of Noteholders and Exercise of Noteholders' Options:** If a Put Option is specified in the relevant Final Terms the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption including, where applicable, any Arrears of Interest.

To exercise such option or any other Noteholders' option that may be set out in the relevant Final Terms (which must be exercised on an Option Exercise Date) the Noteholder must deposit with any Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the **Exercise Notice**) in the form obtained during usual business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. Such notice shall, in the case of Materialised Bearer Notes, have attached to it such Note (together with all unexpired Receipts and Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paris Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

It may be that before a Put Option can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

(e) **Early Redemption:**

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

(ii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(f), or upon it becoming due and payable as provided in Condition 9 shall be the Final Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest) unless otherwise specified in the relevant Final Terms.

(f) **Redemption for Taxation Reasons:**

- (i) If, by reason of any change in French law, 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 under Conditions 8(a) and 8(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 60 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the relevant Final Terms, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) 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 interest without withholding for French taxes.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Conditions 8(a) and 8(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with, unless otherwise specified in the relevant Final Terms, any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest) on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.
- (g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Final Terms.
- (h) **Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price, subject to the applicable laws and/or regulations.
- (i) **Cancellation:** All Notes purchased by or on behalf of the Issuer must be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Bearer Notes, by surrendering to the Fiscal Agent the Temporary Global Certificate and the Definitive Materialised Bearer Notes in question together with all unmatured Receipts and Coupons and all unexchanged Talons and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together



with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

- (j) **Illegality:** If, by reason of any change in French law, or any change in the official application of such law, becoming effective after the Issue Date, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under the Notes, the Issuer will, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption (including, where applicable, any Arrears of Interest).
- (k) **Redemption at the option of Noteholders following a Change of Control:** If at any time while any of the Notes remains outstanding, there occurs a Change of Control and within the Change of Control Period a Rating Downgrade in respect of that Change of Control occurs (a **Put Event**), the holder of each Note will have the option (the **Put Option**) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives not more than 60 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 15 of its intention to redeem the Notes (which notice shall be irrevocable)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note on the Optional Settlement Date (as defined below) at its principal amount together with accrued interest to but excluding the Optional Settlement Date.

**Control**, in respect of any entity, means:

- (i) the holding or acquisition, directly or indirectly, by any person or persons acting in concert or any person or persons acting on behalf of any such person(s) (the **Relevant Person(s)**) of (A) more than 50 per cent of the issued ordinary share capital of such entity; or (B) such number of the shares in the capital of such entity carrying more than 50 per cent of the voting rights normally exercisable at a general meeting of such entity; or (C) a number of shares in the ordinary share capital of such entity carrying at least 40 per cent. of the voting rights in exercisable general meetings of such entity and no other shareholder of such entity, directly or indirectly, acting alone or in concert with others, holds a number of shares carrying a percentage of the voting rights exercisable in such general meetings which is higher than the percentage of voting rights attached to the number of shares held by such Relevant Person(s) or;
- (ii) whether by the ownership of share capital or the possession of voting power, contract or otherwise the ability, directly or indirectly, of any Relevant Person(s) to appoint or dismiss all or the majority of the members of the *Conseil d'administration* or other governing or supervisory body of such entity.

A **Change of Control** in respect of the Issuer shall be deemed to have occurred at each time (whether or not approved by the Issuer) that any Relevant Person(s), at any time following the Issue Date of the Notes acquire(s) Control of the Issuer provided that a Change of Control in respect of the Issuer shall be deemed not to have occurred in the case of a Change of Control in respect of the Issuer involving any Relevant Person(s) which at the time of such Change of Control are under the Control of Vinci S.A.

**Change of Control Period** means the period commencing on the date that is the earlier of (i) the date of the first of any formal public announcement that the relevant Change of Control in respect of the Issuer has occurred and (ii) the date of the earliest relevant Potential Change of Control Announcement (if any) and ending 120 days after the date of the first public announcement of such relevant Change of Control in respect of the Issuer having occurred (the **Initial Longstop Date**) provided that unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Notes, if one or more Rating Agency publicly announces at any time on or after the date which is 60 days prior to the Initial Longstop Date that it has placed its rating of the

Notes under consideration for rating review as a consequence of such Change of Control, the Change of Control Period shall be extended to the date which falls 60 days after the date of the first such public rating review consideration announcement.

**Potential Change of Control Announcement** means any public announcement or statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control in respect of the Issuer, such announcement or statement occurring no more than 180 days prior to the first public announcement of the occurrence of the relevant Change of Control.

**Rating Agency** means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. and/ or Moody's Investors Service and their respective successors or affiliates and/ or any other rating agency of equivalent international standing specified from time to time by the Issuer which has a current rating of the Notes at any relevant time.

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control in respect of the Issuer if within the Change of Control Period the rating previously assigned to any of the Notes by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (iii) if the rating previously assigned to any of the Notes by any Rating Agency was below an investment grade rating (as described above), lowered at least one full rating notch (for example, from BB+ to BB or their respective equivalents), provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control in respect of the Issuer if the Rating Agency making the change in rating does not publicly announce or publicly confirm that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, such Change of Control.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable) specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 6(k)).

To exercise the Put Option to require redemption or, as the case may be, purchase of a Note under this Condition 6(k), the holder of that Note must (i) in the case of Dematerialised Notes transfer or cause to be transferred by its Account Holder its Notes to be so redeemed or purchased to the account of the Paying Agent specified in the Put Option Notice for the account of the Issuer or (ii) in the case of Materialised Notes, deposit its Notes with any Paying Agent specified in the Put Option Notice for the account of the Issuer, in each case within the period (the **Put Period**) of 45 days after the Put Event Notice is given together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Put Option Notice**) and in which the holder may specify a bank account to which payment is to be made under this Condition 6(k).

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of, the Notes in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer or deposit of such Notes as described above on the date which is the fifth Business Day (as defined in Condition 5(a)) following the end of the Put Period (the **Optional Settlement Date**). Payment in respect of any Note so transferred or deposited will be made to each relevant holder in Euro in accordance with Condition 7 on the Optional Settlement Date.

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed pursuant to this Condition 6(k), the Issuer may, on not less than 30 nor more than 60 days' notice to the Noteholders given within 30 days after the Optional Settlement Date, redeem on a date to be specified in such notice (the **"Squeeze Out Redemption Date"**), at its option, all (but not some only) of the remaining Notes at their principal amount, together with interest accrued to but excluding the Squeeze Out Redemption Date.

## 7. Payments and Talons

- (a) **Dematerialised Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Materialised Bearer Notes:** Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest, where applicable) in respect of Materialised Bearer Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Materialised Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank.

**Bank** means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities (including Luxembourg so long as Notes are admitted to trading on the Luxembourg Stock Exchange and, in either case, so long as the rules of, or applicable to, the relevant Regulated Market so require) (v) in the case of Materialised Notes, a Paying Agent with a specified office in a European Union Member State (which may be any

of the Paying Agents referred to in (iv) above) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive, (vi) in the case of Dematerialised Notes, in fully registered form, a Registration Agent and (vii) such other agents as may be required by any other Regulated Market on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Bearer Notes denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 14, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

- (i) Unless Materialised Bearer Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon (together, where applicable, with the amount of any Arrears of Interest corresponding to such Coupon) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Nominal Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).
- (ii) If Materialised Bearer Notes so provide, upon the due date for redemption of any such Materialised Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Materialised Bearer Note that is redeemable in instalments, all Receipts relating to such Materialised Bearer Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Materialised Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Materialised Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the

Interest Commencement Date, as the case may be, (including, for the avoidance of doubt, any Arrears of Interest if applicable) shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Bearer Note. Interest accrued on a Materialised Bearer Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Bearer Notes.

- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the Noteholder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, **business day** means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as **Financial Centres** in the relevant Final Terms and (B) (i) (in the case of a payment in a currency other than Euro), where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Business Day.

## 8. Taxation

- (a) **Tax exemption for Notes issued or deemed to be issued outside France:** Interest and other revenues with respect to Notes which constitute *obligations* and which, as may be specified in the relevant Final Terms, are being issued or deemed to be issued outside the Republic of France benefit from the exemption provided for in Article 131 *quater* of the French General Tax Code from deduction of tax at source. Accordingly such payments do not give the right to any tax credit from any French source. The tax regime applicable to Notes which do not constitute *obligations* will be set out in the relevant Final Terms.

*As to the meaning of the expression issued or deemed to be issued outside the Republic of France see General Description of the Programme - Taxation above.*

- (b) **Additional Amounts:** If French law should require that payments of principal or interest in respect of any Note, Receipt or Coupon be subject to deduction or withholding in respect of any present or future French taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Receiptholders and the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon, as the case may be:
  - (i) **Other connection:** to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note, Receipt or Coupon; or
  - (ii) **Presentation more than 30 days after the Relevant Date in the case of Materialised Notes:** more than 30 days after the Relevant Date except to the extent that the Noteholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
  - (iii) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council

Directive 2003/48/EC of 3 June 2003 or any other EU 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; or

- (iv) **Payment by another paying agent in the case of Materialised Notes:** presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another paying agent in a Member State of the EU.

As used in these Conditions, **Relevant Date** in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due (and, for the avoidance of doubt, in the case of Arrears of Interest, references to becomes due shall be interpreted in accordance with the provisions of Condition 5(h)) or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or, in the case of Materialised Notes (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

References in these Conditions to (i) **principal** shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) **interest** shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, all Arrears of Interest) payable pursuant to Condition 5 or any amendment or supplement to it and (iii) **principal** and/or **interest** shall be deemed to include any additional amounts that may be payable under this Condition.

- (c) **Tax exemption for Notes not issued or deemed to be issued outside France:** Interest and other revenues with respect to Notes which, if so specified in the relevant Final Terms, are not being issued or deemed to be issued outside the Republic of France only benefit from the exemption from deduction of tax at source provided by, and subject to the provisions of, Article 125 A III of the French General Tax Code, which requires *inter alia*, certification of non-French residency.
- (d) **Certification of Non-Residency in France:** Each Noteholder shall be responsible for supplying certification of non-residency (a form of which shall be available at the specified offices of any of the Paying Agents or in such other form as may be required by the French tax authorities from time to time) in accordance with the provisions of Article 125 A III of the French General Tax Code and the Issuer shall not be responsible for any deduction or withholding in respect of any payment made under any Note, Receipt or Coupon resulting from the failure of such Noteholder to submit such certification.

## 9. Events of Default

The Representative (as defined in Condition 11), upon request of any Noteholder, may, upon written notice to the Fiscal Agent given before all defaults shall have been cured, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable at their principal amount, together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent without further formality, if any of the following events (each an **Event of Default**) shall occur:

- (a) **Unsubordinated Notes:** In the case of Unsubordinated Notes:
- (i) default in any payment when due of interest on any of the Notes, and the continuance of any such default for a period of 15 days thereafter; or
- (ii) default in the performance of, or compliance with, any other obligation of the Issuer under the Notes, if such default shall not have been remedied within 30 days after receipt by the

Fiscal Agent of written notice of such default given by the Representative (as defined in Condition 11); or

- (iii) any other present or future indebtedness of the Issuer for borrowed money in excess of Euro 60,000,000 (or its equivalent in any other currency) shall become due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any applicable grace period therefor, unless the Issuer is contesting in good faith and by appropriate proceedings before a competent court that such indebtedness was due and payable; or
- (iv) if the Issuer makes any proposal for a general moratorium in relation to its debt; or applies for the appointment of a *mandataire ad hoc*, or enters into an amicable settlement (*procédure de conciliation*) with its creditors; or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for the transfer of the whole business (*cession totale de l'entreprise*) of the Issuer; or to the extent permitted by applicable law, the Issuer is subject to any other insolvency or bankruptcy proceedings; or the Issuer makes any conveyance, assignment or other arrangement for the benefit of, or enters into a composition with, its creditors; or the Issuer ceases to carry on all or a substantial part of its business or operations or is dissolved except (i) any operation falling within the definition of Permitted Reorganisation (as defined below) or (ii) with the prior approval of the *Masse*, for the purposes of, or in connection with, an amalgamation, reorganisation, consolidation or merger (other than a Permitted Reorganisation) which is implemented;

then the Representative may, by notice in writing to the Issuer and the Fiscal Agent given on behalf of the Noteholders before all continuing Events of Default shall have been remedied, cause all the Notes outstanding to become immediately due and payable whereupon they shall become immediately due and payable at their principal amount together with any accrued interest thereon. The occurrence of any Event of Default must be notified to the Noteholders by a publication in accordance with the provisions of Condition 15.

**Permitted Reorganisation** means a reconstruction, amalgamation, merger, consolidation or transfer of assets and/or activities (a **Reorganisation**) where the surviving legal entity which acquires or to which is transferred all or a substantial part of the business and/or activities of the Issuer:

- (a) is a company incorporated and resident in a Member State of the OECD;
  - (b) carries on the same or similar business and activities as the Issuer immediately after such acquisition or transfer;
  - (c) expressly and effectively by law assumes all the obligations of the Issuer under the Notes and has obtained all authorisations therefore; and
  - (d) benefits from a senior long term debt rating from either Standard & Poor's or Moody's which is equal to or higher than the senior long term debt rating of the Notes immediately prior to the Reorganisation.
- (b) **Subordinated Notes:** In the case of Subordinated Notes and in accordance with Condition 3(b), if any judgment shall be issued for the transfer of the whole of its business (*cession totale de l'entreprise*) or the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason then the Subordinated Notes shall become immediately due and payable, in accordance with Condition 3(b), at their principal amount together with any accrued interest to the date of payment and where applicable, any Arrears of Interest, without further formality.

## 10. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 11. Representation of Noteholders

Except as otherwise provided by the relevant Final Terms, Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the **Masse**).

The Masse will be governed by the provisions of the French Code of Commerce with the exception of Articles L.228-48 and L.228-59 and by the decree no. 67-236 of 23 March 1967, with the exception of Articles 218, 222 and 224 of such decree subject to the following provisions:

(a) **Legal Personality**

The Masse will be a separate legal entity and will act 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 respectively with respect to the Notes.

(b) **Representative**

The office of Representative may be conferred on a person of any nationality who agrees to perform such function. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Board of Directors (*Conseil d'administration*), its Supervisory Board (*Conseil de surveillance*), its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors, Executive Board (*Directoire*), or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(c) **Powers of Representative**

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.



The Representative may not be involved in the management of the affairs of the Issuer.

(d) **General Meeting**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 15.

