COFIROUTE

# Financial Report 2008

A subsidiary of VINCI CONCESSIONS

# Contents


**02** **Report of the Board of Directors**
02 Management report
13 Report of the Chairman on internal control
20 Appendix: List of mandates and terms of office of Company Directors
27 Report of the Statutory Auditors on the report of the Chairman

**29** **Consolidated financial statements**
30 Consolidated balance sheet
32 Consolidated income statement
33 Consolidated cash flow statement
34 Statement of changes in consolidated equity
35 Notes to the consolidated financial statements
79 Report of the Statutory Auditors on the consolidated financial statements

**80** **Parent company financial statements**
80 Balance sheet
82 Income statement
83 Cash flow statement
84 Notes to the financial statements
93 Report of the Statutory Auditors

**94** **Persons responsible for the document**

# **Report of the Board** of Directors

## Management report

### 1. The Company's position and business during 2008

In a difficult economic climate, revenue rose 3.6% in 2008. The year saw the completion of the intercity network with the opening of the northern Angers bypass, bringing the network in service to the total of 1,100 km under concession.

The capital expenditure programme continued apace in accordance with the commitments in the 2004–2008 master plan, all of which were met. A new rider, signed with the government and approved by a decree in July, adjusted the limits of the concession near Angers to include the distributor roads and restrict the additional toll on either side of the new bypass section to €0.50. In return, Cofiroute has been authorised to apply a 0.41% price increase across the entire concession network on 1 February 2009 and 1 February 2010.

The schedule of works and testing on the A86 Duplex moved ahead with a view to opening VL1, the tunnel between Rueil and the A13 motorway, in the middle of 2009.

### 2. Traffic

Measured by number of kilometres travelled, traffic growth on a stable network varied widely.

During the first five months, traffic followed the trend observed in 2007 (up 1.7% on a stable network). From June to August, the strong increase in fuel prices caused a sharp decline in light vehicle traffic while heavy goods vehicle (HGV) traffic held steady. Starting in September, the deteriorating economic climate impacted on HGV traffic, with the decline accelerating at the end of the year, while light vehicle traffic improved slightly when fuel prices fell.

Over the full year, traffic increased 1.9% (light vehicles up 2.0%; heavy vehicles up 1.7%). Excluding new sections, which generated 3.3% growth, traffic on a stable network declined 1.4% (light vehicles down 1.4%; heavy vehicles down 1.3%).

### 3. Toll revenue

Tolls increased on 1 February 2008, in accordance with the concession contract and 2004–2008 master plan. The average increases were 1.94% for light vehicles (category 1) and 3.44% for heavy vehicles (category 4).

Based on network extensions and traffic and toll increases, toll revenue increased 3.6% to €1,055.2 million.

### 4. Construction of new sections and major maintenance work on the network in service

As part of the €3 billion capital expenditure programme for the period 2004–2008, Cofiroute invested €381 million in 2008, of which €82 million on road works and equipment for existing motorways.

#### 4.1. Duplex (€164 million)

Fire safety tests in the VL1 tunnel (Rueil–A13) demonstrated the efficiency of the ventilation system. The test and acceptance process for equipment and systems, especially the operation support system, continued with a view to opening the tunnel in the middle of 2009, after four months of dummy run operation.

Since the breakthrough of the VL2 tunnel (A13–Versailles) in August 2007, civil engineering work has intensified, with construction of the top and median slabs completed. The structures for the ventilation units, emergency shafts and communicating stairways are well advanced, and the installation of tunnel equipment is now under way.

**4.2. Extension of the intercity network (€106 million)**

In April 2008, Cofiroute opened the northern Angers bypass on the A11 four months ahead of schedule. This completes the motorway link between Paris and Nantes. The section includes the first tunnel (1.7 km) opened since the road tunnel safety directive came into force.

The opening of this 18 km section marked the end of the construction of the 1,100 km of intercity network in Cofiroute's concession contract and the entire intercity network is now in service.

**4.3. Improvement work on the network in service (€76 million)**

Cofiroute complied with the schedule set by the second master plan. At the end of 2008, the 934 new HGV parking spaces were all in service, as were the Vierzon toll station and A20/A71 interchange following their complete overhaul. Widening of the A71 between Orleans and Olivet, which includes doubling the lane capacity of the Loire Viaduct, started after the signature of the Declaration of Public Interest in late 2007.

Lastly, the quality of service improvement programme continued. Work carried out at all the rest areas along the A10 took environmental standards into consideration.

## 5. Network operation

**5.1. Eco-motorway**

Cofiroute has been reviewing its operation methods to take their environmental impact into consideration (see Business Overview, pages 22 to 39).

In 2008, the company's first carbon audit led to several actions being taken to reduce $CO_2$ emissions. The replacement of equipment and renovation of facilities take this concern into consideration and resulted in investments totalling €13 million: installation of reed filter wastewater treatment basins, deployment of selective waste sorting, eco-refurbishment of rest areas and implementation of high quality sound coatings.

Illustrating Cofiroute's commitment to the eco-motorway concept, two of its regional departments are preparing for ISO 14001 certification.

**5.2. Management of the emergency phone network**

At the request of the concession grantor, Cofiroute took over management of the emergency phone network previously managed by the police. Following gradual implementation during the first half of the year, communications from all emergency phones on the network are now channelled to a single call centre in Le Mans.

The emergency phone network's breakdown call centre received 42,000 calls, of which 35,041 were for breakdown assistance; the breakdown call centre did not deal with all calls from the emergency phone network until the end of May 2008. Including those dealt with by the police during the first half of 2008, the total number of calls was 51,100, of which 41,816 for breakdown assistance.

**5.3. Subscriptions and automation**

The inter-company HGV electronic toll collection system (TIS PL) has replaced the card-based system (CAPLIS). The migration to the new system went off smoothly and was completed in May 2008. At the end of 2008, 80% of HGV transactions were by TIS PL account holders, representing 13% of all transactions.

Electronic toll payment by Liber-t account holders for light vehicles was also up and totalled 24%.
At the end of 2008, of the 73 toll stations on the intercity network, 28 were partially automated (in particular for night operation) and 21 were entirely automated. Automated toll station operation is based on 64 terminals accepting all forms of payment. Supervision and customer assistance on this equipment are provided by three remote centres located at Sorigny, Le Mans North and Vivy. The capacity of the last two centres was boosted in 2008 to cope with the increased remote operation workload.
Across all customer categories, whether account holders or not, automated payments at the end of 2008 amounted to 67% of the total, representing year-on-year growth of 10%.

# 6. Safety

## 6.1. Customer safety initiatives

| Indicators | 2006 | 2007 | 2008 |
|---|---|---|---|
| Accident rate* | 24.97*** | 22.91 | 22.34 |
| Rate of personal injury accidents | 2.76 | 2.75 | 3.11 |
| Fatality rate | 0.32 | 0.25 | 0.37 |
| Serious injury rate** | 1.48 | 1.28 | 1.00 |

* Number of accidents/number of km travelled x $10^8$
** Fatality rate plus number of victims in hospital for more than 24 hours/number of km travelled x 108
*** Change in physical damage guidelines: the 2006 accident rate was reduced significantly after adjustment to bring it into line with other motorway operators

Although the accident rate remained stable in 2008, the fatality rate deteriorated substantially. The number of fatal accidents was down slightly (25 against 26 in 2007) but the number of people killed increased, with eight accidents causing more than one fatality. These included a coach accident on 23 May when seven people were killed and an accident on 8 May when three people in a light vehicle were killed.
The fall in the serious injury rate is attributable to a lower number of serious injuries in 2008 and a higher number of kilometres travelled due to the opening of new sections.
The analysis of accident "black spots" resulted in a safety barrier and rumble strip installation plan for sensitive areas.

## 6.2. Employee safety initiatives

During 2008, accident prevention initiatives focused on safety management at all levels.
The introduction of safety quarters of an hour throughout the concession underscored the commitment of managers in risk prevention. These special moments between supervisory staff and their teams sparked noteworthy emulation resulting in numerous improvements.
Working groups, made up of traffic officers and the other of toll collection staff, drafted two safety booklets aimed at both categories of employees. The drafting of two other booklets, one aimed at technicians and the other at all employees, began in the third quarter. At the same time, a safety test for toll collection staff was tried out in a regional division. The purpose of this test is to introduce, in particular in new hires, an understanding of risks run when working in a toll station. The test will be deployed in the first quarter of 2009.
As in 2007, every sector held an accident prevention seminar gathering together the entire supervisory team. The scorecard of the initiatives carried out since the start of the year and the resources required to press ahead with the drive to meet the "zero accident" objective were the main points debated in these seminars. Every regional division management team planned such seminars in 2009 for all personnel.
All these measures led to a 50% fall in frequency and severity rates from 2007, down from 22.36% to 10.83% (FR) and from 0.80% to 0.41% (SR).

# 7. Financing

A new €250 million loan was taken out with the European Investment Bank in 2008 in order to complete the financing of the Duplex A86. The credit was drawn in November, enabling the Company to redeem the 1997 €350 million bond that had reached maturity.

At 31 December, available cash resources amounted to €412 million while the €1,020 million syndicated loan was unused.

Net debt of €3,257 million is fixed-rate or hedged.

## 8. Research and development

Research and development work conducted by Cofiroute in 2008 was mainly in three areas:
➔ **customer information**
➔ **employee and customer safety**
➔ **future toll collection methods.**

### 8.1. Customer information

➔ Cofiroute is taking part in the EASYWAY/ARTS (Advanced Road Traffic in the South-West) programme, launched by the European Commission for the period 2007-2009. Spain, France and Portugal are participating in this project, which is aimed at giving motorway managers incentives to deploy road information exchange and dissemination systems and develop traffic management tools.
➔ Cofiroute has submitted a bid for the call for tenders launched by the CSA (the French Broadcasting Council) for the deployment of terrestrial digital radio in the cities located on the network operated by Cofiroute.
➔ In collaboration with ASF, an experiment has been launched on how to estimate and broadcast journey times. This relates to the busiest sections of the A10 and A11 motorways.

