Autoroutes du Sud de la France

FINANCIAL REPORT

2008

Annual financial report at 31 December 2008

A subsidiary of VINCI CONCESSIONS

ASF GROUP
Financial report
31 December 2008

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ASF Group Management Report at 31 December 2008

Key events

Economic context

In a particularly deteriorated economic context, despite a light decrease of its traffic, the ASF Group has been able to improve its financial equilibrium thanks to the robustness of its business model.

Furthermore, the ASF Group recorded an exceptional gain related to a reversal of the current provision for employee benefit obligations.

Consolidation scope

The ASF Group's consolidation scope changed in 2008 with the inclusion of Radio Trafic FM (RTFM), Truck Etape, Jamaican Infrastructure Operator (JIO), Openly and Axxès (see Note A.2.1 *Consolidation scope* in the 2008 consolidated financial statements).

Changes in accounting policy

Application of the change of policy relating to IFRIC 12: *Service Concession Arrangements*. The ASF Group has elected to apply the principles of IFRIC 12 as from the 2008 consolidated financial statements as it considers that this Interpretation enables better financial information to be given (see Note A.1.3 *Change of accounting policy: IFRIC 12 Service Concession Arrangements* in the 2008 consolidated financial statements).

Traffic

Changes between 2007 and 2008 in distance travelled by paying traffic, on a stable network basis and taking ASF and Escota together, were:

- -1.3% for all vehicles;
- -1.3% for light vehicles, which accounted for 85.3% of total traffic;
- -1.8% for heavy vehicles, which accounted for 14.7% of total traffic.

On an actual network basis, users travelled 34,157 million kilometres in 2008 against 34,539 million in 2007, down 1.1% after taking account of extra traffic coming from the entry into service of new sections (Thenon to Terrasson on the A89 and the southern bypass of La Roche-sur-Yon on the A87).

The decline (of 1.6%) in heavy goods vehicle traffic, very directly linked to manufacturing activity, was, in particular in the last quarter, more marked than that for light vehicles in 2008. The decline in light vehicle traffic at the start of the year was a consequence of the very marked increase in fuel prices.

The annual average daily traffic on the network as a whole was 30,783 vehicles per day in 2008 compared with 31,494 vehicles per day in 2007, a drop of 2.3%.

Toll prices

In accordance with contractual conditions, prices were increased on 1 February 2008.

For ASF, the increase for classes 1, 2, 3 and 5 taken as a whole was 2.454% and for class 4 was 2.813%.

For Escota, the increase for classes 1, 2, 3 and 5 taken as a whole was 2.53% and for class 4 was 2.88%.

Regarding class coefficients, only that for class 4 has changed, for both companies, rising from 2.85 to 2.86 for ASF and from 2.89 to 2.90 for Escota.

Toll revenue

Toll revenue amounted to €2,823 million in 2008 compared with €2,753.3 million in 2007, an increase of 2.5% as a result of the combined effects of the decline in traffic and the price review in February in accordance with the ASF and Escota concessions contracts.

The breakdown between ASF and Escota was as follows:

(in € millions)	2008			2007			Change 2008 vs 2007
Revenue	**ASF**	**Escota**	**ASF-Escota**	**ASF**	**Escota**	**ASF-Escota**	
Revenue - tolls	2,241.5	581.5	2,823.0	2,184.5	568.8	2,753.3	2.5%

The number of paying transactions recorded by the two companies' toll stations fell by 0.8% to 641.93 million in 2008 against 647.36 million in 2007.

The Group's efforts to promote the use of automatic and tag payment lanes continue to bear their fruit as the use of manual payment lanes only accounted for 21.2% of total transactions in 2008 against 30.6% in 2007.

The number of light vehicle ETC system account holders for the two companies at 31 December 2008 was 591,260 (corresponding to 761,728 transponders installed).

Breakdown of ASF and Escota transactions by toll collection method:

Type and number of transactions *(in millions)*	2008	2007	Change 2008 versus 2007	Share of total in 2008	Share of total in 2007
Manual lanes	**136.38**	**198.17**	**(31.2)%**	**21.2%**	**30.6%**
Automated lanes excluding ETC	280.95	278.32	0.9%	43.8%	43.0%
ETC in automated lanes	224.60	170.87	31.4%	35.0%	26.4%
Automated lanes and ETC subtotal	**505.55**	**449.19**	**12.5%**	**78.8%**	**69.4%**
Total	**641.93**	**647.36**	**(0.8)%**	**100.0%**	**100.0%**

ASF and Escota halted the marketing of subscriptions for CAPLIS magnetic cards in 2007 and now offer subscriptions for ETC system reserved for heavy vehicles.

Investments

ASF brought two new sections into service in 2008:

- A89: Thenon to Terrasson (19 km) on 16 January;
- A87: La Roche-sur-Yon southern bypass (16 km) on 4 July.

At 31 December 2008, of the 3,173.2 km of the network under concession to ASF and Escota, the total length in operation increased to 3,092.2 km, of which 2,633.1 km for ASF and 459.1 km for Escota.

During 2008, ASF started work on nearly 100 km of new connections and widening to 2x3 lanes with the following projects:

- A89: Balbigny to La Tour de Salvagny (53 km);
- A87: Sorges to Murs Erigné (7 km);
- A63: widening to 2x3 lanes from Biriatou to Ondres (39 km).

The new section construction programme is carried out in accordance with the provisions of the concession agreements.

At the same time, ASF continued to study the widening of the Perpignan Nord to Perpignan Sud section (14 km) of the A9 and the Biriatou to Ondres section of the A63 (39 km), to 2x3 lanes. For its part, Escota is continuing its investment programme to bring tunnel safety up to standard, and to widen the A8 (Châteauneuf to Saint Maximin) and A50-52 (La Ciotat to Bandol) to 2x3 lanes.

The Group has also pursued its investments to adapt and modernise its operating equipment, in the areas of safety and road availability and of toll collection and information systems.

In connection with its on-going research into better traffic fluidity, the Group continued its work on the A7 – A9 programme (Vallée du Rhône Arc Languedocien), in association with government departments. Several deeper studies and experiments have been conducted in the various areas of possible progress in traffic management that have been identified.

In the same spirit, the ASF Group welcomed with satisfaction the results of the French government's *Grenelle de l'Environnement* initiative and conference on the environment and in particular has positioned itself as a driving force in seeking solutions that support the goals pursued.

ASF and Escota made investments of €481.3 million in 2008, compared with €445.9 million in the previous year, as shown below:

(in € millions)	2008			2007			% change
Type of investment	**ASF**	**Escota**	**GROUP**	**ASF**	**Escota**	**GROUP**	**(GROUP)**
Construction of new sections (*)	128.9		128.9	188.5		188.5	(31.62)%
Supplementary investments on motorways in service (*)	103.0	195.0	298.0	60.9	142.3	203.2	46.65%
Operating tangible fixed assets (*)	30.6	23.8	54.4	31.6	22.6	54.2	0.37%
Total	**262.5**	**218.8**	**481.3**	**281.0**	**164.9**	**445.9**	**7.94%**

(*) Including capitalised production and borrowing costs, grants and financial investments

Main transactions with related parties

The main transactions with related parties are shown in Note C.18 Transactions with related parties to the 2008 consolidated financial statements.

Risk factors

Since toll receipts account for virtually all the revenue from operating concessions, the main risks with which the ASF Group can be faced relate in particular to traffic or infrastructure usage and users' acceptance of tolls and prices. Traffic levels may also be affected by fuel prices.

Details of the main financial risks are given in Note C.16 *Management of financial risks* to the 2008 consolidated financial statements.

1. Revenue

(in € millions)	2008	2007 *(*)*	% change
Toll revenue	2,823.0	2,753.3	2.5%
Fees for use of commercial premises	40.0	42.6	(6.1)%
Fees for optical fibres, telecommunications and other	31.8	15.5	105.2%
Revenue excluding revenue from construction work	**2,894.8**	**2,811.4**	**3.0%**
Revenue from construction of new infrastructure assets *(**)*	344.5	336.9	2.3%
Revenue	**3,239.3**	**3,148.3**	**2.9%**

(*) Restated in accordance with the change of policy described in Note A.1.3 to the 2008 consolidated financial statements, Change of policy IFRIC 12: Service Concession Arrangements.

(**) See change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

The ASF Group's consolidated revenue excluding construction revenue, and taking account of the new consolidation scope, increased by 3% in 2008 to €2,894.8 million (compared with €2,811.4 million in 2007).

The ASF Group's 2008 consolidated revenue takes account of the new consolidation scope and of the change of accounting policy connected with IFRIC 12 under which, in particular, construction revenue on new infrastructure is included. The breakdown of 2008 revenue is as follows:

	Revenue - France						Revenue outside France	
(in € millions)	ASF	Escota	RTFM	Truck Etape	Openly	Total	Jamaican Infrastructure Operator	Revenue 2008
Revenue - tolls	2,241.5	581.5				2,823.0		2,823.0
Fees for use of commercial premises	33.7	6.3				40.0		40.0
Fees for optical fibres, telecommunications and other	18.7	2.9	3.0	0.3	2.2	27.2	4.6	31.8
Revenue excluding revenue from construction work	**2,293.9**	**590.7**	**3.0**	**0.3**	**2.2**	**2,890.2**	**4.6**	**2,894.8**
Share of revenue - France	79.4%	20.4%	0.1%		0.1%	100.0%		
Share of total revenue	79.2%	20.4%	0.1%		0.1%	99.8%	0.2%	100.0%
Revenue from construction of new infrastructure assets *(*)*	**204.9**	**139.6**				**344.5**		**344.5**
Revenue	**2,498.8**	**730.3**	**3.0**	**0.3**	**2.2**	**3,234.7**	**4.6**	**3,239.3**

(*) See change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

The comparative data for 2008 and 2007 ignoring the impacts of the new consolidation scope and change of accounting policy is as follows:

(in € millions)	2008			2007				
Income	ASF	Escota	GROUP	ASF	Escota	GROUP	Change	%
Revenue - tolls	2,241.5	581.5	2,823.0	2,184.5	568.8	2,753.3	69.7	2.5%
Fees for use of commercial premises	33.7	6.3	40.0	36.8	5.8	42.6	(2.6)	(6.1)%
Fees for use of optical fibres and telecommunication pylons	18.7	2.9	21.6	12.4	3.1	15.5	6.1	39.4%
Total revenue	**2,293.9**	**590.7**	**2,884.6**	**2,233.7**	**577.7**	**2,811.4**	**73.2**	**2.6%**

Consolidated revenue in 2008 for ASF and Escota was €2,884.6 million compared with €2,811.4 million in 2007, an increase of 2.6%.

Toll revenue

Toll receipts increased by 2.5% to €2,823 million in 2008 compared with €2,753.3 million in 2007.

This change is due to the combined effect of the following three main factors:

- effect of traffic on comparable network -1.3%;
- effect of bringing new sections into service 0.2%;
- effect of prices and rebates 3.6%.

Toll receipts break down as follows by payment method:

(in € millions) Income	2008 ASF	2008 Escota	2008 GROUP	2007 ASF	2007 Escota	2007 GROUP	Change	%
Cash	373.2	134.4	507.6	413.2	147.2	560.4	(52.8)	(9.4)%
Subscriber accounts	69.8	96.9	166.7	446.3	92.3	538.6	(371.9)	(69.0)%
Electronic tag	834.0	146.0	980.0	367.2	132.7	499.9	480.1	96.0%
Bank cards	760.0	161.8	921.8	743.9	154.2	898.1	23.7	2.6%
Credit cards	203.5	42.0	245.5	212.8	42.1	254.9	(9.4)	(3.7)%
Recharging	1.0	0.4	1.4	1.1	0.3	1.4		
Toll revenue	**2,241.5**	**581.5**	**2,823.0**	**2,184.5**	**568.8**	**2,753.3**	**69.7**	**2.5%**

Revenue from commercial facilities

Revenue from commercial facilities amounted to €40 million in 2008 compared with €42.6 million in 2007, down 6.1% mainly due to lower traffic levels on the ASF and Escota networks.

Revenue from optical fibre and pylons rental

Revenue from rental of fibre optics and pylons was up 39.4% from €15.5 million in 2007 to €21.6 million in 2008 mainly as a result of new contracts for rental of fibre optics between Escota and Bouygues Telecom, Neuf Cegetel and SFR.

2. Results

2.1 - Operating profit

Operating profit at 31 December 2008 amounted to €1,440.1 million compared with €1,247.5 million at 31 December 2007, a 15.4% increase. This increase was the result of the combined effects of higher revenue and a fall in operating expenses, which stood at €1,800.7 million in 2008, down 5.1% when compared with 2007 (€1,897.9 million).

The following points may be noted in respect of this change in operating expenses:

- stability of **net purchases consumed,** at €29.5 million in 2008 as in 2007;
- an 8% increase in **external expenses** (external services, temporary staff and subcontracting) which rose from €186.8 million at the end of December 2007 to €201.7 million at the end of December 2008;
- a 2.3% increase in **construction costs** incurred on infrastructure under concession to €344.5 million in 2008 (compared with €336.9 million in 2007);
- a moderate increase in **taxes and levies,** up 0.7% to €383.1 million in 2008 compared with €380.3 million in 2007, mainly linked to the fall in traffic levels;
- a 3.6% increase in **employment costs,** which amounted to €380.8 million in 2008 compared with €367.7 million in 2007. This amount included in particular certain non-recurring costs connected with measures in favour of employee mobility and development;
- a 2.3% increase in net **depreciation and amortisation** expenses, which amounted to €547.3 million in 2008 compared with €535.2 million for the same period in 2007.

Most of this comprises special concession amortisation charges net of reversals of investment grants relating to the new sections of motorway that entered service and the investments made since December 2007, which increased from €433 million in December 2007 to €444.9 million in 2008.

Depreciation and amortisation of property plant and equipment used in operations and of intangible assets amounted to €102.4 million at the end of December 2008 compared with €102.2 million for the same period in 2007;

- a decrease in **net provision charges** which represented income of €85.8 million in 2008 compared with an expense of €55.2 million in 2007.

This decrease results mainly from the reversal of provisions in connection with the change in the health insurance plan granted to employees of ASF and Escota who are in service or retired leading to a net pre-tax gain of €76.6 million, comprising €44.3 million for ASF and €32.3 million for Escota (see Note C.13.2 to the 2008 consolidated financial statements Other non-current provisions).

A partial reversal of the provision for the obligation to maintain concession assets in good state of repair had an impact of €12.7 million on the 2008 financial statements.

The balance is mainly related to provisions for employment measures:

- a reduction in **share-based payments expenses,** which amounted to €6.4 million in 2008 compared with €8.6 million in 2007;
- an increase in the share of **profit or loss of associates,** which amounted to a gain of €1.5 million in 2008 compared with a loss of €1.1 million in 2007 mainly due to the inclusion of Axxès in the consolidation scope (see Notes B.2.1 *Consolidation scope* and C.9 *Investments in Associates* to the 2008 consolidated financial statements).

2.2 - Cost of net financial debt and other financial income and expenses

The cost of net financial debt amounted to €546.2 million at 31 December 2008 against €524.8 million at the end of December 2007, a 4.1% increase.

This net increase of €21.4 million in the interest expense on financial debt compared with 2007 was mainly due to the increase in the average interest rate in 2008 and to a deterioration of the fair value of interest-rate derivatives not designated as hedges.

Other financial income and expenses amounted to net income of €3.5 million at the end of December 2008 compared with net income of €1.8 million at the end of December 2007.

2.3 - Income tax

The tax expense, corresponding to current tax and deferred tax, has been calculated at €295.4 million for 2008, up 17.2% compared with 2007 (€252.1 million). The effective tax rate for 2008 is 32.9% compared with 34.8% in 2007.

2.4 - Net profit for the year

The net profit attributable to equity holders of the parent amounted to €600.3 million at the end of December 2008, up 27.4% compared with 2007 (€471.1 million), taking account of minority interests of €1.7 million in 2008 compared with €1.3 million in 2007.

3. Balance sheet

The **total non-current assets** shown in the balance sheet amount to €11,763.3 million net, a decrease of €144.7 million from 31 December 2007 (€11,908 million).

This decrease was mainly connected with the increase in depreciation and amortisation expenses (€506.7 million) being greater than that of the gross amount of assets constructed or used in operations (€417.4 million) and the change in non-current deferred tax assets, despite the increase in the fair value of derivative financial instruments shown under assets, from €26.6 million in 2007 to €90.3 million in 2008.

Total current assets, standing at €567.8 million at 31 December 2008, was up by €88.7 million (from €479.1 million at 31 December 2007) mainly due to the increase in trade receivables (invoiced and non-invoiced) which increased materially, by €66 million, and cash and cash equivalents which improved by €47.6 million.

Equity has increased by €43.9 million, standing at €471 million at 31 December 2008 (compared with €427.1 million at the end of 2007). This increase mainly results from the higher profit and a negative impact related to the fair value of cash flow hedging instruments.

Total non-current liabilities at 31 December 2008 amount to €9,439.8 million compared with €9,980.6 million at 31 December 2007, a decrease of €540.8 million, mainly due to the decrease in loans, for €525.2 million, the increase in the fair value of derivative financial instruments for €102.8 million, and the decrease in non-current provisions for €85.2 million and in deferred tax liabilities for €40.7 million.

Total current liabilities amounted to €2,420.3 million at 31 December 2008, up €440.9 million from 31 December 2007 (€1,979.4 million). This increase lies mainly in the short-term portion of loans, which stood at €1,411.6 million at 31 December 2008 compared with €1,035 million at the end of 2007, an increase of €376.8 million.

After taking account of these various items, the Group's net financial debt at 31 December 2008 amounted to €10,318.5 million, compared with €10,475.3 million at 31 December 2007.

4. Cash flows

The Group's statement of cash flows shows a net closing balance of cash and cash equivalents of €125.5 million, up €48.4 million from the opening balance of €77.1 million.

This change breaks down as follows:

- at the end of December 2008, the Group's cash flow from operations before tax and financing costs was €1,900.9 million, almost 3.3% more than at the end of December 2007 (€1,839.5 million);
- net cash flows from operating activities amounted to €1,162.7 million at the end of December 2008 which corresponds to an increase of 10.7% compared to the end of December 2007 (€1,050.8 million);
- net cash flows used in investing activities amounted to €443.6 million at the end of December 2008, an increase of 8% compared with the end of December 2007 (€410.8 million);
- net cash flows used in financing activities were an outflow of €675.9 million at the end of December 2008 compared with an outflow of €1,254 million at the end of December 2007. These mainly comprise dividend payments to ASF shareholders (€471.2 million), the proceeds of new loans (€950.9 million) and the repayment of loans and credit lines for a total of €1,165.7 million.

5. Parent company financial statements

5.1 - Revenue

In the ASF parent company financial statements, revenue for 2008 amounted to €2,293.9 million compared with €2,233.7 million in 2007, an increase of 2.7%.

5.2 - Net profit for the year

The net profit for the year amounted to €341.6 million, down 24.5% compared with 2007 (€452.2 million) after taking account in particular of the exceptional charge recognised in connection with the adoption of IFRIC 12.