Each Noteholder has the right to participate in a General Meeting in person or by proxy. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(e) **Powers of the General Meetings**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

(f) **Information to Noteholders**

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting.

(g) **Expenses**

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(h) **Single Masse**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative

appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

## 12. Modifications

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

## 13. Replacement of Definitive Notes, Receipts, Coupons and Talons

If, in the case of any Materialised Bearer Notes, a Definitive Materialised Bearer Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Bearer Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Bearer Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Bearer Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 14. Further Issues and Consolidation

- (a) **Further Issues:** Unless otherwise specified in the relevant Final Terms, the Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further notes carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Final Terms) and that the terms of such further notes provide for such assimilation and references in these Conditions to **Notes** shall be construed accordingly.
- (b) **Consolidation:** The Issuer may, with the prior approval (which shall not be unreasonably withheld) of the Redenomination and Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders, Receiptholders or Couponholders, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

## 15. Notices

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either,
  - (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or
  - (ii) at the option of the Issuer, they are published in a leading daily newspaper of general circulation in Europe. Provided that, so long as such Notes are admitted to trading on any Regulated Market(s), notices shall be valid if published (x) as long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange, and the rules of such Stock Exchange so permit, on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or (y) in a daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes are admitted to trading is/are situated, which in the case of the Luxembourg Stock Exchange, is expected to be *d'Wort*.

- (b) Notices to the holders of Materialised Bearer Notes and Dematerialised Notes in bearer form shall be valid if published in a daily leading newspaper of general circulation in Europe and so long as such Notes are admitted to trading on a Regulated Market, notices shall be valid if published (i) as long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange, and the rules of such Stock Exchange so permit, on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or (ii) in a daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes are admitted to trading is/are situated, which in the case of the Luxembourg Stock Exchange, is expected to be *d'Wort*.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Bearer Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 15 (a), (b) and (c) above; except that so long as such Notes are admitted to trading on any Regulated Market(s) and the rules of, or applicable to, that Regulated Market so require, notices will be published (x) as long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange, and the rules of such Stock Exchange so permit, on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or (y) in a daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes are admitted to trading are/is situated which, in the case of the Luxembourg Stock Exchange, is expected to be *d'Wort* and notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 shall also be published in a leading newspaper of general circulation in Europe.

## **16. Method of Publication of the Base Prospectus and of the Final Terms**

This Base Prospectus will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) during a period of twelve months from the date of this Base Prospectus. The Final Terms related to Notes admitted to trading on any Regulated Market will be published on the website of the Luxembourg Stock Exchange.

In addition, should the Notes be admitted to trading on a Regulated Market other than the Luxembourg Stock Exchange, the Final Terms related to those Notes will provide whether this Base Prospectus and the relevant Final Terms will be published on the website of (x) such Regulated Market or (y) the competent authority of the Member State in the EEA where such Regulated Market is situated.

## **17. Governing Law and Jurisdiction**

- (a) **Governing Law:** The Notes (and, where applicable, the Receipts, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the Issuer in connection with any Notes, Receipts, Coupons or Talons may be brought before any competent court of the jurisdiction of the Paris Court of Appeal.

## **TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALIZED BEARER NOTES**

### **Temporary Global Certificates**

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Bearer Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream, Luxembourg (the **Common Depository**), Euroclear or Clearstream, Luxembourg will credit the accounts of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### **Exchange**

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see General Description of the Programme - Selling Restrictions), in whole, but not in part, for the Definitive Materialised Bearer Notes and
- (ii) otherwise, in whole but not in part upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised Bearer Notes.

### **Delivery of Definitive Materialised Bearer Notes**

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Bearer Notes. In this Base Prospectus, Definitive Materialised Bearer Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Bearer Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Bearer Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such Definitive Bearer Materialised Notes shall be available at the specified offices of any of the Paying Agent(s).

### **Exchange Date**

**Exchange Date** means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes unless otherwise specified in the relevant Final Terms.

## DESCRIPTION OF THE ISSUER

### I INFORMATION CONCERNING THE ISSUER

#### 1.1 - General information

- **General information about the Issuer**

**Corporate name:** Autoroutes du Sud de la France – "ASF"

**Registered office:** 100 avenue de Suffren, 75015 Paris, France

**Telephone:** +33 1 72 71 90 00

**Legal form:** French public limited company (« *société anonyme* ») with a Board of Directors

**Applicable legislation:** Governed by the provisions of the French Commercial Code and the related enabling legislation applicable to trading companies.

**Legal term of existence:** The company was incorporated on 6 September 1957 and will be automatically dissolved on 6 September 2056 unless it is wound up in advance or its term is extended.

**Financial year:** From 1 January to 31 December

**Registration number:** RCS 572 139 996 Paris – Siret: 572 139 996 01322 – NAF code: 632A

**Inspection of documents:** Legal documents relating to ASF are available for inspection at its registered office and at the Clerk's Office of the Paris Commercial Court.

- **Corporate purpose (Article 2 of the bylaws)**

The corporate purpose of ASF is as follows:

- Under a concession agreement, contract, mandate or other form of delegation, to design, build, maintain and operate roads, including expressways, motorways or civil engineering structures and including slip-roads and feeder-roads, build and operate related infrastructures or intermodal transport infrastructures, improve the surrounding land, gather, process and distribute traffic information and, generally, perform any and all related work or activities.

- Under a contract, mandate or other form of delegation, to design, build and operate transport infrastructures including freight centres, vehicle parking areas, multimodal platforms and airport and maritime platforms.

- To build, maintain and operate telecommunications infrastructure, including that related directly to the business of transport infrastructure operator.

- To carry out any and all studies and develop any and all industrial and scientific processes, materials and equipment related directly or indirectly to the design, operation or construction of transport or telecommunications infrastructure.

- Generally, to invest in any and all financial, commercial, securities or real estate companies, transactions or ventures, including for the acquisition of and improvements to land and buildings, related to the above corporate purpose.

## 1.2 - Administration, management and supervisory bodies

### Composition of the Board of Directors

The board of directors has ten members:

- Jacques Tavernier – CEO
- Bernard Val
- Gérard Payen
- Christian Bouvier
- Willy Stricker
- VINCI, represented by Yves-Thibault de Silguy
- VINCI Concessions, represented by David Azéma
- SNEL, represented by Xavier Huillard
- SEMANA, represented by Bernard Huvelin
- SOCOFREG, represented by Christian Labeyrie

### Positions and mandates held by the members of the board of directors as of 28 February 2007

Name	Age	Function	Start	End	Principal other appointments and functions
Jacques Tavernier	57	Chairman	CEO of ASF since 1998, Director since 9 March 2006, Chairman of the Board since 15 May 2006	AGM voting on accounts closed in 2007	Chairman and CEO of ASF Holding CEO and Director of VINCI Concessions Senior Executive Vice President of VINCI Director of Lorry Rail Permanent representative of ASF on the Board of Escota Permanent representative of VINCI on the Board of COFIROUTE and SMTPC Permanent representative of VINCI Concessions on the Board of Arcour
Bernard Val	64	Director	Chairman of ASF from 1997 to 15 May 2006, then Vice Chairman, Director since 26 February 2007	AGM voting on accounts closed in 2007	Vice Chairman of VINCI Chairman of VINCI Concessions Director of Escota, Penauille Polyservices Member of the Supervisory Board of Ginger.

Gérard Payen	54	Director	13 March 2002	AGM voting on accounts closed in 2007	Chairman of AquaFed
Christian Bouvier	69	Director	9 March 2006	AGM voting on accounts closed in 2007	Director of EMGP (Entrepôts et Magasins Généraux de Paris) and EPPJP
Willy Stricker	64	Director	26 February 2007	AGM voting on accounts closed in 2012	Senior advisor of Ixis -CIB (NATIXIS Group), Director of Canal+
VINCI, represented by Yves-Thibault de Silguy	58	Director	15 December 2004	AGM voting on accounts closed in 2007	Chairman of VINCI
VINCI Concessions, represented by David Azéma	46	Director	9 March 2006	AGM voting on accounts closed in 2007	Co- CEO and Director of VINCI Concessions Chairman of Arcour, VINCI Airports, VINCI Infrastructures Vice Chairman of Sté Expl. de l'Aéroport de Chambéry Director of VINCI Park, Gefyra Permanent representative of VINCI on the Board of Escota, Consortium Stade de France Permanent representative of VINCI Concessions on the Board of Cofiroute, SMTPC, ASF Holding, Truck Etape Holding, Sté de l'Aéroport de Brive
SNEL, represented by Xavier Huillard	52	Director	9 March 2006	AGM voting on accounts closed in 2007	CEO and Director of VINCI Director of VINCI Concessions, VINCI Park, Solétanches, VINCI Deutschland Permanent representative of VINCI on the Board of VINCI Energies
SEMANA, represented by Bernard Huvelin	69	Director	9 March 2006	AGM voting on accounts closed in 2007	Vice Chairman of VINCI, VINCI USA Chairman of Consortium Stade de France Director of VINCI Energies, VINCI Park, VINCI Deutschland, COFIDO, Electro Banque Permanent representative of SEMANA on the Board of Eurovia



					Permanent representative of SOGEPAR on the Board of Cofiroute
SOCOFREG, represented by Christian Labeyrie	50	Director	9 March 2006	AGM voting on accounts closed in 2007	Executive Vice President and CFO of VINCI Director of VINCI Concessions, VINCI Park, VINCI Deutschland, Eurovia, Consortium Stade de France, Arcour, ASF Holding Chairman of VINCI USA

In compliance with applicable laws and the company's by-laws, each director must hold at least one share as long as he is a member of the board. The board of directors convenes as often as the interests of the company require. In 2006 the board met eight times.

Members of the Board of Directors of the Issuer shall conduct their private and other external activities and financial interests in a manner that does not conflict with the interests of the Issuer. Conflicts of interest may occasionally arise between duties of a member of the Board of Directors of the Issuer and such member's duties to another party. In the event that any conflict of interest is deemed to exist in any matter, the person subject to the conflicting interests will not handle or participate in any decision relating to the matter. Apart from such occasional conflicts of interest, to the best of the Issuer's knowledge, there are no conflicts of interest between any duties to the Issuer of the members of the Board of Directors and their private interests.

#### **Chairmanship and executive management of the company**

The board designates a chairman ("président") among its members who are physical persons.

Pursuant to French law, the executive management of the company is entrusted to a physical person appointed by the board of directors with the title of Chief Executive Officer ("directeur général").

On May 15 2006, the ASF board of directors decided that the positions of chairman and CEO would be held by the same person, who becomes chairman and CEO ("président directeur général").

The chairman and CEO in his capacity of chairman of the board of directors organises and heads the work of the board of directors and represents it in its relations with the shareholders and third parties. He oversees the efficient running of the company's organisation and, in particular, makes sure that the directors have the capacity to carry out their duties.

The chairman and CEO, in his capacity of executive officer, is entrusted with the most extensive powers to act in the name of the company in all circumstances. He exercises these powers within the limits of the company's purpose and of the statutory powers entrusted to the shareholders' and board of directors' meetings.

The CEO represents the company in its relations with third parties.

The CEO may grant any of his powers to attorneys-in-fact whom he designates, whether with or without the power to sub-delegate, subject only to statutory limits.

Pursuant to the provisions of the by-laws approved by the shareholders' general and extraordinary meeting of 15 May 2006, the board of directors may, if the CEO so proposes, appoints one or more persons to assist the CEO and they will each have the title of vice chief executive officer ("directeur général délégué").

The Board of 11 December 2006 appointed Pierre Anjolras as vice-chief executive officer ("directeur général délégué"). This nomination became effective on 1 January 2007.

The main executive managers of the company, as of 28 February 2007 are the following:

<b>Name</b>	<b>Position</b>	<b>Date of designation</b>	<b>Age</b>
Jacques Tavernier	C.E.O.	15 May 2006	57
Pierre Anjolras	Vice Chief Executive Officer	2007	40
Jean-Marc Denizon	Vice Executive Manager	15 May 2006	63
Alain Robillard	Vice Executive Manager	15 May 2006	61
Erik Leleu	Human Resources Manager	2006	52
Michel Eraud	Finance Manager	2006	57
Benoite de Fonvielle	Head of Chairman Council	2006	52
Brigitte Simon	Head of Legal Department	2005	50
Bernard Gardelle	Communication Manager	2002	46

### **The Advisory Commission on Contracts**

In addition, the Commission Consultative des Marchés de la Société ("CCMS"), created by a decision of the Board of directors on 10 May 2001, continues to carry out its tasks. Consisting of six members, headed by the executive officer, two experts selected by the chairman (with one being independent of the company), the manager of the contract submitted to the CCMS, the State auditor and one representative of the French anti-trust authority ("DGCCRF"). The CCMS acts in an advisory capacity about the award of the contracts which are submitted for its examination and checks the contracts awards procedure in force in the company. Its advice is required for all contracts relating to civil works above €5,000,000 (before tax), all contracts related to supplies or services above €500,000 (before tax).

Pursuant to the 12th amendment to ASF Concession Agreement still subject to approval by the Board of ASF and the Conseil d'Etat, and which should become effective in the course of 2007, a new advisory commission to be called CCMA "Commission Consultative des Marchés Autoroutiers" will substitute for the CCMS. Its composition will be close to the current CCMS and its advisory tasks will be broadened to include all civil works contracts above €2,000,000 and all supply or services contracts above €240,000.

### **1.3 - History of the Issuer**

- **History of the Issuer before its privatisation**

The company was founded, as a Société d'Economie Mixte Concessionnaire d'Autoroute ("SEMCA") in 1957 under the name of Société de l'Autoroute de la Vallée du Rhône (SAVR) to build and operate the A7 motorway starting from Vienne (south of Lyon). Between 1967 and 1973, the company was granted the concessions for the Nîmes-Montpellier, Orange-Nîmes, Béziers-Narbonne sections of the A9, all located in the South of France. In 1973, the current name, Autoroutes du Sud de la France, was adopted in order to reflect the geographic expansion of the company's activities.

In 1981-1982, ASF opened the Poitiers/Saint-André-de-Cubzac (north of Bordeaux) section of the A10, providing a continuous motorway link between Paris and Bordeaux and completed the A62 between Toulouse and Bordeaux.

In 1984, ASF acquired the Société de l'Autoroute de la Côte Basque (ACOBA), which operate the A63 motorway. The construction of the A72 between Clermont-Ferrand and Saint-Etienne was completed in 1985, and the works on the A11 between Angers and Le Mans was finished in 1989.