### 8.2. Employee and customer safety

➔ The European SAFESPOT project aims to devise, develop and test driver warning and assistance systems that use communications between vehicles, and between vehicles and the infrastructure. As part of this project, Cofiroute is in charge of the infrastructure sensing and platform sub-project called "Safety applications based on communication between the infrastructure and vehicles". After a design phase carried out in 2007, Cofiroute launched in 2008 the development of an application to warn motorists if non-recurring events occur in a motorway section.
➔ Cofiroute has been involved, since January 2008, in the ROSATTE project that seeks to include safety features in the digital cards of on-board navigation systems. These features are primarily regulatory or dynamic real-time speed limits. The latter are related to traffic, weather and pollution conditions.

### 8.3. Future toll collection methods

➔ Cofiroute has been a major player in the RCI (Road Charging Interoperability) project. It is aimed at foreshadowing the implementation of the European directive on interoperability of electronic road toll systems. The objective of this programme is to enable drivers to use a single on-board electronic toll payment device on all European road and motorway networks. As part of this initiative, a full-sized demonstration was carried out in 2008 in six countries in Europe and with as many different electronic toll payment systems. The operation, headed by Cofiroute, was a success.
The RCI project therefore provided an opportunity to use the data gathered during this trial run and draw a list of conclusions and recommendations for the European Commission with respect to the technical feasibility of toll system interoperability in Europe.
➔ Cofiroute started work in 2008 on the detailed design of a demonstrator of a "free flow" toll system on its network.
Lastly, Cofiroute continued to monitor the development of information and communication technology-based transport systems, commonly known as Intelligent Transportation Systems (ITS), and showcase its Research and Development work by taking part in several specialised colloquia.

## 9. Subsidiaries and affiliated companies

### 9.1. Cofiroute Participations

The net profit of Cofiroute Participations in 2008 totalled €693,000, breaking down into an operating loss of €6,000, net financial income of €790,000 and corporate tax of €91,000.

Net financial income primarily consisted in income arising under the cash management agreement with Cofiroute, for €218,000, a €57,000 payment due to a return to good fortune clause on a loan write-off, and investment income from subsidiaries: €507,000 paid by Cofiroute UK and €8,000 paid by Centaure Bretagne.

#### 9.1.1.United Kingdom

Under the Severn (Bristol) contract, Cofiroute UK recorded revenue of £1,044,000 and net pre-tax profit of £334,000.

2008 revenue of Le Crossing Company Ltd (LCC), owned by Cofiroute UK Ltd for 42.86% and Ringway Babtie Ltd for 57.14%, amounted to £27,155,000 and its net pre-tax profit totalled £1,727,000.

Overall, Cofiroute UK's 2008 net profit was £754,000.

#### 9.1.2. United States

Cofiroute Corporation, of which the operating subsidiary Cofiroute USA operates 91 Express Lanes in California and MnPASS in Minnesota, recorded revenue of $6,739,000, operating profit of $600,000 and net profit of $515,000.

### 9.1.3. Chile

OADB no longer has any operations in Chile and is being wound up.

### 9.1.4. France

Sera, the company operating the motorway radio station Autoroute FM, recorded revenue of €2,217,000 and net profit of €107,000 in 2008.

## 9.2. Cofiroute Services

Cofiroute Services, a partnership limited by shares whose only partner is Cofiroute, was created in 2008. Its remit is to identify the service operations Cofiroute wants to develop in the road and motorway sectors apart from those related to managing public motorway assets under concession.

## 9.3. Toll Collect

Toll Collect GmbH (TC) is a German company owned by Cofiroute (10%), Daimler Financial Services (DFS) (45%), and Deutsche Telekom (DT) (45%). It has a contract with the German federal government until 2015, with a possible extension to 2018.
Its purpose is to develop, finance and operate an automated toll payment service for heavy vehicles (over 12 tonnes), on the German federal motorway network. This system uses satellite technology to localise vehicles and mobile phone technology to effect transactions. Vehicles must be equipped with an OBU (On Board Unit). Users can also make manual reservations, at toll stations or on the Internet.

At 31 December 2008, Toll Collect covered 12,500 km of motorways and 42 km of trunk roads.

At 31 December 2008, 122,000 companies had registered 938,000 heavy vehicles with Toll Collect and 650,000 trucks were equipped with an OBU. The rate of foreign vehicles equipped with an OBU grew further, up to 38%, from 35% at 31 December 2007.

The Toll Collect system is working with noteworthy precision. The average rate of accuracy of identification of the automatic system of vehicles subject to the system has constantly stood at 99.75% since 2006, in other words it has significantly exceeded the 99% requirement set by the operating contract.

Tolls collected in 2008 exceeded €3.4 billion.

The main financial data for Toll Collect GmbH for its latest financial year (from 1 September 2007 to 31 August 2008) were as follows:

➜ Revenue €598 million
➜ EBIT €60 million
➜ Net profit after tax €37 million.

On 8 September 2004, the *Bund* initiated an arbitration procedure and is claiming €5,500 million from the consortium in penalties and loss of earnings due to the initial delays incurred by the project. The arbitration procedure is in progress. Whatever the outcome, there should be no impact on the financial statements of Cofiroute, which already reached the ceiling of its financial contribution to the project in December 2004 (an amendment to the consortium agreement, signed on 31 August 2004, confirmed the cap of €70 million on Cofiroute's financial contribution).

## 10. Consolidated financial statements

**10.1. Accounting policies and measurement methods**

The changes applied to methods are set out in the "Notes to the consolidated financial statements", paragraph A.

**10.2. Revenue**

Pursuant to IFRIC 12 on public service concession contracts, consolidated revenue now consists in operating revenue, i.e. toll receipts, and construction revenue, paid in exchange for building infrastructure facilities on behalf of the government.

Consolidated revenue for 2008 amounted to €1,077.1 million, up 3.7% from €1,038.5 million in 2007.
Construction revenue fell 36% to €272.4 million from €431.0 million in 2007, due to the end of the 2004-2008 master plan.
In cumulative terms, revenue amounted to €1,349.5 million, to be compared with €1,469.5 million in 2007.

**10.3. EBITDA**

EBITDA rose €36.4 million, or 4.9%, up to €774.7 million in 2008 from €738.3 million in 2007. This performance is accounted for by the cost-cutting policy implemented for several years and productivity gains achieved as a result of the extension of the network: EBITDA stood at 71.9% of operating revenue, versus 71.1% in 2007.

**10.4. Operating profit**

Operating profit from ordinary activities increased 1.1%, up to €578.4 million in 2008 from €572.4 million in 2007.

**10.5. Net financial income / (expense)**

Net financial expense grew to €81.4 million from €44.8 million in 2007. The sharp increase was mainly due to sections entering service during the year.
To manage its exposure to market risk such as those describe in the Notes to the Consolidated Financial Statements (see note C.18. *Management of financial risks)*, Cofiroute uses derivative financial instruments (see notes C.18. *Management of financial risks* and C.19. *Other information on financial instruments).*

**10.6. Net profit**

Income tax expense dropped €48.8 million to €92.3 million, although this fall was offset by growth in deferred tax.
Net profit fell €30.8 million, or 8.7%, to €323.9 million, from €354.7 million in 2007.

**10.7. Consolidated balance sheet**

Net borrowings amounted to €3,257 million at 31 December 2008 versus €3,259.6 million at 31 December 2007.

# 11. Parent company financial statements

### 11.1. Income statement

Revenue increased €38.9 million to €1,071.3 million.

New sections entering service led to an increase in depreciation and amortisation. Moreover, in line with the prudential principles applied to the consolidated financial statements, the manner in which the provision for major repairs is calculated was changed, and it accordingly increased.

By consequence, operating profit dropped to €414.1 million from €559.9 million in 2007, while net after-tax profit fell sharply to €231.5 million from €347.8 million in 2007.

### 11.2. Five-year financial summary

In accordance with Article R-225-102 of the French Code of Commerce, the following table shows your Company's results for each of the last five years.

| Type of information (in €) | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| **1 - Share capital at the end of the year** | | | | | |
| Share capital | 158,282,124 | 158,282,124 | 158,282,124 | 158,282,124 | **158,282,124** |
| Number of shares in issue | 4,058,516 | 4,058,516 | 4,058,516 | 4,058,516 | **4,058,516** |
| **2 - Operations and net profit for the year** | | | | | |
| Revenue | 862,302,082 | 888,641,281 | 954,322,153 | 1,032,325,137 | **1,071,256,114** |
| Net profit before tax, employee profit-sharing, depreciation and provisions | 535,894,862 | 565,329,850 | 616,717,540 | 693,281,042 | **701,429,095** |
| Income tax at 33.33% | 136,464,521 | 123,659,366 | 125,664,680 | 142,500,384 | **87,062,354** |
| Supplementary corporate income tax levies | 8,572,086 | 5,910,470 | 4,121,755 | 4,677,334 | **2,847,878** |
| Profit after tax and levies, employee profit-sharing, depreciation and provisions | 260,209,764 | 282,732,783 | 300,714,825 | 347,777,990 | **231,546,163** |
| Earnings distributed for the period | 138,557,736 | 150,368,018 | 162,827,662 | 188,315,142 | **188,315,142** |
| Long-term debts | 2,529,169,270 | 2,675,777,893 | 3,171,206,911 | 3,379,801,220 | **3,328,528,271** |
| Acquisition cost of concession | 4,977,305,322 | 5,791,342,487 | 6,620,339,868 | 7,275,087,662 | **7,730,580,700** |
| **3 - Profit stated per share** | | | | | |
| Profit after tax and employee profit-sharing, but before depreciation and provisions | 94.55 | 105.93 | 118.69 | 133.13 | **150.79** |
| Profit after tax, employee profit-sharing, depreciation and provisions | 64.11 | 69.66 | 74.09 | 85.69 | **57.05** |
| Dividend paid per share | 34.14 | 37.05 | 40.12 | 46.40 | **46.40** |
| **4 - Employees** | | | | | |
| Average number of employees during the period | 2,012 | 1,919 | 1,857 | 1,875 | **1,941*** |
| Wages and salaries | 59,271,947 | 61,312,198 | 61,334,791 | 61,974,320 | **64,134,064** |
| Social security costs and other social benefit costs | 27,309,005 | 27,845,224 | 27,984,504 | 28,552,087 | **29,537,573** |

* including the early retirement agreement (CATS)

### 11.3. Proposed appropriation of 2008 earnings

We propose that earnings be appropriated as follows:

| | |
|---|---:|
| Net profit available | €231,546,163 |
| Previously unappropriated earnings | €1,391,103,934 |
| Profit available for distribution | €1,622,650,097 |
| To statutory reserve | 0 |
| To payment of a dividend of | €188,315,142 |
| To unappropriated earnings | €1,434,334,955 |

The dividend we thus propose should be paid out corresponds to a dividend of €46.40 per share for each of the 4,058,516 shares.