2 ASF consolidated financial statements **at 31 December 2008**

Consolidated income statement

(in € millions)	Notes	2008	2007 *(*)*
REVENUE	B.1	**3,239.3**	**3,148.3**
including:			
Revenue excluding construction of new infrastructure assets under concession		2,894.8	2,811.4
Revenue realised by concession operating companies for the construction of new infrastructure assets *(**)*		344.5	336.9
Revenue from ancillary activities		6.4	6.8
Operating expenses		(1,800.7)	(1,897.9)
Operating profit from ordinary activities	B.2	**1,445.0**	**1,257.2**
Share-based payment expense (IFRS 2)	B.2.3	(6.4)	(8.6)
Profit or loss of associates		1.5	(1.1)
OPERATING PROFIT	B.2	**1,440.1**	**1,247.5**
Cost of gross financial debt		(556.3)	(532.9)
Financial income from cash management investments		10.1	8.1
Cost of net financial debt	B.3	**(546.2)**	**(524.8)**
Other financial income	B.3	21.1	17.0
Other financial expenses	B.3	(17.6)	(15.2)
Income tax expense	B.4	(295.4)	(252.1)
NET PROFIT FOR THE PERIOD		**602.0**	**472.4**
Net profit attributable to minority interest		**1.7**	**1.3**
Net profit for the period attributable to equity holders of the parent		**600.3**	**471.1**
Earnings per share			
Earnings per share *(in euros)*		2.599	2.040
Diluted earnings per share *(in euros)*		2.599	2.040

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.
(**) See change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

Consolidated balance sheet – assets

(in € millions)	Notes	31 December 2008	31 December 2007
Non-current assets			
Concession intangible assets	C.6.3	10,889.4	11,008.2
Other intangible assets	C.7	24.6	23.4
Property, plant and equipment	C.8	743.4	706.2
Investments in associates	C.9.1	6.4	2.0
Other non-current financial assets	C.10	9.2	16.6
Fair value of derivative financial instruments (non-current assets)	C.16	90.3	26.6
Non-current deferred tax assets	B.4.3		125.0
Total non-current assets		**11,763.3**	**11,908.0**
Current assets			
Inventories and work in progress	C.14	11.7	12.6
Trade and other operating receivables	C.14	332.0	288.0
Other current assets	C.14	35.7	34.9
Current tax assets		8.8	16.0
Fair value of derivative financial instruments (current assets)	C.16	52.3	40.9
Cash management financial assets	C.15	1.8	8.8
Cash and cash equivalents	C.15	125.5	77.9
Total current assets		**567.8**	**479.1**
TOTAL ASSETS		**12,331.1**	**12,387.1**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

Consolidated balance sheet – equity and liabilities

(in € millions)	Notes	31 December 2008	31 December 2007 *(*)*
Equity			
Share capital		29.3	29.3
Share premium		13.3	15.8
Consolidated reserves		(121.6)	(117.0)
Currency translation reserves		0.1	
Net profit for the period attributable to equity holders of the parent		600.3	471.1
Net income recognised directly in equity		(54.4)	23.2
Equity attributable to equity holders of the parent		**467.0**	**422.4**
Minority interest		4.0	4.7
Total equity		**471.0**	**427.1**
Non-current liabilities			
Non-current provisions	C.13	94.1	179.3
Bonds	C.15	1,712.0	1,629.2
Other loans and borrowings	C.15	7,313.6	7,921.6
Fair value of derivative financial instruments (non-current liabilities)	C.15	105.2	2.4
Other non-current liabilities		5.5	6.3
Deferred tax liabilities (non-current liabilities)	B.4.3	209.4	241.8
Total non-current liabilities		**9,439.8**	**9,980.6**
Current liabilities			
Current provisions	C.14	325.8	336.4
Trade payables	C.14	66.7	53.4
Fair value of derivative financial instruments (current liabilities)	C.15	46.0	40.7
Other current payables	C.14	561.1	501.4
Current tax payables		9.1	11.9
Current borrowings	C.15	1,411.6	1,034.8
Bank overdrafts	C.15		0.8
Total current liabilities		**2,420.3**	**1,979.4**
TOTAL EQUITY AND LIABILITIES		**12,331.1**	**12,387.1**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

Consolidated cash flow statement

(in € millions)		2008	2007 *(*)*
Net profit for the period (including minority interest)		**602.0**	**472.4**
Depreciation and amortisation		554.4	542.0
Net increase/(decrease) in provisions		(74.8)	57.5
Share-based payments (IFRS 2) and other restatements		(4.0)	(2.2)
Gain or loss on disposals		2.6	8.3
Change in fair value of foreign currency derivative financial instruments		(0.6)	
Share of profit or loss of associates, dividends received from unconsolidated entities and profit or loss from operations classified as held for sale		(1.7)	0.7
Capitalised borrowing costs		(18.6)	(16.1)
Cost of net financial debt recognised		546.2	524.8
Current and deferred tax expense recognised		295.4	252.1
Cash flows (used in) from operations before tax and financing costs		**1,900.9**	**1,839.5**
Changes in working capital requirement and current provisions		(6.0)	22.8
Income taxes paid		(179.1)	(311.3)
Net interest paid		(553.1)	(500.2)
Net cash flows (used in)/from operating activities	**I**	**1,162.7**	**1,050.8**
Purchases of property, plant and equipment, and intangible assets		(10.9)	(9.0)
Proceeds from sales of property, plant and equipment, and intangible assets			0.6
Purchases of concession fixed assets (net of grants received)		(424.0)	(402.6)
Purchases of shares in subsidiaries and associates (consolidated and unconsolidated)		(5.5)	
Net effect of changes in scope of consolidation		(2.6)	
Dividends received from associates and unconsolidated entities		0.2	0.4
Other		(0.8)	(0.2)
Net cash flows (used in)/from investing activities	**II**	**(443.6)**	**(410.8)**
Dividends paid			
- to shareholders of ASF		(471.2)	(3,776.5)
- to minority interests		(1.3)	(1.1)
Proceeds from new borrowings		950.9	2,962.1
Repayments of borrowings		(788.7)	(465.5)
Change in credit facilities		(377.0)	
Change in cash management assets		11.4	27.0
Net cash flows (used in)/from financing activities	**III**	**(675.9)**	**(1,254.0)**
Change in net cash	**I + II + III**	**43.2**	**(614.0)**
Net cash and cash equivalents at beginning of period		**77.1**	**626.3**
Other changes		5.2	64.8
Net cash and cash equivalents at end of period		**125.5**	**77.1**
Increase (decrease) of cash management financial assets		(11.4)	(27.0)
(Proceeds from)/repayment of loans		(162.2)	(2,496.6)
Change in credit facilities		377.0	
Other changes		(95.0)	(47.8)
Change in net debt		**156.8**	**(3,120.6)**
Net debt at beginning of period		**(10,475.3)**	**(7,354.7)**
Net debt at end of period		**(10,318.5)**	**(10,475.3)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

Statement of changes in consolidated equity

	Capital and reserves attributable to equity holders of the parent								
(in € millions)	Share capital	Share premium	Consolidated reserves	Currency translation reserves	Net profit for the year	Net income recognised directly in equity	Total	Minority interest	Total
Balance at 1 January 2007 *(*)*	**29.3**	**860.1**	**2,343.0**		**475.3**	**(5.4)**	**3,702.3**	**4.5**	**3,706.8**
Allocation of net income and dividend payments		(841.0)	(2460.0)		(475.3)		**(3776.3)**	(1.1)	**(3777.4)**
Net profit for the year (a)					471.1		**471.1**	1.3	**472.4**
Financial instruments: changes in fair value (b)						28.6	**28.6**		**28.6**
including:									
Available-for-sale financial assets						(0.6)	**(0.6)**		**(0.6)**
Cash flow hedges						29.2	**29.2**		**29.2**
Of which - total income and expense recognised in respect of 2007 (a) + (b)					471.1	28.6	**499.7**	1.3	**501.0**
Share-based payment expense (IFRS 2)		(3.3)					**(3.3)**		**(3.3)**
Balance at 31 December 2007 *(*)*	**29.3**	**15.8**	**(117.0)**		**471.1**	**23.2**	**422.4**	**4.7**	**427.1**

	Capital and reserves attributable to equity holders of the parent								
(in € millions)	Share capital	Share premium	Consolidated reserves	Currency translation reserves	Net profit for the year	Net income recognised directly in equity	Total	Minority interest	Total
Balance at 31 December 2007 *(*)*	**29.3**	**15.8**	**(117.0)**		**471.1**	**23.2**	**422.4**	**4.7**	**427.1**
Allocation of net income and dividend payments			(0.1)		(471.1)		**(471.2)**	(1.3)	**(472.5)**
Net profit for the year (a)					600.3		**600.3**	1.7	**602.0**
Financial instruments: changes in fair value (b)						(77.6)	**(77.6)**		**(77.6)**
including:									
Available-for-sale financial assets						(1.4)	**(1.4)**		**(1.4)**
Cash flow hedges						(76.2)	**(76.2)**		**(76.2)**
Translation differences (c)				0.1			**0.1**		**0.1**
Of which - total income and expense recognised in respect of 2008 (a) + (b) + (c)				0.1	600.3	(77.6)	**522.8**	1.7	**524.5**
Share-based payment expense (IFRS 2)		(2.5)					**(2.5)**		**(2.5)**
Effect of acquisitions of non-controlling interests after having acquired control			(4.5)				**(4.5)**	(1.1)	**(5.6)**
Balance at 31 December 2008	**29.3**	**13.3**	**(121.6)**	**0.1**	**600.3**	**(54.4)**	**467.0**	**4.0**	**471.0**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

Notes to the consolidated financial statements

A. Accounting policies and measurement methods

A.1. General principles

In application of Regulation (EC) No 1606/2002 of 19 July 2002, the Group's consolidated financial statements for the year ended 31 December 2008 have been prepared under the International Financial Reporting Standards (IFRS) as endorsed by the European Union at 31 December 2008 (1).

The accounting policies applied by the Group at 31 December 2008 are the same as those used in preparing its consolidated financial statements at 31 December 2007, except for:

- the Standards and Interpretations adopted by the European Union, applicable as from 1 January 2008 (see note A.1.1 *New Standards and Interpretations applicable from 1 January 2008*);
- the change of accounting policy relating to the early application of the IAS 20 Amendment included in the IFRS Annual Improvement Process (see Note A.1.2. *Change of accounting policy: accounting for loans at subsidised interest rates*);
- the change of accounting policy relating to the early application of Interpretation IFRIC 12 (see Note A.1.3. *Change of accounting policy: IFRIC 12 Service Concession Arrangements*);

The consolidated financial statements were finalised by the Board of Directors on 25 February 2009 and will be submitted to the Shareholders' General Meeting for approval on 30 April 2009.

A.1.1 New Standards and Interpretations applicable from 1 January 2008

A.1.1.1 IFRIC 11 IFRS 2—Group and Treasury Share Transactions

This Interpretation states how share-based payments (IFRS 2) in Group subsidiaries should be accounted for whenever these payments are made by means of equity instruments of the parent.

ASF's accounting policies already complied with this Interpretation.

A.1.1.2 IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This Interpretation sets out the conditions – i.e. refunds or reductions in future contributions – enabling the entity in question to recognise a receivable in the event of a financial asset or pension fund becoming in surplus. Moreover, the existence of a minimum funding requirement may restrict the amount of the receivable recognised or require the recognition of a supplementary liability.

This Interpretation has had no material impact on the consolidated financial statements at 31 December 2008.

A.1.1.3 IAS 39 & IFRS 7: Reclassification of Financial Assets – Amendment published on 27 November 2008

The Amendments to IAS 39 and IFRS 7 allow entities, in rare circumstances, to reclassify certain financial instruments originally held for trading to other asset categories. The current financial crisis is considered as a rare circumstance of a nature such as to justify the use of this option by entities.

This Amendment has not been applicable to the consolidated financial statements at 31 December 2008.

A.1.2 Change of presentation: accounting for loans at subsidised interest rates

The Amendments issued under the IFRS Annual Improvements Process were adopted by the European Union during the first quarter of 2009. The ASF Group has elected to apply the Amendment to IAS 20. This specifies the accounting treatment of loans granted at below-market rates of interest by some public sector bodies (in particular the loans made by the European Investment Bank (EIB) in connection with the financing of concession assets). The economic benefit arising from application of an interest-rate that is significantly below market rates is henceforth considered as a government grant, recognised as a reduction of the related investments made. This results in a corresponding reduction of the loans in question, of which the interest expense will be recognised on the basis of market rates of interest.

In accordance with the transitional arrangements provided for in this Amendment, this change of accounting policy has been applied prospectively to loans at below-market rates of interest taken out during 2008.

(1) Available at: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission

Main impacts recognised at 31 December 2008:

(in € millions)	Loans	Grants received
Impact of change of method	(18.1)	18.4

The effects on the consolidated net profit are considered as being not material.

A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements

Interpretation IFRIC 12, published in November 2006, was adopted by the Accounting Regulatory Committee (ARC) on 6 November 2008 and should be ratified by the European Commission during the first quarter of 2009. The ASF Group has elected to apply its principles as from the 2008 balance sheet date as it considers that this Interpretation enables better financial information to be given.

A.1.3.1 Accounting treatment of concession agreements under IFRIC 12

The application scope of IFRIC 12 covers public service concession contracts in which the concession grantor is considered to exercise control over the assets operated. The concession grantor is considered to control the asset if:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls the residual interest in the infrastructure at the end of the arrangement.

Under the terms of this Interpretation, the operator has a twofold activity:

- a construction activity in respect of its obligations to design, build and finance an asset that it makes available to the grantor: revenue is recognised on a stage of completion basis in accordance with IAS 11;
- an operating and maintenance activity in respect of the assets under the concession: revenue is recognised in accordance with IAS 18.

In return for its activities, the operator receives consideration from **users:** the intangible asset model applies. The operator has a right to receive tolls (or other payments) from users in consideration for the financing and construction of the infrastructure. The intangible asset model also applies whenever the concession grantor remunerates the concession operator on the basis of the extent of use of the infrastructure by users, but with no guarantees as to the amounts that will be paid to the operator (under a simple *pass through* or *shadow toll* agreement).

Under this model, the operator's rights are recognised in the balance sheet under *Concession intangible assets*. This operating right corresponds to the fair value of the asset under concession plus the borrowing costs capitalised during the construction phase. It is amortised over the term of the arrangement in a manner that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the entry into service of the asset.

This treatment applies to the infrastructure concessions operated by ASF and Escota.

The accounting consequences of the intangible asset model for the Group's consolidated financial statements are given below (see Note A.1.3.2 *Consequences of the first application of IFRIC 12 for the Group's consolidated financial statements* and Note A.1.3.3 *Main impacts of the change of accounting policy following application of IFRIC 12*).

A.1.3.2 Consequences of the first application of IFRIC 12 for the Group's consolidated financial statements

Consequences for revenue

Revenue is recognised on a stage of completion basis in respect of infrastructure construction services provided by the concession operating companies with recognition of a corresponding intangible asset.

Consequences of application of the Intangible Asset Model

The main changes in the Group 's consolidated financial statements relate to:

- the modification, following the clarifications provided by IFRIC 12, of the rules and methods of determining provisions for maintaining assets under concession in a good state of repair, in respect of the motorway concession operating companies ASF and Escota;

- the reclassification of concession operating assets, previously included in concession intangible assets, under property, plant and equipment whenever these assets are not controlled by the grantor and the recalculation of the corresponding depreciation.

A.1.3.3 Main impacts of the change of accounting policy following application of IFRIC 12

As required by IAS 8, this change in accounting policy has been applied retrospectively at 1 January 2007. Opening equity at 1 January 2007 and the 2007 comparative data have been restated.

Consolidated income statement

(in € millions)	2007 published	Impact IFRIC 12	Notes	2007 restated
REVENUE	**2,811.4**	**336.9**	(1)	**3,148.3**
Revenue from ancillary activities	6.8			6.8
Operating expenses	(1,553.0)	(344.9)	(2)	(1,897.9)
Operating profit from ordinary activities	**1,265.2**	**(8.0)**		**1,257.2**
Share-based payment expense (IFRS 2)	(8.6)			(8.6)
Profit or loss of associates	(1.1)			(1.1)
OPERATING PROFIT	**1,255.5**	**(8.0)**		**1,247.5**
Cost of gross financial debt	(532.9)			(532.9)
Financial income from cash management investments	8.1			8.1
Cost of net financial debt	**(524.8)**			**(524.8)**
Other financial income	17.0			17.0
Other financial expenses	(7.6)	(7.6)	(3)	(15.2)
Income tax expense	(257.5)	5.4		(252.1)
NET PROFIT	**482.6**	**(10.2)**		**472.4**
Minority interest	1.3			1.3
Net profit for the year attributable to equity holders of the parent	**481.3**	**(10.2)**		**471.1**
Earnings per share				
Earnings per share *(in euros)*	2.084			2.040
Diluted earnings per share *(in euros)*	2.084			2.040

(1) The impact of IFRIC 12 on revenue corresponds mainly to revenue for work contracted by ASF and Escota to non-Group companies for the design and construction of new infrastructure.

(2) The impact of IFRIC 12 on operating expenses comprises the construction costs incurred in building the assets under concession and relates to ASF for €226.8 million and to Escota for €110.1 million.

(3) The impact of IFRIC 12 on other financial income and expenses corresponds to the discounting to present value of the provisions for maintaining concession assets in a good state of repair.

Consolidated balance sheet

	31 December 2007				1 January 2007			
(in € millions)	31 December 2007 published	Impact IFRIC 12	Notes	31 December 2007 restated	1 January 2007 published	Impact IFRIC 12	Notes	1 January 2007 restated
ASSETS								
Other intangible assets	23.4			23.4	28.1			28.1
Concession intangible assets	11,539.3	(531.1)	(1)	11,008.2	11,660.9	(594.4)	(1)	11,066.5
Property, plant and equipment	120.4	585.8	(2)	706.2	109.9	649.8	(2)	759.7
Investments in associates	2.0			2.0	3.1			3.1
Other non-current financial assets	16.6			16.6	17.9			17.9
Fair value of derivative financial instruments (non-current assets)	26.6			26.6				
Deferred tax assets (non-current assets)		125.0		125.0		104.5		104.5
Total non-current assets	**11,728.3**	**179.7**		**11,908.0**	**11,819.9**	**159.9**		**11,979.8**
Inventories and work in progress	12.6			12.6	13.4			13.4
Trade and other operating receivables	288.0			288.0	239.0			239.0
Other current assets	34.9			34.9	34.3			34.3
Current tax assets	16.0			16.0	9.6			9.6
Fair value of derivative financial instruments (current assets)	40.9			40.9	39.2			39.2
Cash management financial assets	8.8			8.8	73.5			73.5
Cash and cash equivalents	77.9			77.9	626.4			626.4
Total current assets	**479.1**			**479.1**	**1,035.4**			**1,035.4**
TOTAL ASSETS	**12,207.4**	**179.7**		**12,387.1**	**12,855.3**	**159.9**		**13,015.2**

(in € millions)	31 December 2007 published	Impact IFRIC 12	Notes	31 December 2007 restated	1 January 2007 published	Impact IFRIC 12	Notes	1 January 2007 restated
	31 December 2007				1 January 2007			
EQUITY AND LIABILITIES								
Equity								
Share capital	29.3			29.3	29.3			29.3
Share premium	15.8			15.8	860.1			860.1
Consolidated reserves	(15.7)	(101.3)		(117.0)	2,444.3	(101.3)		2,343.0
Net profit for the year attributable to equity holders of the parent	481.3	(10.2)		471.1	475.3			475.3
Net income recognised directly in equity	23.2			23.2	(5.4)			(5.4)
Equity attributable to equity holders of the parent	**533.9**	**(111.5)**		**422.4**	**3,803.6**	**(101.3)**		**3,702.3**
Minority interest	4.9	(0.2)		4.7	4.7	(0.2)		4.5
Total equity	**538.8**	**(111.7)**		**427.1**	**3,808.3**	**(101.5)**		**3,706.8**
Non-current liabilities								
Non-current provisions	222.2	(42.9)		179.3	189.2	(45.3)		143.9
Bonds	1,629.2			1,629.2				
Other loans and borrowings	7,921.6			7,921.6	7,383.5			7,383.5
Fair value of derivative financial instruments (non-current liabilities)	2.4			2.4				
Other non-current liabilities	6.3			6.3	9.3			9.3
Deferred tax liabilities (non-current liabilities)	175.5	66.3		241.8	167.2	51.0		218.2
Total non-current liabilities	**9,957.2**	**23.4**		**9,980.6**	**7,749.2**	**5.7**		**7,754.9**
Current liabilities								
Current provisions	68.4	268.0	(3)	336.4	51.5	255.7	(3)	307.2
Trade payables	53.4			53.4	46.6			46.6
Fair value of derivative financial instruments (current liabilities)	40.7			40.7	44.8			44.8
Other current payables	501.4			501.4	450.1			450.1
Current tax payables	11.9			11.9	39.3			39.3
Current borrowings	1,034.8			1,034.8	665.4			665.4
Bank overdrafts	0.8			0.8	0.1			0.1
Total current liabilities	**1,711.4**	**268.0**		**1,979.4**	**1,297.8**	**255.7**		**1,553.5**
TOTAL EQUITY AND LIABILITIES	**12,207.4**	**179.7**		**12,387.1**	**12,855.3**	**159.9**		**13,015.2**

(1) The impact of IFRIC 12 on concession intangible assets at 31 December 2007 relates to ASF for -€507.3 million and to Escota for -€71.9 million.

(2) The impact of IFRIC 12 on concession operating assets relates to assets that are not controlled by the grantor but that are used in providing the public service.