At the end of 1994, ASF acquired 83.72 per cent of Escota, and increased its shareholding progressively over the years finally up to 98.97 per cent following the capital increase of November 2002. Escota was a SEMCA founded in 1956 under the name Société des Autoroutes Estérel, Côte d'Azur, to construct the A8, the first conceded motorway in France. The A8 now provides a continuous link between Aix-en-Provence and the Italian border. In 1991, following the geographic expansion of its activities, Escota adopted its current name, "Société des Autoroutes Estérel, Côte d'Azur, Provence, Alpes".

In 1994, ASF signed the concession agreement for the operation and maintenance for the Tunnel du Puymorens (in the Pyrenees).

In 1995, the construction of the A20 motorway from Brive to Montauban began. The work was finished in June 2003.

In 2001, the concessions for ASF and Escota were extended by 12 years until 2032 and 2026 respectively.

On 1 March 2006 the Parliament passed a law endorsing the integration of the A89 section Balbigny – La Tour de Salvigny into ASF Concession.

- **Privatisation of the Issuer**

ASF was the first of the publicly-owned motorway concession companies in France (SEMCA) to be partly privatised. In March 2002, some €2.7 billion were raised from the IPO of 49 per cent of the company's capital, out of which about €850 million were reinvested into ASF's equity by the French State and the remainder was paid to the French State through a special dividend. During the days following the IPO, VINCI bought 14.4 per cent of ASF's capital in the market and Eiffage 0.8 per cent. Eiffage finally sold its stake to VINCI in June 2003. At year end 2004, VINCI had raised its stake to 22.99 per cent and signed a shareholder agreement with the French State under which it obtained a seat on the Board of ASF.

In 2005 the French State decided to privatise ASF entirely. VINCI acquired all of the remaining 77.01 per cent of ASF between March and November 2006 for a total consideration of €9.1 billion. VINCI first acquired the State and Autoroutes de France's stake (41.5 per cent and 8.8 per cent of ASF's capital respectively). Thereafter, VINCI successfully launched a standing market offer, thereby increasing its stake to more than 95 per cent of ASF. The acquisition of ASF was completed on 6th November 2006 with the squeeze out of ASF allowing VINCI group to hold 100 per cent of ASF.

In December 2006, ASF signed, with a syndicate of 23 banks, a seven year €3.5 billion facility for general corporate purposes and the partial financing of an exceptional dividend. This exceptional dividend of €3,298 million was paid on 25 January 2007 to ASF shareholders.

#### **1.4 - Concession agreements**

- **ASF and Escota concession agreements**

Motorways concessions are public utility and public works concessions. They are granted by the French State by virtue of a concession agreement, backed by a set of specifications approved by a *Conseil d'Etat* decree specifying how to construct, operate and maintain the motorways.

The French system of motorway concessions was established by the Motorways Act of 18 April 1955 (now known as the Roads and Highways Code). Roads are built on public land and cannot be privately owned. Only the French

State may authorise a company to build and operate motorways and the related infrastructure under a concession agreement. Concession agreements are subject to bids.

The relationships between the French State and the concessionaires are governed by concession agreements and their addenda and, since 1994, by a Programme Plan (*Contrat de Plan*) signed on a regular basis by both parties, which establish the practices in terms of pricing, capital expenditure, development, marketing and customer services, financial targets and social and environmental policies within the respect of the financial balance of concession.

ASF and Escota build, maintain and operate their motorway network under two concession agreements with the French State, one for the ASF network and the other for the Escota network. Both agreements are identical, except for their different expiry dates, and the differences in financial and pricing terms. They were approved in decrees issued by the French *Conseil d'Etat* in 1961 and 1957 respectively, and have since been the subject of several addenda.

### **Scope of the concessions**

The concession agreements relate to the motorways or motorway sections, and also all land, structures and installations necessary for the construction, maintenance and operation of each motorway, such as parking, service and rest areas, service stations, restaurants, motels and hotels (the "Concession Assets").

The Concession Assets fall into three categories:

- assets required to operate the concession, which will automatically be returned to the State without compensation at the end of the concession ("Returnable Assets");
- other assets that are the property of the concessionaire, which the State may elect to buy back at the end of the concession period, if they are of use in operating the concession ("Assets with a Buyback Option");
- assets owned outright by the concessionaire ("Owned Assets"), which will not be transferred to the State at the end of the concession period, with or without consideration.

Throughout the duration of the concession agreement, the concessionaire has the exclusive right to operate the motorways or motorway sections covered by the concession, and to collect tolls.

### **Duration of concessions and recovery of assets on expiry of concessions**

ASF's concession will expire on 31 December 2032 and Escota's concession on 31 December 2026.

On expiry of each concession, the State will take possession of the Returnable Assets. The concessionaire must carry out all necessary maintenance and replacement work, on a timely basis and at its own expense, so that the assets are returned in a good state of repair.

On the concession expiry date, the State may decide to exercise its buyback option in order to also take possession of the other assets required to operate the network.

### **Motorway construction**

Each concession agreement outlines the main features of the infrastructure. For motorways that are classified as being in the public interest, the concessionaire enjoys all the legal and regulatory rights conferred on the State in matters of public works, for the purpose of acquiring land, carrying out expropriations and building the motorway, and is subject to all the corresponding obligations. In particular, the concessionaire must fulfil all the undertakings given and conditions imposed in the Declaration of Public Interest.

Construction contracts above a certain value must be awarded under a competitive bidding process. Discrimination against European Union companies on the basis of national origin is prohibited.

## Motorway operation

The concessionaire must deploy all necessary resources to maintain continuity of traffic in good conditions of safety and convenience. Concession assets must be kept in a good state of repair and operated by the concessionaire at its own expense.

The concessionaire must comply with law and order measures announced by the *préfets* of the regions crossed by the motorway. It must also submit its proposed operating plan for the prior approval of the Infrastructure Minister. In accordance with the rules applicable to public service providers, in the case of a strike by its employees, the concessionaire is required to maintain a minimum service as defined by the Infrastructure Minister.

The concessionaire also has certain obligations in the event that the motorway traffic flow is interrupted or restricted. These include informing the public in advance of possible holdups, and immediately notifying the competent authorities if traffic is interrupted due to circumstances beyond the concessionaire's control.

## Financial terms and conditions

The concessionaire is responsible for financing the construction and operation of the motorway network and related infrastructure, on the basis specified in the concession agreement.

## Tariffs

The concession agreement specifies the basis to be used by the concessionaire to determine toll charges.

Under the ASF and Escota concession agreements, the rates are usually revised on the 1st of February in each year. By law (Decree n° 95-81), the minimum annual rate increase for toll operators amounts to 70 per cent of the inflation index (French inflation index excluding tobacco). Upon the signing of a Programme Plan between the French State and the concessionaire, the tariff increases are defined for the duration of the contract. ASF Group's concession agreements specify that the annual increase in tariffs applicable to class 1 vehicles (light vehicle), when a Programme Plan exists, can not be less than 85 per cent of consumer price inflation. The tariffs for other classes are determined through coefficients applied to the tariffs of class 1 vehicles.

In addition, following the amendment to the ASF concession agreement relating to the Lyon Balbigny section, the Group is allowed to increase the tariffs on the ASF network by specific additional increases of 0.58 per cent in 2007, and a yearly 0.625 per cent from 2008 to 2017.

ASF and Escota have recently completed, with the *Direction Générale des Routes* (Ministry of Infrastructure), the negotiation of their 2007-2011 Programme Plan which provides the following tariff increases for class 1 vehicles over the next five years:

	2007	2008 to 2011
ASF <sup>(1)</sup>	85% of the inflation index + 1.0925%	85% of the inflation index + 0.825%
Escota	85% of the inflation index + 0.9%	

<sup>(1)</sup> Including the specific increase relating to the Lyon-Balbigny amendment

## Operation of service area outlets and other commercial installations

The concessionaire awards contracts for the operation of service area outlets according to a competitive bidding process. The fees paid by the service area operators are included in concession revenues.

Under the terms of the concession agreement, the concessionaire may install and operate fiber optics and telecommunications networks alongside the motorways.

## **Technical regulations**

The concession agreements stipulate that in the event of a change in technical regulations, the State and the concessionaire will mutually agree on the amount of any compensation to be paid to the concessionaire.

## **Taxation**

The concessionaire is liable for all current and future taxes relating to the concession. However, under the terms of the concession agreements, in the event of a substantial change in tax rules or the introduction of new taxes or levies during the life of the agreement that may seriously undermine the financial viability of the concession, the State and the concessionaire will mutually agree on any compensatory measures to be taken to permit the continued provision of the public service.

## **State buyback option**

Starting in 2012 the State will have the right to buy back the concession, for reasons of public interest, on 1 January of each year, subject to giving one year's notice.

If the buyback option is exercised, the concessionaire will be paid compensation based on annual net concession income multiplied by the remaining number of years of the concession. Annual net concession income is defined as concession revenues less (i) the expenses incurred to operate, maintain and replace infrastructure and equipment, (ii) normal accruals for these costs, and (iii) depreciation expense calculated over a period that is shorter than the concession period. Interest expense, depreciation expense calculated over the life of the concession, amortization of debt issuance costs, start-up costs and additional investments in motorways in service are not taken into account in the calculation.

The reference annual net concession income is equal to the higher of the following two amounts:

- the average of the five highest amounts of net concession income reported by the concessionaire during the seven years that precede the one in which the buyback notice is sent to the concessionaire;
- net concession income for the year preceding the one in which the buyback notice is sent to the concessionaire.

The compensation due for a given year, as from the year when the assets are bought back, will be equal to the reference annuity, adjusted by the TP09TER index published monthly in the *Bulletin officiel de la concurrence, de la consommation et de la répression des fraudes*, for the month of January of the year in question and the year prior to the buyback.

In addition, on 30 June of the buyback year, the concessionaire will receive compensation equal to its annual expenditure on asset replacements and additional investment in motorways in service (including the widening of viaducts and lane extensions) during the 15 years preceding the buyback year, less  $x/15$ ths per year, where  $x$  represents the number of years between the expenditure year and the buyback year.

On the buyback date, the State will assume all of the concessionaire's commitments entered into in the normal course of business for the construction and operation of the Concession Assets, except for those commitments arising from loan agreements.

## **Penalties and remedies**

In the case of any failure by the concessionaire to fulfil any of its obligations under the concession agreement that is not remedied within the period specified in the execution order issued by the State, the concessionaire will be required to make a remedial payment, unless such failure is due to circumstances beyond the concessionaire's control.

In particular, such a payment will be levied in the case of any motorway construction delays or any partial or total interruption of traffic arising from the fault of the concessionaire.

If the concessionaire breaches its obligations concerning tariffs, the tariffs applicable up to the next revision date will be set jointly by the Infrastructure Minister and the Finance Minister.

### **Termination for default**

The concession agreement may be terminated by decision of the State made by decree of the *Conseil d'Etat*, if any of the following breaches are not remedied within 30 days of receiving an execution order:

- the concessionaire, other than as a result of a "*force majeure*" event: interrupts operations repeatedly or for a lengthy period without authorization or commits a serious breach of any other contractual obligations;
- the concessionaire transfers the concession without prior and express authorization of the State;
- the concessionaire fails to obtain on a timely basis the funds required to finance the design, construction, operation and maintenance of a motorway.

In the event of termination for default, the concession agreement will be granted to a new concessionaire, in compliance with applicable laws and regulations, through a competitive bidding process. In this case, the bid price will be paid by the new concessionaire to the disqualified company, immediately following publication of the *Conseil d'Etat* decree approving the new concession agreement and related specifications.

#### • **The Puymorens tunnel concession agreement**

The concession agreement for the Puymorens tunnel was signed on 2 June 1994 for a period expiring on 31 December 2037. An addendum may be signed bringing forward the expiry date, following completion of the new Andorran road linking the tunnel to the RN320. Starting in 2013, the concession may also be revoked by the State on 1 January of each year, subject to giving one year's notice. Under the terms of the concession agreement, when the concession expires or is revoked, the State will assume all of debts and obligations relating to the concession.

ASF is entitled to request a tariff increase if this is necessary to preserve the financial viability of the concession. In addition, variable tariffs may be applied according to the season and tunnel-users may be offered cut-price subscriptions. These tariffs must be submitted for the approval of the Infrastructure Minister one month before they are introduced. ASF is entitled to outsource the operation of tunnel-related facilities, subject to the restrictions described above. The related fees are included in concession revenues.

### **1.5 - Business overview**

#### • **Issuer profile**

France has a long experience both of motorways building and of motorways management, in particular as regards concessions. The French motorway network is approximately 10,500 km long, of which about 8,000 km are toll roads. New concessions for a further 1,000 km will be subject to tenders in the near to medium term.

In 1994, three regional public operators were created: ASF and its subsidiary Escota to cover the Southern region, Sanef (Société des Autoroutes du Nord et de l'Est de la France) and its subsidiary SAPN (Société des Autoroutes Paris-Normandie) to cover the Northern and Eastern regions, and SAPRR (Société des Autoroutes Paris-Rhin-Rhône) and its subsidiary AREA (Société des Autoroutes Rhône Alpes) to cover the Rhin-Rhone and Rhone-Alpes region, the western region of France being covered by the private operator Cofiroute.

In its 50-year history, ASF growth has been built on three core areas of expertise: financing, building and operating transport infrastructure.

Today, ASF is the largest motorway concessionaire in France and the second largest in Europe (after Italian-based Autostrade<sup>1</sup>) in terms of kilometres under concession (3,160 km).

The total length of network conceded to ASF is 3,160 km (of which 96 per cent are in service) across central and southern France. It is operated by ASF with 2,701 km (including the 5.5 km long Tunnel du Puymorens concession and the 53 km long Lyon-Balbigny section) and Escota (ASF's 98.97 per cent owned subsidiary) with 459 km, located mainly along the French Riviera.

- **ASF's Network**

As of end of March 2006, ASF's motorway network totalled 3,025.7 km in service (36 per cent of the total French motorways network in service), 134 km under construction or still to be built (of which 53 km of the Lyon-Balbigny section integrated to ASF concession on 1 March 2006), providing a total of 3,160 km under concession. 27.5 per cent of the network in service (832 km) were roads with three lanes or more: most of the A7 and three quarter of the A8 and A9.