As decided by the Board of Directors on 26 August 2008, an interim dividend of €37.65 per share, representing a total payment of €152,803,127, was paid on 28 November 2008.
We ask you to approve payment of a final dividend of €8.75 per share giving entitlement to the 40% allowance provided for in Article 158-3 of the French General Tax Code, as from 30 April 2009.

In application of Article 243 bis of the French General Tax Code, we remind you that dividends paid out in respect of each of the last three periods were as follows:

In respect of 2007
➔ dividends not giving an entitlement to the 40% allowance: €188,315,002.28
➔ dividends giving an entitlement to the 40% allowance: €139.20

In respect of 2006
➔ dividends not giving an entitlement to the 40% allowance: €162,827,541.56
➔ dividends giving an entitlement to the 40% allowance: €120.36

In respect of 2005
➔ dividends not giving an entitlement to the 50% allowance: €150,367,906.65
➔ dividends giving an entitlement to the 50% allowance: €111.15

Your Statutory Auditors will give you their conclusions on their audit and specific verifications required by law in their report, which we ask you to approve.

## 12. Social dialogue and environmental policy

**Social dialogue**
Social dialogue during the year led to the signature of two new agreements: the first on equal opportunities and diversity, and the second on jobs and skills planning (GPEC).

Furthermore, pay rises at 1 January 2009 were set by an agreement that was unanimously signed by trade unions on December 2008.

The early retirement agreement (CATS) signed by the government, UNEDIC and Cofiroute in December 2007 enables employees who have done over 15 years of shift work to retire between the ages of 52 and 57. By the end of 2008, 35 employees had asked to benefit from this measure; 150 employees are eligible to benefit from it during its five years of application (2008–2012). A provision has been made covering the total commitments.

**Environmental policy**
In 2008, Cofiroute formally set out its eco-motorway project: a motorway characterised by safety, conviviality and respect of the environment. As part of this approach, the Company has begun to set up an environmental management policy based on the principles of the ISO 14001 standard that completes what has already been achieved with regard to quality and safety.

Sustainable development reporting covers all of Cofiroute's operations and draws on a procedure that defines the measurement of sustainable development and the calculation of sustainable development indicators. Among the 130 indicators that are compiled, the following were noted for 2008:

➜ water consumption: 223,571 $m^3$ (city + drilling + head office)
➜ electricity consumption: Sectors = 20,065,325 kWh - Head office = 1,257,625 kWh
➜ fuel consumption: Sectors = 5,731.68 litres (petrol) and 1,830,432 litres (diesel)
Head office = 6,832 litres (petrol) and 385,197 litres (diesel)
➜ quantity of waste treated: 1,287.41 tonnes, (sectors, household-type waste)
➜ amount of the guarantee for pollution risks: €30 million.

## 13. Important post-balance sheet events

Interurban concession prices were raised on 1 February 2009, in accordance with the conditions stipulated by the concession contract.

## 14. Foreseeable trends in the Company's situation and outlook

Pursuant to its interurban network concession contract, Cofiroute raised its prices by 2.7% on 1 February 2009 (applicable to class 1 light vehicles) and by 5.4% for class 3 and 4 heavy vehicles.

## 15. Agreements covered by Article L. 225-38 of the French Code of Commerce

We also ask you to approve the agreements governed by Article L. 225-38 of the French Code of Commerce, correctly authorised by your Board of Directors during the period.

Your Statutory Auditors have been informed of these agreements, which they will describe in their special report.

## 16. Agreements covered by Article L. 225-39 of the French Code of Commerce

The list and purpose of these agreements relating to ordinary transactions conducted on normal terms has been communicated to your Statutory Auditors in accordance with Article L 225-39.

## 17. Share buy-back programme

As the Company's Shareholders General Meeting has not authorised any buy-backs of the Company's shares, no special report needs to be prepared.

## 18. Information on Company Officers

In accordance with paragraph 4 of Article L 225-102-1 of the French Code of Commerce, the list of each Company Officer's appointments and terms of office within the Company in 2008 is attached.

## 19. Remuneration of Company Officers

In accordance with Article L. 225-102-1 of the French Code of Commerce, we report to you below on the total remuneration and benefits of all kinds paid during the period to each Company Officer, by both the Company and the companies it controls as understood in Article L. 233-16 of the French Code of Commerce.

The following table shows payments and benefits of all kinds received during the period:

Mr Pierre Coppey, Chairman and Chief Executive Officer.

Ms Odile Georges-Picot, Senior Executive Vice-Chairman until 15 September 2008.

| **Remuneration granted to each Company Officer** | **Amounts in respect of 2008** | **Amounts in respect of 2007** |
|---|---|---|
| **Pierre Coppey – Chairman and Chief Executive Officer** | | |
| Fixed remuneration | €289,275 | |
| Variable remuneration (paid by VINCI in respect of his position held in 2007 as a VINCI Senior Executive Vice-Chairman) | €180,000 | |
| Benefit in kind | Company car | |

| **Odile Georges-Picot - Senior Executive Vice-Chairman until 15 September 2008** | | |
|---|---|---|
| Fixed remuneration | €136,795 | €158 400 |
| Variable remuneration | €70,000 | €80,000 |
| Remuneration in respect of her term of office as a Senior Executive Vice-Chairman | €300 | €3,600 |
| Benefit in kind | Company car | Company car |

| **Bonus shares allocated during the period to each Company Officer** | |
|---|---|
| **Shares allocated to Pierre Coppey by VINCI** | |
| Number and date of plan | 11 December 2007<br>2008 VINCI plan |
| Number of bonus shares | 14,000 |
| Valuation of shares according to the method used for the consolidated financial statements | €354,340 |
| Date of definitive acquisition | 2 January 2010 |
| Date of availability | 2 January 2012 |
| Performance-related conditions | Yes |

| **Share subscription or purchase options exercised during the period by each Company Officer** | |
|---|---|
| **Options exercised by Pierre Coppey** | |
| Number and date of plan | 7 September 2004<br>2004 VINCI plan |
| Nature of options | Subscription options |
| Number of options during the period | 204,180 |
| Exercise price | €20.18 |

Mr Pierre Coppey is a member of a supplementary retirement benefit scheme. Contributions to this scheme are covered by parent company VINCI SA.

No remuneration was paid to the other Directors in 2008 by Cofiroute. Messrs Xavier Huillard, Bernard Huvelin and Patrick Faure are also Company Officiers of VINCI SA, and information on their remuneration can be found in that company's report.
Lastly, following the recommendation by the Remuneration Committee, on 27 June 2008 the Board approved the introduction of Directors' fees from the beginning of the 2008 period for the benefit of Directors who are physical persons and are neither a Cofiroute employee, nor the employee of a company holding an equity stake in Cofiroute, of a maximum amount of €10,000.00 per year, paid pro rata to their attendance record at Board meetings.
If such Directors are furthermore members of the Audit Committee, they will be entitled to an additional maximum amount of €10,000.00 per year, paid pro rata to their attendance record at the meetings of this Committee.
These amounts were approved by the Company's Ordinary Shareholders Meeting on 26 August 2008.

In 2008, two Directors fulfilled these conditions and will be paid remuneration in 2009 pro rata to their attendance record at these Committees' meetings in 2008.

Lastly, note that Cofiroute refers to the Code of Corporate Governance for Listed Companies established by AFEP and MEDEF, subject to the observations found in the Chairman's report on corporate governance and internal control.

## 20. Powers granted in connection with capital increases

Pursuant to Article L225-100 subparagraph 7 of the French Code of Commerce, you will find hereafter a Table of the powers granted to the Board of Directors by the General Shareholders Meeting, in connection with capital increases, pursuant to Articles L225-129-1 and L225-129-2.

## 21. Elements susceptible to have an impact in the event of a takeover bid

Pursuant to Article L225-100-3 of the French Code of Commerce, we set out below the elements that are susceptible to have an impact in the event of a takeover bid.

We would like to point to your attention that Cofiroute's share capital at 31 December 2008 breaks down as follows:

| | |
|---|---|
| ➜ VINCI Concessions | 65.34% |
| ➜ Cofiroute Holding | 17.99% |
| ➜ Colas | 16.67% |

No part of the Company's share capital is owned by employees.

## 22. Observations of the Works Council

Pursuant to Article L2323-8 of the French Labour Code, all the documents made available at the General Shareholders Meeting are sent to the Works Council.

The Works Council had no observations to make on the Company's economic and social situation.

## 23. Report on internal control and Statutory Auditors' report

The report drafted by the Chairman of your Board of Directors, in compliance with the provisions of Article L. 225-37 of the French Code of Commerce, on the preparation and organisation of the Board's work and the internal control procedures put in place by the Company is an intrinsic part of the Management Report.
The Statutory Auditors describe their work in their report, which includes their observations on the Chairman's report.