(3) The impact of IFRIC 12 on restatements of current provisions relates to the provisions for the obligation to maintain concession assets in a good state of repair, resulting from obligations for renewal and maintenance of infrastructures

Cash flow statement

(in € millions)		2007 published	IFRIC 12	2007 restated
Net profit for the year (including minority interest)		**482.6**	**(10.2)**	**472.4**
Depreciation and amortisation		541.0	1.0	542.0
Net increase/(decrease) in provisions		45.0	12.5	57.5
Share-based payments (IFRS 2) and other restatements		(2.2)		(2.2)
Gain or loss on disposals		8.3		8.3
Share of profit or loss of associates, dividends received from unconsolidated entities and profit or loss from operations classified as held for sale		0.7		0.7
Capitalised borrowing costs		(16.1)		(16.1)
Cost of net financial debt recognised		524.8		524.8
Current and deferred tax expense recognised		257.5	(5.4)	252.1
Cash flows (used in) from operations before tax and financing costs		**1,841.6**	**(2.1)**	**1,839.5**
Changes in working capital requirement and current provisions		20.7	2.1	22.8
Income taxes paid		(311.3)		(311.3)
Net interest paid		(500.2)		(500.2)
Net cash flows (used in)/from operating activities	**I**	**1,050.8**		**1,050.8**
Purchases of property, plant and equipment, and intangible assets		(9.0)		(9.0)
Proceeds from sales of property, plant and equipment, and intangible assets		0.6		0.6
Purchases of concession fixed assets *(net of grants received)*		(402.6)		(402.6)
Dividends received from associates and unconsolidated entities		0.4		0.4
Other		(0.2)		(0.2)
Net cash flows (used in)/from investing activities	**II**	**(410.8)**		**(410.8)**
Dividends paid				
- to shareholders of ASF		*(3,776.5)*		*(3,776.5)*
- to minority interests		*(1.1)*		*(1.1)*
Proceeds from new borrowings		2,962.1		2,962.1
Repayments of borrowings		(465.5)		(465.5)
Change in cash management assets		27.0		27.0
Net cash flows (used in)/from financing activities	**III**	**(1,254.0)**		**(1,254.0)**
Change in net cash	**I + II + III**	**(614.0)**		**(614.0)**
Net cash and cash equivalents at beginning of year		**626.3**		**626.3**
Other changes		64.8		64.8
Net cash and cash equivalents at end of year		**77.1**		**77.1**
Increase (decrease) of cash management financial assets		(27.0)		(27.0)
(Proceeds from)/repayment of loans		(2,496.6)		(2,496.6)
Other changes		(47.8)		(47.8)
Change in net debt		**(3,120.6)**		**(3,120.6)**
Net debt at beginning of year		**(7,354.7)**		**(7,354.7)**
Net debt at end of year		**(10,475.3)**		**(10,475.3)**

A.2. Consolidation methods

A.2.1 Consolidation scope

There have been no acquisitions or disposals in 2008. The Group has decided to include subsidiaries with revenue of more than €2 million in its consolidation scope as from 1 January 2008.

Companies of which ASF holds, whether directly or indirectly, the majority of voting rights enabling control to be exercised, are fully consolidated. This relates to Escota and, since 1 January 2008:

- Radio Trafic FM (RTFM) of which ASF and Escota each own 50%; its activity consists in managing and operating a radio broadcasting service on the networks and infrastructure under concession or operated by ASF and Escota and their subsidiaries, and in other zones duly authorised by the broadcasting regulator, the *Conseil Supérieur de l'Audiovisuel (CSA)*;
- Jamaican Infrastructure Operator (JIO), which is 51% owned by ASF and operates the first toll motorway in Jamaica;
- Truck Etape, which is fully owned by ASF; this company designs, builds and operates service facilities in France for road users, and more particularly paying, secure parking areas for heavy goods vehicles, including ancillary services (service stations, hotel and catering services) that the company can operate directly or indirectly;
- Openly, which is fully owned by ASF; it provides assistance to the Lyons urban district for the operation of the Lyons northern ring road.

As RTFM, JIO, Truck Etape and Openly have been fully consolidated as from 1 January 2008, the profit or loss recognised in these companies' financial statements from the year of their formation (1994, 2002, 2003 and 2006 respectively) until 31 December 2007 has been recognised in the Group's 2008 income statement under other financial income and expenses for +€0.3 million, +€0.3 million, -€2.3 million and +€0.1 million respectively, making a total of -€1.6 million.

Companies over which the Group exercises significant influence are accounted for using the equity method. This relates to the shares held in TransJamaican Highway and, since 1 January 2008, the shares held in Axxès which is owned 27.90% by ASF and 5.23% by Escota and which manages the interoperable tag payment system for heavy goods vehicles across Europe.

As Axxès has been reported using the equity method since 1 January 2008, the Group's share of its results since its formation in 2006 until 31 December 2007 of -€1.5 million has been recorded in the 2008 income statement (see Note C.9 *Investments in Associates).*

The Group's consolidation has therefore changed as follows:

	31/12/2008			31/12/2007		
(number of companies)	**Total**	**France**	**Foreign**	**Total**	**France**	**Foreign**
Full consolidation	6	5	1	2	2	
Equity method	2	1	1	1		1
Total	**8**	**6**	**2**	**3**	**2**	**1**

A.2.2 Intragroup transactions

Reciprocal operations and transactions relating to assets and liabilities, income and expenses between consolidated or equity-accounted companies are eliminated in the consolidated financial statements. This is done:

- for the full amount if the transaction is between two subsidiaries;
- applying the percentage owned of an equity-accounted entity in the case of internal profits or losses realised between a fully consolidated entity and an equity-accounted entity.

A.2.3 Translation of the financial statements of foreign companies

In most cases, the functional currency of companies is their local currency.

The financial statements of foreign companies of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated at the closing rate for balance sheet items and at the average rate for the period for income statement items. Any resulting translation differences are recognised under translation differences in consolidated reserves.

A.2.4 Foreign currency transactions

Transactions in foreign currency are translated into euros at the exchange rate at the transaction date. At the balance sheet date, financial assets and monetary liabilities expressed in foreign currencies are translated at the closing rate. Resulting exchange gains and losses are recognised under foreign exchange gains and losses and are shown under other financial income and other financial expenses in the income statement.

Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency derivatives used for as long-term finance of investments in foreign subsidiaries that is neither expected nor likely to be repaid in the foreseeable future, or as hedges of investments in foreign subsidiaries are recorded under currency translation differences in equity.

A.2.5 Transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control

Acquisitions or disposals of non-controlling interests, with no change of control, are considered as equity transactions with the Group's shareholders. Under this approach, the difference between the consideration paid to increase the percentage shareholding in entities that are already controlled and the supplementary share of the equity thus acquired is recorded under consolidated equity. Similarly, a decrease in the Group's percentage holding in an entity that continues to be controlled is booked in the accounts through equity, with no impact on profit or loss.

A.3. Measurement rules and methods

A.3.1 Use of estimates

The preparation of financial statements under the IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in these financial statements.

These estimates assume the operation is a going concern and are made on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

2008 was marked by an economic and financial crisis of which the scale and duration beyond 31 December 2008 cannot be accurately forecast. The consolidated financial statements for the year have been prepared with reference to this immediate environment, in particular as regards the estimates given below.

A.3.1.1 Values used in impairment tests

The assumptions and estimates made to determine the recoverable amount of intangible assets and property, plant and equipment, relate in particular to the assessment of market prospects, needed to estimate the cash flows, and discount rates adopted. Any change in these assumptions could have a material effect on the recoverable amount and could entail a change in the impairment losses to recognise.

A.3.1.2 Measurement of share-based payment expenses under IFRS 2

The Group recognises a share-based payment expense relating to the granting to its employees of share options (offers to subscribe to or purchase shares), free share plans and of shares under the Group Savings Plan. This expense is measured on the basis of actuarial calculations using estimated behavioural assumptions based on observation of past behaviour.

A.3.1.3 Measurement of retirement benefit obligations

The Group is involved in defined contribution and defined benefit retirement plans. Its obligations in connection with these plans are measured actuarially based on assumptions such as the discount rate, the return on the investments dedicated to these plans, future increases in wages and salaries, employee turnover, mortality rates and the rate of increase of health expenses.

These assumptions are generally updated annually. Details of the assumptions used and how they are determined are given in Note C.13.1 *Provisions for retirement benefit obligations*. The Group considers that the actuarial assumptions used are appropriate and justified in the current conditions. Obligations may, however, change in the event of changes in assumptions.

A.3.1.4 Measurement of provisions

The factors that have a significant influence on the amount of provisions mainly relate to forecasts for major maintenance expenditures over several years used as a basis for the provisions for the obligation to maintain concession assets in a good state of repair. These forecasts are estimated taking account of indexation clauses included in construction contracts (mainly the TP01 and TP09 indices).

A.3.1.5 Measurement of financial instruments at fair value.

Whenever financial instruments are not listed on a market, the Group uses, in assessing their fair value, measurement models based on assumptions that give preference to the use of observable inputs.

A.3.2 Revenue

Consolidated revenue is recognised in accordance with IAS 18 and IAS 11 and comprises:

- payments received on road infrastructures operated under concessions and ancillary income such as fees for use of commercial premises, and revenue from the rental of telecommunication infrastructures and parking facilities;
- and revenue recognised in connection with the construction of new concession infrastructures, on a stage of completion basis in accordance with IAS 11 (see Note A.1.3.2 *Consequences of the first application of IFRIC 12 in the Group's consolidated financial statements*).

A.3.3 Revenue from ancillary activities

Revenue from ancillary activities comprises mainly rental income, sales of equipment, materials and merchandise, study work and fees other than those recognised under revenue.

A.3.4 Share-based payments

The measurement and recognition methods for share subscription and purchase plans, the *Plans d'Epargne Groupe* – Group Savings Plans – and free share plans, are defined by IFRS 2 *Share-based Payment*. The granting of share options, free shares and offers to subscribe to the group savings plan represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration borne by the Group. Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding increase in equity. Benefits are measured on the basis of the fair value at the grant date of the equity instruments granted. The Monte Carlo binomial model is considered to be the most reliable and long-lasting for measuring this fair value because it allows a larger number of scenarios to be modelled, by including in particular the valuation of assumptions about beneficiaries' behaviour on the basis of observation of historical data.

A.3.4.1 VINCI share subscription or purchase option plans

Options to subscribe to or purchase shares have been granted to Group employees and Company officers in previous periods. The fair value of these options was determined at the grant date using the Monte Carlo valuation model. The number of options is adjusted on the basis of the probability that the vesting conditions for the exercise of the option will not be satisfied.

A.3.4.2 VINCI free share allocation plans

Free shares subject to vesting conditions have been granted to Group employees and Company officers in previous periods. As these are plans under which the final vesting of the free shares is dependent on the realisation of conditions relating to market performance and financial criteria, the fair value of the free VINCI shares has been estimated, at grant date, using a Monte Carlo simulation model, in order to incorporate the impact of the market performance condition and according to the likelihood of the financial criteria being met as recommended by IFRS 2.

The number of free shares measured at fair value in the calculation of the IFRS 2 expense is adjusted at each balance sheet date for the impact of the change in the likelihood of the financial criteria being met.

A.3.4.3 VINCI Group Savings Scheme

Under the Group Savings Plan, three times a year, VINCI issues new shares reserved for VINCI Group employees with a subscription price that includes a discount of 10% against the average stock market price of the VINCI share during the last 20 business days preceding the authorisation by the Board of Directors. This discount is considered as a benefit granted to the employees; its fair value is determined using a Monte Carlo valuation model at the date on which the subscription price is announced to the employees. As certain restrictions apply to the shares acquired by the employees under these plans regarding their sale or transfer, the fair value of the benefit to the employee takes account of the fact that the shares acquired cannot be freely disposed of for five years, other than in certain specific cases.

In 2007, VINCI carried out a leveraged employee shareholding transaction, called *Castor Avantage*, for the employees of its French subsidiaries. The expense related to this plan was measured at grant date of plan units in accordance with IFRS 2, on the basis of the benefit granted by VINCI to VINCI Group employees.

The Group recognises the benefits granted in this way to its employees as an expense over the vesting period, with a corresponding increase of consolidated equity.

Benefits granted under share option plans, free share plans and the Group Savings Plan are implemented as decided by VINCI's Board of Directors after approval by the Shareholders General Meeting, are not, in general, systematically renewed. As their measurement is not directly linked to VINCI business lines' operations, the Group has considered it appropriate not to include this expense in the operating profit from ordinary activities, which is an indicator of performance, but to report it on a separate line, labelled *Share-based payment expense (IFRS 2)*, in operating profit.

A.3.5 Cost of net financial debt

The cost of net financial debt includes:

- the cost of gross financial debt, which includes the interest expense calculated at the effective interest rate, gains and losses on interest-rate derivatives in respect of gross financial debt, whether they are designated as hedges for accounting purposes or not;
- the line item *financial income from cash management investments* comprises the return on investments of cash and cash equivalents. Investments of cash and cash equivalents are measured at fair value through profit or loss.

A.3.6 Other financial income and expenses

Other financial income and expenses mainly comprises foreign exchange gains and losses, the effects of discounting to present value, dividends received from unconsolidated entities, capitalised borrowing costs and changes in the value of derivatives not allocated to interest rate risk management.

Borrowing costs borne during the construction of concession assets are included in the cost of those assets. They are determined as follows:

- to the extent that funds are borrowed specifically for the purpose of constructing an asset, the borrowing costs eligible for capitalisation on that asset are the actual borrowing costs incurred during the period less any investment income arising from the temporary investment of those borrowings;
- when borrowing is not intended to finance a specific project, the interest eligible for capitalisation on an asset is determined by applying a capitalisation rate to the expenditure on that asset. This capitalisation rate is equal to the weighted average of the costs of borrowing funds for construction work, other than those specifically intended for the construction of given assets.

A.3.7 Income tax

Income tax is computed in accordance with the tax legislation in force in the countries where the income is taxable.

In accordance with IAS 12, deferred tax is recognised on the temporary differences between the carrying amount and the tax base of assets and liabilities. It is calculated on the basis of the latest tax rates enacted or substantially enacted at the date of closing the accounts. The effects of a change in the tax rate from one period to another are recognised in the income statement in the period in which the change occurs.

Deferred tax relating to items recognised directly under equity, in particular share-based payment expenses (under IFRS 2), is also recognised under equity.

Whenever subsidiaries have distributable reserves, a deferred tax liability is recognised in respect of the probable distributions that will be made in the foreseeable future. Moreover, shareholdings in associates and joint ventures give rise to recognition of a deferred tax liability in respect of all the differences between the carrying amount and the tax base of the shares.

Net deferred tax is determined on the basis of the tax position of each entity or group of entities included in the tax group under consideration and is shown under assets or liabilities for its net amount per taxable entity.

Deferred tax is reviewed at each balance sheet date to take account in particular of the impact of changes in tax law and the prospects for recovery. Deferred tax assets are only recognised if their recovery is probable.

Deferred tax assets and liabilities are not discounted.

A.3.8 Earnings per share

Earnings per share is the net profit for the period after minority interest, divided by the weighted average number of shares outstanding during the period less treasury shares.

In calculating diluted earnings per share, the average number of shares outstanding is adjusted for the dilutive effect of equity instruments issued by the Company, in particular such as share subscription or purchase options and free shares.

A.3.9 Concession intangible assets

Concession intangible assets correspond to the concession operator's right to operate the asset under concession in consideration for the investment expenditures incurred for the design and construction of the asset. This operator's right corresponds to the fair value of the construction of the asset under concession plus the borrowing costs capitalised during the construction phase. It is amortised over the term of the arrangement in a manner that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the entry into service of the asset (see Note A.1.3 *Change of accounting policy: IFRIC 12 Service Concession Arrangements*).

A.3.10 Other intangible assets

This is mainly computer software, which is measured at cost less cumulative amortisation and impairment losses and is amortised on a straight-line basis over its useful life.

A.3.11 Grants related to assets

Grants related to assets are presented in the balance sheet as a reduction of the amount of the asset for which they were received.

A.3.12 Property, plant and equipment

Items of property, plant and equipment are recorded at their acquisition or production cost less cumulative depreciation and any impairment losses. They are not revalued. They also include concession operating assets that are not controlled by the grantor but that are necessary for operation of the concession such as buildings intended for use in the operation, equipment for toll collection, signing, data transmission, and video-surveillance, and vehicles and equipment (see Note A.1.3. *Change of accounting policy: IFRIC 12 Service Concession Arrangements*).

Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may however be used when it appears more appropriate to the conditions under which the asset is used. For certain complex assets comprising various components, in particular buildings and constructions, each component of the asset is depreciated over its own period of use.

The estimated periods of use of the various categories of items of property, plant and equipment are as follows:

Constructions	
- Structure	between 20 and 30 years
- General technical installations	between 5 and 10 years
Plant and machinery	between 4 and 15 years
Computer equipment	between 3 and 5 years
Transport and handling equipment	between 2 and 10 years
Fixtures and fittings	between 5 and 10 years
Office furniture and equipment	between 3 and 10 years

Depreciation commences as from the date when the asset is ready to enter service.

A.3.13 Impairment of non-financial non-current assets

Under certain circumstances, impairment tests must be performed on intangible and tangible fixed assets. For intangible assets with an indefinite useful life and goodwill, a test is performed at least annually and whenever there is an indication of a loss of value. For other fixed assets, a test is performed only when there is an indication of a loss of value.

Assets to be tested for impairment are grouped within cash-generating units that correspond to homogeneous groups of assets that generate identifiable cash inflows from their use. Whenever the recoverable value of a cash-generating unit is less than its carrying amount, an impairment loss is recognised in operating profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The discount rate is determined for each cash-generating unit, taking account of its geographical location and the risk profile of its business.

A.3.14 Investments in associates

Equity-accounted investments in associates are initially recognised at cost of acquisition, including any goodwill arising. Their carrying amount is then increased or decreased to recognise the Group's share of the associate's profits or losses after the date of acquisition. Whenever losses are greater than the value of the Group's net investment in the associate, these losses are not recognised unless the Group has entered into a commitment to recapitalise the associate or made payments on its behalf.

If there is an indication that an investment may be impaired, its recoverable value is tested as described in Note A.3.13 *Impairment of non-financial non-current assets*.

A.3.15 Other non-current financial assets

Other non-current financial assets comprise available-for-sale securities, the part at more than one year of loans and receivables measured at their amortised cost and the fair value of non-current derivative financial instruments (assets) (see Note A 3.23.2 *Fair value of derivative financial instruments, (assets and liabilities)*).

A.3.15.1 Available-for-sale securities

Available-for-sale securities comprises the Group's shareholdings in unconsolidated entities.

At the balance sheet date, available-for-sale securities are measured at their fair value. The fair value of shares in listed companies is determined on the basis of the stock market price at that balance sheet date.

If the fair value of unlisted securities cannot be determined reliably, they continue to be measured at their original cost, i.e. their cost of acquisition plus transaction costs.

Changes in fair value are recognised directly in equity.

Whenever there is an objective indication that an asset is durably or materially impaired, the corresponding loss is recognised in profit or loss and may not be reversed. The criteria adopted by the Group to assess the durable or material nature are as follows:

- the impairment is durable whenever the moving average over nine months of the closing stock market price is less than 20% of the cost of the security;
- the impairment is material whenever there is a fall in the spot price of 30% compared with the cost of the security at the balance sheet date, except in rare, exceptional circumstances in which the Group adjusts the quoted price.

A.3.15.2 Loans and receivables at amortised cost

Loans and receivables at amortised cost mainly comprises receivables connected with shareholdings, current account advances to associates or unconsolidated entities, guarantee deposits, and loans and receivables.

When first recognised, these loans and receivables are recognised at their fair value plus the directly attributable transaction costs. At each balance sheet date, these assets are measured at their amortised cost using the effective interest method.

If there is an objective indication of durable impairment of these loans and receivables, an impairment loss is recognised at the balance sheet date. The impairment loss corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate) is recognised in profit or loss. This loss may be reversed if the recoverable value increases subsequently and if this favourable change can objectively be linked to an event arising after recognition of the impairment loss.

A.3.16 Inventories and work in progress

Inventories and work in progress are recognised at their cost of acquisition or of production by the entity. Inventories mainly comprise the necessary supplies for the maintenance and upkeep of motorways, spare parts for equipment (toll booths, electrical equipment, transport, machinery) computer and office supplies. At each balance sheet date, they are measured at the lower of cost and net realisable value.

A.3.17 Trade and other operating receivables

Trade and other operating receivables are current financial assets and are initially measured at their fair value, which is generally their nominal value, unless the effect of discounting is material. At each balance sheet date, receivables are measured at their amortised cost less any impairment losses taking account of any likelihood of non-recovery.

A.3.18 Other current financial assets

Other current financial assets comprises the fair value of derivative financial instruments (assets) and the part at less than one year of loans and receivables reported under other non-current financial assets.