ASF and Escota networks are strategically positioned to capitalize on above average demographic growth in the South of France and on traffic flows between the Iberian peninsula and Italy on the one hand and Northern Europe on the other hand. Thanks to this positioning, the network attracts not only European freight and tourist traffic but also high volumes of local traffic

#### **ASF Group network in operation (km)**

A46 Sud/A7/A8 Lyon – Orange – Aix en Provence (L' autoroute du Soleil):	303.4
A9 Orange – Le Perthus (Spanish border) (La Languedocienne/La Catalane):	280.4
A10 Poitiers – Bordeaux (L' Aquitaine):	231.9
A11 Le Mans – Angers (L' Océane):	81.3
A20 Brive – Montauban:	127.8
A54 Nîmes – Salon de Provence:	49.0
A61 Narbonne – Toulouse and Toulouse – A62:	150.6
A62 Bordeaux – Toulouse:	221.5
A63 Saint Geours de Maremme – Spanish border (Basque Coast):	66.5
A64 Bayonne – Toulouse (La Pyrénéenne):	236.9
A66 Toulouse – Pamiers:	39.0
A68 Toulouse – Gémil:	17.7
A72/A89 Est St. Etienne – Clermond-Ferrand:	121.0
A83 Nantes – Niort:	146.7
A837 Saintes – Poitiers:	36.5
A87 Angers – La Roche-sur-Yon:	111.3
A89 Ouest Bordeaux – Clermond Ferrand:	305.0
Other sections of the ASF network:	34.6
<b>Total ASF:</b>	<b>2,561.1</b>
A8 Aix-en-Provence – Côte d' Azur – Italian border (La Provençale):	205.8
A51 Aix-en-Provence – Gap:	129.7
A52/50 Aix-en-Provence – Aubagne – Toulon:	74.7
A57 Toulon – A8:	45.9
A500 A8 – Monaco:	3.0
<b>Total Escota:</b>	<b>459.1</b>

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<sup>1</sup> 3,408 km under concession



Puymorens tunnel:

5.5

Total ASF Group network:

3,025.7



There are 4 main players in motorways concessions in France:

- **ASF Group:** 3,160 km under concession
- **APRR Group:** 2,279 km<sup>1</sup> under concession
- **Sanef Group:** 1,772 km<sup>1</sup> under concession

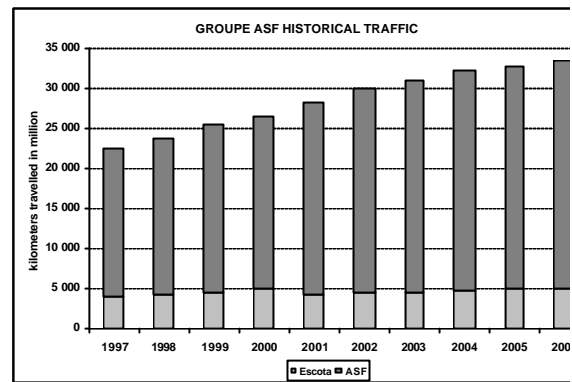
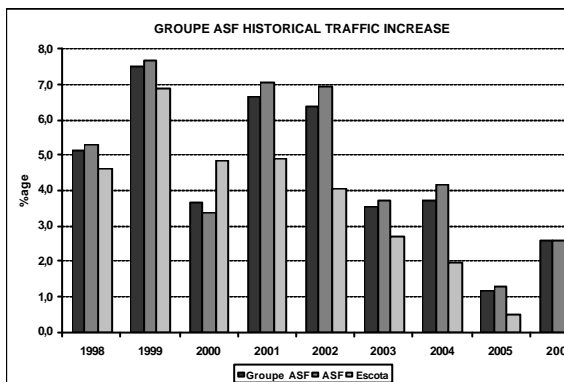
<sup>1</sup> As 31 December 2005.

Sanef has built up a motorway network of 1,743 kilometres in France, comprising the A1 and A2 in the north, the A4 in the east, the A13 and A14 in the west and the link motorways (A16, A26 and A29). It also owns 20 per cent of Alis, which holds the concession for the A28 motorway. Sanef is now part of the Abertis group.

- **Cofiroute:** 1,109 km under concession

Cofiroute is the only French motorway concession company that has remained in the private sector since its creation in 1970. Its main shareholder is VINCI which holds 82.4 per cent. The company operates 1,010 km of motorway in western France (A10, A11, A28, A71, A81 and A85), with a further 81 km under construction. Cofiroute also holds the concession for the underground link of the A86 motorway in Ile de France (18 km under construction), the first part of which will be opened to traffic at the end of 2007.

- **Historical traffic evolution :**



- **Main activities**

### Motorway Construction

ASF Group acts as project manager for the construction of the infrastructure it has committed to perform under its concession agreements or programme plan. The first task is to define the precise itinerary of the motorway within the 300m strip covered by the declaration of public interest. This choice is governed by two priorities – road safety and blending the motorway into its local environment with a view to minimizing any disturbances for local residents. ASF teams of architects and landscapers use advanced imaging technology and other tools to simulate the course of the motorway and assess its impact on local populations and on the natural environment. Road works are outsourced by way of competitive tenders.

### Motorway and Infrastructure Maintenance

Pursuant to the Programme Plan with the French State, ASF is also bound to make additional investments on existing motorways. These investments are to adapt infrastructure, mainly to cope with increasing traffic, and include road-widening, toll plazas and rest and service area extensions and interchanges construction.

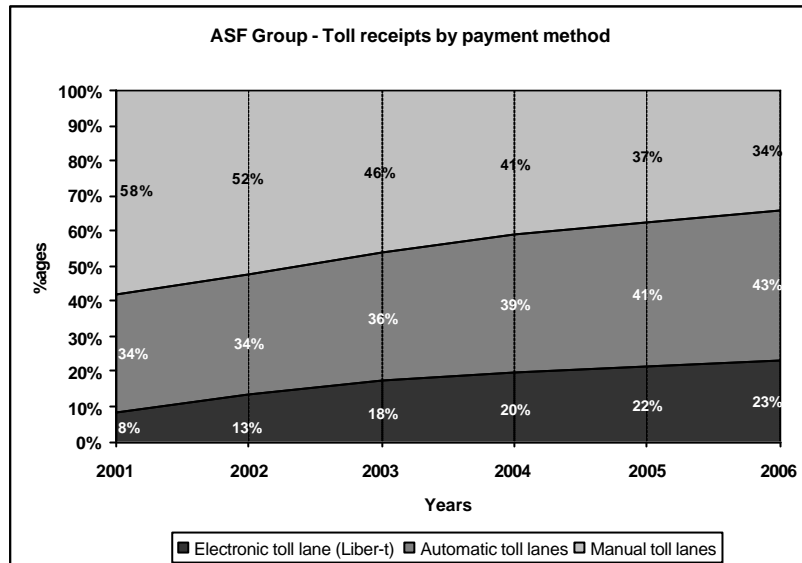
ASF also invests in infrastructure maintenance to repair damage due to high traffic and infrastructure ageing and to comply with new technical standards.

### Toll Collection

There are three toll collection systems on ASF and Escota’s motorways: manual toll, automatic toll and electronic toll "Liber-t".

Liber-t is an electronic toll collection system, developed by the French motorway operators. It is valid on the whole toll French motorway network and allows direct payment of tolls from the user's bank account. This system also

has advantages for the motorist: slowing down without stopping at the toll plaza and, on heavy traffic days, easier access; and the system benefits the Company: by way of cost reductions in the operation and construction of toll plazas (fewer lanes needed when compared with conventional manual toll collection plazas).



ASF and Escota hold a 35.5 per cent stake in SAS AXXES, whose task is to issue tags which are used for the European interoperable truck electronic toll collection system. At ASF and Escota, the installation of truck electronic toll collection equipment at interchanges and the development of the appropriate information system have been completed and the electronic toll system will be opened to heavy goods vehicles in 2007.

### Developments in new concessions

Since its acquisition by VINCI, ASF does not currently intend to develop any further concessions activities. ASF development teams have joined those of VINCI Concessions. The ASF Group is currently arranging for the transfer of the main development projects undertaken before this reorganisation.

In December 2005, the Rail-Road project Perpignan-Luxembourg was launched by ASF together with Caisse des Dépôts et Consignations (CDC), Modalhor, SNCF Participations and Chemins de Fer Luxembourgeois through "Lorry Rail", a special purpose company. This project is a 1,025 km transportation service between Perpignan and Bettembourg on a self-financed basis, with opening scheduled end of March 2007. Lorry-Rail will have an initial transport capacity of nearly 30,000 rigs a year. The service will comprise a daily shuttle in each direction, with each train comprising 20 double wagons that can carry a total of 40 semi-trailers. In October 2006, ASF sold its stake of 37,50 per cent in Lorry-Rail to VINCI Concessions SA (28 per cent) and to CDC (9.5 per cent).

In 2002, ASF signed a partnership agreement with Bouygues Construction in respect of the Highway 2000 project in Jamaica. Under the terms of the agreement, ASF acquired 34 per cent of the concessionaire, TransJamaican Highway ("TJH") and 51 per cent of the operating company, Jamaican Infrastructure Operator. Presently, ASF is on negotiation to sell its participation in TJH. However, it intends to keep its interest in the operating company.

### Services

ASF performs operation, maintenance and advisory activities linked to motorway infrastructure through service contracts.

On 11 November 2005, ASF won the Lyon Northern Bypass operating contract following a call for tenders by the Greater Urban community of Lyon. This eight years contract was won on the grounds of ASF's expertise in road operations and automatic tolls. Openly, a new 100 per cent ASF subsidiary was set up to operate the bypass and achieve infrastructure maintenance for a fixed price of €1.4 million per year and a variable payment. Lyon

Northern Bypass is 10 km long and includes three tunnels, a covered trench and a viaduct. The average traffic is about 130,000 vehicles per day on the toll free section and of 45,000 vehicles per day in the central toll section.

ASF, in consortium with Canada's Dessau-Soprin, an engineering consulting firm, signed a contract awarded by the Algerian National Motorway Agency (ANA). The 50-month contract covers project management and technical assistance during the construction of the trans-Algerian motorway.

### **Assistance to the Customer**

Adequate service levels are ensured through innovative initiatives. These may include new equipment, new systems or effective and timely solutions for incidents or crises as they occur.

Road assistance – which is part of ASF's obligations under the terms of the Concession Agreement – consists of patrolling motorways in order to detect and correct anomalies and thus prevent accidents and to assist road users. ASF and Escota have Assistance and Maintenance Centres strategically located to provide efficient assistance on all motorways. Their networks are broken down into districts which cover about 50 km of motorway in high-traffic areas and 90 to 120 km in the other areas, each benefiting from a strongly reactive organisation dedicated to managing traffic flows and responding to incidents.

Assistance to road users includes rapid breakdown services, refuelling and car removal services.

Service areas are one of the most useful services made available on the network. Located on the roadside every 40 km on average, the service areas are organised through concession to third parties with ASF exercising active control in respect of both service quality and capacity. The Group network includes 337 rest and service areas.

On 8 June 2006, SAS Truck Etape, an ASF subsidiary, opened the first integrated and secure road centre for trucks in France in Béziers on the edge of the A9 motorway. This centre is located in a site of eight hectares and comprises a secure parking lot with 350 places, a service area with stores and a restaurant as well as refuelling and washing facilities for trucks.

### **R&D**

To successfully carry out its public service mission, ASF has created a comprehensive traffic monitoring and management system. ASF develops technologies that can predict traffic and weather conditions, to forestall problems.

### **Road Safety**

ASF's increasing concern with traffic conditions and road safety has led to continuous improvements in active and passive safety measures.

ASF and Escota have stepped up actions aimed at improving the safety of their clients and personnel. Some noteworthy measures deserve to be mentioned: the use of the dynamic speed regulation system on days of heavy traffic was extended throughout the A7; impact attenuators were installed in the entrances to toll lanes; the time needed to convey information to intervention teams and customers was reduced; and, in partnership with Michelin, 27 tyre pressure facilities located at toll plazas were renewed.

Although the total number of accidents recorded in 2006 was virtually unchanged from 2005, such initiatives led to a 9.4 per cent reduction in involving injury accidents, down to 1,260 in 2006 from 1,390 in 2005. The number of fatal accidents declined 26.5 per cent, with 58 people killed in 2006 versus 79 in 2005, the lowest ever seen over the past 20 years.

With respect to personnel safety, Escota, as ASF did in 2004, signed a safety charter with the CNAMTS (National Health Insurance Fund for Employees) and the DCSR (Road Safety and Traffic Directorate).

## 1.6 - Significant events in 2006

- **Motorway section openings**

On 11 January 2006, ASF opened two new sections on the A89 motorway, one of 51.3 km length connecting St-Julien le Sancy to Combronde, and the other of 11.1 km length between Terrasson and Brive North. As at 31 December 2006, the total length of network in service is 3,025.7 km.

- **Operation**

At an operational level, in contrast with the very mild winter witnessed in late 2006, heavy snowfalls and bad weather affected the ASF and Escota networks in January 2006. The intervention of ASF's maintenance teams, however, enabled it keep its network open for its clients without any significant disruption. A few demonstrations also interfered with the collection of toll fees at interchanges, but these incidents had an insignificant detrimental impact on annual revenues.

On 8 June 2006, SAS Truck Etape opened the first integrated and secure road centre for trucks in France in Béziers on the edge of the A9 motorway. This centre is located in a site of eight hectares and comprises a securised parking lot with 350 places, a service area with stores and a restaurant as well as a refuelling and washing facility for trucks.

At 31 December 2006, after purchasing the shares held by SAS PIMO, ASF held a 100 per cent stake in SAS Truck Etape.

On 15 July 2006, the TransJamaican Highway, a 34 per cent owned subsidiary, opened a new section of the Highway 2000 motorway between Kingston and Portmore in Jamaica. This section completed the existing 33 km motorway from Sandy Bay to Mandela Highway, which was already operated by the Jamaican Infrastructure Operator, a 51 per cent owned subsidiary.

- **Employees**

Several company wage agreements were signed during the year. They included a new profit-sharing agreement at ASF and the introduction of a variable component in the wages of ASF managers.

In 2006 at ASF, the agreement signed in 2005 on the adjustment of toll employees' work positions was implemented. Adjusting work positions, by introducing more flexibility in work positions over the year, enables the management of manual toll lanes to be optimised according to the intensity of traffic.

Further to the privatisation, funds invested in the ASF employee savings schemes have been almost entirely transferred into the MNCI employee savings schemes. In 2007, the Group employees will benefit from an employer contribution of up to €3,500 for an annual investment of €1,000.