**The Board of Directors**

# Report of the Chairman

and CEO on the composition of the Board of Directors, how its work is prepared and organised, and the internal control and risk management procedures

Pursuant to Article L.225-37 of the French Code of Commerce, the Chairman and Chief Executive Officer of Cofiroute has prepared this report on the composition of the Board of Directors, how its work is prepared and organised, any restrictions on the powers of senior management, and the internal control and risk management procedures set in place by the company.

## 1. Composition of the Board

At 31 December 2008, the Board of Directors of Cofiroute comprised eight members:
- Pierre Coppey;
- Xavier Huillard;
- Patrick Faure;
- Christian Saint-Etienne;
- Cofiroute Holding;
- Colas;
- VINCI Concessions;
- VINCI Construction.

Directors are appointed for six years.

In 2008, the Shareholders Meeting of 8 January confirmed the appointment of Mr Pierre Coppey as a Director and appointed Deloitte & Associés as Statutory Auditors, with Cabinet Beas being appointed alternate auditors.

Two Directors tendered their resignation to the Board of Directors in 2008:

➜ Sogepar, which was replaced by Mr Christian Saint-Etienne, who was co-opted to the Board on 25 February 2008;
➜ Mr Henri Stouff, who resigned as Director of Cofiroute on 23 June 2008 before being appointed permanent representative of VINCI Concessions.

The terms of office of Messrs Pierre Coppey, Patrick Faure, Christian Saint-Etienne and Xavier Huillard expire in 2009, as do those of Colas, VINCI Construction and VINCI Concessions.

On the basis of this composition, the proportion of independent Directors was increased by the appointment of Mr Christian Saint-Etienne, in line with the recommendations of the AFEP-MEDEF report.

## 2. Preparation and organisation of the Board of Directors' work

The Board of Directors meets regularly and Directors receive all the information necessary for their work and decisions before the meetings, in accordance with legal, regulatory and contractual provisions. Directors are also able to study all available information about the Company.

The Statutory Auditors are invited to attend Board meetings held to approve the interim and annual financial statements.

## 3. Potential restrictions on Senior Management's powers

➜ The Company decided to combine the function of Chairman and Chief Executive Office.
➜ No restrictions limit the full and complete exercise by the Chairman and Chief Executive Officer of his functions.
➜ In accordance with L.225-35 and R.225-38 of the French Code of Commerce, the Board of Directors authorised the Chairman and Chief Executive Officer, for a period of one year commencing on 18 December 2007, to grant guarantees and sureties in the Company's name up to a maximum of €100 million, any commitment above that amount requiring the authorisation of the Board. As an exception to these provisions, the Chairman and Chief Executive Officer is authorised to give unlimited guarantees and sureties in the Company's name to tax and customs authorities.
➜ In accordance with paragraphs 2 and 3 of Article L.228-40 of the French Code of Commerce, the Board of Directors authorised the Chairman and Chief Executive Officer, for a period of one year commencing on 18 December 2007, to make one or more issues of bonds within a maximum of €1 billion.

# 4. Organisation of internal control

## 4.1. The objectives of internal control

The aims of the internal control procedures applied within the Company are to:

➔ ensure that management acts, operations and employees' behaviour are consistent with the framework defined by the strategic directions laid down by the Company's governing bodies, the applicable laws and regulations, and by the Company's values, standards and internal rules;
➔ verify that the accounting, financial and management information given to the Company's governing body and third parties fairly presents the Company's position and business activity.

One of the objectives of the internal control system is to predict and manage risks arising from the Company's business activities and the risks of error and fraud, in particular in the areas of accounting and finance. In common with all control systems, it cannot provide an absolute guarantee that these risks have been totally eliminated.

## 4.2. Principles governing conduct and behaviour

### Decentralisation

The decentralisation of the Company's operational organisation to geographical sectors enables local management to take the necessary operational decisions rapidly.

### Delegation of authority

The Company's system for delegating authority is applied in compliance with the following principles as regards conduct and behaviour:

➔ strict adherence to the rules laid down by the Chairman and Chief Executive Officer, in particular as regards delegation, commitments and financial and accounting information;
➔ transparency and loyalty of employees towards their line management and staff departments. All managers must, in particular, inform their line managers of difficulties encountered in the performance of their duties. An integral part of operations managers' roles is to take decisions alone on matters falling within their area of competence but to handle these difficulties with the assistance, if necessary, of their line managers or staff departments;
➔ compliance with the laws and regulations in force in the countries where the Company operates;
➔ operations executives are responsible for communicating these principles by appropriate means (orally and/or in writing) and for setting an example;
➔ safety of people;
➔ a culture of financial performance.

### Safety and security of people and assets

The Quality, Safety and Environment (QSE) Department, which is separate from operations departments, is in charge of ensuring that the latter apply the Company's QSE policy.

### Internal guidelines

Internal control arrangements are based on several sets of guidelines:

➔ the rules the Company's employees must obey, which are set out mainly in the internal rules, complemented by internal memos and other documents issued by Senior Management or its representatives;
➔ an information technology charter, which informs users of the rules to be applied when using computers and other equipment made available to them with a view to ensuring greater security and reliability;
➔ a directive framing the general management powers delegated to managers by Senior Management.

## 5. The Company's operational organisation

The general organisation of the Company's internal control arrangements is based on:

➜ formalisation of the Company's strategy and decision-taking;
➜ management and monitoring of business activity;
➜ information to and coordination of the Company's various entities.

### 5.1. Corporate governance

The Company applies the Code of Corporate Governance for Listed Companies established by AFEP and MEDEF in December 2008 subject to the following observations or reservations:

➜ the Chairman and Chief Executive Officer has held an employment contract within the VINCI Group for over 10 years. This contract is covered by the collective bargaining agreement of the building and civil engineering industry; it does not include any contractual severance payment apart from the one set out in that agreement;
➜ recommendation no. 19 of AFEP and MEDEF in December 2008 concerning the termination of an employment contract in the event of appointment as a Company Officer is not applied because it is not aimed at employees of a group of companies when the employee is a Company Officer of a group subsidiary whether listed or not.

This code can be consulted on www.medef.fr.

**The Board of Directors**
The Board of Directors met four times during 2008, with an average attendance rate of 87.5%.

At the end of 2008, the Board assessed the composition and operation of the Board of Directors with the aid of questionnaires addressed to the Directors. The Directors emphasised the quality of the information supplied to the Board, both through the files provided and the quality of the briefings.
In accordance with its internal rules, the Board included a discussion on its own functioning as an agenda item for the meeting on 26 February 2009.

**The Remuneration Committee**
The Committee met on 12 December 2007 and 25 February 2008 to make proposals on the remuneration of Mr Stouff, Mr Coppey and Ms Georges-Picot. Its recommendations were adopted by the Board of Directors on 18 December 2007 and 25 February 2008.

**The Audit Committee**
The Audit Committee met twice in 2008 to examine the half-year and annual financial statements before they were presented to the Board of Directors on 15 February and 25 August 2008. The Committee also conducted a review of risks and unforeseen events: the Company's exposure to interest rate, ratings and financing risks, analysis of balance sheet provisions, monitoring of off-balance sheet commitments, and an overview of legal risks presented by the Statutory Auditors. Specific dossiers examined by the Statutory Auditors in 2008 included the IT emergency back-up plan, the audit of the financial information system and the resulting action plan.
The internal and external audit reports were presented to the Committee.

**The Technical and Financial Committee**
The Technical and Financial Committee, comprising shareholder representatives, met quarterly to examine the Company's operations and financial performance during the previous four months and the short-term outlook.

## 5.2. The Company's internal committees

**The Executive Committee**

The Executive Committee is an information, discussion, coordination and decision-making body. It meets every two weeks and comprises the Chairman and Chief Executive Officer and the Senior Managers.

**The Risks Committee**

Any significant financial and/or contractual commitment made by Cofiroute, as well as any investment not related to a renewable asset, is examined beforehand by the Risks Committee, which is chaired by the Chairman and Chief Executive Officer, who examines every aspect of Cofiroute's commitment (financial, technical, legal and other, guarantees, sureties and off-balance sheet commitments), the investment opportunity and its impact on the Company's financial statements. The Risks Committee met 10 times in 2008 and studied 18 dossiers.

## 5.3. Senior Management reviews

**Concession reviews**

Three concession reviews in 2008 examined compliance with Cofiroute's commitments under its master plan. A comprehensive report on the five years of the 2004–2008 master plan was submitted to the government in November 2008.

**Quality, safety and environment (QSE) reviews**

Management reviews study every year the results of the Company's QSE policy and set its future guidelines, on the basis of the audits carried out and an analysis of the operation processes and support processes.

The Company's QSE management system, including these management reviews, were certified ISO 9001 compliant: its motorway operation business was certified ISO 9001: 2000 compliant in January 2004. Cofiroute's certification was renewed on 5 December 2006 for three years. In December 2008, its tunnels operating business was included in the scope of certified operations following an audit carried out by Bureau Veritas Certification at the Angers centre in charge of operating the tunnel of the Northern Angers bypass on the A11 motorway.

**Project reviews**

All significant projects (construction, technical and development projects) in progress within the Company are periodically reviewed (at least once a year) during project reviews, in the presence of the Chairman and Chief Executive Officer and the managers involved. These reviews allow the decisions taken by the Risks Committee to be monitored regularly.

**Safety Committee**

Every two months, a Safety Committee chaired by the Chairman and Chief Executive Officer examines the implementation of the accident prevention action plan for the personnel.
Safety quarters of an hour have been introduced in all operational units.

## 5.4. Control processes

### 5.4.1.The accounting system

**The expenditure commitment system**

The Company's information and management system is based on SAP software. It comprises various functionalities, including accounting, management control, logistics, investment and capital expenditure management.