A.3.19 Cash management financial assets

Cash management financial assets comprises investments in monetary and bond securities, and units in UCITS, made with a short-term management objective, that do not satisfy the IAS 7 criteria for recognition as cash (see Note A 3.20 *Cash and cash equivalents*). As the ASF Group adopts fair value as being the best reflection of the performance of these assets, they are measured and recognised at their fair value, and changes in fair value are recognised directly through profit or loss.

Purchases and sales of cash management financial assets are recognised at their transaction date.

Their fair value is determined using commonly used valuation models or, for non-listed cash management assets, at the present value of future cash flows. In assessing the fair value of listed instruments, the Group uses the market price at the balance sheet date or the cash-in-value of UCITS.

A.3.20 Cash and cash equivalents

This item comprises current accounts at banks and cash equivalents corresponding to short-term, liquid investments subject to negligible risks of fluctuations of value. Cash equivalents comprise in particular monetary UCITS and certificates of deposit with maturities not exceeding three months at the origin. Bank overdrafts are not included in cash and are reported under current financial liabilities.

The Group has adopted the fair value method to assess the return on its financial instruments. Changes in fair value are recognised directly in profit or loss.

A.3.21 Non-current provisions

Non-current provisions comprise provisions for retirement benefit obligations and other non-current provisions.

A.3.21.1 Provisions for retirement benefit obligations

Provisions are taken in the balance sheet for obligations connected with defined benefit retirement plans, for both current and former employees (people with deferred rights or who have retired). These provisions are determined using the projected unit credit method on the basis of actuarial assessments made at each annual balance sheet date. The actuarial assumptions used to determine the obligations vary depending on the economic conditions of the country where the plan is operated. Each plan's obligations are recognised separately.

For defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall of the fair value of the assets compared with the present value of the obligations is recognised as an asset or liability in the balance sheet, after deduction of cumulative actuarial gains and losses and any past service cost not yet recognised in profit or loss. However, surplus assets are only recognised in the balance sheet to the extent that they represent a future economic benefit for the Group.

Past service cost corresponds to the benefits granted either when an entity adopts a new defined benefit plan or when it changes the level of benefit of an existing plan. Whenever new rights to benefit are acquired as from the adoption of the new plan or the change of an existing plan, the past service cost is recognised immediately in the income statement. Conversely, whenever adoption of a new plan or a change in a plan gives rise to the acquisition of rights after its implementation date, past service costs are recognised as an expense on a straight-line basis over the average period remaining until the corresponding rights are fully vested.

Actuarial gains and losses result from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and what has actually occurred).

Cumulative unrecognised actuarial gains and losses that exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of the plan assets are recognised in profit or loss for the excess portion on a straight-line basis over the average expected remaining working lives of the employees in that plan.

For defined benefit plans, the expense recognised under operating profit or loss comprises the current service cost, the amortisation of past service cost, the amortisation of any actuarial gains and losses and the effects of any reduction or winding up of the plan. The interest cost (cost of discounting) and the expected yield on plan assets are recognised under other financial income and expenses.

That part of provisions for retirement benefit obligations that matures within less than one year is shown under other current liabilities.

A.3.21.2 Other non-current provisions

These comprise provisions for other employee benefits and allowances paid on termination of employment (under the *CATS* arrangement), measured in accordance with IAS 19, and the other provisions that are not directly linked to the operating cycle, measured in accordance with IAS 37. These are recognised whenever, at the balance sheet date, the Group has a legal or constructive present obligation towards third parties arising from a past event, whenever it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation whenever a reliable estimate can be made of the amount of the obligation. These provisions are measured at their present value, corresponding to the best estimate of the outflow of resources required to settle the obligation.

Provision expenses and reversals result from the change in these assessments at each balance sheet date.

The part at less than one year of other employee benefits is reported under *other current liabilities*. The part at less than one year of provisions not directly linked to the operating cycle is reported under *current provisions*.

A.3.22 Current provisions

Current provisions are provisions directly linked to each business line's own operating cycle, whatever the expected time of settlement of the obligation. They are recognised in accordance with IAS 37 (see above). They also include the part at less than one year of provisions not directly linked to the operating cycle.

Provisions are taken for contractual obligations to maintain infrastructure under concession in a good state of repair, principally to cover the expense of major road repairs (surface courses, etc) bridges, tunnels and hydraulic infrastructure. Provisions are calculated on the basis of maintenance expense plans spanning several years, which are updated annually. These expenses are reassessed on the basis of appropriate indices (mainly the TP01 and TP09 indices). Provisions are also taken whenever recognised signs of defects are encountered on identified infrastructures.

Provisions for disputes connected with operations mainly relate to disputes with customers, sub-contractors, joint contractors or suppliers. Restructuring provisions include the cost of plans and measures for which there is a commitment whenever these have been announced before the year end.

Provisions for other current liabilities mainly comprise provisions for individual dismissals and for other risks related to operations.

A.3.23 Bonds and other loans and financial debt (current and non-current)

A.3.23.1 Bond loans, other loans and borrowings

These are recognised at amortised cost using the effective interest method. The effective interest rate is determined after taking account of redemption premiums and issuance expenses. Under this method, the interest expense is measured actuarially and reported under the cost of gross financial debt.

The benefit of a government loan at a significantly below-market rate of interest, which is in particular the case for project finance granted by public-sector organisations, is treated as a government grant and recognised as a reduction of the debt and the related investments, in accordance with IAS 20.

Financial instruments that comprise both a debt component and an equity component, such as bonds convertible into shares, are recognised in accordance with IAS 32. The carrying amount of the hybrid instrument is apportioned between its debt component and its equity component, the equity component being defined as the difference between the fair value of the hybrid instrument and the fair value of the debt component. The debt component corresponds to the fair value of a debt with similar characteristics but without an equity component. The value attributed to the separately recognized equity component is not altered during the term of the instrument.

The debt component is measured using the amortised cost method over its estimated term. Issuance costs are allocated proportionately between the debt and equity components.

The part at less than one year of borrowings is included in current borrowings.

A.3.23.2 Fair value of derivative financial instruments (assets and liabilities)

The Group uses derivative financial instruments to hedge its exposure to market risks (mainly interest rates). Most interest rate derivatives used by ASF are designated as hedging instruments. Hedge accounting is applicable in particular if the conditions provided for in IAS 39 are satisfied:

- at the time of making the investment, there is a formal designation and documentation of the hedging relationship;
- the effectiveness of the hedging relationship must be demonstrated from the outset and at each balance sheet date, prospectively and retrospectively.

The fair value of derivative financial instruments designated as hedges of which the maturity is greater than one year is reported in the balance sheet under *Other non-current financial assets* or *Other loans and borrowings (non-current)*. The fair value of other derivative instruments not designated as hedges and the part at less than one year of the fair value of instruments designated as non-current hedges are reported under *Fair value of current derivative financial instruments (assets)* or *Fair value of current derivative financial instruments (liabilities)*.

Financial instruments designated as hedging instruments

Derivative financial instruments designated as hedging instruments are systematically recognised in the balance sheet at fair value. Nevertheless, their recognition varies depending on whether they are designated as:

- a fair value hedge of an asset or a liability or of an unrecognised firm commitment;
- a cash flow hedge;
- a hedge of a net investment in a foreign entity.

Fair value hedge

A fair value hedge enables the exposure to the risk of a change in the fair value of a financial asset, a financial liability or unrecognised firm commitment to be hedged.

Changes in the fair value of the hedging instrument are recognised in profit or loss for the period. The change in value of the hedged item attributable to the hedged risk is recognised symmetrically in profit or loss for the period (and adjusted to the carrying amount of the hedged item). Except for the ineffective part of the hedge, these two revaluations offset each other within the same line items in the income statement.

Cash flow hedge

A cash flow hedge allows exposure to fluctuations in future cash flows associated with a recognised asset or liability, or a highly probable forecast transaction, to be hedged.

Changes in the fair value of the derivative financial instrument are recognised net of tax under equity for the effective part and in profit or loss for the period for the ineffective part. Cumulative gains or losses in equity are taken to profit or loss under the same line item as the hedged item – i.e. under operating income and expenses for cash flows from operations and under financial income and expense otherwise – whenever the hedged cash flow affects profit or loss.

If the hedging relationship is interrupted, in particular because it is no longer considered effective, the cumulative gains or losses in respect of the derivative instrument are retained in equity and recognised symmetrically with the cash flow hedged. If the future cash flow is no longer expected, the gains and losses previously recognised in equity are taken to profit or loss.

Hedge of a net investment in a foreign entity

A hedge of a net investment denominated in a foreign currency hedges the foreign exchange risk relating to the net investment in a consolidated foreign subsidiary. In a similar way as for cash flow hedges, the effective portion of the changes in the value of the hedging instrument is recorded in equity under currency translation reserves and the portion considered as ineffective is recognised in profit or loss. The change in the value of the hedging instrument recognised in translation differences is reversed through profit or loss when the foreign entity in which the initial investment was made is disposed of.

Derivative financial instruments not designated as hedging instruments

Derivative financial instruments that are not designated as hedging instruments are reported in the balance sheet at fair value and changes in their fair value are recognised through profit or loss.

A.3.23.3 Put options granted to minority shareholders

Put options (options to sell) granted to the minority shareholders of certain Group subsidiaries are recognised under financial liabilities for the present value of the exercise price of the option and as a corresponding reduction of consolidated equity (minority interest and equity attributable to equity holders of the parent for the surplus, if any).

A.3.24 Trade payables

Trade and other operating payables are current financial liabilities initially measured at their fair value, which is generally their nominal value, unless the effect of discounting is material. At each balance sheet date, trade payables are measured at amortised cost.

A.3.25 Off-balance sheet commitments

The Group's off-balance sheet commitments are monitored through a specific annual or six-monthly report.

Off-balance sheet commitments are reported in the appropriate Notes, as dictated by their nature.

A.3.26 Segment reporting

The Group is managed as a single business line, the collection of toll payments, to which ancillary payments are connected for commercial premises, rental of fibre optic facilities, telecommunication equipment, and heavy goods vehicle parking facilities.

Reminder of the elections made on first application of the IFRSs

In the context of the transition to the IFRS in 2005, and in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards,* the Group made the following elections:

Retirement benefit obligations: the actuarial gains and losses existing at 1 January 2004, not recognised under French

GAAP, were recorded under provisions for retirement benefit obligations with a corresponding reduction of equity. Actuarial gains and losses arising after 1 January 2004 are recognised prospectively.

Property, plant and equipment and intangible assets: the Group has elected not to measure certain items of property, plant and equipment and intangible assets at the transition date at their fair value.

Share-based payments: the Group has elected to apply IFRS 2 in respect of share option plans granted since 7 November 2002 for which rights had not yet vested at 1 January 2005.

A.4. Standards and Interpretations not applied early

The Group has not applied the Standards and Interpretations early that are not mandatory at 1 January 2008, except for those described in Note A.1.2 *Change of accounting policy: accounting for loans at subsidised interest rates* and Note A.1.3. *Change of accounting policy: IFRIC 12 Service Concession Arrangements*:

- IAS 1 Revised *Presentation of Financial Statements;*
- IAS 1 Revised/IAS 32 *Puttable Financial Instruments and Obligations Arising on Liquidation;*
- Amendments to IAS 23 *Borrowing Costs;*
- IFRS 2 Amendment *Vesting Conditions and Cancellations;*
- IAS 27 Revised *Consolidated and Separate Financial Statements;*
- IFRS 3 Revised *Business Combinations;*
- IAS 28 *Investments in Associates*;
- IAS 31 *Interests in Joint Ventures;*
- IFRS 8 *Operating segments;*
- IFRIC 13 *Customer Loyalty Programmes*;
- IFRIC 15 *Agreements for the Construction of Real Estate;*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation;*
- IFRIC 17 *Distributions of Non-cash Assets to Owners;*
- IAS 39 Amendment: *Qualifying hedged items;*
- Amendments under the *IFRS Annual Improvements Project.*

The potential impacts on the Group's consolidated financial statements of these Standards and Interpretations are being determined.

B. Notes to the income statement

B.1. Revenue

(in € millions)	**2008**	**2007** *(*)*
Revenue - tolls	2,823.0	2,753.3
Fees for use of commercial premises	40.0	42.6
Fees for optical fibres, telecommunications and other	31.8	15.5
Revenue excluding revenue from construction work	**2,894.8**	**2,811.4**
Revenue from construction of new infrastructure assets (**)	344.5	336.9
Revenue	**3,239.3**	**3,148.3**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

(**) See change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

Breakdown of 2008 revenue in France and abroad, by Group company:

	Revenue - France						Revenue outside France	
(in € millions)	**ASF**	**Escota**	**RTFM**	**Truck Etape**	**Openly**	**Total**	**Jamaican Infrastructure Operator**	**Revenue 2008**
Revenue - tolls	2,241.5	581.5				2,823.0		2,823.0
Fees for use of commercial premises	33.7	6.3				40.0		40.0
Fees for optical fibres, telecommunications and other	18.7	2.9	3.0	0.3	2.2	27.2	4.6	31.8
Revenue excluding revenue from construction work	**2,293.9**	**590.7**	**3.0**	**0.3**	**2.2**	**2,890.2**	**4.6**	**2,894.8**
Share of revenue - France	79.4%	20.4%	0.1%		0.1%	100.0%		
Share of total revenue	79.2%	20.4%	0.1%		0.1%	99.8%	0.2%	100.0%
Revenue from construction of new infrastructure assets (*)	**204.9**	**139.6**				**344.5**		**344.5**
Revenue	**2,498.8**	**730.3**	**3.0**	**0.3**	**2.2**	**3,234.7**	**4.6**	**3,239.3**

(*) See change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

B.2. Operating profit

(in € millions)	2008	2007 *(*)*
Revenue	**3,239.3**	**3,148.3**
including:		
Revenue excluding revenue from construction work	2,894.8	2,811.4
Revenue from construction of new infrastructure assets *(**)*	344.5	336.9
Revenue from ancillary activities	**6.4**	**6.8**
Purchases consumed	(29.5)	(29.5)
External services	(187.2)	(171.1)
Temporary employees	(5.7)	(6.9)
Subcontracting	(8.8)	(8.8)
Construction costs	(344.5)	(336.9)
Taxes and levies	(383.1)	(380.3)
Employment costs	(380.8)	(367.7)
Other income and expenses	0.4	(6.3)
Depreciation and amortisation *(***)*	(547.3)	(535.2)
Net provision charges *(****)*	85.8	(55.2)
Operating expenses (before non-recurring items and IFRS 2)	**(1,800.7)**	**(1,897.9)**
Operating profit from ordinary activities	**1,445.0**	**1,257.2**
Share-based payment expense (IFRS 2)	(6.4)	(8.6)
Profit/(loss) of associates	1.5	(1.1)
Operating profit	**1,440.1**	**1,247.5**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.
(**) See change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.
(***) Net of the portion of reversals of amortisation and depreciation connected with investment grants.
(****) Comprises expenses and reversals of non-current provisions (see note C.13.2 Other non-current provisions) and of current provisions (see note C.14.2. Breakdown of current provisions)

Operating profit from ordinary activities measures the operating performance of the Group's subsidiaries' before the effects of share-based payments (IFRS 2) and profit or loss of associates.

It was €1,445 million at 31 December 2008 (49.9% of revenue excluding construction revenue) up 14.9%.

The share of the operating profit from ordinary activities of newly-consolidated companies amounts to -0.9 million, comprising -€0.8 million for RTFM, -€0.6 million for Truck Etape, +€0.4 million for JIO and +€0.1 million for Openly.

Operating profit, after taking account of share-based payment expenses and the profit or loss of associates, amounted to €1,440.1 million at 31 December 2008 compared with €1,247.5 million at 31 December 2007 (49.8% and 44.4% respectively of revenue excluding construction revenue), an increase of 15.4%.

The share of the operating profit of the newly-consolidated, equity-accounted entity Axxès amounts to +€0.9 million comprising +€2.4 million for 2008 and -€1.5 million in respect of the previous years (see Note A.2.1 *Consolidation scope*).

B.2.1 Other operating income and expenses

(in € millions)	2008	2007 (*)
Operating grants and insurance settlements received	2.0	1.5
Net losses on disposal of operating tangible and intangible fixed assets	(1.6)	(7.8)
Other operating income and expenses	**0.4**	**(6.3)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

B.2.2 Depreciation and amortisation

Net depreciation and amortisation breaks down as follows:

(in € millions)	2008	2007 (*)
Intangible assets	9.1	8.9
Concession intangible assets	444.9	433.0
Property, plant and equipment	93.3	93.3
Depreciation and amortisation	**547.3**	**535.2**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

B.2.3 Share-based payments

The expense relating to benefits granted to employees has been assessed at €6.4 million in respect of 2008 (compared with €8.6 million in respect of 2007), of which €2.9 million was in respect of VINCI free share plans (compared with €1.3 million in respect of 2007), (see Note C.12 *Share-based payments*).

B.3. Financial income and expenses

The breakdown of financial income and expenses by accounting category is as follows:

	2008			
(in € millions)	Cost of net financial debt	Other financial expenses	Other financial income	Equity
Liabilities at amortised cost *(1)*	(554.1)			
Assets and liabilities at fair value through profit or loss (fair value option)	10.1			
Derivatives at fair value through profit or loss (trading): assets and liabilities	(3.8)			
Derivatives designated as hedges: assets and liabilities	1.6			(116.0)
Subtotal: net financial debt	**(546.2)**			**(116.0)**
Loans and receivables		(3.9)	0.9	
Available-for-sale financial assets		(1.0)	1.0	(2.2)
Foreign exchange gains and losses			0.6	
Effect of discounting to present value		(12.7)		
Capitalised borrowing costs			18.6	
Total financial income and expenses	**(546.2)**	**(17.6)**	**21.1**	**(118.2)**

(1) Including €0.9 million in respect of expenses and fees on credit lines included in the amortised cost calculation.

	2007 (*)			
(in € millions)	Cost of net financial debt	Other financial expenses	Other financial income	Equity
Liabilities at amortised cost *(1)*	(529.7)			
Assets and liabilities at fair value through profit or loss (fair value option)	8.1			
Derivatives at fair value through profit or loss (trading): assets and liabilities	(2.6)			
Derivatives designated as hedges: assets and liabilities	(0.6)			44.5
Subtotal: net financial debt	**(524.8)**			**44.5**
Loans and receivables			0.5	
Available-for-sale financial assets		(0.5)	0.4	(1.0)
Foreign exchange gains and losses				
Effect of discounting to present value		(14.7)		
Capitalised borrowing costs			16.1	
Total financial income and expenses	**(524.8)**	**(15.2)**	**17.0**	**43.5**

(1) Including €3.5 million in respect of expenses and fees on credit lines included in the amortised cost calculation.

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

The presentation of net financial debt by accounting category is defined in Note C.15 *Net financial debt*.

The cost of net financial debt amounted to €546.2 million at 31 December 2008 compared with €524.8 million at 31 December 2007, an increase of 4.1%. This net increase of €21.4 million in the interest expense on financial debt compared with 2007 was mainly due to the increase in the average interest rate in 2008 and to a deterioration of the fair value of interest-rate derivatives not designated as hedges.

Other financial income and expense amounted to net income of €3.5 million at 31 December 2008, compared with €1.8 million at 31 December 2007. This includes in particular capitalised borrowing costs in respect of concession construction work in progress amounting to €18.6 million at 31 December 2008 against €16.1 million at 31 December 2007. Other financial income amounted to €2.5 million at 31 December 2008 against €0.9 million at 31 December 2007.

The effect of discounting provisions, debts and receivables at more than one year to present value relates mainly to provisions for retirement benefit obligations, for €6.4 million at 31 December 2008 (€8.2 million at 31 December 2007) and to provisions for the obligation to maintain concession assets in good state of repair, for €5.7 million at 31 December 2008 (€7.3 million at 31 December 2007).

Gains and losses on derivative financial instruments allocated to financial debt (and designated as hedges) break down as follows:

	2008	2007 (*)
Net interest received from derivatives designated as fair value hedges	(0.2)	1.6
Change in value of derivatives designated as fair value hedges	82.2	10.3
Change in value of the adjustment to fair value hedged financial debt	(82.5)	(11.7)
Reserve recycled through profit or loss in respect of cash flow hedges	2.7	(0.8)
Ineffectiveness of cash flow hedges	(0.6)	
Gains and losses on derivative instruments allocated to net financial debt	**1.6**	**(0.6)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

Details of derivative financial instruments are given in Note C.16 *Management of financial risks*.

B.4. Income tax

The income tax expense amounted to €295.4 million at 31 December 2008, against €252.1 million at 31 December 2007.