- **VAT paid by users between 1996 and 2000**

After the ECJ (European Court of Justice) condemned the French VAT motorway tolls special regime on 12 September 2000, and following the decision taken on 29 June 2005 by the French Constitutional Court, road transport companies have been allowed to claim the VAT on the invoices they had paid between 1996 and 2000.

In a letter to the Chief Executive Officers of ASF and Escota dated 2 February 2006, the Junior Minister for the Budget and State Reform has confirmed, with respect to VAT on tolls for the period 1996-2000, that "under no circumstances will the toll motorway concessionaires be required to pay the VAT mentioned on the amended invoices."

In 2006, ASF and Escota, like all other motorway concession companies, have, in agreement with the DLF (Tax Legislation Directorate), made copies of the invoices issued during the relevant period, available on a secure site

accessible on the internet for subscriber transport companies and detailing the amount of calculated and invoiced VAT.

- **Corporate**

On 6 January 2006, SAS OPENLY which is 100 per cent held by ASF, took over management of the North Lyon ring road that the Greater Lyon Area granted to ASF for eight years after a bid for tenders.

In October 2006, ASF sold the 37.50 per cent stake it held in Lorry-Rail: 28 per cent was acquired by VINCI Concessions SA and 9.5 per cent by CDC.

On 18 December 2006, ASF signed a facility agreement with a group of banks totalling €3.5 billion, composed of a €2 billion revolving credit and a €1.5 billion term loan. Both credit facilities have a seven-year tenor that ends in December 2013.

This credit line was earmarked for the partial financing of an exceptional dividend of €3.298 billion paid out in early 2007 and for ASF's general requirements.

- **Traffic**

Excluding new sections, total traffic grew 2.17 per cent in 2006, including a 2.24 per cent increase in light vehicle traffic and a 1.74 per cent increase in heavy goods vehicle traffic. Light vehicle traffic and heavy goods vehicle traffic represented respectively 82.6 per cent and 17.4 per cent of the total traffic.

The number of kilometres travelled totalled 33,467 million versus 32,620 million in 2005, representing an increase of 2.6 per cent, including the additional traffic generated by the opening of new sections.

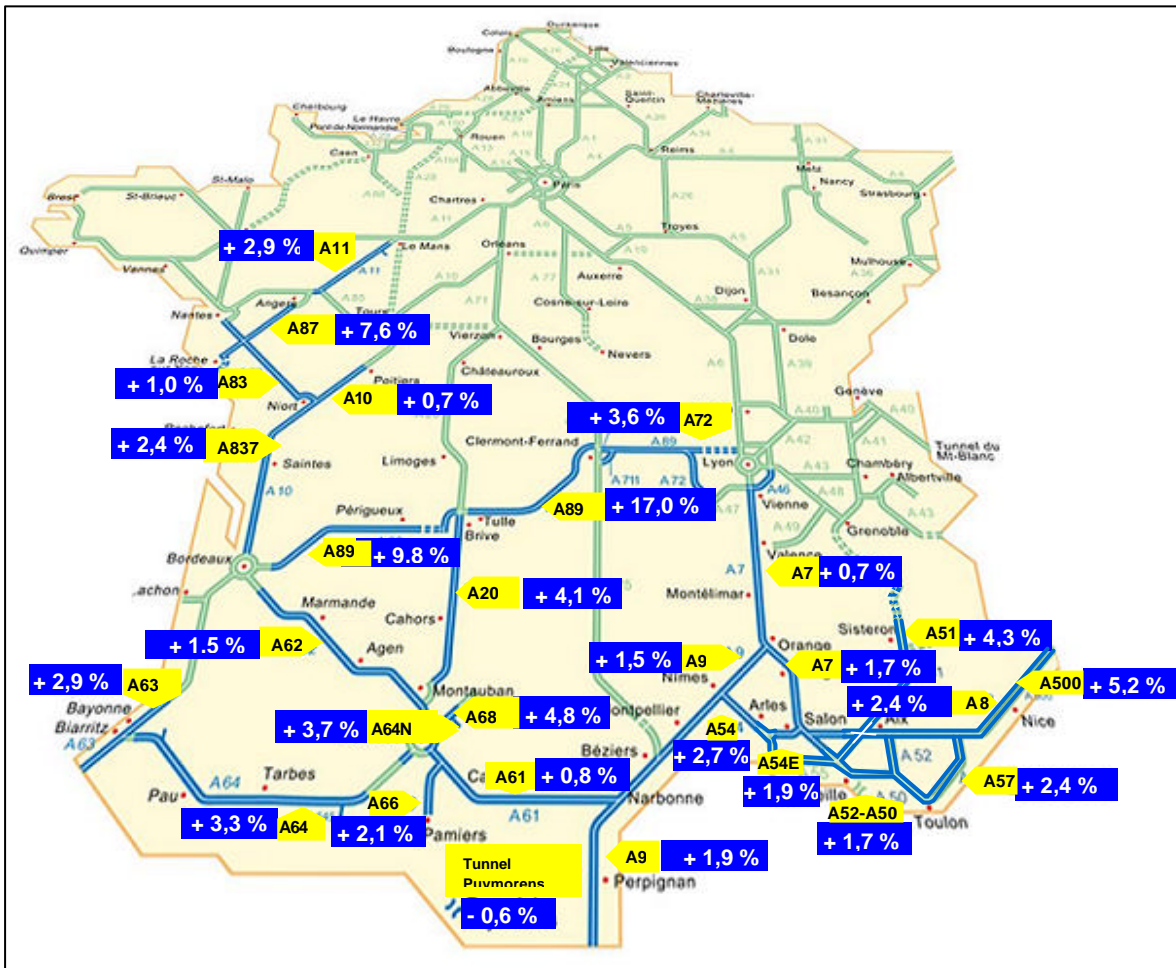
Including new sections, light vehicle traffic rose 2.7 per cent while heavy goods vehicle traffic was up 2.1 per cent.

Annual Average Daily Traffic ("AADT") on the entire network came to 30,540 vehicles per day in 2006, up 0.5 per cent compared with 30,380 vehicles per day in 2005.

As shown in the table below, rates of traffic growth varied significantly from one motorway section to another.

	AADT 2005	AADT 2006	% change
<b>ASF network</b>			
<i>A46Sd-A7 to St Priest-Bif A43-A46 - Orange</i>	69,092	69,607	0.7
<i>A7 Orange-Coudoux</i>	54,655	55,588	1.7
<i>A9 Orange - Narbonne Sud</i>	59,527	60,392	1.5
<i>A9 Narbonne Sud - Le Perthuis</i>	38,157	38,875	1.9
<i>A10 Poitiers Sud - Bordeaux</i>	26,908	27,089	0.7
<i>A83 Nantes - Bifurcation A10-A83</i>	17,530	17,698	1.0
<i>A837 : Bif A10-A837 Rochefort</i>	8,339	8,541	2.4
<i>A11 Le Mans - Angers</i>	21,720	22,353	2.9
<i>A20 Montauban - Brive</i>	14,837	15,442	4.1
<i>A54 Nimes - Arles</i>	34,629	35,560	2.7
<i>A54 St Martin de Crau - Salon de Provence</i>	28,176	28,712	1.9
<i>A61 Narbonne Sud - Toulouse Sud</i>	35,714	36,002	0.8
<i>A62 La Brède - Toulouse Nord</i>	26,895	27,303	1.5
<i>A63 Côte Basque (St Géours de Maremne- Biriadou)</i>	32,861	33,812	2.9
<i>A64 Briscous - Martres Tolosane, A645</i>	16,851	17,405	3.3
<i>A64 N Toulouse - Muret</i>	32,214	33,422	3.7
<i>A66 Pamiers - Bif A61-A66 (Toulouse)</i>	8,396	8,569	2.1
<i>A68 Toulouse - Gémil</i>	32,102	33,656	4.8
<i>A87 Angers - Bif A87-A83 (Les Essarts)</i>	8,926	9,604	7.6
<i>A72/A89 Saint Etienne - Clermont Ferrand</i>	19,092	19,774	3.6
<i>A89 Libourne - Brive Nord (1)</i>	7,893	8,666	9.8
<i>A89 St Germain les Vergnes-Combronde (Bif A89A71) (1)</i>	6,239	7,300	17.0
<i>Tunnel du Puymorens</i>	1,579	1,569	-0.6
<b>Average ASF network</b>	<b>29,082</b>	<b>29,132</b>	<b>0.2</b>
<b>Escota network</b>			
<i>A8 Aix en Provence- Frontière Italienne</i>	56,096	57,459	2.4
<i>A51 Aix en Provence - Gap</i>	13,873	14,475	4.3
<i>A52/A50 Aix en Provence - Aubagne - Toulon</i>	42,822	43,567	1.7
<i>A57 Toulon A8</i>	12,674	12,982	2.4
<i>A500 / A8</i>	14,960	15,735	5.2
<b>Average Escota network</b>	<b>37,398</b>	<b>38,336</b>	<b>2.5</b>
<b>Average ASF Group network</b>	<b>30,380</b>	<b>30,540</b>	<b>0.5</b>

(1) Opening of section Terrasson - Brive Nord and section Le Sançy - Combronde (Bif A89A71), on 11 january 2006



- **Tariffs**

In accordance with the pricing provisions of the Programme Plan, ASF and Escota raised their tariffs for category 1 vehicles by 2.249 per cent on 1 February 2006.

The ASF and Escota Programme Plans provide for a gradual increase in tariff coefficients for heavy goods vehicles (categories 3 and 4) over the period to 2006.

In 2006, category 3 tariffs coefficients were increased from 2.13 to 2.17 on the ASF network and from 2.09 to 2.11 on the Escota network. As for category 4 tariffs coefficients, they were increased from 2.83 to 2.84 on the ASF network and from 2.86 to 2.89 on the Escota network.

- **Toll collection**

Total toll receipts increased 6 per cent in 2006 to €2,572.1 million from €2,427.3 million in 2005. The breakdown between ASF and Escota is as follows:

Income (in K€)	2005			2006			Change
	ASF	Escota	Group	ASF	Escota	Group	
Toll receipts	1,917.0	510.3	2,427.3	2,036.0	536.1	2,572.1	6%

The total number of transactions rose 3.4 per cent to 625.8 million from 605 million in 2005.

The Group comfortably exceeded its target of 60 per cent automated toll collection by the end of 2006, with 66.1 per cent of all tolls collected on the network paid electronically or by bank or corporate card.



As of 31 December 2006, the Group had 472,725 electronic toll subscribers (Liber-t system), corresponding to some 597,482 electronic badges in use.

Toll receipts break down by payment method as follows:

<b>Group Transactions</b>	<b>2005</b>	<b>2006</b>	<b>% Change</b>	<b>% of 2006 total</b>
Manual toll lanes	225.57	212.14	-6.0%	33.9%
Automatic toll lanes	248.45	267.21	7.6%	42.7%
Electronic toll lane (Liber-t)	130.99	146.48	11.8%	23.4%
<b>Total in million</b>	<b>605.01</b>	<b>625.84</b>	<b>3.4%</b>	<b>100.0%</b>

The French toll motorway operators have decided to offer electronic payment solutions for heavy goods vehicle drivers throughout the country from 2007.

This year, ASF and Escota will stop marketing CAPLIS (Cartes Poids Lourds Inter-Sociétés) magnetic card-based subscriptions dedicated to heavy truck fleets and replace them progressively with electronic toll systems.

Toll plaza software will be modified and new equipment will be installed in more than 200 toll booths to manage this new method of collecting heavy goods vehicle tolls. The system will be interoperable with other European electronic toll collection systems.

By the end of 2008, with the total transfer from the CAPLIS system to an electronic toll system, ASF will be limiting the maximum discounts it offers to such vehicles to 13% of payments made on each electronic badge, in accordance with European Directive 2006/38/EC of 17 May 2006 relating to the taxation of heavy goods vehicles for the use of certain infrastructures.

- **Capital expenditure**

Construction of the new motorway links included in ASF specifications is proceeding smoothly. 62 km were opened in January 2006: the Terrasson – Brive North and Le Sancy – A71 sections.

As at the beginning of 2007, of the 3,160 km conceded to ASF and Escota, 3,025.7 km were in service. 34 km are currently under construction, leaving 89 km still to be built under the current concession, of which 53 km is for the Balbigny – La Tour de Salvagny section, integrated into ASF concession by a law dated 1 March 2006.

Capitalexpenditure for 2006 totalled €459.6 million, down 10.7% from €514.6 million in 2005. The decline related to the construction of new motorway sections. Conversely, investment in existing motorways increased over the year and operating asset investments remained stable. The table below shows the investment breakdown:

<b>Description</b>	<b>2005 Group</b>	<b>2006</b>		
		<b>ASF</b>	<b>Escota</b>	<b>Group</b>
New sections	235.9	163.9	2.7	166.6
Investment in existing motorways	186.2	98.9	109.5	208.4
Operating assets	54.2	34.8	20.9	55.7
Own work capitalised	20.9	16.8	4.6	21.4
Capitalised interests	17.4	7.6		7.6
<b>Total Capital expenditure (in M€)</b>	<b>514.6</b>	<b>321.9</b>	<b>137.7</b>	<b>459.6</b>

Motorway sections opened in the last three years:

Section	Motorway	Number of km
Mussidan – Périgeux Est – Thenon	A89	67 km, two lanes
Val d'Aran link	A645	6 km, one lane
Les Essarts – La Roche sur Yon	A87	20 km, two lanes
Terrasson - Brive North and Le Sancy - A71	A89	62 km, two lanes

### Planned new sections

The table below shows new construction provided for in the concession agreement and Programme Plan 2002-2006:

Section	Motorway	km	Scheduled opening date
Thenon – Terrasson	A89	18	Middle of 2008
A71 – A72	A 89	7	DUP* + 5 years
Brive North – Saint Germain-les-Vergnes	A 89	4	By order of the <i>Direction Générale des Routes</i>
Angers – Murs Erigné	A 87	7	DUP* + 5 years
Béziers East (A9) bypass	A 75	6	2009
Widening of the A9 near Montpellier	A 9		DUP* + 6 years
Brisacou – A63	A 64	11	Administrative approval + 5 years
La Roche-sur-Yon southern bypass	A 87	16	End of 2008
Balbigny – La Tour de Salvagny	A 89	53	End of 2012

\* *DUP* : declaration of public interest.