The following restrictions have been put in place:

➔ expenditure commitment (charges and investments) is authorised according to personalised thresholds, set within the software. This commitment is a sine qua non condition for the booking, and subsequent payment, of expenditure;
➔ the "payables accounting" function is ensured by the Company's various departments; however, the creation or modification of a supplier is centralised;
➔ the receivables booking and payment functions are separated;
➔ a permanent control function has been set up within the Accounting Department, which makes it possible to ensure via regular checks that procedures in force relative to the booking of expenditure and income are complied with.

Moreover, the SAP system keeps a chronology of inputs on a nominative basis: it is therefore always possible to find the name of the person who incurred an expense as well as the name of the person who approved it.

**Procedures followed to book revenue and expenditure**
Procedures to be followed by users of the accounting and management system have been formalised and are available for everybody on the Company's intranet.

A preliminary procedure before toll revenues are booked enables the control function to be separated from the production function: a cross control is carried out by the concerned departments (Finance Department, Operational Systems Department and Operations Department), giving rise to a monthly report.

**Preparation and control of accounting documents**
The Finance Department is in charge of preparing and validating the Company's half-yearly and annual financial statements, ensuring compliance with accounting policies and the procedures applied by the Company's various departments.

Every year, the Statutory Auditors are entrusted with a specific mission, as part of the control of procedures and compliance with accounting principles. In 2008, the mission related to the payroll.

### 5.4.2. Preparation and monitoring of budgets

The Management Control Department implements and co-ordinates the budgetary process for the entire Group. Every department's management inputs its budgetary proposals into the SAP system at the required dates. It drafts an explanatory memorandum that links budgetary proposals to business forecasts or identified risks and hazards.

The budget and two annual updates lead to a briefing and an analysis by every Group department in the presence of the Chairman and Chief Executive Officer and of the Chief Financial Officer. The budgets allocated to each department are then formally approved by General Management and regularly monitored throughout the year.

### 5.5. Reporting

**Reporting to General Management and shareholders**
The Finance Department reports the Company's revenue, key operating indicators and net debt to the Company's shareholders monthly. It also sends them:

➔ quarterly, half-year and annual accounts;
➔ financial forecasts for the current year (first version in November of the previous year followed by four updates during the year, in March, May, September and November);
➔ the three-year plan, which is reviewed annually.

**Reporting to the concession grantor**
Under its two concession contracts, the Concessions Department regularly reports on commitments to the concession granting authority.
In mid-2008, the Company submitted its 2007 financial statements and a report on the performance of each of its concession contracts. On 1 December 2008, Cofiroute also submitted a pro forma financial forecast for the inter-city network concession, and forecasts for the current and next two years for the A86 motorway. Cofiroute also submitted a specific report on the safety of its clients, employees and contractors working on the network. Lastly, progress in terms of improving procedures and studies covering work in progress on new sections are discussed in periodical meetings with representatives of government departments.

## 6. Risk management procedures

**Procedures relative to the preparation and processing of accounting and financial information for parent company and consolidated financial statements.**
The Finance Department, which reports to General Management, is in charge of producing and analysing the parent company and consolidated financial information, disseminated within and outside the Company. In particular, it is in charge of:

➔ the preparation, validation and analysis of interim and annual, parent company and consolidated, financial statements;
➔ the definition and monitoring of accounting procedures and the application of IFRS standards.

The Statutory Auditors help the Finance Department analyse and study transactions that are complex from an accounting point of view. The Statutory Auditors present their observations and comments to the Finance Department and to the Audit Committee at meetings held to examine the interim and annual financial statements before they are presented to the Board of Directors.

The Statutory Auditors obtain a representation letter signed by the Chairman and the Chief Financial Officer before signing their report.

**Procedures put in place in order to prevent and keep in check risks related to its operations.**
Operating the network in service is covered by internal and external procedures, set out in a "Technical and Operational Handbook". In particular, interventions to be launched when accidents occur are formally set out for every motorway of the network. Its purpose consists in defining and facilitating the coordination and the implementation of back-up measures. It ranges from coping with daily and minor serious events to serious mishaps when the Prefect has not decided to launch an emergency plan or Orsec Plan (the French generic emergency plan in the case of a disaster, when local resources are not sufficient).

There is an around-the-clock emergency procedure that covers the entire network. Under this procedure, operational employees man an around-the-clock crisis management cell, while General Management's around-the-clock availability is ensured by a member of the Executive Committee and a communication crisis cell can be reached at any time.
For the A86 project, a crisis management system has been set up by Cofiroute and Socatop to manage any important events affecting the site. Under these arrangements, operational crisis management is conducted by Socatop and crisis communication by Cofiroute.

**Procedures put in place in order to guarantee the Information System**
The Information System was audited in 2008. The recommendations found in the report are being implemented and a Head of Information System Security has been appointed. He reports to the Chairman and Chief Executive Officer.

## 7. Participation of shareholders in the General Shareholders Meeting

With respect to the participation of shareholders in the General Shareholders Meeting, the reader is referred to Title V of the corporate Articles of Association copied hereafter.

**TITLE V /General meetings**

**Article 21**
General Meetings are convened in the conditions set by the law.
The meetings take place on the date, time and place indicated in the notification to attend.

**Article 22**
General Meetings are made up of all the shareholders whose shares are fully paid up at that date, irrespective of the number of shares owned by each one of them.
Shareholders who participate in the meeting via videoconference or telecommunications means permitting their identification, the nature and conditions of application of which are determined by decree, are deemed to be present for the calculation of the quorum and of the majority.
In all the meetings, the owners of shares are entitled to attend the meeting or to be represented without any prior formalities, if their shares have been registered on the register of registered securities, five days at the latest before the date of the Meeting.
The Board of Directors has the right to reduce or to suppress this time limit.
The General Meetings are chaired: either by the Chairman or one of the Vice-Chairmen of the Board of Directors, or by a Director specially delegated to this end by the board. Failing that, the Meeting elects its Chairman itself.

**Article 23**
Ordinary or Extraordinary General Meetings, ruling in the legal conditions of quorum and of majority which govern them respectively, exercise the powers given to them by the laws in force.

**Article 24**
The resolutions of the General Meetings are recorded in minutes drawn up and kept in accordance with legal provisions.
Copies or abstracts of these minutes are validly certified either by the Chairman of the Board of Directors or by a Director fulfilling the office of General Manager. They may also be certified by the Secretary of the Meeting.
In the process of the liquidation of the Company, they are validly certified by a single liquidator.

## 8. Principles and rules set out to determine the remuneration and benefits in kind granted to Company Officers

With respect to Directors, the reader is referred to the information found in the Annual Report of VINCI SA.
With respect to Pierre Coppey, Chairman and Chief Executive Officer of Cofiroute, the reader is referred to the information found in the Management Report.

Pursuant to Article L225-37 of the French Code of Commerce, the publication of said information is mentioned in the Management Report.
Lastly, pursuant to the last subparagraph of Article L225-37 of the French Code of Commerce, the Report is approved by the Board of Directors.

## 9. Action plan to strengthen internal control

**List of initiatives carried out in 2008**
Measures undertaken in 2008 related to the following issues:

➔ overhauling the delegating of power and instructions between the Chairman and Chief Executive Officer and Senior Managers;
➔ in application of the recommendation issued after the Information Systems audit:
- appoint a Head of Information System Security;
- implement an IT back-up plan;
- test the implementation of the back-up plan;
- enhance the security policy for the SAP system;

➔ finalisation of the Operator Security Plan, as requested by the concession grantor from operators of facilities of critical importance, and obtaining clearance of the Plan from the regulating authorities;
➔ improving security on payment by credit cards;
➔ launching a drive to obtain ISO 14001 certification for operations;
➔ audit income reported by sub-concessionaires;
➔ monitoring audit (Bureau Veritas) of ISO 9001 certification.

In 2009, measures will relate in particular to the following issues:

➔ drawing up an analysis of risks related to the Information System; defining an overall Information System security policy based on the ISO 27001 and 27002 standards;
➔ pressing ahead with the programme aimed at ensuring compliance with the security standard for banking data (PCI-DSS) as part of an initiative coordinated by the ASFA;
➔ improving control of toll fraud;
➔ reinforcing the organisation and control of design and development of operational systems;
➔ obtaining ISO 14001 certification for the Anjou-Atlantique sector in the first half of 2009. The other sectors will be included in the scope covered by ISO 14001 before late 2010;
➔ renewing ISO 9001 certification version 2008;
➔ continuing the audit of income reported by sub-concessionaires.

# Appendix
## List of mandates and terms of office of Company Directors

### Mr Pierre Coppey
**Within the VINCI Group**

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| Arcour<br>French limited liability company *(Société Anonyme)*<br>with a Board of Directors<br>Nanterre | 1 cours Ferdinand de Lesseps,<br>92500 Rueil-Malmaison | Chairman<br>and Chief Executive<br>Officer<br>Director | Parent<br>company |
| Cofiroute Services<br>Partnership limited by shares<br>Nanterre | 6 -10 rue Troyon,<br>92310 Sèvres | Chairman of the Board | |
| Compagnie Financière<br>et Industrielle des Autoroutes<br>French limited liability company *(Société Anonyme)*<br>with a Board of Directors | 6 -10 rue Troyon,<br>92310 Sèvres | Chairman<br>and Chief Executive Officer<br>Director | Parent<br>company |
| Eurovia's corporate foundation<br>Corporate foundation | 18 place de l'Europe,<br>92565 Rueil-Malmaison | Director Qualified person | |
| VINCI<br>French limited liability company *(Société Anonyme)*<br>with a Board of Directors<br>Nanterre | 1 cours Ferdinand de Lesseps,<br>92500 Rueil-Malmaison | Member of the Management<br>and Coordination Committee | |
| VINCI Management<br>Partnership limited by shares<br>Nanterre | 1 cours Ferdinand de Lesseps,<br>92500 Rueil-Malmaison | Chairman of the Board | |

Pierre Coppey is also the Deputy Chairman of the Federation of French motorway and Toll Facility companies (ASFA) and a Director of the VINCI Foundation for the City.