B.4.1 Analysis of net tax expense

Income tax breaks down as follows:

(in € millions)	2008	2007 *(*)*
Current tax	(160.5)	(263.0)
Deferred tax	(134.9)	10.9
including tax losses and tax credits for		0.3
Income tax expense	**(295.4)**	**(252.1)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

The current tax expense (excluding provisions and reversal of provisions for tax liabilities*)* recognized for the year was €183.4 million (compared with €272.9 million in 2007), of which €108.5 million was for ASF (compared with €200.2 million in 2007) and €74.8 million for Escota (compared with €72.1 million in 2007).

B.4.2 Effective tax rate

The difference between the tax calculated using the standard tax rate in force in France and the amount of tax effectively recognised in the year can be analysed as follows:

(in € millions)	2008	2007 *(*)*
Profit before tax and profit or loss of associates	895.9	725.6
Theoretical tax rate in France	34.43%	34.43%
Theoretical tax expense expected	**(308.5)**	**(249.8)**
Impact on taxes on previous years' profit or loss of newly-consolidated entities	(0.6)	
Effect of unrecognised carryforward losses	0.9	
Permanent differences and miscellaneous	12.8	(2.3)
Tax expense recognised	**(295.4)**	**(252.1)**
Effective tax rate	32.97%	34.74%
Effective tax rate excluding impact of share-based payments	**32.74%**	**34.34%**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

The permanent differences shown in the effective tax rate reconciliation include in particular the effects of provisions for potential tax liabilities (see Note C.14.2 *Breakdown of current provisions*) and the effects connected with the non-deductibility for tax purposes of certain components of the share-based payment expense for -€1.5 million at 31 December 2008, compared with -€1 million at 31 December 2007.

B.4.3 Breakdown of deferred tax assets and liabilities

(in € millions)	31/12/2008	Changes			31/12/2007 *(*)*
		Profit or loss	Equity	Other	
Deferred tax assets					
Carryforward tax losses and tax credits	0.1			0.1	
Retirement and other employee benefit obligations	23.1	9.8		0.2	13.1
Provisions for major maintenance		(128.2)			128.2
Provisions for holiday pay	9.8	0.3			9.5
Other provisions	7.4	(20.6)			28.0
Statutory employee profit sharing	6.2	(1.9)		0.1	8.0
Adjustment on measuring financial instruments at fair value	32.5	3.3	24.8		4.4
Other	3.4	1.3		0.1	2.0
Total	**82.5**	**(136.0)**	**24.8**	**0.5**	**193.2**
Deferred tax liabilities					
Concession intangible assets (capitalised borrowing costs and other)	230.3	(6.8)			237.1
Concession tangible assets	19.6	0.8			18.8
Tax-deductible archaeological excavation costs	3.4	0.2			3.2
Tax-regulated amortisation and depreciation expense	7.0	(0.6)			7.6
Provisions for major maintenance (discounting)	24.4	3.9			20.5
Fair value adjustment on available-for-sale assets			(0.8)		0.8
Fair value adjustment on financial instruments			(15.0)		15.0
Other	7.2	0.2			7.0
Total	**291.9**	**(2.3)**	**(15.8)**		**310.0**
Net deferred tax asset or liability	**(209.4)**				**(116.8)**
Net deferred tax	**(209.4)**	**(133.7)**	**40.6**	**0.5**	**(116.8)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

B.5. Earnings per share

The number of shares outstanding has remained at 230,978,001 since 2002. The Company has not purchased any of its own shares. The Company has not issued any instrument that could give rights to shares. As a result, the weighted number of shares to take into consideration when calculating basic and diluted earnings per share in 2008 and 2007 is 230,978,001. Basic and diluted earnings per share are the same.

C. Notes to the balance sheet

C.6. Concession intangible assets

C.6.1 Main features of concession contracts

The features of the contracts for the main concessions accounted for using the intangible asset model and operated by ASF and Escota are as follows:

	Control and regulation of prices by concession	Remuneration paid by	Grant or guarantee from concession grantor	Residual value	Concession end date or average duration	Consolidation method	Accounting model
ASF Group							
ASF (2,714.1 km of which 81 km under construction)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructures returned to grantor for no consideration, unless purchased by the grantor at economic value.	End of contract in 2032	Full consolidation	Intangible asset
Escota (459.1 km)	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructures returned to grantor for no consideration, unless purchased by the grantor at economic value.	End of contract in 2026	Full consolidation	Intangible asset

In accordance with the asset impairment rules, no loss of value has been recognised in the financial statements at 31 December 2008, nor at 31 December 2007. It should be noted that the owned assets of the Puymorens tunnel operation are not considered as a cash generating unit.

C.6.2 Commitments made under concession contracts

Contractual investment and renewal obligations

Under their concession contracts, ASF and Escota have undertaken to carry out investments on infrastructure that they will operate as concession operators.

Riders to the ASF and Escota concession contracts and agreements mainly defining the investments to be made and the tariff arrangements applicable for the period 2007-2011 on the corresponding motorway networks, were signed in 2007. As they have a well-defined contractual framework, ASF and Escota have good visibility over their prospects.

At 31 December 2008, the investments provided for in the ASF and Escota master plans amounted to €3.4 billion, of which €1.1 billion for the Lyons to Balbigny section of the A89. These amounts do not include maintenance expenditure on infrastructure under concessions.

These investments by the Group are financed by drawings on the available credit facilities, by taking out new loans from the European Investment Bank (EIB) and through the bond market.

The section of the A89 motorway between Balbigny and La Tour de Salvagny is to be constructed by ASF by 2012. Two associations have petitioned the French Council of State (the *Conseil d'Etat*) to cancel Rider No. 11 to ASF's concession contract (See Note E *Disputes and arbitration*).

C.6.3 Breakdown of concession intangible assets

(in € millions)	Cost of infrastructures	Advances and Outstandings	Investment grants	Total
Gross				
At 1 January 2007 *(*)*	**15,568.9**	**481.0**	**(198.5)**	**15,851.4**
Acquisitions in the year	45.5	307.6	(25.7)	327.4
Disposals and retirements during the year	(1.2)		0.1	(1.1)
Other movements	106.9	(62.8)		44.1
At 31 December 2007 *(*)*	**15,720.1**	**725.8**	**(224.1)**	**16,221.8**
Acquisitions in the year	76.9	286.2	(2.8)	360.3
Disposals and retirements during the year	(1.4)			(1.4)
Other movements	492.7	(476.8)	(51.1)	(35.2)
At 31 December 2008	**16,288.3**	**535.2**	**(278.0)**	**16,545.5**
Amortisation				
At 1 January 2007 *(*)*	**4,861.3**		**(76.4)**	**4,784.9**
Amortisation for the year	439.3		(6.3)	433.0
Disposals and retirements during the year	(0.6)			(0.6)
Other movements	(3.7)			(3.7)
At 31 December 2007 *(*)*	**5,296.3**		**(82.7)**	**5,213.6**
Amortisation for the year	451.8		(6.9)	444.9
Disposals and retirements during the year	(0.3)			(0.3)
Other movements	(2.1)			(2.1)
At 31 December 2008	**5,745.7**		**(89.6)**	**5,656.1**
Net				
At 1 January 2007 *(*)*	**10,707.6**	**481.0**	**(122.1)**	**11,066.5**
At 31 December 2007 *(*)*	**10,423.8**	**725.8**	**(141.4)**	**11,008.2**
At 31 December 2008	**10,542.6**	**535.2**	**(188.4)**	**10,889.4**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

The investments made during the year by the ASF Group in new concession projects and in connection with the supplementary investments of motorways in use, amounted to €360.3 million (compared with €327.4 million in 2007).

Borrowing costs included during 2008 in the cost of concession assets before their entry into service amounted to €18.6 million (compared with €16.1 million for 2007).

Concession assets under construction amounted to €535.2 million at 31 December 2008 (compared with €725.8 million at 31 December 2007).

C.7. Other intangible assets

Changes in the year were as follows:

	Software	Patents, licences and other	Total
Gross			
At 1 January 2007 *(*)*	**90.6**	**20.1**	**110.7**
Acquisitions in the year	3.6	5.5	9.1
Disposals and retirements during the year	(5.5)	(0.1)	(5.6)
Other movements	8.6	(8.9)	(0.3)
At 31 December 2007 *(*)*	**97.3**	**16.6**	**113.9**
Acquisitions due to change in Group consolidation method	0.1	0.3	0.4
Acquisitions in the year	2.1	8.4	10.5
Disposals and retirements during the year	(1.5)		(1.5)
Other movements	7.0	(6.4)	0.6
At 31 December 2008	**105.0**	**18.9**	**123.9**
Amortisation and impairment losses			
At 1 January 2007 *(*)*	**74.9**	**7.7**	**82.6**
Amortisation for the year	8.5	0.4	8.9
Disposals and retirements during the year	(0.9)	(0.1)	(1.0)
At 31 December 2007 *(*)*	**82.5**	**8.0**	**90.5**
Amortisation reversed due to change in Group consolidation method	0.1		0.1
Amortisation for the year	8.7	0.4	9.1
Disposals and retirements during the year	(0.5)	0.1	(0.4)
At 31 December 2008	**90.8**	**8.5**	**99.3**
Net			
At 1 January 2007 *(*)*	**15.7**	**12.4**	**28.1**
At 31 December 2007 *(*)*	**14.8**	**8.6**	**23.4**
At 31 December 2008	**14.2**	**10.4**	**24.6**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

C.8. Property, plant and equipment

Changes in the year were as follows:

(in € millions)	Concession tangible fixed assets	Advances and outstandings on concession tangible fixed assets	Investment grants on concession tangible fixed assets	Other property, plant and equipment	Total
Gross					
At 1 January 2007 *(*)*	**1,801.0**	**51.1**	**(44.4)**		**1,807.7**
Acquisitions in the year	34.4	58.2			92.6
Disposals and retirements during the year	(39.8)				(39.8)
Other movements	(5.4)	(38.6)			(44.0)
At 31 December 2007 (*)	**1,790.2**	**70.7**	**(44.4)**		**1,816.5**
Acquisitions due to change in consolidation method				10.0	10.0
Acquisitions in the year	27.2	75.3		0.5	103.0
Disposals and retirements during the year	(41.5)			(0.1)	(41.6)
Other movements	32.9	(49.6)	39.3	0.1	22.7
At 31 December 2008	**1,808.8**	**96.4**	**(5.1)**	**10.5**	**1,910.6**
Depreciation					
At 1 January 2007 *(*)*	**1,052.3**		**(4.3)**		**1,048.0**
Depreciation for the year	93.7		(0.4)		93.3
Disposals and retirements during the year	(34.9)				(34.9)
Other movements	3.9				3.9
At 31 December 2007 *(*)*	**1,115.0**		**(4.7)**		**1,110.3**
Depreciation reversed due to change in consolidation method				1.4	1.4
Depreciation for the year	92.8		(0.2)	0.7	93.3
Disposals and retirements during the year	(39.5)				(39.5)
Other movements	1.7				1.7
At 31 December 2008	**1,170.0**		**(4.9)**	**2.1**	**1,167.2**
Net					
At 1 January 2007 *(*)*	**748.7**	**51.1**	**(40.1)**		**759.7**
At 31 December 2007 *(*)*	**675.2**	**70.7**	**(39.7)**		**706.2**
At 31 December 2008	**638.8**	**96.4**	**(0.2)**	**8.4**	**743.4**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

Property, plant and equipment includes assets under construction not yet in service for €96.4 million at 31 December 2008 (compared with €70.7 million at 31 December 2007).

C.9. Investments in associates

C.9.1 Movements during the year

(in € millions)	31/12/2008	31/12/2007
Value of shares at start of the year	**2.0**	**3.1**
Change in Group consolidation method	2.9	
Group share of profit/(loss) for the year	1.5	(1.1)
Value of shares at end of year	**6.4**	**2.0**

Changes in the year include in particular the inclusion of the newly-consolidated, equity-accounted entity Axxès for +€0.9 million comprising +€2.4 million for 2008 and -€1.5 million in respect of the previous years (see Note A.2.1 *Consolidation scope*).

C.9.2 Financial information on investments in associates

The investments in equity-accounted associates at 31 December 2008 relate to TransJamaican Highway (since 1 January 2006) and Axxès (since 1 January 2008).

The main financial data relating to these companies at 31 December 2008 was as follows (on a 100% basis):

(in € millions)	TransJamaican Highway	Axxès
% held	**34.0%**	**35.5%**
Financial data (on a 100% basis)		
Revenue	25.6	673.5
Attributable to Group	8.7	238.8
Operating expenses	(10.6)	(667.3)
Operating profit	15.4	6.2
Net profit for the year	1.7	8.1
Equity	3.3	10.1
Equity attributable to Group	**1.1**	**3.6**
Share of net consolidated profit/(loss) attributable to Group	**0.6**	**0.9**
Value of investments in associates	**2.8**	**3.6**
Carrying amount of shares in parent company accounts	6.2	2.7
Cost of shares in parent company accounts	6.2	2.7
Other balance sheet information		
Total Assets/Equity and liabilities	220.6	202.8
Net financial debt	198.4	(52.8)
Net financial debt (ASF share)	67.5	(18.7)

C.10. Other non-current financial assets

The other non-current financial assets changed as follows:

(in € millions)	31/12/2008	31/12/2007
Shares in subsidiaries and associates at fair value	3.3	5.5
Investments in unlisted subsidiaries and associates	0.6	6.1
Available-for-sale financial assets (gross)	**3.9**	**11.6**
Impairment allowances		(1.0)
Available-for-sale financial assets (net)	**3.9**	**10.6**
Loans and receivables at amortised cost	5.3	6.0
Total	**9.2**	**16.6**
Fair value of derivative financial instruments (non-current assets) *(*)*	90.3	26.6
Other non-current financial assets	**99.5**	**43.2**

(*) See Note C.16 Management of financial risks.

Available-for-sale financial assets break down as follows at 31 December of each year:

(in € millions)	31/12/2008	31/12/2007
Prado-Carénage tunnel	3.3	5.5
Truck Etape SAS		1.0
Axxès		2.7
Other	0.6	2.4
Available-for-sale financial assets	**3.9**	**11.6**

The strong reduction in available-for-sale assets in 2008 is solely due to the first consolidation or first use of the equity-accounting method in respect of shareholdings not previously so reported (see Note A.2.1 Consolidation scope).

Long-term loans and receivables mainly relate to the companies' statutory employee housing loans. Loans and receivables measured at amortised cost break down by maturity date as follows:

(in € millions)	31/12/2008	Between 1 and 5 years	After 5 years
Loans	4.9	1.5	3.4
Other loans and receivables	0.4		0.4
Loans and receivables at amortised cost	**5.3**	**1.5**	**3.8**

(in € millions)	31/12/2007	Between 1 and 5 years	After 5 years
Loans	5.3	0.7	4.6
Other loans and receivables	0.7		0.7
Loans and receivables at amortised cost	**6.0**	**0.7**	**5.3**

The part at less than one year of other non-current financial assets is included under other current financial assets for €1.8 million at both 31 December 2008 and 31 December 2007.

The fair value of current derivative financial instruments (assets) forms an integral part of net financial debt (see *Note C.16 Management of financial risks*).

C.11. Change in equity (excluding share-based payment)

C.11.1 Shares

The number of shares outstanding has remained at 230,978,001 since 2002 (see Note B.5 *Earnings per share*). The Company has not purchased any of its own shares. The Company has not issued any instrument that could give rights to shares.

C.11.2 Distributable reserves

Changes in the distributable reserves of ASF S.A. are as follows:

(in € millions)	31/12/2008	31/12/2007
Free of corporate income tax liabilities *(*)*	14.6	12.7
Distributable reserves	**14.6**	**12.7**

(*) Before allocation of the interim dividend of €124.7 million paid in 2008 and of €103.9 million paid in 2007.

The statutory reserves of ASF SA amounted to €2.9 million at 31 December 2008, the same amount as at 31 December 2007**.**

C.11.3 Items recognised directly in equity

The following tables give details of these movements by type of financial instrument, after tax:

(in € millions)	31/12/2008	31/12/2007
Available-for-sale financial assets		
Reserve at beginning of year	2.2	3.2
Changes in fair value in the year	(2.2)	(1.0)
Reserve at end of the year		**2.2**
Cash flow hedges		
Reserve at beginning of year	33.1	(11.4)
Changes in fair value in the year	(115.4)	43.9
Fair value items recognised in profit or loss	(0.6)	0.6
Reserve at end of the year	**(82.9)**	**33.1**

(in € millions)	31/12/2008	31/12/2007
Total items recognised directly in equity		
Gross reserve	(82.9)	35.3
Associated tax effect	28.5	(12.1)
Reserve net of tax	(54.4)	23.2

The changes in share value relating to cash flow hedges recorded in equity relate mainly to the hedging of future loan issues (acquisition of deferred start interest rate swaps). These transactions are described in Note C.16.1.2 *Cash flow hedges*.

In total, the tax associated with items recognised directly in equity had an impact of €40.6 million in 2008 (compared with a negative impact of €14.9 million in 2007).

C.11.4 Dividends

ASF paid a final dividend of €346.5 million in respect of 2007 in May 2008.

Also, on 28 August 2008, the Board of Directors meeting to finalise the condensed interim consolidated financial statements at 30 June 2008, decided to pay an interim dividend in respect of 2008 of €124.7 million, amounting to a dividend of €0.54 for each of the 230,978,001 shares representing the share capital, compared with an interim dividend of €0.45 paid in respect of 2007.

The dividends paid in respect of 2008 and 2007 (excluding the exceptional dividend) break down as follows:

	2008	2007
Interim dividend (paid in September 2008 in respect of 2008 Wand in September 2007 in respect of 2007)		
Amount *(in € millions)* (I)	124.7	103.9
Per share in euros	0.54	0.45
Final dividend (paid in May 2008 in respect of 2007)		
Amount *(in € millions)* (II)		346.5
Per share in euros		1.50
Total net dividend per share		
Amount *(in € millions)* (I) + (II)	124.7	450.4
Per share in euros	0.54	1.95

The Shareholders' Ordinary General Meeting to be held on 30 April 2009 will be asked to approve the dividend paid in respect of 2008 (see Note D. *Appropriation of 2008 earnings*).

C.11.5 Minority interest

The acquisition or disposal of non-controlling interests in companies already controlled by the Group is now considered as an equity transaction between shareholders and the impact of such transactions is booked in equity (see Note A.2.5 *Transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control*).

In consequence, the acquisition of minority interests in Escota (0.32%) resulted in a reduction of €4.5 million of consolidated equity in 2008.

At 31 December 2008, minority interests in Escota (0.71%) amounted to €4 million (compared with €4.7 million at 31 December 2007).

C.12. Share-based payments

C.12.1 Equity compensation benefits paid by VINCI to ASF Group employees

Since the acquisition of the ASF Group by VINCI in March 2006, the employees of ASF and Escota benefit from the share purchase option plans, the free share plans and the Group Savings Plan of the parent company, VINCI.

The aggregate expense recognised at 31 December 2008 in respect of share-based payments amounted to €6.4 million, of which €3.2 million was in respect of the Group Savings Plan, compared with €8.6 million at 31 December 2007, of which €6.1 million was in respect of the Group Savings Plan.

VINCI's Board of Directors defines the conditions for subscribing to the Group Savings Plan in accordance with the authorisations granted to it by the Shareholders General Meeting. For France, VINCI issues new shares reserved for employees three times a year with a subscription price that includes a discount of a maximum of 10% against the stock market price. Subscribers benefit from an employer's contribution with an annual maximum of €3,500, increased exceptionally to €3,800 in 2009. The benefits granted in this way to employees of the Group are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:

- length of subscription period: 4 months;
- length of period during which funds are frozen: 5 years from the end of the subscription period.

C.13. Non-current provisions

(in € millions)	Note	31/12/2008	31/12/2007 *(*)*
Provisions for retirement benefit obligations	C.13.1	20.0	3.4
Other non-current provisions	C.13.2	74.1	175.9
Total		**94.1**	**179.3**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

C.13.1 Provisions for retirement benefit obligations

At 31 December 2008, provisions for retirement benefit obligations amounted to €20.8 million (including €20 million at more than one year) compared with €4.8 million at 31 December 2007 (including €3.4 million at more than one year). These provisions comprise provisions for lump-sums on retirement and provisions for obligations for supplementary retirement benefits. The part at less than one year was €0.8 million at 31 December 2008 and €1.4 million at 31 December 2007, and is reported under other current payables.

The ASF Group's obligations in respect of retirement benefits for which provisions are included in the consolidated balance sheet relate to lump sums payable on retirement when employees retire at their own initiative (in accordance with current social security legislation) and supplementary defined benefit retirement plans.