The deadlines set for opening facilities to traffic and the amounts of capital expenditure estimated in five-year company contracts are the ones drawn upon by ASF and the State when planning work. Even though ASF, with its ISO 9001 certified construction team, does everything it can to meet deadlines, it cannot guarantee that it will be able to do so totally. In the event of *force majeure* or because of a reason beyond the control of ASF, delays might occur and investments exceed aforementioned budgets, by reason of an increase in the cost of materials or labour, unforeseeable technical problems, exceptionally bad weather, changes in regulations or other reasons.

In 2006, ASF invested €177.7 million in new links (including capitalised expenditure and interest expenses on loans), including nearly 12 per cent in environment-related spending

### A87: La Roche-sur-Yon bypass execution

Major bypass works started in 2006 with the view of opening this 16 km section to traffic by end of 2008. Access to the beaches of the Vendée will be made easier with the opening of this last section of the A87.

At the other boundary of the A87, a public utility survey for the Sorges – Murs Erigné section took place in 2005 and the declaration of public interest is expected during the first half of 2007. Works will start at that point.

## **A89: on the road to a motorway all the way from Bordeaux to Clermont-Ferrand**

With the 11 January 2006 opening of the Thenon – Terrasson and Le Sancy – A72 sections of the A89, representing a total of 62 km, ASF and Escota came a step closer to providing motorway all the way from Bordeaux to Clermont-Ferrand. The Group has now built and opened 306 km of the 328 km motorway between the two cities. Two sections remain to be built, with a total length of 22 km:

- Thenon – Terrasson (18 km): Major works started in autumn 2005. The section is planned to be opened in the first half of 2008;
- Brive Nord – Saint-Germain-les-Vergnes via the RD9 (4 km): Following the analysis carried out in 2005 by ASF of the various options to build the Brive bypass motorway, the *Direction Générale des Routes* (Ministry of Infrastructure) confirmed in mid-2006 that it had chosen the option of doubling the width of the RD9 secondary road. In late 2006, the company worked with government departments on drafting the Statement of Public Utility dossier for this new project. Should the Statement of Public Utility be published in late 2008, this 4 km section will be opened to traffic in mid-2012, thereby ensuring 2 x 2-lane motorway continuity between Bordeaux and Clermont Ferrand.

On 23 February 2006, the French Parliament passed a law endorsing the integration of the section Balbigny – La Tour de Salvagny into ASF's concession.

On 11 July 2006 and 13 October 2006, the French *Conseil d'Etat* transmitted to ASF details of proceedings challenging the awarding of that section to ASF respectively introduced by the ALCALY ("Alternatives au Contournement Autoroutier de Lyon") association and by the "Association de Sauvegarde des Côteaux du Lyonnais". As of today, ASF has not received the State written defence to the *Conseil d'Etat*. Should the proceedings be successful, this section would be withdrawn from the concession agreement. In such a case, ASF should be entitled to claim compensation from the State. A final judgment is not expected in the course of 2007.

This so-called Lyon – Balbigny section is a 53 km motorway, declared of public interest on 17 April 2003. It consists of six interchanges, seven viaducts and three tunnels representing a cumulative length of more than 6 km. This section should be in service at the end of 2012 and works should start in 2008.

### **Investments in existing motorways**

Under the ASF and Escota Programme Plans, the two companies were committed to making additional investments in existing motorways over the period 2002-2006. Around 50 per cent of annual capital budgets are earmarked for adapting the infrastructure, mainly to cope with increased traffic. This involves carrying out road-widening schemes, extending toll plazas, rest and service areas, and building new interchanges.

Investments in operating assets are intended to improve safety by installing modular crash barriers on central reservations, motorcycle crash barriers, lay-bys, etc.

Capital expenditure on existing motorways totalled €208.4 million in 2006, as follows:

<b>Description</b>	<b>ASF</b>	<b>Escota</b>	<b>Group</b>
Lane extensions	16.9	17.4	34.3
Toll plazas and interchanges	15.2	3.8	19
Rest and service areas	10.8	1.4	12.2
Operating systems	20.4	15	35.4
Tunnels		41.3	41.3
Environment and other	35.6	30.6	66.2
<b>Total in M€</b>	<b>98.9</b>	<b>109.5</b>	<b>208.4</b>

Furthermore, in 2006, ASF took part in the public debate on transport in the Rhône Valley and the Languedoc Roussillon region, within the framework of the so-called "multimodal schemes of collective services for transport of people and goods". At this stage, widening the A7 motorway is not planned, but ASF will study how to enhance this motorway as well as complementary operational measures.

Moreover, ASF and Escota are still studying the extension of toll plazas and service or rest areas, the possibility of widening some sections to 2 x 3 lanes according to traffic, and safety modifications to be made in all tunnels on the A8 network and the Puymorens tunnel, in the perspective of the 2007-2011 Programme Plan.

### **Infrastructure maintenance costs**

Infrastructure maintenance consists of repairing the damage caused by traffic, the ageing process or natural phenomena, and also of upgrading the network and engineering structures to comply with new technical standards.

Infrastructure maintenance plans are designed to optimise maintenance operations without compromising either road-user safety or the ongoing upkeep of our assets.

In 2006, €69.8 million was spent on infrastructure maintenance.

### **Main Financial indicators**

Revenue: €2,625.2 million

Cost of net financial debt: €409.6 million

Net profit attributable to equity holders of the parent : €475.3 million

Cash generating capacity before tax and financing costs: €1,706.2 million (65 per cent of the revenue)

Net financial debt: €7,354.7 million

Ratio net financial debt / cash generating capacity before tax and financing costs: 4.3

## **II ORGANISATIONAL STRUCTURE**

### **• Shareholding structure**

On 6 November 2006, the public buyout offer on ASF was closed by the AMF; VINCI group now holds 100 per cent of ASF.

On December 2006, ASF Holding, a special purpose vehicle fully owned by VINCI Concessions, acquired the 22.99 per cent stake in ASF held by its mother company.

ASF's shareholders are currently VINCI with a 77.01 per cent stake and ASF Holding with a 22.99 per cent stake. In the medium term VINCI intends to transfer all or part of its remaining stake in ASF to ASF Holding, which will therefore become ASF's majority shareholder.

A shareholder agreement was signed in December 2006 between ASF Holding and VINCI in connection with the €1.2 billion syndicated bank facility entered into by ASF Holding for the partial financing of VINCI Concessions' 22.99 per cent stake in ASF and based on ASF's future dividends.

This agreement shall remain in force as long as any monies shall remain due to the banks under the syndicated bank facility, provided further that no transfer of all or part of its shares in ASF by any of the shareholders to a third party who would obtain at least a veto position shall occur unless such third party has previously approved the terms and conditions of the shareholder agreement. The agreement provides for a maximised dividend pay-out policy at the level of ASF subject to compliance with the financial covenants accepted by or on behalf of the company on the basis of its consolidated accounts, as provided in the ASF €3.5 billion syndicated facility, and which are reflected in the following formula :

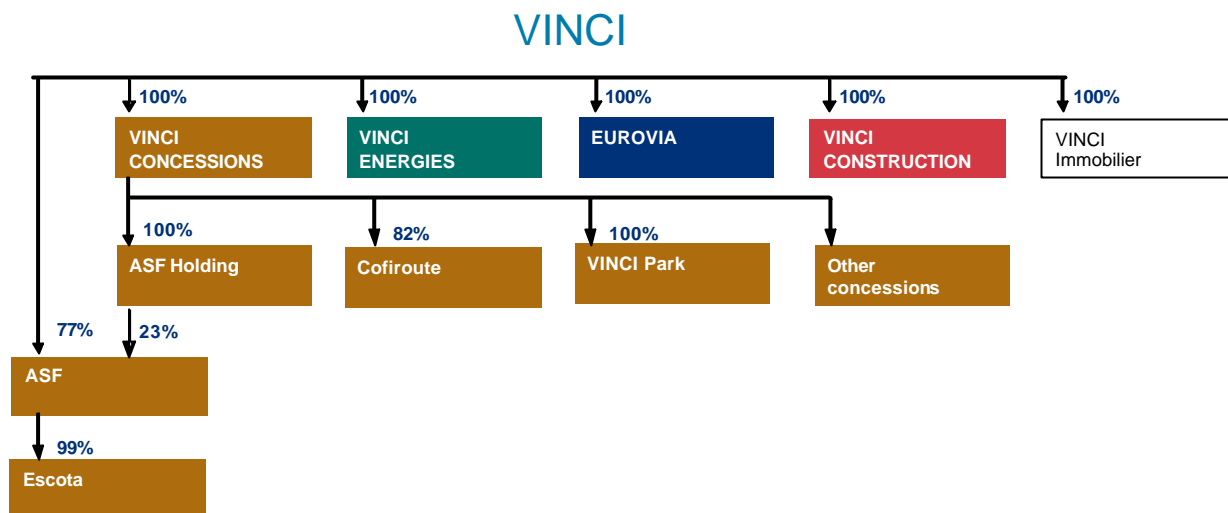
net debt/CAFICE < or equal to 7 and CAFICE / net financial costs > or equal to 2.2

where "CAFICE" means "consolidated cash generating capacity before tax and financing costs".

- ASF's position in the VINCI Group

### Overview

ASF is part of the VINCI group. The organisational chart below shows its position within the Group as of 28 February 2007:



### VINCI group overview

In 2006, VINCI, the world's leading construction and related services group, reinforced its portfolio of concessions by acquiring Autoroutes du Sud de la France to form the world's leading integrated concession-construction group and the largest motorway concessionaire in Europe.

In a move consistent with VINCI's historic development strategy of focusing on four major operating divisions, this acquisition balanced the share of concessions among the Group's business lines.

The consolidated revenue of VINCI Group was €26.0 billion in 2006 (ASF full year pro forma).

At the end of February 2007, VINCI's market capitalisation amounted to €24.8 billion, ranging among the twenty largest market capitalisations of the CAC 40 index.

VINCI focuses on four main operating divisions:

**- VINCI Concessions (2006 Revenue €4,292 million) (ASF full year pro forma)**

VINCI Concessions draws on its expertise in project design, structuring, financing, turnkey construction and engineering to build transport infrastructure (motorways, engineering structures, car parks and airports) under public-private partnerships (PPPs), which the company then operates under long-term contracts. This dual competency also applies to major public facilities, such as the Stade de France.

**- VINCI Energies (2006 Revenue €3,653 million)**

VINCI Energies is the market leader in France and a major player in Europe in energy and information technology services, providing the interface between equipment manufacturers and users. Operating in the energy infrastructure, manufacturing, service and telecommunications sectors where it develops solutions that are both

local and global, VINCI Energies supports its customers at all stages of their projects (design, engineering, installation works, operation and maintenance).

**- Eurovia (2006 Revenue €7,235 million)**

Eurovia, a world leader in roadworks and recycling, builds, renovates and maintains road and motorway infrastructure, carries out urban, industrial and retail development projects, and is expanding into complementary environmental and service business lines. Vertically integrated, with 220 quarries, 520 production sites and 110 recycling units, Eurovia is also the leading French producer of aggregates and a leading European producer of roadworks materials.

**- VINCI Construction (2006 Revenue €10,617 million)**

VINCI Construction, market leader in France and a major player on the world construction market, brings together an outstanding combination of capabilities in building, civil engineering, hydraulic engineering, multi-technical maintenance and services. With strong roots in its local markets through its networks of subsidiaries in France, Europe and Africa, the company also holds a leading role in the world market for major design-build and specialised, technically sophisticated civil engineering projects.

### **III STATUTORY AUDITORS**

#### **Name of the Statutory Auditors**

##### **KPMG Audit**

1, cours Valmy – 92923 Paris La Défense Cedex

(Represented by Benoît Lebrun)

First appointed : 15 May 2006

Current term expires: at the close of the Shareholders Meeting to approve the 2011 Financial Statements.

##### **Deloitte & Associés**

185, avenue Charles-de-Gaulle – BP 136 92203 Neuilly-sur-Seine Cedex

(Represented by Thierry Benoit)

First appointed: 15 May 2006

Current term expires: at the close of the Shareholders Meeting to approve the 2011 Financial Statements.

#### **Alternate Auditors**

##### **SCP Jean Claude André et Autres**

2 bis rue de Villiers – 92309 Levallois Perret Cedex

First appointed : 15 May 2006

Current term expires: at the close of the Shareholders Meeting to approve the 2011 Financial Statements.

##### **BEAS SARL**

7-9, villa Houssay - 92200 Neuilly-sur-Seine

First appointed: 15 May 2006

Current term expires: at the close of the Shareholders Meeting to approve the 2011 financial statements.

ASF's Statutory Auditors are registered with the Compagnie Nationale des Commissaires aux Comptes (official statutory auditors' representative body) and subject to the authority of the Haut Conseil du Commissariat aux Comptes (French High Council of Statutory Auditors).

### **Previous Statutory Auditors**

#### **PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine

Represented by Florence Pestie.

Date of first appointment : Shareholders' Meeting of 27 June 2000.

Expired : at the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended 31 December 2005.

#### **JPA**

7, rue Galilée  
75116 Paris

Represented by Jacques Potdevin.

Date of first appointment: Shareholders' Meeting of 27 September 1994.

Expired : Annual Shareholders' Meeting to be called to approve the financial statements for the year ended 31 December 2005.

### **Alternate Auditors**

#### **Socodec Exco Bourgogne**

5, avenue Garibaldi  
21000 Dijon

Represented by Jean-Noël Parot.

Date of first appointment: Shareholders' Meeting of 28 June 1988.

Expired : Current term of office expires at the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended 31 December 2005.

#### **SCP Guyot Varona et Autres**

105, avenue Raymond Poincaré  
75116 Paris

Represented by Gérard Varona.

Date of first appointment : Shareholders' Meeting of 27 September 1994.

Expired : the Annual Shareholders' Meeting to be called to approve the financial statements for the year ended 31 December 2005.

## RECENT DEVELOPMENTS

### Payment of a €3.3 billion exceptional dividend to shareholders :

On 25 January 2007 ASF distributed an exceptional dividend of €3,298,365,854.28 which was exclusively allocated to its distributable reserves as set out in its accounts as of 31 December 2006 for €3,310,923,181.48.

This dividend was apportioned between VINCI for 77.01 per cent of its total amount and ASF Holding for 22.99 per cent.

### 2007 Tariffs

On 1 February 2007, ASF and Escota raised their tariffs for every vehicle class respectively by 2.0 per cent and 1.81 per cent (the rate being calculated as 85 per cent of the French inflation rate excluding tobacco plus 1.0925 per cent for the ASF network, and, 0.90 per cent for the Escota network).