## Mr Xavier Huillard

### Within the VINCI Group

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| Compagnie Financière et Industrielle des Autoroutes<br>French limited liability company *(Société Anonyme)*<br>with a Board of Directors<br>Nanterre | 6 -10 rue Troyon,<br>92310 Sèvres | Director | Controlled |
| VINCI Foundation for the City<br>Corporate foundation | 1 cours Ferdinand de Lesseps,<br>92500 Rueil-Malmaison | Chairman of the Board | |
| Solétanche Freyssinet<br>French limited liability company *(Société Anonyme)*<br>with a Board of Directors<br>Nanterre | 133 boulevard National,<br>92500 Rueil-Malmaison | Director | Controlled |
| VINCI<br>French limited liability company *(Société Anonyme)*<br>with a Board of Directors<br>Nanterre | 1 cours Ferdinand de Lesseps,<br>92500 Rueil-Malmaison | Chairman of the Executive Committee<br>Member of the Management and Coordination Committee<br>Chief Executive Officer<br>Director | |
| VINCI Concessions<br>Partnership limited by shares<br>Nanterre | 1 cours Ferdinand de Lesseps,<br>92500 Rueil-Malmaison | Chairman of the Board | |

### Within the VINCI Group outside France

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| VINCI Deutschland GmbH<br>German limited liability company | Bürgermeister-Grünzweig-Straße 1 Ludwigshafen am Rhein<br>Germany | Chairman of the Board | |
| VINCI Investments Limited<br>Private company limited by shares | Astral House Imperial Way Hertfordshire WD24 4YX Watford<br>UK | Director | |
| VINCI PLC<br>Public Limited Company | Astral House Imperial Way Hertfordshire WD24 4YX Watford<br>UK | Director | |

### Permanent representative mandates within the VINCI group

| From | Holding the position of | In | Status of company |
|---|---|---|---|
| SNEL | Director | ASF | Controlled |
| VINCI | Managing partner | Cagne | |
| VINCI | Director | Eurovia | Controlled |
| VINCI | Managing partner | Signau | |
| VINCI | Director | VINCI Energy SA | Controlled |
| VINCI Concessions | Director | ASF Holding | Controlled |

## Mr Henri Stouff

### Within the VINCI Group

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| ASF Holding<br>French limited liability company *(Société Anonyme)* with a Board of Directors<br>Nanterre | 1 cours Ferdinand de Lesseps, 92500 Rueil-Malmaison | Chairman of the Executive Committee<br>Director | Parent company |
| Autoroute du Sud de la France<br>French limited liability company *(Société Anonyme)* with a Board of Directors<br>Nanterre | 9 place de l'Europe, 92500 Rueil-Malmaison | Chairman of the Board<br>Director | Sister company |
| Cofiroute Holding<br>French limited liability company *(Société Anonyme)* with a Board of Directors<br>Nanterre | 1 cours Ferdinand de Lesseps, 92500 Rueil-Malmaison | Chairman and Chief Executive Officer | Parent company |
| VINCI<br>French limited liability company *(Société Anonyme)* with a Board of Directors<br>Nanterre | 1 cours Ferdinand de Lesseps, 92500 Rueil-Malmaison | Chairman and Chief Executive Officer<br>Member of the Management and Coordination Committee | |
| VINCI Concessions<br>Partnership limited by shares<br>Nanterre | 1 cours Ferdinand de Lesseps, 92500 Rueil-Malmaison | Chief Operating Officer | |

### Within the VINCI Group outside France

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| Cofiroute Corporation or C-Corp | 12520 Magnolia Boulevard<br>Suite 300<br>CA 91607 North Hollywood, USA | Director | |
| Cofiroute UK Ltd<br>Private Company Limited by Shares | Clifton Down House,<br>Beaufort Buildings Clifton<br>BS8 4AN Bristol, UK | Director | |

### Permanent representative mandates within the VINCI Group

| From | Holding the position of | In | Status of company |
|---|---|---|---|
| ASF | Director | Escota | Controlled |
| VINCI Concessions | Director | Arcour | Sister company |
| VINCI Concessions | Director | Cofiroute | Sister wwcompany |

Henri Stouff is also the Chairman of the Federation of French motorway and toll Facility companies (ASFA).

## Mr Bernard Huvelin

### Within the VINCI Group

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| Consortium Stade de France<br>French limited liability company *(Société Anonyme)*<br>with a Board of Directors<br>Bobigny | ZAC du Cornillon Nord,<br>93216 La Plaine-Saint-Denis | Director | Controlled |
| VINCI<br>French limited liability company *(Société Anonyme)*<br>with a Board of Directors<br>Nanterre | 1 cours Ferdinand de Lesseps,<br>92500 Rueil-Malmaison | Member of the Strategy<br>and Investment Committee<br>Co-Chief Operating Officer<br>Director | |

### Outside the Group

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| Electro Banque<br>French limited liability company *(Société Anonyme)*<br>with a Board of Directors | | Director | Parent company |
| Soficot<br>Partnership limited by shares | | Director | |

### Within the VINCI Group outside France

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| Compagnie d'Entreprises CFE SA | Avenue Herrmann-<br>Debroux 40-42,<br>1160 Brussels, Belgium | Director | |

### Outside the Group abroad

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| Cofido | | Director | |
| Entreprise Générale de France – BTP | | Chairman and Chief Executive Officer | |

### Permanent representative mandates within the VINCI Group

| From | Holding the position of | In | Status of company |
|---|---|---|---|
| Cofiroute Holding | Director | Cofiroute | Controlled |
| Semana | Director | ASF | Controlled |
| Semana | Director | Eurovia | Controlled |

Bernard Houvelin is also the Deputy Chairman of the European Construction Industry Federation and an adviser to the European Economic and Social Committee in Brussels.

## Mr Richard Francioli

### Within the VINCI Group

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| Solétanche Freyssinet<br>French limited liability company *(Société Anonyme)*<br>with a Board of Directors<br>Nanterre | 133 boulevard National,<br>92500 Rueil-Malmaison | Director | Sister company |
| VINCI<br>French limited liability company *(Société Anonyme)*<br>with a Board of Directors<br>Nanterre | 1 cours Ferdinand de Lesseps,<br>92500 Rueil-Malmaison | Member of the Executive Committee<br>Member of the Management and Coordination Committee | |
| VINCI Construction<br>Partnership limited by shares | 5 cours Ferdinand de Lesseps,<br>92500 Rueil-Malmaison | Chairman of the Board | |

### Within the VINCI Group outside France

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| Compagnie d'Entreprises CFE SA | Avenue Herrmann-<br>Debroux 40-42<br>1160 Brussels, Belgium | Director | |
| VINCI Deutschland GmbH<br>Gesellschaft Mit Beschränkter Haftung | 1 Bürgermeister-GrünzweigStr.<br>67059 Ludwigshafen a.Rh | Mitglied des Aufsichtsrats | |
| VINCI PLC<br>Public Limited Company | Astral House Imperial Way<br>Hertfordshire WD24 4YX Watford<br>United Kingdom | Director | |

### Permanent representative mandates within the VINCI Group

| From | Holding the position of | In | Status of company |
|---|---|---|---|
| VINCI | Director | Entrepose Contracting | Sister company |
| VINCI Construction | Director | Cofiroute | Sister company |
| VINCI Construction | Director | Doris Engineering | Parent company |

## Mr Patrick Faure

**Within the VINCI Group**

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| Compagnie Financière et Industrielle des Autoroutes French limited liability company *(Société Anonyme)* with a Board of Directors Nanterre | 6-10 rue Troyon, 92310 Sèvres | Director | Controlled |
| VINCI French limited liability company *(Société Anonyme)* with a Board of Directors Nanterre | 1 cours Ferdinand de Lesseps, 92500 Rueil-Malmaison | Member of the Strategy and Investment Committee Director | |

Patrick Faure is also a Director of ESL & Network and President of the France-Americas Association.

## Mr Christian Saint-Étienne

**Within the VINCI Group**

| Company/Legal form/Corporate Register | Address | Term of office/renewal | Status of company |
|---|---|---|---|
| Compagnie Financière et Industrielle des Autoroutes French limited liability company *(Société Anonyme)* with a Board of Directors Nanterre | 6-10 rue Troyon, 92310 Sèvres | Director | Sister company |

Christian Saint-Étienne is also a university professor.