Provisions have been calculated using the following assumptions:

	31/12/2008	31/12/2007	31/12/2006	31/12/2005
Discount rate	5.6%	5.25%	4.75%	4.50%
Inflation rate	2.0%	1.9%	2.0%	1.8%
Rate of salary increases	3.8% - 4.2%	3.8% - 4.2%	4.0%	4.0%
Rate of pension increases	2.5%	2.5%	2.5%	2.0%
Probable average remaining working life of employees	15.4 - 16.6 - 21.2	17.1	15.86 - 16.56	16.27 - 16.88

At 31 December 2008, the VINCI Group has adopted an average discount rate for the eurozone of 5.6%. This rate has been determined on the basis of a curve representative of the yield on prime category bonds of various maturity dates.

The plan financial assets are measured at their fair value, amounting to €28.9 million at 31 December 2008 compared with €29.7 million at 31 December 2007.

The breakdown was as follows:

	31/12/2008	31/12/2007		
	Eurozone	Eurozone	Outside eurozone	Weighted average
Breakdown of financial assets				
Shares	27%	25%	14%	39%
Bonds	71%	60%		60%
Monetary securities	1%	1%		1%
Property	1%			
Total	100%	86%	14%	100%
Average rate of return assumed	**4.50%**	**5.05%**		**5.05%**

On the basis of these assumptions, the retirement benefit obligations, the part provided for, and the retirement benefit expenses recognised break down as follows:

Reconciliation of obligations and provisions in the balance sheet

	31/12/2008	31/12/2007	31/12/2006
(in € millions)	France	France	France
Present value of retirement benefit obligations	(52.7)	(36.6)	(44.8)
including change in consolidation method for	(0.2)		
including transfer of CATS for			(5.3)
Fair value of plan assets	28.9	29.7	35.2
including transfer of CATS for			4.8
Surplus (or deficit)	**(23.8)**	**(6.9)**	**(9.6)**
including transfer of CATS for			**(0.5)**
Provisions recognised in balance sheet			
Assets recognised in balance sheet	20.8	4.8	6.2
including change in consolidation method for	(0.3)		
including transfer of CATS for			0.3
Items not recognised in balance sheet	**3.0**	**2.1**	**3.4**
including change in consolidation method for	**0.1**		
including transfer of CATS for			**0.2**
Actuarial gains and losses	3.0	2.1	3.4
including transfer of CATS for			0.2

Changes in the year

(in € millions)	2008	2007	2006	2005
Present value of retirement benefit obligations				
Balance at the beginning of the year	**36.6**	**44.8**	**44.3**	**34.8**
including obligations covered by plan assets for				
Current service cost	3.2	2.3	2.6	5.2
Cost for the year of discounting	2.5	1.8	2.0	1.9
Benefits paid during the year	(5.1)	(5.2)	(1.1)	(1.1)
Actuarial gains and losses	0.1	(1.3)	(3.3)	1.1
Settlement of rights	(1.8)	(1.5)		
Effect of plan curtailments and alterations	17.0		0.3	2.4
Changes in consolidation scope and miscellaneous	0.2	(4.3)		
Balance at the end of the year	**52.7**	**36.6**	**44.8**	**44.3**
including obligations covered by plan assets for				
Plan assets				
Balance at the beginning of the year	**29.7**	**35.2**	**34.5**	**27.8**
Expected return on plan assets	1.2	1.4	(1.6)	2.7
Actuarial gains and losses	(2.2)	(1.3)	2.3	3.9
Contributions paid to funds	1.2			
Benefits paid during the year	(1.0)	(0.2)		
Settlement of rights		(1.6)		
Changes in consolidation scope and miscellaneous		(3.8)		
Balance at the end of the year	**28.9**	**29.7**	**35.2**	**34.5**
Items not recognised in balance sheet				
Balance at the beginning of the year	**2.1**	**3.4**	**6.7**	**3.8**
New elements	(0.3)	0.7	(2.1)	0.5
Amortisation for the year	1.2	(2.1)	(1.2)	2.4
Effects of plan curtailments and alterations		0.1		
Balance at the end of the year	**3.0**	**2.1**	**3.4**	**6.7**
Actuarial gains and losses as percentage of obligations (in%)	*5.7%*	*5.7%*	*7.6%*	*15.1%*

The ASF Group estimates the payments to be made in 2009 in respect of retirement benefit obligations towards employees at €1 million.

Unrecognized items (the difference between the observed amount of obligations, or invested funds, and the expected amounts) amount to €3 million at 31 December 2008 compared with €2.1 million at 31 December 2007.

In France, the 2008 Social Security Finance Act makes lump-sums paid when employees are required to retire before the age of 65 subject to a supplementary social tax of 25% in 2008 and 50% as from 2009. Moreover, this Act abolishes the favourable tax and social security regime applicable to negotiated lump-sums paid on retirement before the age of 65 and paid between 2010 and 2014 by enterprises covered by an agreement or business sector agreement under the provisions of the Fillon Act. As a result of this new Act, the Group has adjusted the assumptions used but this has not led to a material impact on the corresponding obligations.

Moreover, Article 11 of the *Accord National Interprofessionnel* of 11 January 2008 lays down a schedule of allowances paid on termination of an employment contract of indefinite duration "of which the amount may not, unless contractual arrangements are more favourable, be less than 1/5th of a month's pay per year of service, after completion of one year's service". These arrangements mainly relate to the calculation of allowances paid (under the CATS agreements) on termination of employment at the employer's initiative instituted in 2007 in ASF and Escota) and does not relate to employees retiring. This agreement has therefore not been taken into account in assessing lump sums paid on retirement.

Expenses recognised in respect of defined benefit plans

(in € millions)	2008	2007	2006	2005
Rights acquired by employees during the year	3.2	2.3	2.6	5.2
Discounting of acquired rights to present value	2.5	1.8	2.0	1.9
Expected return on plan assets	(1.2)	(1.4)	(1.6)	(1.1)
Amortisation of actuarial gains and losses	1.2	2.0	1.2	(2.4)
Amortisation of past service cost – rights not vested				0.1
Amortisation of past service cost – rights vested	16.1			
Other	(6.0)	(5.7)	(1.1)	(1.1)
Total	**15.8**	**(1.0)**	**3.1**	**2.6**

The renegotiation of the ASF and Escota agreements on post-employment medical expense insurance (see Note C.13.2 *Other non-current provisions*) has resulted in recognition of a new obligation in respect of lump sums payable on retirement for an amount of €17 million at 31 December 2008, comprising €9.8 million for ASF and €7.2 million for Escota.

C.13.2 Other non-current provisions

Changes in other non-current provisions reported in the balance sheet were as follows in 2008 and 2007:

(in € millions)	Opening balances	Provisions taken	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year of non-current provisions	Closing balances
1 January 2007 *(*)*							
Other employee benefits	96.6	50.5	(1.8)		0.3		145.6
Other liabilities	52.3	19.5	(19.5)			3.9	56.2
Discounting of non-current provisions					(0.1)		(0.1)
Reclassification of the part at less than one year of non-current provisions	(9.5)					(16.3)	(25.8)
31 December 2007 *(*)*	**139.4**	**70.0**	**(21.3)**		**0.2**	**(12.4)**	**175.9**
Other employee benefits	145.6	58.9	(7.9)	(124.9)			71.7
Other liabilities	56.2	3.3	(29.7)	(10.6)			19.2
Discounting of non-current provisions	(0.1)						(0.1)
Reclassification of the part at less than one year of non-current provisions	(25.8)					9.1	(16.7)
31 December 2008	**175.9**	**62.2**	**(37.6)**	**(135.5)**		**9.1**	**74.1**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

Other employee benefits

Renegotiation of ASF and Escota employment agreements

The reduction in other employee benefits is mainly connected with the renegotiation by ASF and Escota of their employment agreements during the year:

- ASF has entered into a new agreement on post-employment medical expense insurance. This new agreement, signed on 7 July 2008, in particular redefines how employees' supplementary medical expense insurance cover will be borne. For employees in service, the arrangements for covering post-employment medical expenses are gradually replaced by a new complementary regime providing a lump-sum payable on retirement, of which the capital amount is indexed to the ceiling used in calculating social security benefits (see Note C.13.1 *Provisions for retirement benefit obligations*). This new agreement has resulted in a net decrease of obligations to employees in service or retired of €53.5 million, leading to a reversal of operating provisions for the same amount;
- Escota has entered into a new agreement on post-employment medical expense insurance. This new agreement, signed on 29 February 2008, does not alter the obligations to retired employees. For employees in service, the arrangements for covering post-employment medical expenses are gradually replaced by a new complementary regime providing a lump-sum payable on retirement, of which the capital amount is indexed to the ceiling used in calculating social security benefits. This new agreement has resulted in a net decrease of obligations to employees in service of €40.2 million, leading to a reversal of operating provisions for the same amount.

The provisions for other employee benefits are measured using the Projected Unit Credit method and relate to obligations to pay long-service bonuses and medical expenses cover, and provisions relating to early retirement schemes (*Cessation Anticipée d'Activité des Travailleurs Salariés (CATS)*).

Long-service bonuses and medical expense cover

At 31 December 2008, these provisions amounted to €26.5 million (including €23 million at more than one year) against €114.6 million at 31 December 2007 (including €112.5 million at more than one year). The part at less than one year was €3.5 million at 31 December 2008 and €2.1 million at 31 December 2007, and is reported under other current payables.

The provisions have been calculated using the following actuarial assumptions:

	31/12/2008	31/12/2007	31/12/2006	31/12/2005
Discount rate	5.6%	5.25%	4.75%	4.50%
Inflation rate	2.0%	1.9%	2.0%	2.0%
Rate of salary increases	1.8% – 4.1%	1.8% – 4.1%	2% – 4.2%	2% – 3%
Rate of change of medical expenses	0% – 6%	6.0%	6.0%	4.0%

At 31 December 2008, provisions for retirement benefit obligations amounted to €24.1 million (including €20.9 million at more than one year) compared with €112 million at 31 December 2007 (including €110 million at more than one year). They have been calculated on the basis of a rate of increase for medical expenses of 0% in 2008 for ASF (against 6% in 2007) and of 6% in 2008 (as in 2007) for Escota. A change of 1% in this rate would entail a change of €3.7 million in the total obligation.

Items not recognised (the difference between the observed amount of obligations and the provisions recognised in the balance sheet) amounted to €9.5 million at 31 December 2008 compared with €43.8 million at 31 December 2007 and result mainly from changes in discount rates and trends in medical expenses. These items are amortised over the average expected remaining period of service of members of this plan.

Agreements on early retirement for employees ("CATS" agreements)

The provisions have been calculated using the following actuarial assumptions:

	31/12/2008	31/12/2007
Discount rate	4.40%	5.00%
Increase in the ceiling used in calculating social security contributions	2.75%	2.75%
Increase in wages and salaries before pre-retirement	2.60%	2.60%
Increase in wages and salaries during pre-retirement	1.10%	1.80%
Increase in health and providence insurance contributions		2.00%
Increase in housing allowance	1.00%	1.00%

At 31 December 2008, these provisions amounted to €45.2 million (including €38.7 million at more than one year) against €31 million at 31 December 2007 (including €25.7 million at more than one year). This is net of the fair value of plan financial assets amounting to €4.4 million at 31 December 2008 compared with €5 million at 31 December 2007.

Provisions for other liabilities

The provisions for other liabilities, not directly linked with the operating cycle, amounted to €12.4 million at 31 December 2008 (part at more than one year) compared with €35.4 million at 31 December 2007 (part at more than one year).

C.14. Working capital requirement and current provisions

C.14.1 Change in working capital requirement

(in € millions)	31/12/2008	31/12/2007 (*)	Change between 2008 and 2007: Connected with operations	Change between 2008 and 2007: Receivables/payables related to non-current assets	Change between 2008 and 2007: Other changes	31/12/2006
Inventories and work in progress (net)	11.7	12.6	(0.9)			13.4
Trade and other operating receivables	332.0	288.0	51.0	(7.0)		239.0
Other current assets	35.7	34.9	0.8			34.3
Inventories and operating receivables (I)	**379.4**	**335.5**	**50.9**	**(7.0)**		**286.7**
Trade payables	(66.7)	(53.4)	(13.3)			(46.6)
Other current payables *(**)*	(355.9)	(316.8)	(39.1)			(289.9)
Trade and other operating payables (II)	**(422.6)**	**(370.2)**	**(52.4)**			**(336.5)**
Working capital requirement (before current provisions) (I+II)	**(43.2)**	**(34.7)**	**(1.5)**	**(7.0)**		**(49.8)**
Current provisions	**(325.8)**	**(336.4)**	**(4.5)**		**15.1**	**(315.1)**
including part at less than one year of non-current provisions	(6.7)	(20.7)			14.0	(11.2)
Working capital requirement (after current provisions)	**(369.0)**	**(371.1)**	**(6.0)**	**(7.0)**	**15.1**	**(364.9)**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.
(**) Excluding debts relating to non-current assets of €193.4 million at 31 December 2008, €175.5 million at 31 December 2007 and €160.2 million at 31 December 2006.

The working capital requirement connected with operations comprises current assets and liabilities related to operations except for current tax assets and liabilities and other current assets and liabilities of a financial nature.

The net change in operating working capital requirement and current provisions at 31 December 2008 was €2.1 million.

The component parts of the working capital requirement by maturity are:

		Maturity		
(in € millions)	31/12/2008	Within 1 year	Between 1 and 5 years	After 5 years
Inventories and work in progress (net)	11.7	11.7		
Trade and other operating receivables	332.0	325.1	6.8	0.1
Other current assets	35.7	34.5	0.9	0.3
Inventories and operating receivables (I)	**379.4**	**371.3**	**7.7**	**0.4**
Trade payables	(66.7)	(66.7)		
Other current payables	(355.9)	(258.0)	(58.8)	(39.1)
Trade and other operating payables (II)	**(422.6)**	**(324.7)**	**(58.8)**	**(39.1)**
Working capital requirement (before current provisions) (I+II)	**(43.2)**	**46.6**	**(51.1)**	**(38.7)**

Trade receivables that are between 6 and 12 months past due amount to €0.1 million at 31 December 2008, compared with €2.2 million at 31 December 2007. Trade receivables that are more than one year past due amount to €2.7 million at 31 December 2008, compared with €1.8 million at 31 December 2007.

C.14.2 Breakdown of current provisions

Changes in current provisions reported in the balance sheet were as follows in 2008 and 2007:

(in € millions)	Opening	Provisions taken	Provisions used	Change in the part at less than one year of non-current provisions	Closing
1 January 2007 *(*)*					
Obligation to maintain concession assets in a good state of repair	303.3	57.5	(48.1)		312.7
Restructuring		2.1			2.1
Other current liabilities	0.6	0.3			0.9
Reclassification of the part at less than one year of non-current provisions	3.3			17.4	20.7
31 December 2007 *(*)*	**307.2**	**59.9**	**(48.1)**	**17.4**	**336.4**
Obligation to maintain concession assets in a good state of repair	312.7	68.2	(75.2)		305.7
Restructuring	2.1	2.9	(2.1)		2.9
Other current liabilities	0.9	10.5	(0.9)		10.5
Reclassification of the part at less than one year of non-current provisions	20.7			(14.0)	6.7
31 December 2008	**336.4**	**81.6**	**(78.2)**	**(14.0)**	**325.8**

(*) Restated in accordance with the change of accounting policy described in Note A.1.3 Change of accounting policy: IFRIC 12 Service Concession Arrangements.

Current provisions that are directly linked to the operating cycle amounted to €325.8 million at 31 December 2008 (including the part at less than one year of non-current provisions) against €336.4 million at 31 December 2007. They mainly relate to be provisions for the obligation to maintain assets under concession in a good state of repair.

Such provisions mainly cover the expenses incurred by ASF and Escota for road repairs (surface courses, etc) bridges, tunnels and hydraulic infrastructure, and amounted to €269.7 million for ASF and €36 million for Escota in 2008 (against €278.2 million and €34.5 million respectively in 2007).

In 2008, ASF was subject to a tax inspection, which is still in progress, relating to the years 2005 and 2006. A provision for liabilities has been recognised in 2008 to cover the consequences of this inspection.

C.15. Net financial debt

Net financial debt as defined by the Group breaks down as follows:

		31/12/2008					31/12/2007				
Accounting categories	*(in € millions)*	**Non-current**	**ref.**	**Current (*)**	**ref.**	**Total**	**Non-current**	**ref.**	**Current (*)**	**ref.**	**Total**
Liabilities at amortised cost	Bonds	(1,712.0)	(1)	(44.1)	(3)	**(1,756.1)**	(1,629.2)	(1)	(44.3)	(3)	**(1,673.5)**
	Inflation-linked loan	(391.2)	(2)	(6.7)	(3)	**(397.9)**	(377.8)	(2)	(5.9)	(3)	**(383.7)**
	Other bank loans and other financial debt	(6,922.4)	(2)	(660.2)	(3)	**(7,582.6)**	(7,543.8)	(2)	(980.1)	(3)	**(8,523.9)**
	Long-term financial debt	**(9,025.6)**		**(711.0)**		**(9,736.6)**	(9,550.8)		**(1,030.3)**		**(10,581.1)**
	Other current financial liabilities			(700.6)	(3)	**(700.6)**					
	Financial current accounts, liabilities								(4.5)	(3)	**(4.5)**
	I - Gross financial debt	**(9,025.6)**		**(1,411.6)**		**(10,437.2)**	**(9,550.8)**		**(1,034.8)**		**(10,585.6)**
	Bank overdrafts								(0.8)	(6)	**(0.8)**
	II - Overdrafts etc.								**(0.8)**		**(0.8)**
	including impact of fair value hedges, for	(94.2)				**(94.2)**	(11.7)				**(11.7)**
	Gross financial debt before fair value adjustment	(8,931.4)		(1,411.6)		**(10,343.0)**	(9,539.1)		(1,034.8)		**(10,573.9)**
Assets and liabilities at fair value through profit or loss (fair value option)	Financial current accounts, assets								7.6	(7)	**7.6**
	Cash management financial assets not cash equivalents			1.8	(7)	**1.8**			1.2	(7)	**1.2**
	Cash equivalents			111.5	(8)	**111.5**			66.0	(8)	**66.0**
	Cash			14.0	(8)	**14.0**			11.9	(8)	**11.9**
	III - Financial assets			**127.3**		**127.3**			**86.7**		**86.7**
Derivatives	Derivative financial instruments - liabilities	(105.2)	(4)	(46.0)	(5)	**(151.2)**	(2.4)	(4)	(40.7)	(5)	**(43.1)**
	Derivative financial instruments - assets	90.3	(9)	52.3	(10)	**142.6**	26.6	(9)	40.9	(10)	**67.5**
	IV - Derivative financial instruments	**(14.9)**		**6.3**		**(8.6)**	**24.2**		**0.2**		**24.4**
	Net financial debt (I + II + III + IV)	**(9,040.5)**		**(1,278.0)**		**(10,318.5)**	**(9,526.6)**		**(948.7)**		**(10,475.3)**
	Including net cash, for:			125.5		**125.5**			77.1		**77.1**
	Cash and cash equivalents			125.5		**125.5**			77.9		**77.9**
	Bank overdrafts								(0.8)		**(0.8)**

(*) Current part including accrual.

At 31 December 2008, the ASF Group's net financial debt was €10.3 billion (compared with €10.5 billion at 31 December 2007). This change lies mainly in the 2008 free operating cash flow and, to a lesser degree, in the change of the fair value of cash flow hedges.

Reconciliation of net financial debt with balance sheet items:

(in € millions)	Ref.	31/12/2008	31/12/2007
Bonds	(1)	(1,712.0)	(1,629.2)
Other loans and borrowings	(2)	(7,313.6)	(7,921.6)
Current borrowings	(3)	(1,411.6)	(1,034.8)
Fair value of derivative financial instruments (non-current liabilities)	(4)	(105.2)	(2.4)
Fair value of derivative financial instruments (current liabilities)	(5)	(46.0)	(40.7)
Bank overdrafts	(6)		(0.8)
Cash management financial assets	(7)	1.8	8.8
Cash and cash equivalents	(8)	125.5	77.9
Fair value of derivative financial instruments (non-current assets)	(9)	90.3	26.6
Fair value of derivative financial instruments (current assets)	(10)	52.3	40.9
Net financial debt		**(10,318.5)**	**(10,475.3)**

C.15.1 Details of long-term financial debt

At 31 December 2008, long-term financial debt totalled €9.7 billion, down nearly €9 million from 31 December 2007 (€10.6 billion).