The tariff increase for the ASF network in 2007 includes a specific increase of 0.58 per cent following the amendment to the concession agreement related to the A89 – Lyon Balbigny section.

On the ASF network, tariff coefficients for heavy goods vehicles were set at 2.18 (class 3) and at 2.85 (class 4).

On the Escota network, tariff coefficients for class 3 and 4 were set at 2.12 and 2.89 respectively.

### Programme Plan 2007-2011

ASF and Escota have recently completed the negotiation with the *Direction Générale des Routes* (Ministry of Infrastructure) of their 2007-2011 Programme Plan and of the amendments to the concession general conditions introducing the required adjustments to their new status.

The new Programme Plan and the amendments to the concession general conditions have been approved by the Boards of Directors convened on 26 February and signed by ASF and Escota. They are in the process of being signed by the State.

The main features of the programme plan 2007-2011 are as follows :

#### ➤ **2007-2011 investment plan in 2006 constant euros**

ASF	New sections	1 300 M€
	Investment in existing motorways	1 200 M€
Escota	Investment in existing motorways (including 266 M€ for the refurbishing of the A8 tunnels)	800 M€

#### ➤ **Tariffs Increase :**

- ASF (including the specific increase relating to the Lyon-Balbigny section amendment)

Class 1 annual increase	2007	85% of inflation index (*) +1.0925%
	2008-2011	85% of inflation index (*) +0.825%

- Escota

Class 1 annual increase	2007-2011	85% of inflation index (*) +0.90%
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(\*) French inflation index excluding tobacco



The coefficients for heavy goods vehicle classes are as follows :

		2007	2008	2009	2010	2011
ASF	Class 3	2.18	2.18	2.19	2.21	2.23
	Class 4	2.85	2.86	2.88	2.91	2.95
Escota	Class 3	2.12	2.12	2.14	2.18	2.22
	Class 4	2.89	2.90	2.95	3.01	3.06

➤ **Operation and quality of service**

ASF and Escota will continue their actions aimed at:

- Improving the security, the traffic flow, the accommodation of trucks, the development of automatic tolls (electronic tolls to be available for trucks in April 2007)
- Protecting the environment

Specific actions, such as speed limits and access control, will be undertaken concerning the A7 in the Rhone Valley where the traffic averages around 70 000 vehicles per day. No increase in the number of lanes is contemplated in the next few years.

ASF and Escota focus on a good quality of service through yearly customers polls, the implementation of performance indicators and the followup of the actions defined in the Programme Plan.

## DOCUMENTS ON DISPLAY

For so long as Notes issued under the Programme are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent or each of the Paying Agents:

- (i) the *statuts* (Company's Articles) of the Issuer;
- (ii) the published annual report and audited non-consolidated of Autoroutes du Sud de la France and consolidated financial statements of the Group for the two financial years ended 31 December 2005 and 2006 (also available on [www.asf.fr](http://www.asf.fr));
- (iii) each Final Terms for Notes that are admitted to trading on the Luxembourg Stock Exchange and/or any other Regulated Market (also available for viewing on the Luxembourg Stock Exchange website [www.bourse.lu](http://www.bourse.lu));
- (iv) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus; and
- (v) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the relevant Issuer's request any part of which is included or referred to in this Base Prospectus.

For so long as Notes issued under the Programme are outstanding, copies of the latest non-consolidated financial statements of Autoroutes du Sud de la France and consolidated financial statements of the Group (in English and French) (in each case as soon as they are published) may be obtained at the office of the Fiscal Agent or each of the Paying Agents during usual business hours on any weekday (except Saturdays, Sundays and public holidays).

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 5 April 2007 (the **Dealer Agreement**) between the Issuer, the Permanent Dealers (being all Dealers other than those appointed as such solely in respect of one or more specified Tranches), and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling Restrictions

#### 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**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (**Regulation S**).

Materialised Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Materialised Bearer Notes, deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of any identifiable Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to

any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

## **France**

- (a) In respect of Notes constituting *obligations* under French law issued in euro whether on a syndicated or non-syndicated basis, each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, 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 Base Prospectus, the relevant Final Terms 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) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1 and D.411-2 of the French *Code monétaire et financier*.
- (b) In respect of Notes constituting *obligations* under French law issued in currencies other than euro on a syndicated basis, each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France through an international syndicate to qualified investors (*investisseurs qualifiés*) other than individuals, 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*.
- (c) In respect of Notes constituting *obligations* under French law issued in currencies other than euro on a non-syndicated basis, each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and each subscriber will be domiciled or resident for tax purposes outside France.

## **United Kingdom**

Each Dealer has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

## **Republic of Italy**

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that it has not offered or sold and will not offer or sell any Notes in the Republic of Italy in a solicitation to the public, and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy, except:

- (i) to professional investors (*operatori qualificati*) (the **Professional Investors**), as defined in Article 31, second paragraph, of CONSOB (the Italian Securities Exchange Commission) Regulation No. 11522 of 1 July 1998, as amended (**Regulation No. 11522**); or
- (ii) in any other circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (**Regulation No. 11971**).

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 11522 and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**) and any other applicable laws and regulations;
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement and limitation which may be imposed by CONSOB or the Bank of Italy.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR43,000,000 and (3) an annual net turnover of more than EUR50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification or supplement will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a Supplement to the Base Prospectus.

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any Dealer shall have responsibility therefor.

Each of the Dealers and the Issuer has represented and agreed that Materialised Notes may only be issued outside France.

## FORM OF FINAL TERMS

Final Terms dated [•]

[Logo, if document is printed]

**Autoroutes du Sud de la France**

Euro 6,000,000,000  
Euro Medium Term Note Programme  
for the issue of Notes

**SERIES NO: [•]**

**TRANCHE NO: [•]**

**[Brief description and Amount of Notes]**

**Issued by: Autoroutes du Sud de la France (the Issuer)**

**[Name(s) of Dealer(s)]**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 5 April 2007 [and the Supplement to the Base Prospectus dated [•]]<sup>\*</sup> which [together]<sup>\*</sup> constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the Supplement to the Base Prospectus]<sup>\*</sup> [is] [are]<sup>\*</sup> available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the websites of (a) the Luxembourg Stock Exchange during a period of twelve months from the date of the Base Prospectus and (b) the Issuer (www.asf.fr) and copies may be obtained free of charge from [●], France. [In addition<sup>1</sup>, the Base Prospectus [and the Supplement to the Base Prospectus]<sup>\*</sup> [is] [are]<sup>\*</sup> available for viewing [at/on] [•]].

*[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus dated [•]]<sup>\*</sup>. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated [current date] [and the Supplement to the Base Prospectus dated [•]]<sup>\*</sup>, which [together]<sup>\*</sup> constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the Supplement to the Base Prospectus]<sup>\*</sup> dated [•] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated [original date] and the Base*

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\* Delete if no Supplement is published.

<sup>1</sup> if the Notes are admitted to trading on a regulated market other than the Luxembourg Stock Exchange.

\* Delete if no Supplement is published.

Prospectus dated [current date] [and the Supplement to the Base Prospectus dated [•]]\*. The Base Prospectus [and the Supplement to the Base Prospectus]\* are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the websites of (a) Luxembourg Stock Exchange during a period of twelve months from the date of the Base Prospectus and (b) the Issuer (www.asf.fr) and copies may be obtained free of charge from Autoroutes du Sud de la France [●]. [In addition<sup>1</sup>, the Base Prospectus [and the Supplement to the Base Prospectus]\* [is][are]\* available for viewing [at/on] [•]].]<sup>2</sup>

1. Issuer: Autoroutes du Sud de la France
2. (i) Series Number: [•]  
(ii) Tranche Number: [•]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).*
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount of Notes admitted to trading:  
(i) Series: [•]  
(ii) Tranche: [•]
5. [(i)] Issue Price of Tranche: [•] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]  
[(ii)] Net Proceeds: [•] (Required only for listed issues)
6. Specified Denomination(s): [•] *(one denomination only for Dematerialised Notes)*
7. [(i)] Issue Date: [•]  
[(ii)] Interest Commencement Date [•]
8. Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [• % Fixed Rate]  
[[specify reference rate] +/- [•] % Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (specify)]  
(further particulars specified below)
10. Redemption/Payment Basis<sup>\*\*</sup>: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
[Other (specify)]
11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*

<sup>1</sup> if the Notes are admitted to trading on a regulated market other than the Luxembourg Stock Exchange.

<sup>2</sup> The following alternative language applies if the first tranche of an issue which is being increased was issued under [a Prospectus/an Offering Circular] with an earlier date.

\*\*

If the Final Redemption Amount is more or less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.



12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [Not Applicable]  
 [(further particulars specified below)]
13. (i) Status of the Notes: [Subordinated/Unsubordinated Notes]  
 (ii) Dates of the corporate decision of the Board of Directors of the Issuer dated [•]  
 authorisations for issuance of  
 the Notes:

14. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 15. Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of Business Day]*/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per [•] in Nominal Amount
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]*
- (v) Day Count Fraction: [•] [30/360 / Actual/Actual ([ICMA]/ISDA) / other]
- (vi) Determination Dates: [•] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA]))*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

- 16. Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s) [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other *(give details)*]
- (iv) Business Centre(s): [•]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate  
 Determination/FBF Determination/ISDA  
 Determination/other *(give details)*]
- (vi) Party responsible for calculating the Rate(s) of [•]

Interest and Interest  
Amount(s) (if not the  
Calculation Agent):

(vii) Screen Rate Determination:

- Relevant Time: [•]
- Interest Determination Date: [[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
- Primary Source for Floating Rate: [Specify relevant screen page or Reference Banks]
- Reference Banks (if Primary Source is Reference Banks): [Specify four]
- Relevant Financial Centre: [The financial centre most closely connected to the Benchmark]
- Benchmark: [EURIBOR, LIBOR, LIBID, LIMEAN, or other benchmark]
- Representative Amount: [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
- Effective Date: [Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
- Specified Duration: [Specify period for quotation if not duration of Interest Accrual Period]

(viii) FBF Determination

- Floating Rate: [•]
- Floating Rate Determination Date (Date de Détermination du Taux Variable): [•]
- FBF Definitions: (if different from those set out in the Conditions): [•]

(ix) ISDA Determination:

- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]

(x) Margin(s): [+/-][•] per cent per annum

(xi) Minimum Rate of Interest: [•] per cent per annum

(xii) Maximum Rate of Interest: [•] per cent per annum

(xiii) Day Count Fraction: [•]

(xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in [•]

the Conditions:

- 17. Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [•] per cent per annum
  - (ii) Day Count Fraction: [•]
  - (iii) Any other formula/basis of determining amount payable: [•]
- 18. Index-Linked Interest Note/Inflation Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
\*\*
- (i) Index/Formula/other variable: *[give or annex details]*
  - (ii) Calculation Agent responsible for calculating the interest due: [•]
  - (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [•]
  - (iv) Interest Period(s): [•]
  - (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]  
*(Need to include a description of market disruption or settlement disruption events and adjustment provisions)*
  - (vi) Interest or calculation period(s): [•]
  - (vii) Specified Interest Payment Dates: [•]
  - (viii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
  - (ix) Business Centre(s): [•]
  - (x) Minimum Rate of Interest / Minimum amount of interest: [•] per cent per annum
  - (xi) Maximum Rate of Interest / Maximum amount of interest: [•] per cent per annum
  - (xii) Day Count Fraction: [•]
- 19. Dual Currency Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of*

\*\*

If the Final Redemption Amount is more or less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

*this paragraph)*

- (i) Rate of Exchange/method of calculating Rate of Exchange: *[give details]*
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[Need to include a description of market disruption or settlement disruption events and adjustment provisions.]*
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]
- (v) Day Count Fraction: [•]

## **PROVISIONS RELATING TO REDEMPTION**

### **20. Call Option**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Note of [•] specified denomination
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [•]
  - (b) Maximum Redemption Amount: [•]
- (iv) Notice period [•]

### **21. Put Option**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Note of [•] specified denomination
- (iii) Notice period [•]

### **22. Final Redemption Amount of each Note**<sup>\*\*</sup>

[[•] per Note of [•] specified denomination /other/see Appendix]

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

\*\*

If the Final Redemption Amount is more or less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

- (i) Index/Formula/variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [•]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]
- (iv) Determination Date(s): [•]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (vi) Payment Date: [•]
- (vii) Minimum Final Redemption Amount: [•]
- (viii) Maximum Final Redemption Amount: [•]

### 23. Early Redemption Amount

- Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(f)), for illegality (Condition 6(j)) or on event of default (Condition 9) or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [•]

### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 24. Form of Notes: [Dematerialised Notes/Materialised Notes] (*Materialised Notes are only in bearer form*) [*Delete as appropriate*]

  - (i) Form of Dematerialised Notes: [Not Applicable/Bearer dematerialised form (*au porteur*)]/[Registered dematerialised form (*au nominatif*)]
  - (ii) Registration Agent: [Not Applicable/if Applicable give name and details (*Note that a Registration Agent must be appointed in relation to Registered Notes only.*)]
  - (iii) Temporary Global Certificate: Temporary Global Certificate exchangeable for Definitive Materialised Bearer Notes on [·] (the **Exchange Date**), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
  - (iv) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable] (*Only applicable to Materialised Notes*).

- 25. Financial Centre(s) or other special [Not Applicable/give details].

provisions relating to Payment Dates:

26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No/Not Applicable. *If yes, give details*] (*Only applicable to the Materialised Notes*).

27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay: [Not Applicable/*give details*]

28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]

29. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] annexed to these Final Terms] apply]

30. Consolidation provisions: [Not Applicable/The provisions [in Condition 14(b)] annexed to these Final Terms] apply]

31. Representation of holders of Notes<sup>1</sup>/Masse: [Applicable/Not Applicable/Condition 11 replaced by the full provisions of French Code of Commerce relating to the Masse] (*Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 11 may be waived, amended or supplemented, and (ii) in respect of any Tranche of Notes issued inside France, Condition 11 must be waived in its entirety and replaced by the provisions of French Code of Commerce relating to the Masse. If Condition 11 (as it may be amended or supplemented) applies or if the full provisions of French Code of Commerce apply, insert details of Representative and Alternative Representative and remuneration, if any.*)

32. Other final terms: [Not Applicable/*give details*]  
*(When adding any other final terms consideration should be given as to whether such terms constitute a significant new factor and consequently triggers the need for a Supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

33. Applicable Tax Regime(s): [Article 131 *quater* of French General Tax Code/other](*Give details*)

## **DISTRIBUTION**

34. Stabilising Manager(s) (if any): [Not Applicable/*give name*]

35. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]

36. Additional selling restrictions: [Not Applicable/*give details*]

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<sup>1</sup> The provisions of the French *Code de Commerce* relating to the *Masse* of holders of Notes are applicable in full to French domestic issues of Notes. Pursuant to Article L.228-90 of the French *Code de Commerce*, the *Masse* provisions contained in the French *Code de Commerce* are NOT applicable to international issues (*emprunt émis à l'étranger*); accordingly international issues may have no *Masse* provisions at all or the *Masse* provisions contained in the French *Code de Commerce* may be varied along the lines of the provisions of Condition 11

**[LISTING AND ADMISSION TO TRADING APPLICATION]**

These Final Terms comprises the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 6,000,000,000 Euro Medium Term Note Programme of the Issuer.]