## Mr Hervé Le Bouc

**Mandates and positions held in any company**
(Article L. 225-102-1 of the French Code of Commerce)

| Name of company | Legal form | Position in the company | Head office |
|---|---|---|---|
| Colas | SA | Chairman and Chief Executive Officer<br>Director | 7 place René Clair,<br>92100 Boulogne-Billancourt |
| Bouygues | SA | Director | 32 avenue Hoche, 75008 Paris |
| Cofiroute | SA | Permanent representative of Colas | 6-10 rue Troyon, 92310 Sèvres |
| Colas Midi-Méditerranée | SA | Permanent representative of Colas | 345 rue Louis de Broglie,<br>La Duranne, 13792 Aix-en-Provence |
| Screg Est | SA | Permanent representative of IPF | 2 rue Virginie Mauvais, BP 13388,<br>54015 Nancy |
| Sacer Atlantique | SA | Permanent representative of Spare | Echangeur Nantes, BP 90783,<br>2 rue Gaspard Coriolis,<br>44307 Nantes |
| Aximum | SA | Permanent representative of Colas | 41 boulevard de la République,<br>78400 Chatou |
| SPAC | SA | Permanent representative of IPF | 13 rue de Madame de Sanzillon,<br>92112 Clichy |
| Société Parisienne d'Études,<br>d'Informatique et de Gestion | SA | Permanent representative of Colas | 2/4 allée Latécoère,<br>78140 Vélizy-Villacoublay |
| Echangeur International | SNC | Legal representative of Colas | 7 place René Clair,<br>92100 Boulogne-Billancourt |
| Colas Inc | Inc. | Director | 163 Madison Avenue, Morristown,<br>New Jersey 07960-7324, USA |
| Colas Canada | Inc. | Director | 4 984 place de la Savane, H4P 2M9,<br>Montreal, Quebec, Canada |
| Colasie | SA | Chairman and Chief Executive Officer | 7 place René Clair,<br>92100 Boulogne-Billancourt |
| Hindustan Colas Limited | LTD | Director | Richardson and Cruddas Bldg, Sir JJ<br>Road, Byculla, Mumbai 00008, India |
| ISCO Industry Co. | LTD | Director | Je-il Bldg., 94-96, Youngdeungpo-<br>dong 7ga, Youngdeungpo-gu, Seoul,<br>140988, Korea |
| TIPCO ASPHAKT PUBLIC Co. | SA | Director | Tipco Tower, 118/1 Rama 6 Road,<br>Samsen Nai, Phayathai, 10400<br>Bangkok, Thailand |

# **Statutory Auditors' report,**
# prepared in application of Article L. 225-235 of the French Code of Commerce, on the Report of the Chairman of the Board of Directors of Cofiroute

Compagnie Financière et Industrielle des Autoroutes - Cofiroute - *Société Anonyme*
French limited liability company: 6-10 rue Troyon, 92316 Sèvres cedex - Share Capital: €158,282,124

## Year ended 31 December 2008

To the Shareholders,

As Statutory Auditors of Compagnie Financière et Industrielle des Autoroutes (Cofiroute) and pursuant to the provisions of Article L. 225-235 of the French Code of Commerce, we present our report on the report prepared by the Chairman of your Company in accordance with the provisions of Article L.225–37 of the French Code of Commerce, for the period ended 31 December 2008.

The Chairman is required to draft a report on the internal control and risk management procedures implemented within the Company and submit it to the approval of the Board of Directors. The report must also provide the other information required by Article L.225–37 of the French Code of Commerce, in particular with respect to corporate governance.

**Our role is to:**
➔ communicate to you any comments required by the information contained in the Chairman's report about internal control procedures relating to the preparation and treatment of accounting and financial information; and
➔ attest that the report includes the other information required by Article L. 225-37 of the French Code of Commerce, albeit it has to be specified that we are not required to verify the sincerity of this other information.

We conducted our review in accordance with the professional standards applicable in France.

**Information on internal control procedures relating to the preparation and treatment of accounting and financial information**
Professional standards require us to plan and perform our work so as to be able to assess the fair presentation of the information given in the Chairman's report, with respect to the internal control procedures relating to the preparation and treatment of accounting and financial information. Those standards require in particular that we:
➔ inform ourselves of the internal control procedures relating to the preparation and treatment of the accounting and financial information supporting the information presented in the Chairman' s report, and of the existing documentation;
➔ inform ourselves of the work done to prepare this information and the existing documentation;
➔ ascertain whether appropriate disclosures have been made in the Chairman's report in respect of any major deficiencies of internal control relating to the preparation and treatment of accounting and financial information that we may have noted in performing our duties.

On the basis of this work, we have no comments to make on the disclosures regarding the Company's internal control procedures relating to the preparation and treatment of accounting and financial information, contained in the report of the Chairman of the Board of Directors, prepared in application of Article L.225-37 of the French Code of Commerce.

**Other information**
We attest that the report of the Chairman of the Board of Directors comprises the other information required by Article L.225-37 of the French Code of Commerce

Paris La Défense and Neuilly-sur-Seine, 5 March 2009
The Statutory Auditors

Salustro Reydel, a member of KPMG International — Deloitte & Associés

Benoît Lebrun — Michel Berthet — Thierry Benoit

# Contents
## 2008 consolidated and parent company financial statements

**CONSOLIDATED FINANCIAL STATEMENTS**


**30 Consolidated balance sheet**
**32 Consolidated income statement**
**33 Consolidated cash flow statement**
**34 Change in consolidated equity**

**35 Notes to the consolidated financial statements**
**35 A. Accounting policies and measurement methods**
35 1. General principles
42 2. Consolidation method
43 3. Measurement rules and methods
50 4. Standards and Interpretations not applied early

**51 B. Notes to the income statement**
51 5. Revenue
51 6. Operating profit
53 7. Financial income and expenses
54 8. Income tax
56 9. Earnings per share

**56 C. Notes to the balance sheet**
56 10. Concession intangible assets
58 11. Property, plant and equipment
59 12. Investments in associates
59 13. Other non-current financial assets
60 14. Change in equity (excluding share-based payments)
61 15. Share-based payments
61 16. Non-current provisions
66 17. Net financial debt
70 18. Management of financial risks
74 19. Other information on financial instruments
75 20. Working capital requirement and current provisions
77 21. Transactions with related parties
78 22. Contractual obligations and other commitments made and received
78 23. Workforce and staff training rights

**78 D. Post-balance sheet events**

**79 Statutory Auditors' Report on the consolidated financial statements**


**2008 PARENT COMPANY FINANCIAL STATEMENTS**


**80 Balance sheet**
**82 Income statement**
**83 Cash flow statement**
**84 Notes to the parent company financial statements**

**93 Statutory Auditors' Report on the parent company financial statements**

# **Consolidated financial statements** at 31 December 2008

## Consolidated balance sheet - assets

| (in € millions) | Notes | 31/12/2008 | 31/12/2007 (*) |
|---|---|---|---|
| **Non-current assets** | | | |
| Concession intangible assets | 10 | 5,193.9 | 5,015.4 |
| Concession tangible assets | 11 | 566.8 | 483.2 |
| Property, plant and equipment | 11 | 4.3 | 5.3 |
| Investments in associates | 12 | 0.8 | 1.1 |
| Other non-current financial assets | 13 | 0.4 | 0.4 |
| Fair value of derivative instruments (non-current assets) | 18 | 19.2 | 2.8 |
| **TOTAL NON-CURRENT ASSETS** | | **5,785.4** | **5,508.2** |
| **Current assets** | | | |
| Inventories and work in progress | 20 | 1.4 | 1.3 |
| Trade and other operating receivables | 20 | 77.6 | 95.3 |
| Other current assets | 20 | 12.6 | 11.7 |
| Current tax assets | 20 | 19.2 | 0.0 |
| Fair value of derivative financial instruments (current assets) | 18 | 69.8 | 64.5 |
| Cash management financial assets | 17 | 9.4 | 24.3 |
| Cash and cash equivalents | 17 | 402.6 | 477.4 |
| **TOTAL CURRENT ASSETS** | | **592.6** | **674.4** |
| **TOTAL ASSETS** | | **6,378.0** | **6,182.6** |

(*) Figures restated in accordance with the change in 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 | 31/12/2008 | 31/12/2007 (*) |
|---|---|---|---|
| **Equity** | | | |
| Share capital | | 158.3 | 158.3 |
| Consolidated reserves | | 1,419.6 | 1,248.6 |
| Currency translation reserves | | (0.7) | (0.3) |
| Fair value reserves | | (1.0) | 2.6 |
| Net profit for the period attributable to equity holders of the parent | | 323.9 | 354.7 |
| **EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | **14** | **1,900.1** | **1,763.9** |
| Minority interest | 14.5 | 0.0 | 0.0 |
| **TOTAL EQUITY** | | **1,900.1** | **1,763.9** |
| **Non-current liabilities** | | | |
| Non-current provisions | 16 | 21.9 | 15.5 |
| Bonds | 17 | 2,240.7 | 2,529.1 |
| Other loans and borrowings | 17 | 1,098.5 | 859.9 |
| Fair value of derivative financial instruments (non-current liabilities) | | 5.0 | 0.0 |
| Deferred tax liabilities | 8 | 319.3 | 240.9 |
| **TOTAL NON-CURRENT LIABILITIES** | | **3,685.3** | **3,645.5** |
| **Current liabilities** | | | |
| Current provisions | 20 | 171.1 | 175.9 |
| Trade payables | 20 | 40.8 | 29.2 |
| Payables related to non-current assets | 20 | 75.1 | 47.6 |
| Other current payables | 20 | 91.8 | 62.9 |
| Current tax payables | 20 | 0.0 | 18.2 |
| Current borrowings | 17 | 386.9 | 432.3 |
| Fair value of derivative financial instruments (current liabilities) | 18 | 26.9 | 7.1 |
| **TOTAL CURRENT LIABILITIES** | | **792.6** | **773.2** |
| **TOTAL EQUITY AND LIABILITIES** | | **6,378.0** | **6,182.6** |

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

# Consolidated income statement

| (in € millions) | Notes | 2008 | 2007 (*) |
|---|---|---|---|
| **REVENUE including:** | **5** | **1,349.5** | **1,469.5** |
| *Revenue - excluding construction of new infrastructure assets under concession* | | *1,077.1* | *1,038.5* |
| *Revenue from construction of new infrastructure assets* | | *272.4* | *431.0* |
| Revenue from ancillary activities | | 3.5 | 2.2 |
| Operating expenses | 6 | (773.2) | (896.9) |
| **OPERATING PROFIT FROM ORDINARY ACTIVITIES** | | **579.8** | **574.8** |
| Share-based payment expense | 6.3 | (2.0) | (3.2) |
| Profit / (loss) of associates | | 0.6 | 0.7 |
| **OPERATING PROFIT** | **6** | **578.4** | **572.4** |
| Cost of gross financial debt | | (193.6) | (178.6) |
| Financial income from cash management investments | | 23.9 | 23.0 |
| **COST OF NET FINANCIAL DEBT** | **7** | **(169.7)** | **(155.6)** |
| Other financial income and expenses | 7 | 88.3 | 110.8 |
| Income tax | 8 | (173.1) | (173.0) |
| **NET PROFIT** | | **323.9** | **354.7** |
| Minority interest | | 0.0 | 0.0 |
| **NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | | **323.9** | **354.7** |
| **BASIC AND DILUTED EARNINGS PER SHARE (in euros)** | **9** | **79.8** | **87.4** |