This change was the result of the combined effects of contractual loan repayments and the new EIB bank finance.

In December 2007, ASF obtained a €250 million loan from the European Investment Bank (EIB), which was drawn down in full in June 2008 and should be repaid at the latest in 2028, with a grace period of six years.

During the year, the ASF Group repaid various loans taken out with the CNA between 1994 and 1997, at an average rate of approximately 6.10%, for an amount of €784 million.

Net long-term financial debt at 31 December 2008 was as follows:

	31/12/2008							31/12/2007	
	Currency	Contractual interest rate	Maturity	Nominal remaining due	Carrying amount (excluding accrued interest not matured)	Accrued interest not matured	Total	Nominal remaining due	Carrying amount
Bonds	**EUR**			**1,625.0**	**1,712.0**	**44.1**	**1,756.1**	**1,625.0**	**1,673.5**
ASF Bond issue	EUR	5.6%	July-2022	1,575.0	1,662.1	43.9	1,706.0	1,575.0	1,623.4
ASF Private placement	EUR	Euribor 3 months +0.75%	Sept-2027	50.0	49.9	0.2	50.1	50.0	50.1
Inflation-linked loan	EUR			391.2	391.2	6.7	397.9	377.8	383.7
ASF - CNA 2001	EUR	3.9% + i (*)	July-2016	391.2	391.2	6.7	397.9	377.8	383.7
Other bank loans and other financial debt	**EUR**			**7,343.0**	**7,396.2**	**186.4**	**7,582.6**	**8,257.8**	**8,523.9**
CNA loans				**4,674.4**	**4,746.5**	**152.6**	**4,899.1**	**5,458.2**	**5,692.1**
ASF - CNA 1998	CHF	5.4%	Feb-2008					301.1	295.8
Escota - CNA 1993	EUR	8.0%	March-2008					15.2	16.2
ASF and Escota - CNA 1996/1997	EUR	6.0%	Nov-2008					298.8	303.3
ASF and Escota - CNA 1995	EUR	7.4%	Nov-2008					168.8	169.8
ASF and Escota - CNA 1994/1997	EUR	6.0%	Jan-2009	137.2	137.4	7.7	145.1	137.2	145.1
ASF and Escota - CNA 1996	EUR	6.8%	July-2009	176.8	176.8	5.6	182.4	176.8	182.1
ASF - CNA 1995	EUR	7.5%	Sept-2009	152.4	152.4	2.9	155.3	152.4	155.2
ASF and Escota - CNA 1996	EUR	6.7%	Feb-2010	153.9	153.7	9.4	163.1	153.8	162.9
ASF and Escota - CNA 1998	EUR	4.5%	April-2010	502.4	499.6	15.6	515.2	502.4	513.0
ASF and Escota - CNA 1995	EUR	7.5%	June-2010	66.5	66.3	2.6	68.9	66.5	68.7
ASF and Escota - CNA 1997 to 2001	EUR	5.9%	June-2011	498.5	507.9	16.8	524.7	498.5	529.7
ASF and Escota - CNA 1996	EUR	6.7%	Sept-2011	68.6	68.4	1.4	69.8	68.6	69.8
ASF and Escota - CNA 1997 to 2000	EUR	5.8%	Oct-2012	405.9	406.1	4.6	410.7	405.9	410.9
ASF and Escota - CNA 1998/2001	EUR	5.9%	March-2013	397.7	410.7	18.0	428.7	397.7	432.5
ASF - CNA 1999/2002	EUR	4.4%	May-2014	450.0	435.4	12.3	447.7	450.0	445.2
ASF - CNA 2000/2001	EUR	6.0%	Oct-2015	382.5	415.0	4.2	419.2	382.5	420.1
ASF and Escota - CNA 2002	EUR	5.3%	Jan-2017	532.0	529.0	25.7	554.7	532.0	554.4
ASF - CNA 2004/2005	EUR	4.5%	March-2018	750.0	787.8	25.8	813.6	750.0	817.4
CNA/EIB loans	**EUR**			**1,184.2**	**1,187.8**	**28.0**	**1,215.8**	**1,184.1**	**1,215.8**
ASF - CNA/EIB 1998	EUR	4.6%	Dec-2010	95.3	95.3	0.3	95.6	95.3	95.6
ASF - CNA/EIB 2001	EUR	5.1%	Oct-2011	70.0	70.0	0.6	70.6	70.0	70.7
Escota - CNA/EIB 2002	EUR	6.2%	April-2013 to 2015	142.8	143.8	6.5	150.3	142.7	149.3
Escota - CNA/EIB 1998	EUR	4.8%	Dec-2013	8.5	8.5		8.5	8.5	8.6
ASF - CNA/EIB 1999	EUR	5.6%	Dec-2014	160.0	161.4	0.6	162.0	160.0	162.6
Escota - CNA/EIB 2000	EUR	6.0%	Dec-2014	20.0	20.0	0.1	20.1	20.0	20.1

	31/12/2008								31/12/2007	
	Currency	Contractual interest rate	Maturity	Nominal remaining due	Carrying amount (excluding accrued interest not matured)	Accrued interest not matured	Total		Nominal remaining due	Carrying amount
ASF - CNA/EIB 2002	EUR	6.2%	April-2015 to 2017	412.6	412.6	18.7	431.3		412.6	431.4
ASF - CNA/EIB 2000	EUR	6.1%	Dec-2015	70.0	71.2	0.3	71.5		70.0	71.6
ASF - CNA/EIB 2000	EUR	Euribor 3 months	Dec-2015	53.0	53.0	0.1	53.1		53.0	53.1
ASF - CNA/EIB 2001	EUR	5.1%	Nov-2016	75.0	75.0	0.4	75.4		75.0	75.4
ASF - CNA/EIB 2001	EUR	5.1%	Nov-2016	77.0	77.0	0.4	77.4		77.0	77.4
EIB loans	**EUR**			**500.0**	**481.9**	**3.9**	**485.8**		**250.0**	**253.6**
ASF - EIB 2005	EUR	3.8%	May-2012 to 2025	150.0	150.0	3.4	153.4		150.0	153.4
ASF - EIB 2005	EUR	3.8%	Dec-2012 to 2025	100.0	100.0	0.2	100.2		100.0	100.2
ASF - EIB 2008	EUR	Euribor 3 months +0.36%	June-2014 to 2028	250.0	231.9	0.3	232.2			
Other loans	**EUR**			**10.6**	**10.6**		**10.6**		**14.7**	**14.7**
Other loans	EUR		2008						4.1	4.1
Other loans	EUR		2009 to 2010	10.6	10.6		10.6		10.6	10.6
Credit facilities	**EUR**			**973.8**	**969.4**	**1.9**	**971.3**		**1,350.8**	**1,347.7**
ASF Revolving credit	EUR	Euribor 1-3 months +0.125%	July-2012	218.0	218.0	1.7	219.7		495.0	496.3
ASF Revolving credit	EUR	Euribor 1-3 months +0.225%	Dec-2013						100.0	96.5
ASF Term Loan	EUR	Euribor 1 month +0.225%	Dec-2013	755.8	751.4	0.2	751.6		755.8	754.9
Long-term financial debt				**9,359.2**	**9,499.4**	**237.2**	**9,736.6**		**10,260.6**	**10,581.1**

(*) i: inflation rate.

C.15.2 Management of liquidity risk

The Group's policy is to maintain a high level of liquidity available at any time to meet its existing and future commitments.

Details of the Group's liquidity position at 31 December 2008 are given in Note C.15.2.4 *Liquidity position*.

C.15.2.1 Maturity of financial debt and associat ed interest payments

At 31 December 2008, the average maturity of the Group's medium and long-term financial debt was 6.9 years, compared with 7.2 years at 31 December 2007).

The ASF Group's financial debt at redemption value and the associated interest payments, on the basis of crystallisation of the interest rates at 31 December 2008, break down as follows, by maturity date:

(in € millions) Position at 31 December 2008	Carrying amount	Capital and interest cash flows	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Bonds						
Capital	(1,756.1)	(1,625.0)				(1,625.0)
Interest payment cash flows		(1,231.7)	(90.4)	(90.4)	(271.2)	(779.7)
Inflation-linked loan						
Capital	(397.9)	(391.2)				(391.2)
Interest payment cash flows		(110.8)	(15.3)	(15.3)	(45.8)	(34.4)
Other bank loans and other financial debt						
Capital	(8,283.2)	(8,043.0)	(1,173.7)	(821.4)	(2,470.7)	(3,577.2)
Interest payment cash flows		(1,926.8)	(353.5)	(300.2)	(651.0)	(622.1)
Bank overdrafts						
Financial current accounts, liabilities						
I Financial debt	**(10,437.2)**	**(13,328.5)**	**(1,632.9)**	**(1,227.3)**	**(3,438.7)**	**(7,029.6)**
Financial current accounts, assets						
Current cash management assets	1.8					
Cash equivalents	111.5					
Cash	14.0					
II Financial assets	**127.3**					
Interest rate derivatives - liabilities	(151.2)	(235.4)	(17.3)	(17.3)	(51.8)	(149.0)
Interest rate derivatives - assets	142.6	246.1	28.4	23.6	67.1	127.0
III Derivative financial instruments	**(8.6)**	**10.7**	**11.1**	**6.3**	**15.3**	**(22.0)**
Net financial debt (I + II + III)	**(10,318.5)**	**(13,317.8)**	**(1,621.8)**	**(1,221.0)**	**(3,423.4)**	**(7,051.6)**
Trade payables	**66.7**	**66.7**	**66.7**			

C.15.2.2 Net cash managed

Net cash managed, including cash management financial assets, breaks down as follows:

(in € millions)	31/12/2008	31/12/2007
Cash equivalents	**111.5**	**66.0**
Marketable securities and mutual funds (UCITS)	111.5	59.1
Negotiable debt securities and bonds with an original maturity of less than 3 months		6.9
Cash	**14.0**	**11.9**
Bank overdrafts		**(0.8)**
Net cash	**125.5**	**77.1**
Current cash management financial assets	**1.8**	**1.2**
Negotiable debt securities and bonds with an original maturity of less than 3 months	1.8	1.2
Net cash managed	**127.3**	**78.3**

Cash surpluses are managed with the objective of earning a return close to that of the money market, avoiding risks to capital while maintaining a low level of volatility through a performance and risk monitoring system. The investment vehicles used by the Group are mainly mutual funds (UCITS) and negotiable debt securities (in particular short-term notes issued by banks (*bon de caisse*) and other such securities. They are measured and recognised at their fair value (see Notes A.3.19 *Cash management financial assets* and A.3.20 *Cash and cash equivalents)*.

C.15.2.3 Credit facilities

The ASF Group has a syndicated credit facility of €1 billion maturing in 2012, subject to various financial covenants described in Note C.15.2.5 *Financial covenants* set up by an addendum in February 2006 in the context of its privatisation. On 18 December 2006, ASF also took out a 7-year credit facility with a bank syndicate for a total of €3.5 billion comprising €2 billion in the form of a revolving credit and €1.5 billion in the form of a term loan, reduced in 2007 to €756 million. This is subject to ratios equivalent to those applying to the CNA loans.

These facilities have in particular contributed to the financing of the exceptional dividend paid by ASF in January 2007.

Their use was reduced to €1.35 billion at 31 December 2007 and to €974 million at 31 December 2008 of which €218 million were drawned from the revolving credit facility with the maturity of 2012.

Lastly, ASF signed a finance agreement with the European Investment Bank (EIB) in December 2007 for €250 million. This line was drawn down in full in June 2008.

The maturities of the ASF Group's revolving credit lines were as follows at 31 December 2008:

(in € millions)	Maturity	Amount used at 31 December 2008	Amounts authorised at 31 December 2008	Maturity: Within 1 year	Maturity: Between 1 and 5 years	Maturity: After 5 years
Revolving credit facility	21/07/2012	218	1,000		1,000	
Revolving credit facility	18/12/2013		2,000		2,000	
Total		**218**	**3,000**		**3,000**	

C.15.2.4 Liquidity position

Taking account of net cash managed (€127.3 million) and unused credit facilities (€2.78 billion), the Group's liquidity position at 31 December 2008 was €2.91 billion, covering more than three years of the ASF Group's requirements for refinancing of its existing debt.

C.15.2.5 Financial covenants

Some financing agreements include default clauses applicable in the event of non-compliance with the financial ratios below:

<table>
<tr><th>(in € millions)</th><th>Finance agreements</th><th>Authorised amounts</th><th>Amounts used</th><th>Ratios (1)</th><th>Values</th><th>Levels at 31 December 2008</th></tr>
<tr><td rowspan="6">ASF</td><td rowspan="2">CNA</td><td rowspan="2">6,249.8</td><td rowspan="2">6,249.8</td><td>Consolidated net financial debt to consolidated Ebitda</td><td><7</td><td>5.4</td></tr>
<tr><td>Consolidated Ebitda to consolidated financial expenses</td><td>>2,2</td><td>3.5</td></tr>
<tr><td>Syndicated term loan</td><td>755.8</td><td>755.8</td><td rowspan="2">Consolidated net financial debt to consolidated cash flow from operations before tax and financing costs</td><td rowspan="2">equal to or less than 7</td><td rowspan="2">5.4</td></tr>
<tr><td>Syndicated credit line 2013</td><td>2,000.0</td><td></td></tr>
<tr><td rowspan="2">Syndicated credit line 2012</td><td rowspan="2">1,000.0</td><td rowspan="2">218.0</td><td rowspan="2">Consolidated cash flow from operations before tax and financing costs to consolidated financial expenses</td><td rowspan="2">> 2,2</td><td rowspan="2">3.5</td></tr>
<tr></tr>
</table>

(1) Ebitda = gross operating profit defined as the difference between operating income and operating expenses excluding depreciation, amortisation and provisions.

C.15.2.6 Credit ratings

At 31 December 2008, the Group's ratings were as follows:

Agency	Long-term	Outlook	Short-term
Standard & Poor's	BBB+	Stable	A2
Moody's	Baa1	Stable	

On 5 September 2008, Standard & Poor's altered its rating of VINCI Group entities, including ASF from outlook negative to outlook stable.

C.16. Management of financial risks

The following disclosures present the Group's exposure to each of its financial risks, its objectives, its policy and its procedures to measure and manage the risks.

Given the high level of its net financial debt and the associated financial income and expense, the ASF Group has instituted a system to manage and monitor the various financial risks to which it is exposed, principally interest rate risks.

The management and limiting of these financial risks at ASF is mainly done by the Group's Finance Department, in accordance with the management policies agreed by the corporate management bodies and under the rules set out in the VINCI Group Treasury and Finance guidelines. Responsibility for identifying, measuring and hedging the financial risks lies with the Treasury committee, which meets at least once a month.

In order to manage its exposure to market risks, the Group uses derivative financial instruments which are recognised in the balance sheet at their fair value.

At the balance sheet date, the fair value of derivative financial instruments breaks down as follows:

	31/12/2008				
(in € millions)	Non-current asset	Current asset	Non-current liability	Current liability	Net
Interest rate derivatives: fair value hedges	90.3	10.1			100.4
Interest rate derivatives: cash flow hedges		0.1	(105.2)	(4.1)	(109.2)
Interest rate derivatives not designated as hedges for accounting purposes		42.1		(41.9)	0.2
Interest rate derivatives *(1)*	90.3	52.3	(105.2)	(46.0)	(8.6)
Total derivative financial instruments	**90.3**	**52.3**	**(105.2)**	**(46.0)**	**(8.6)**

(1) Fair value of derivatives (current part) including accrued interest not matured.

	31/12/2007				
(in € millions)	Non-current asset	Current asset	Non-current liability	Current liability	Net
Interest rate derivatives: fair value hedges	8.1	10.8			18.9
Interest rate derivatives: cash flow hedges	18.5	0.2	(2.4)		16.3
Interest rate derivatives not designated as hedges for accounting purposes		29.9		(21.0)	8.9
Interest rate derivatives *(1)*	26.6	40.9	(2.4)	(21.0)	44.1
Foreign currency derivatives not designated as hedges for accounting purposes				(19.7)	(19.7)
Foreign currency derivatives *(1)*				(19.7)	(19.7)
Total derivative financial instruments	**26.6**	**40.9**	**(2.4)**	**(40.7)**	**24.4**

(1) Fair value of derivatives (current part) including accrued interest not matured.

C.16.1 Interest rate risk

Interest rate risk is managed with two timescales: the long term, aiming to ensure and optimise the concession's economic equilibrium, and the short term, with an objective of optimising the average cost of debt depending on the situation in financial markets and within the budget framework.

Over the long term, the objective is to maintain over time a breakdown between fixed and floating-rate that can change depending on the debt level, measured by the ratio of net debt to cash flows from operations before tax and financing costs.

To hedge its interest rate risk, the Group uses derivative financial instruments in the form of options and swaps of which the start may be deferred. These derivatives are designated as hedges or not, in accordance with the IFRS, but correspond to economic hedges.

The tables below show the breakdown at 31 December of long-term debt between fixed rate, capped floating-rate, and inflation linked, and the part at floating-rate before and after taking account of derivative financial instruments:

	Breakdown between fixed and floating rate before hedging										
	Fixed			Inflation-linked			Floating			Total	
(in € millions)	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt *(1)*	Rate
ASF	6,905.7	80%	5.43%	391.2	5%	4.02%	1,304.1	15%	3.14%	8,601.0	5.02%
Escota	804.2	100%	5.80%							804.2	5.80%
At 31 December 2008	**7,709.9**	**82%**	**5.47%**	**391.2**	**4%**	**4.02%**	**1,304.1**	**14%**	**3.14%**	**9,405.2**	**5.08%**
At 31 December 2007	**8,494.0**	**82%**	**5.59%**	**377.8**	**4%**	**5.21%**	**1,448.3**	**14%**	**4.70%**	**10,320.1**	**5.45%**

	Breakdown between fixed and floating rate after hedging										
(in € millions)	Fixed			Capped floating and inflation-linked			Floating			Total	
	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt	Proportion	Rate	Debt *(1)*	Rate
ASF	7,172.9	83%	5.11%	1,242.5	14%	3.84%	185.6	2%	3.65%	8,601.0	4.89%
Escota	804.2	100%	5.80%							804.2	5.80%
At 31 December 2008	**7,977.1**	**85%**	**5.18%**	**1242.5**	**13%**	**3.84%**	**185.6**	**2%**	**3.65%**	**9,405.2**	**4.97%**
At 31 December 2007	**8,044.3**	**78%**	**5.50%**	**2,275.8**	**22%**	**4.59%**				**10,320.1**	**5.30%**

(1) 2008: Long-term financial debt at amortised cost + accrued interest not matured + impact of fair value hedges: 9,405.2 + 237.2 + 94.2 = €9,736.6 million.

(2) 2007: Long-term financial debt at amortised cost + accrued interest not matured + impact of fair value hedges: 10,320.1 + 249.3 + 11.7 = €10,581.1 million.

C.16.1.1 Sensitivity to interest rate risk

The Group's profit or loss is exposed to changes in interest rates arising from:

- cash flows on financial instruments after hedging transactions (non-derivatives and derivatives) that are at floating rate;
- fixed rate financial instruments recognised in the balance sheet at fair value through profit or loss;
- derivative financial instruments that are not designated as hedges. These transactions mainly comprise net purchase option positions with a maturity of less than 5 years of which the maximum loss over the life of the transaction is equal to the premium paid.

Moreover, the fluctuation in the value of derivatives designated as hedges does not have a direct impact on profit or loss and is deferred in equity.

The analysis below has been prepared assuming that the amounts of financial debt and derivatives at 31 December 2008 remain constant over one year.

The consequence of a variation in interest rates of 50 basis points at the balance sheet date would have been an increase (decrease) of equity and pre-tax profit for the amounts shown below. For the purposes of this analysis, all other variables, in particular exchange rates, are assumed to remain constant.

		31/12/2008			
		Profit or loss		Equity	
(in € millions)	Note	Impact of sensitivity computation +50 bp	Impact of sensitivity calculation -50 bp	Impact of sensitivity calculation + 50 bp	Impact of sensitivity calculation - 50 bp
Floating rate debt after hedging (accounting basis)		(7.1)	7.1		
Derivatives not considered for accounting purposes as hedges		1.8	(1.4)		
Derivatives designated as hedges of highly probable cash flows				32.7	(34.5)
Derivatives designated as hedges of contractual cash flows				24.0	(25.3)

C.16.1.2 Description of fair value hedges

At the balance sheet date, details of the instruments designated as fair value hedges were as follows:

	31/12/2008						
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities
Fixed receiver/floating payer interest rate swap				752.0	752.0	100.4	
Interest rate derivatives: fair value hedges				**752.0**	**752.0**	**100.4**	

	31/12/2007						
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities
Fixed receiver/floating payer interest rate swap				752.0	752.0	18.9	
Interest rate derivatives: fair value hedges				**752.0**	**752.0**	**18.9**	

These transactions hedge ASF's issues of fixed-rate bonds.