- (i) Listing: [Luxembourg Stock Exchange/*specify other*/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [•] with effect from [•].] [Not Applicable.]  
*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)*

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced inaccurate or misleading. ]

Signed on behalf of Autoroutes du Sud de la France

Duly represented by: .....

## PART B – OTHER INFORMATION

### 1. RISK FACTORS

*[Insert any risk factors that are material to the Notes being offered and/or admitted to trading in order to assess the market risk associated with these Notes and that may affect the Issuer's ability to fulfil its obligations under the Notes which are not covered under "Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute a "significant new factor" and consequently triggers the need for a Supplement to the Base Prospectus under Article 16 of the Prospectus Directive.] [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]*\*

### 2. ADMISSION TO TRADING AND LISTING

- (i) Listing(s): [Luxembourg Stock Exchange /other (*specify*)/None]
- (ii) [(a)] Admission to trading: [Application has been made for the Notes to be admitted to trading on [· ] with effect from [· ].] [Not Applicable.]
- [(ii) (b) Previous admission(s) to trading] [The Notes have already been admitted to trading on [· ] with effect from [· ].] [Not Applicable]
- (iii) Additional publication of Base Prospectus and Final Terms: [•](See Condition 16 which provides that the Base Prospectus will be published on the websites of (a) the Luxembourg Stock Exchange during a period of twelve months from the date of the Base Prospectus and (b) the Issuer and that the Final Terms related to Notes admitted to trading on any Regulated Market will be published on the websites of (a) the Luxembourg Stock Exchange and (b) the Issuer. Please provide for additional methods of publication in respect of an admission to trading on a regulated market other than the Luxembourg Stock Exchange, e.g. Paris)

### 3. RATINGS

Ratings: The Programme has been rated BBB+ by Standard & Poor's Rating Services and Baa1 by Moody's Investors Services, Inc.

[The Notes to be issued have been rated:

[S & P: [•]]

[Moody's: [•]]

[[Other]: [•]]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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\* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote \*\* below.

\*\* If the Final Redemption Amount is more or less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.



#### 4. [NOTIFICATION]

The *Commission de surveillance du secteur financier* in Luxembourg [has been requested to provide/has provided] - [include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

#### 5. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement :

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]/[•]

#### 6. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES\*

(i) Reasons for the offer [•]

(ii) Estimated net proceeds: [•]

(iii) Estimated total expenses: [•]

*(If the Notes are derivative securities to which Annex 12 of the Prospectus Directive Regulation applies, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

#### 7. [Fixed Rate Notes only – YIELD]

**[Floating Rate Notes only - HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Telerate].]

Indication of yield: [•]

Calculated as [include details of method of calculation in summary form] on the Issue Date.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. ]

#### 8. [THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST]

*Where a statement or report attributed to a person as an expert is included in these Final Terms in respect of the Issuer or the Notes, provide such person's name, business address, qualifications and material interest if any in the Issuer. If the report has been produced at the Issuer's request a statement to that effect that such statement or*

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\* Required for derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote \*\* below.

\*\* If the Final Redemption Amount is more or less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part in respect of the Issuer or the Notes.

Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In addition, the Issuer shall identify the source(s) of the information.]

**9. [Derivatives only – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING<sup>\*</sup>**

**EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]\*\*\*

**SETTLEMENT PROCEDURES FOR DERIVATIVE SECURITIES**

Need to include a description of the settlement procedures of the derivative securities.

**RETURN ON DERIVATIVES SECURITIES**

Return on derivative securities: [Description of how any return on derivative securities takes place]

Payment or delivery date: [•]

Method of calculation: [•]

**INFORMATION CONCERNING THE UNDERLYING**

The exercise price or the final reference price of the underlying: [•]

A statement setting out the type of the underlying and details of where information on the underlying can be obtained:

- an indication where information about the past and the further performance of the underlying and its volatility can be obtained [•]

- where the underlying is a security: [Applicable/Not Applicable]

- the name of the issuer of the security: [•]
- the ISIN (International Security Identification Number) or other such security identification code: [•]

- where the underlying is an index: [Applicable/Not Applicable]

\*\*\*

For derivative securities to which Annex 12 to the Prospectus Directive Regulation applies, please complete instead paragraph 10 below relating to explanation of effect on value of investment, return on derivatives securities and information concerning the underlying.

- the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained: [•]
- where the underlying is an interest rate: [Applicable/Not Applicable]
  - a description of the interest rate: [•]
- others: [Applicable/Not Applicable]
  - where the underlying does not fall within the categories specified above the securities note shall contain equivalent information: [•]
- where the underlying is a basket of underlyings: [Applicable/Not Applicable]
  - disclosure of the relevant weightings of each underlying in the basket: [•]

A description of any market disruption or settlement disruption events that affect the underlying: [•]

Adjustment rules with relation to events concerning the underlying:] \* [•]

#### 10. *[Derivatives only – POST ISSUANCE INFORMATION* \*

The Issuer does not intend to provide post-issuance information, if not otherwise required by all applicable laws and regulations.

[If post issuance information has to be reported, specify what information will be reported and where such information can be obtained.]

#### 11. OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

Depositories:

(i) Euroclear France to act as Central Depository [Yes/No]

(ii) Common Depository for Euroclear and Clearstream Luxembourg [Yes/No]

Any clearing system(s) other than Euroclear and Luxembourg and Clearstream, the relevant [Not Applicable/give name(s) and number(s)]

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\* Only applicable in case of derivative securities to which Annex 12 to the Prospectus Directive Regulation applies. See footnote \*\* below.

\*\*If the Final Redemption Amount is more or less than 100% of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex 12 to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex 12 are dealt with.

identification number(s):

Delivery: Delivery [against/free of] payment

Names and addresses of additional [●]

Paying Agent(s) (if any):

The aggregate principal amount of [●]

Notes issued has been translated into

Euro at the rate of [●] producing a sum

of:

## 12. [PLACING AND UNDERWRITING]\*

*Need to include:*

*(i) The name and address of the co-ordinator(s) of the global offer and of single parts of the offer;<sup>4</sup>*

*(ii) The name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent);*

*(iii) The names of entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under best efforts arrangements<sup>5</sup> and*

*(iv) Indicate when the underwriting agreement has been or will be reached.*

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<sup>4</sup> To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

<sup>5</sup> Where not all of the issue is underwritten, a statement of the portion not covered.

## TAXATION

### FRANCE

Payments in respect of Notes issued by the Issuer that constitute *obligations* under French law will be made without withholding or deduction for, or on account of, taxes imposed by or on behalf of the Republic of France, as provided by Article 131 *quater* of the French *Code général des impôts* (General Tax Code), if issued outside France. Notes will be issued (or deemed to be issued) outside France:

- (i) in the case of syndicated or non-syndicated issues of Notes, if they are denominated in euro as provided in the Circular of the *Direction générale des impôts* dated 30 September 1998;
- (ii) in the case of internationally syndicated issues of Notes denominated in currencies other than euro, if, *inter alia*, the issuer and the relevant dealers agree, in connection with their initial distribution, not to offer the Notes to the public in the Republic of France. Such securities may be offered in the Republic of France only to qualified investors as described in Article L.411-2 of the *Code monétaire et financier*; or
- (iii) in the case of non-syndicated issues of Notes denominated in currencies other than euro, if each of the subscribers is domiciled or resident for tax purposes outside the Republic of France.

On 3 June 2003, the Council of the European Union adopted a new directive regarding the taxation of savings income received in the form of interest payments (the **Directive**). Subject to certain conditions being met, Member States will be required, from 1st July 2005, to provide the tax authorities of another Member State with, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to or for the benefit of an individual resident 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 Directive, for the immediate benefit of individuals.

However, throughout the transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, would withhold an amount on interest payments.

The rate of such withholding tax will equal 15 per cent. during the first three years, 20 per cent. during the subsequent three years and 35 per cent. until the end of the transitional period. Such transitional period will end if and when the European Community enters into agreements on exchange of information upon request with several jurisdictions (including, *inter alia*, the United States, Switzerland, Liechtenstein, San Marino, Monaco and Andorra).

The Directive was implemented into French law by the Amended Finance Law for 2003 and by the Amended Finance Law for 2004, which impose 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 payments made from 1 July 2005.

## LUXEMBOURG

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds de chômage*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

### Taxation of the holders of Notes

#### Withholding Tax

##### (i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the **Laws**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 15 per cent during the first three-year period starting 1 July 2005, at a rate of 20 per cent for the subsequent three-year period and at a rate of 35 per cent thereafter. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 15 per cent.

##### (ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

## **Income Taxation**

### **(i) Non-resident holders of Notes**

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

### **(ii) Resident holders of Notes**

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual holder of Notes, acting in the course of the management of a professional or business undertaking.

A holder of Notes that is governed by the law of 31 July 1929, on pure holding companies, as amended, or by the laws of 30 March 1988 and 20 December 2002 on undertakings for collective investment, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the Notes, except if withholding tax has been levied on such payments in accordance with the Law. A gain realised by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax.

## **Net Wealth Taxation**

A corporate holder of Notes, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the holder of Notes is governed by the law of 31 July 1929 on pure holding companies, as amended, or by the laws of 30 March 1988 and 20 December 2002 on undertakings for collective investment, as amended, or is a securitisation company governed by the law of 22 March 2004 on securitisation, or a capital company governed by the law of 15 June 2004 on venture capital vehicles.

An individual holder of Notes, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

## **Other Taxes**

Neither the issuance nor the transfer of Notes will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed or recorded in Luxembourg.

## **General**

The Issuer assumes responsibility for withholding taxes to the extent set forth in Condition 8 (Taxation) of the Conditions.

## GENERAL INFORMATION

- (1) The Issuer does not publish any interim financial statements.
- (2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the establishment and update of the Programme. Any drawdown of Notes under the Programme, to the extent that such Notes constitute *obligations*, requires the prior authorisation of the Board of Directors of the Issuer in accordance with article L.228-40 of the *French Code de Commerce*.
- (3) By a resolution passed on 26 February 2007, the Board of Directors of the Issuer has delegated to the *Président Directeur Général* the power to issue *obligations* up to a maximum aggregate principal amount of EUR 3,000,000,000 within a period of one year as from the date of such resolution.
- (4) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.  
  
The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.
- (5) Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent.  
  
The address of Euroclear France is 115 rue Réaumur, 75081 Paris Cedex 02, France.
- (6) The name and address of the Issuer's auditors having audited the Issuer's financial statements for the two years ended 31 December 2005 and 31 December 2006 are set out in "Description of the Issuer – Statutory Auditors" above.
- (7) Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2006.
- (8) The Issuer does not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities.
- (9) Except as disclosed in this Base Prospectus (see above "Recent Developments"), there has been no significant change in the financial or trading position of Autoroutes du Sud de la France since the date of its last published audited financial statements dated 31 December 2006.
- (10) Save as disclosed in this Base Prospectus (including the documents incorporated by reference), the Issuer did not conclude any material contract not entered into in the ordinary course of its business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the securities being issued.
- (11) Save as disclosed in this Base Prospectus (including the documents incorporated by reference), the Issuer is or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending and threatened of which the Issuer is aware) in the 12 months preceeding the date of this Base Prospectus which may have or have had in the recent past, significant effects on the Issuer's financial position or profitability.
- (12) The Board of Directors (*Conseil d'Administration*) elects domicile at the registered office of the Issuer. The address of this office is 100, avenue de Suffren 75015 Paris France.



**Registered Office of the Issuer**

**Autoroutes du Sud de la France**

100, avenue de Suffren  
75015 Paris  
France

**Arranger**

**Natixis**

45, rue Saint Dominique  
75007 Paris  
France

**Dealers**

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5 The North Colonnade, Canary Wharf  
London E14 4BB  
United Kingdom

**BNP PARIBAS**

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London NW1 6AA  
United Kingdom

**Dresdner Bank Aktiengesellschaft**

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60301 Frankfurt am Main  
Germany

**HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

**Natixis**

45, rue Saint-Dominique  
75007 Paris  
France

**The Royal Bank of Scotland plc**

135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**Bayerische Landesbank**

Brienner Strasse 18  
80333 Munich  
Germany

**CALYON**

9, quai du Président Paul Doumer  
92920 Paris La Défense Cedex  
France

**Fortis Bank nv-sa**

3, Montagne du Parc  
1000 Brussels  
Belgium

**J.P. Morgan Securities Ltd.**

125 London Wall  
London EC2Y 5AJ  
United Kingdom

**Société Générale**

29, boulevard Haussmann  
75009 Paris  
France

**UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

**Fiscal Agent, Principal Paying Agent, Redenomination Agent,  
Consolidation Agent and Calculation Agent**

**Fortis Banque Luxembourg SA**

50, avenue John Fitzgerald Kennedy  
L-2955 Luxembourg  
Luxembourg

**Paying Agents**

**Listing Agent, Paris Paying Agent and Luxembourg Paying Agent**

**Fortis Banque Luxembourg SA**  
50, avenue John Fitzgerald Kennedy  
L-2955 Luxembourg  
Luxembourg

**Auditors to the Issuer**

**KPMG Audit**  
1, cours Valmy  
92923 Paris La Défense Cedex  
France

**Deloitte & Associés**  
185, avenue Charles de Gaulle  
92524 Neuilly sur Seine  
France

**Legal Advisers**

**To the Issuer**  
**Clifford Chance Europe LLP**  
9, Place Vendôme  
75001 Paris  
France

**To the Arranger and the Dealers**  
**Allen & Overy LLP**  
26, boulevard des Capucines  
75009 Paris  
France