C.16.1.3 Description of cash flow hedges

At the balance sheet date, details of the instruments designated as cash flow hedges were as follows:

	31/12/2008						
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities
Floating receiver/fixed payer interest rate swap				850.0	850.0		(60.7)
Interest rate derivatives: hedging of highly probable forecast cash flows *(1)*				**850.0**	**850.0**		**(60.7)**
Floating receiver/fixed payer interest rate swap	555.8	355.8		418.0	1,329.6		(43.7)
FRA							
Interest rate options (caps, floors and collars)		200.0			200.0		(4.8)
Interest rate derivatives: hedging of contractual cash flows *(1)*	**555.8**	**555.8**		**418.0**	**1,529.6**		**(48.5)**
Total	**555.8**	**555.8**		**1,268.0**	**2,379.6**		**(109.2)**

(1) Fair value including accruals.

	31/12/2007						
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities
Floating receiver/fixed payer interest rate swap				865.0	865.0	17.6	(2.0)
Interest rate derivatives: hedging of highly probable forecast cash flows *(1)*				**865.0**	**865.0**	**17.6**	**(2.0)**
Floating receiver/fixed payer interest rate swap	273.0	455.8	100.0	50.0	878.8	1.2	(0.4)
FRA	1,064.0				1,064.0		
Interest rate options (caps, floors and collars)							
Interest rate derivatives: hedging of contractual cash flows *(1)*	**1,337.0**	**455.8**	**100.0**	**50.0**	**1,942.8**	**1.2**	**(0.4)**
Total	**1,337.0**	**455.8**	**100.0**	**915.0**	**2,807.8**	**18.8**	**(2.4)**

(1) Fair value including accruals.

The Group's exposure to the risks of variability in future interest payment cash flows is generated by the cash flows of floating-rate debts at 31 December 2008 and by the interest charges relating to future issues.

Hedging of contractual cash flows

The Group has set up interest rate swaps which serve to make interest payments on floating-rate debt fixed. The contractual cash flows under swaps are paid symmetrically with the interest cash flows on hedged loans; the amount deferred in equity is recognised through profit or loss in the period when the interest payment is recognised in profit or loss.

Hedging of highly probable cash flows

At 31 December 2008, the portfolio of deferred start swaps was €0.85 billion with maturities until 2019 enabling part of the interest payments on highly probable future borrowing to be fixed.

The following table shows the periods when the Group expects the cash flows associated with the deferred start swaps in place on 31 December 2008 to occur:

	Position at 31 December 2008				
		Expected cash flows			
(in € millions)	Total fair value	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Deferred start floating/fixed rate swap	**(60.7)**	**(38.1)**	**(22.6)**		

	Position at 31 December 2007				
		Expected cash flows			
(in € millions)	Total fair value	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Deferred start floating/fixed rate swap	**15.6**	**17.6**	**(1.9)**	**(0.1)**	

The following table shows the periods when the Group expects the amounts recorded in equity for the instruments designated as cash flow hedges to have an impact on profit or loss:

	Position at 31 December 2008				
(in € millions)	Amount before tax recognised in equity	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate derivatives designated for accounting purposes as hedges of contractual cash flows	(66.8)	(28.8)	(7.8)	(9.0)	(21.2)
Interest rate derivatives designated for accounting purposes as hedges of highly probable cash flows	(16.1)	1.1	(2.8)	(8.5)	(5.9)
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**(82.9)**	**(27.7)**	**(10.6)**	**(17.5)**	**(27.1)**

	Position at 31 December 2007				
(in € millions)	Amount before tax recognised in equity	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Interest rate derivatives designated for accounting purposes as hedges of contractual cash flows	0.6	0.4	0.2		
Interest rate derivatives designated for accounting purposes as hedges of highly probable cash flows	32.5	1.2	2.5	6.5	22.3
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**33.1**	**1.6**	**2.7**	**6.5**	**22.3**

C.16.1.4 Description of derivatives not designated as hedges

At the balance sheet date, details of the instruments not designated as hedges for accounting purposes were as follows:

	31/12/2008						
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities
Interest rate derivatives not designated as hedges for accounting purposes *(1)*	253.2		575.0	100.0	928.2	42.2	(42.0)

(1) Fair value including accruals.

	31/12/2007						
(in € millions)	Within 1 year	Between 1 and 2 years	Between 3 and 5 years	After 5 years	Notional	Fair value, assets	Fair value, liabilities
Interest rate derivatives not designated as hedges for accounting purposes *(1)*	645.9	398.7	1,525.3	400.0	2969.9	29.8	(21.0)

(1) Fair value including accruals.

These transactions are mainly mirror swaps (which generate no risk of fluctuation of fair value in the income statement), swaps or short-maturity options. They enable the level of hedging to be adjusted taking account of the market situation.

C.16.2 Foreign currency exchange rate risk

C.16.2.1 Nature of the Group's risk exposure

The Group's operations are mainly located in France. Transactions outside the eurozone are generally financed in local currency.

Nevertheless, ASF may find itself exposed to foreign exchange risk whenever, exceptionally, financing is realised in foreign currencies. This risk is generally hedged by cross currency swaps. At 31 December 2008, ASF no longer had any debts denominated in foreign currency.

C.16.2.2 Breakdown of long-term debt by currency

Debt breaks down as follows by currency:

	31/12/2008		31/12/2007	
(in € millions)	Amount	Percentage	Amount	Percentage
Euro	9,736.6	100.0%	10,285.3	97.2%
Swiss franc			295.8	2.8%
Total long-term borrowings	**9,736.6**	**100.0%**	**10,581.1**	**100.0%**

C.16.3 Credit risk and counterparty risk

The ASF Group is exposed to credit risk in the event of default by customers. It is exposed to counterparty risk in respect of its investments of cash, and acquisition of negotiable debt securities, marketable securities, financial receivables and derivative financial instruments.

ASF applies procedures put in place by VINCI Group to avoid the concentration of credit risk and to limit it.

Trade receivables

Regarding its exposure to trade receivables risk, ASF considers that the concentration of credit risk connected with trade receivables is extremely limited because of the large number of customers.

Financial instruments

Cash investment transactions are conducted with financial establishments that have a very good credit rating. The Group has set up a system of counterparty limits to manage its risk.

This system allocates maximum risk amounts by counterparty, defined taking account of their credit ratings as published by Standard & Poor's, Moody's and Fitch IBCA.

These limits are regularly monitored and updated by the Group Finance Department at Treasury Committee meetings on the basis of a quarterly, consolidated report.

C.17. Other information on financial instruments

Carrying amount and fair value by accounting category

The following table shows the fair value of financial assets and liabilities, and the carrying amount in the balance sheet, by accounting category as defined in IAS 39:

31/12/2008	Accounting categories *(1)*							Measured at fair value			
(in € millions) Balance sheet headings and classes of instrument	Financial instruments at fair value through profit or loss (trading)	Derivatives designated as hedges for accounting purposes	Assets at fair value through profit or loss (fair value option)	Available-for-sale financial assets	Loans and receivables	Liabilities at amortised cost	Total carrying amount for the class	Listed prices	Internal model based on observable factors	Internal model not based on observable factors	Fair value of the class
Investments in subsidiaries and affiliated companies				3.9			**3.9**	3.3	0.6		**3.9**
I - Non-current financial assets				**3.9**			**3.9**	**3.3**	**0.6**		**3.9**
Interest rate derivatives: fair value hedges		100.4					**100.4**		100.4		**100.4**
Interest rate derivatives not designated as hedges for accounting purposes	42.2						**42.2**		42.2		**42.2**
II - Derivative financial instruments - assets	**42.2**	**100.4**					**142.6**		**142.6**		**142.6**
III - Trade receivables					**332.0**		**332.0**		**332.0**		**332.0**
Cash management financial assets not cash equivalents			1.8				**1.8**		1.8		**1.8**
Cash equivalents			111.5				**111.5**		111.5		**111.5**
Cash			14.0				**14.0**		14.0		**14.0**
IV - Current financial assets			**127.3**				**127.3**		**127.3**		**127.3**
TOTAL ASSETS	**42.2**	**100.4**	**127.3**	**3.9**	**332.0**		**605.8**	**3.3**	**602.5**		**605.8**
Bonds						(1,756.1)	**(1,756.1)**	(1,609.5)			**(1,609.5)**
Inflation-linked loan						(397.9)	**(397.9)**		(397.9)		**(397.9)**
Other bank loans and other financial debt						(7,582.6)	**(7,582.6)**	(4,905.4) *(2)*	(3,232.6)		**(8,138.0)**

31/12/2008	Accounting categories *(1)*							Measured at fair value			
(in € millions) Balance sheet headings and classes of instrument	Financial instruments at fair value through profit or loss (trading)	Derivatives designated as hedges for accounting purposes	Assets at fair value through profit or loss (fair value option)	Available-for-sale financial assets	Loans and receivables	Liabilities at amortised cost	Total carrying amount for the class	Listed prices	Internal model based on observable factors	Internal model not based on observable factors	Fair value of the class
V - Non-current financial debt						**(9,736.6)**	**(9,736.6)**	**(6,514.9)**	**(3,630.5)**		**(10,145.4)**
Interest rate derivatives not designated as hedges for accounting purposes		(109.2)					**(109.2)**		(109.2)		**(109.2)**
Foreign currency derivatives not designated as hedges for accounting purposes	(42.0)						**(42.0)**		(42.0)		**(42.0)**
VI - Derivative financial instruments - liabilities	**(42.0)**	**(109.2)**					**(151.2)**		**(151.2)**		**(151.2)**
VII - Trade payables						**(66.7)**	**(66.7)**		**(66.7)**		**(66.7)**
Other current financial liabilities						(700.6)	**(700.6)**		(700.6)		**(1,401.2)**
Bank overdrafts											
VI - Current financial liabilities						**(700.6)**	**(700.6)**		**(700.6)**		**(1,401.2)**
TOTAL EQUITY AND LIABILITIES	**(42.0)**	**(109.2)**				**(10,503.9)**	**(10,655.1)**	**(6,514.9)**	**(4,549.0)**		**(11,063.9)**
Carrying amount of categories	**0.2**	**(8.8)**	**127.3**	**3.9**	**332.0**	**(10,503.9)**	**(10,049.3)**	**(6,511.6)**	**(3,946.5)**		**(10,458.1)**

(1) ASF Group does not hold any held to maturity assets at 31 December 2008;

(2) Listed prices from CNA's loans.

The fair value is determined either:

(i) on the basis of listed prices on an active market.

Whenever listed prices on an active market are available, these are used in priority in determining the market value. Marketable securities and some listed bond loans are measured in this way;

(ii) on the basis of internal measurement techniques using the usual mathematical calculation methods incorporating observable market data (forward rates, yield curves, etc).

Most derivative financial instruments (swaps, caps, floors, etc) are measured on the basis of models commonly used by market participants to price such financial instruments.

Every six months, the internally calculated values of derivative instruments are checked for consistency with the values sent to us by our counterparties.

C.18. Transactions with related parties

Transactions with related parties are:

- remuneration and similar benefits paid to members of the governing and management bodies;
- transactions with companies in which VINCI has significant influence or joint control. (These transactions are conducted at market prices).

C.18.1 Remuneration and benefits paid to members of the governing and management bodies

The remuneration of the Group's Company Officers is determined by the Board of Directors following proposals from the Remuneration Committee.

Aggregate remuneration and similar benefits paid to the members of governing bodies and the Group's Executive Committee, recognised as expenses in 2008 and 2007, break down as follows:

	Members of governing bodies and the Executive Committee	
(in € thousands)	31/12/2008	31/12/2007
Remuneration	2.3	2.5
Employer's social charges	3.5	1.2
Post-employment benefits	0.1	
Share-based payments	1.2	1.0
Total expense recognised	**7.1**	**4.7**
Provisions for retirement benefit obligations recognised	0.5	1.3

C.18.2 Transactions with the VINCI Group:

Transactions in the 2008 and 2007 between the ASF Group and the VINCI Group break down as follows:

(in € millions)	31/12/2008	31/12/2007
Concession fixed assets in progress	3.8	31.5
Trade receivables	0.7	0.6
Current tax asset	8.2	6.9
Cash management financial assets		2.4
Dividend payments	471.2	3,776.5
Trade payables	21.1	15.5
Other current payables		2.9
Tax liabilities payable	9.0	11.4
Current financial borrowings	700.6	4.5
Revenue and revenue from ancillary activities	22.8	2.6
Fees	13.5	11.5
Other external expenses	294.6	283.0

C.18.3 Other transactions with related parties

The information on equity-accounted companies is given in Note C.9.2 *Financial information on investments in associates*.

Transactions with other related parties mainly relate to transactions with companies in which the Group has a shareholding. Because of the inclusion in the consolidation scope as from 1 January 2008 of most of the companies in which the group has a holding, only 2007 data are presented, as 2008 data are not material.

(in € millions)	31/12/2007
Trade and other operating receivables	32.5
Trade payables	1.0
Current accounts	10.0
Miscellaneous debtors (TIS)	23.4
External expenses	4.1
Revenue and other income	109.6
Financial income	0.3

C.19. Employees and staff training rights

Number of employees at 31 December 2008 break down as follows:

	31/12/2008	31/12/2007
Management and supervisory	3,254	3,193
Office, technical and manual	3,524	4,074
Total *(*)*	**6,778**	**7,267**

(*) Number of employees excluding Radio Trafic FM (RTFM), Openly and Truck Etape.

The Act of 4 May 2004 gives employees of French businesses the right to a minimum of 20 hours of training a year, which can be carried forward and accumulated over a period of six years. Expenditure under this individual right to training is considered as an expense for the period and does not give rise to the recognition of a provision, other than in exceptional cases. The Group's employees had acquired rights to 627,009 hours of such training at 31 December 2008, (against 533,127 hours at 31 December 2007).

D. Post balance sheet events

Price increase on 1 February 2009

Motorway toll prices were increased on 1 February 2009 as follows:

For ASF, by 3.1% on average for vehicles in classes 1, 2 and 5 and by 3.7% on average for vehicles in classes 3 and 4.

For Escota, by 3.2% on average for vehicles in classes 1, 2 and 5, by 4.17% on average for vehicles in class 3 and by 4.98% on average for vehicles in class 4.

Appropriation of 2008 earnings

The Board of Directors finalised the consolidated financial statements for the year ended 31 December 2008, on 25 February 2009. These financial statements will only become definitive when approved by the Shareholders General Meeting. A Resolution will be put to the Shareholders Ordinary General Meeting to pay a dividend of €1.54 per share in respect of this period and from available reserves and unappropriated earnings, for a total amount of €355,706,121.54 from which will be deducted the interim dividend paid by the Board of Directors on 28 August 2008 of €0.54 per share for a total amount of €124,728,120.54 making a final dividend remaining to pay of €1 per share, an amount of €230,978,001.

Private placement under the EMTN programme

On 16 February 2009, ASF made a private placement of an inflation-linked 10-year loan of €200 million as part of its EMTN programme.

Concession fee

The 2009 Amending Finance Act adopted an overall increase of €200 million in the amount of the dues paid to the State by all French motorway companies.

How this increase will be compensated for has not yet been determined with the French government as it should be in the light of Article 32 of ASF's and Escota's concession contracts, which provide that: *in the event of substantial modification or creation, after this concession contract comes into force, of taxes, levies or dues that are specific to motorway concession operating companies and that could seriously compromise the concession's financial equilibrium, the State, and the concession operating company will jointly agree, in the interest of continuity of the public service, what compensation should be considered*.

Economic stimulus plan

In the context of the French government's economic stimulus plan, the concession operating companies are working in liaison with government offices on defining a capital investment programme (additional to the investments provided for in their master plan) that are compatible with the "Grenelle" conference on the environment, in consideration for which, the concession operating companies would obtain an extension of the term of their concession contract.

E. Disputes and arbitration

Information on major risks is centralised by the legal department where an annual information form is prepared.

To the Company's knowledge, there is no exceptional event or litigation likely to affect substantially the business, financial performance, net assets or financial situation of the Group or the Company. In respect of the cases described below, provisions have been taken, where necessary, that the Company considers sufficient given the current state of affairs.

Various associations have petitioned against the granting of the A89 Balbigny – La Tour de Salvagny section, requesting the *Conseil d'État* (Council of State) to cancel the Minister of Transport's decision of 31 January 2006, and Rider No. 11 and its regulatory clauses.

The arguments put forward by the two associations are mainly based on two categories: misuse of procedure and non-compliance with European and Community law.

The petition having been made in February 2006, the *Conseil d'Etat's* hearing is planned for 27 March 2009.

Were the *Conseil d'État* to declare the decision of the Minister for transports and Rider 11 null and void, the Lyons to Balbigny section would be removed from the scope of ASF's concession.

ASF would suffer a loss in connection with the expenses already incurred for design and construction work already completed and in connection with the loss of expected profits over the remaining period of the concession agreement. ASF would therefore have grounds for claiming compensation for this loss from the State.

3 Report of the Statutory Auditors

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Report of the Statutory Auditors

Consolidated Financial Statements for the year ended 31 December 2008

To the Shareholders,

In accordance with our appointment as Statutory Auditors by your Shareholders General Meeting, we hereby report to you for the year ended 31 December 2008 on:

- the audit of the accompanying consolidated financial statements of Autoroutes du Sud de la France;
- the justification of our assessments;
- and the specific verification required by law.

The Board of Directors is responsible for the preparation of the consolidated financial statements. Our role is to express an opinion on these financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We have conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit in such a way as to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit consists in examining, by sampling or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. It also consists in assessing the accounting principles used, significant estimates made and the overall presentation of the financial statements. We believe that the information that we have collected provides a sufficient and appropriate basis for our opinion.

In our opinion, the consolidated financial statements for the period have been correctly prepared and give a true and fair view of the financial position, the assets and liabilities and the results of the operations of the group formed by the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.

Without bringing into question the opinion expressed above, we draw your attention to Notes A.1.2 and A.1.3 to the consolidated financial statements relating to the early application of the Amendment to IAS 20 on accounting for loans at subsidised rates of interest and IFRIC 12 on accounting for service concession arrangements.

II. Justification of our assessments

As required by article L.823-9 of the French Commercial Code regarding disclosure of the reasons for our conclusions, we inform you of the following:

- As stated in Note A.3.1, the ASF Group uses estimates prepared on the basis of information available at the time of preparing its consolidated financial statements, in a context of economic and financial crisis of which the scale and duration beyond 31 December 2008 cannot be accurately forecast.
- As stated in the first part of this report, Note A.1.2 to the consolidated financial statements describes the change in accounting policy during the year relating to the accounting for loans at subsidised rates of interest. In accordance with the provisions of the Amendment to IAS 20, this change of accounting policy has been applied prospectively to loans at subsidised rates of interest taken out during 2008. In assessing the accounting policies adopted by your company, we have examined the information given in this respect in Note A.1.2 in the consolidated financial statements.
- As stated in the first part of this report, Note A.1.3 to the consolidated financial statements describes the change in accounting policy during the year relating to the accounting for service concession arrangements. In accordance with IAS 8, the 2007 comparative information presented in the consolidated financial statements has been restated to take account of this change of accounting policy retrospectively. As a result, the comparative information is different from the published 2007 consolidated financial statements. In assessing the accounting policies adopted by your Company, we have examined the correct restatement of the 2007 consolidated financial statements and the related disclosures made in Note A.1.3 to the consolidated financial statements.

These conclusions were formed as part of our audit of the consolidated financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this report.

III. Specific procedures

We have also verified, as required by law, the information contained in the Group Management Report.

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

Paris La Défense and Neuilly-sur-Seine, the 26th February 2009

The Statutory Auditors

KPMG AUDIT	DELOITTE & ASSOCIÉS
KPMG S.A. Department Benoît LEBRUN	Thierry BENOIT

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not.
This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

4 Statement by the person responsible for the financial report

Person responsible for the annual financial report

Pierre Anjolras, Chief Executive Officer of ASF S.A.

Statement by the person responsible for the annual financial report

I certify that, to the best of my knowledge, the consolidated accounts for the year ended 31 December 2008 presented in the annual financial report have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the company and of the group formed by the companies included in the consolidated financial statements, and that the annual management report faithfully presents the important events that have occurred during 2008, their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties in respect of the financial year.

Rueil-Malmaison, 25 February 2009

Pierre Anjolras

CEO

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