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

# Consolidated cash flow statement

| (in € millions) | | Notes | 2008 | 2007 (*) |
|---|---|---|---|---|
| **CONSOLIDATED NET PROFIT** | | | **323.9** | **354.7** |
| Depreciation and amortisation | | 6.2 | 191.7 | 152.7 |
| Net increase / (decrease) in provisions | | | 6.8 | 9.9 |
| Share-based payments (IFRS 2) and other restatements | | 15 | (1.4) | 0.4 |
| Gain or loss on disposals | | | 0.3 | (0.5) |
| Share of profit or loss of associates | | 12 | (0.6) | (0.7) |
| Dividends received from unconsolidated entities | | | (0.0) | (0.2) |
| Capitalised borrowing costs | | 7 | (91.9) | (109.2) |
| Cost of net financial debt | | 7 | 169.7 | 155.6 |
| Current and deferred tax expense recognised | | 8 | 173.1 | 173.0 |
| **CASH FLOWS (USED IN ) / from operations before tax and financing costs** | | | **771.5** | **735.6** |
| Change in working capital requirement | | 20.1 | 57.2 | 37.5 |
| Change in current provisions | | 20.2 | (8.6) | (0.5) |
| Income taxes paid | | | (126.1) | (130.3) |
| Net interest paid | | 7 | (150.5) | (145.8) |
| **NET CASH FLOWS (USED IN) / from operating activities** | **I** | | **543.4** | **496.6** |
| Purchases of property, plant and equipment, and intangible assets | | | (1.1) | (0.5) |
| Proceeds from sales of property, plant and equipment, and intangible assets | | | 0.3 | 0.1 |
| Net investments in operating assets | | 11 | (0.8) | (0.4) |
| Purchases of concession fixed assets (net of grants received) | | 10 | (349.3) | (560.7) |
| Proceeds from sales of shares in subsidiaries and associates (consolidated and unconsolidated) | | 21.2 | 0.0 | 6.6 |
| Net effect of changes in scope of consolidation | | | 0.0 | (2.4) |
| Dividends received from associates and unconsolidated entities | | | 0.7 | 0.9 |
| **NET CASH FLOWS (USED IN) / from investing activities** | **II** | | **(349.5)** | **(556.0)** |
| Dividends paid | | | | |
| To shareholders of Cofiroute SA | | 14.4 | (182.8) | (191.2) |
| Proceeds from new borrowings | | 17 | 255.8 | 537.9 |
| Repayment of borrowings and changes in other current financial debt | | 17 | (353.8) | (305.9) |
| Change in cash management assets and other current debts | | 17 | 14.7 | 121.8 |
| **NET CASH FLOWS (USED IN) / from financing activities** | **III** | | **(266.2)** | **162.5** |
| **CHANGE IN NET CASH** | **I + II + III** | 17 | **(72.3)** | **103.1** |
| Net cash and cash equivalents at beginning of year | | | 477.4 | 373.0 |
| Other changes | | | (2.4) | 1.2 |
| **NET CASH AND CASH EQUIVALENTS AT END OF YEAR** | | | **402.6** | **477.4** |
| | | | | |
| Increase (decrease) of cash management financial assets | | | (14.7) | (107.6) |
| (Proceeds from) / repayment of loans | | | 98.0 | (230.4) |
| Other changes | | | (12.4) | (22.5) |
| Impact of changes in fair value | | | 4.2 | (2.2) |
| Effect of changes in foreign exchange rates | | | (0.2) | (0.2) |
| **CHANGE IN NET DEBT** | | 17 | **2.6** | **(259.8)** |
| Net debt at beginning of year | | | (3,259.6) | (2,999.8) |
| **NET DEBT AT END OF YEAR** | | | **(3,257.0)** | **(3,259.6)** |

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

# Statement of changes in consolidated equity

| (in € millions) | **Share capital** | **Con-solidated reserves** | **Currency transla-tion reserves** | **Fair value reserves** | **Net profit for the year** | **Total** | **Minority interest** | **Total** |
|---|---|---|---|---|---|---|---|---|
| | **Capital and reserves attributable to equity holders of the parent** | | | | | | | |
| **BALANCE AT 1 JANUARY 2007 (*)** | **158.3** | **1,139.3** | **0.1** | **1.9** | **300.1** | **1,599.6** | **1.0** | **1,600.6** |
| Net profit for the period (a) | | | | | 354.7 | 354.7 | | 354.7 |
| Financial instruments: changes in fair value (b): | | | | 0.7 | | 0.7 | | 0.7 |
| *Available-for-sale financial assets* | | | | | | | | |
| *Cash flow hedges* | | | | *0.7* | | *0.7* | | *0.7* |
| Currency translation differences (c) | | | (0.3) | | | (0.3) | | (0.3) |
| **INCOME AND EXPENSES FOR THE PERIOD (a)+(b)+(c)** | | **0.0** | **(0.3)** | **0.7** | **354.7** | **355.0** | **0.0** | **355.0** |
| Allocation of net income and dividend payments | | 108.9 | | | (300.1) | (191.2) | | (191.2) |
| Share-based payments | | 0.5 | | | | 0.5 | | 0.5 |
| Changes in consolidation scope | | | | | | | (1.0) | (1.0) |
| **Balance at 1 January 2008 (*)** | **158.3** | **1,248.6** | **(0.3)** | **2.6** | **354.7** | **1,763.9** | **0.0** | **1,763.9** |
| Net profit for the period (a) | | | | | 323.9 | 323.9 | | 323.9 |
| Financial instruments: changes in fair value (b): | | | | (3.6) | | (3.6) | | (3.6) |
| *Available-for-sale financial assets* | | | | | | | | |
| *Cash flow hedges* | | | | *(3.6)* | | *(3.6)* | | *(3.6)* |
| Currency translation differences (c) | | | (0.4) | | | (0.4) | | (0.4) |
| **INCOME AND EXPENSES FOR THE PERIOD (a)+(b)+(c)** | | **0.0** | **(0.4)** | **(3.6)** | **323.9** | **484.1** | **0.0** | **484.1** |
| Allocation of net income and dividend payments | | 171.9 | | | (354.7) | (182.8) | | (182.8) |
| Share-based payments | | (0.9) | | | | (0.9) | | (0.9) |
| **BALANCE AT 31 DECEMBER 2008** | **158.3** | **1,419.6** | **(0.7)** | **(1.0)** | **323.9** | **1,900.1** | **0.0** | **1,900.1** |

Figures restated in accordance with the change in 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

### 1. General principles

In application of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, the consolidated financial statements of Cofiroute (hereafter "the Group") at 31 December 2008, have been prepared under the International Financial Reporting Standards (IFRS) as endorsed by the European Union at 31 December 2008.

The accounting principles applied by the Group at 31 December 2008 are the same as those chosen for the Group's consolidated financial statements at 31 December 2007, with the following exceptions:

➜ the standards and interpretations adopted by the European Union, applicable as of 1 January 2008 (see Note A.1.1 *New Standards and Interpretations applicable from 1 January 2008);*
➜ the change in accounting policy relating to the early application of the amendment to IAS 20 stemming from the annual process aimed at improving standards (see Note A.1.2. *Change in accounting policy: treatment of loans with a below-market rate of interest)*;
➜ the change in accounting method resulting from the early application of Interpretation IFRIC 12 (see Note A.1.3. *Change in accounting policy: IFRIC 12, Service Concession Arrangements).*

Data for 2007, which was published on 30 April 2008, is included for reference purposes.

The Board of Directors finalised the consolidated financial statements on 26 February 2009 and they will be submitted for approval by the Shareholders Meeting of 30 April 2009.

#### 1.1 New Standards and Interpretations applicable from 1 January 2008

1.1.1. IFRIC 11: Group and Treasury Share Transactions

This Interpretation specifies the conditions under which share-based payment expense (IFRS 2) is to be recognised in the subsidiaries of a Group, insofar as such payments are made via parent company shares.

The Group's accounting policies were already in accordance with this Interpretation.

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

This Interpretation specifies how (by refunds or reductions in future contributions) to assess the limit on the amount of a pension fund surplus that can be recognised as an asset by the entity concerned. In addition, if minimum funding payments for the pension fund are mandatory, such requirements may curtail the amount of the asset recognised or, if need be, give rise to the recognition of a complementary liability.
The application of this Interpretation did not have any impact on the consolidated financial statements at 31 December 2008.

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

The amendments to IAS 39 and IFRS 7 permit an entity to reclassify, under rare circumstances, certain financial instruments initially held for transaction purposes in other asset categories. The current financial crisis is deemed an exceptional enough circumstance to justify companies using this possibility.

No grounds were found to apply this amendment in the consolidated financial statements at 31 December 2008.

**1.2. Change in accounting policy: treatment of loans with a below-market rate of interest**

The amendments resulting from the annual process aimed at improving the IFRS were adopted by the European Union during the first quarter of 2009. The Group opted for the early application of the amendment to IAS 20 that spells out the accounting treatment of loans with a below-market rate of interest granted by certain public organisations, such as loans extended by the European Investment Bank when funding concession projects. The economic advantage that results from a significantly lower interest rate than the market rate is now deemed a public subsidy, which is recorded as a reduction of investments made in the concession project. This is reflected by a correlative decrease in the loans concerned; the interest expense on these loans will be recognised on the basis of an interest rate at market conditions.

In compliance with the transitional provisions set out by the amendment, this change in accounting policy has been applied in a forward-looking approach to loans with a below-market interest rate extended during fiscal year 2008.

Main impacts observed at 31 December 2008:

| (in € millions) | Grant | Reduction of loans | Deferred tax | Equity |
|---|---|---|---|---|
| Impact of change of accounting policy | 17.0 | (16.8) | 0.1 | (0.1) |

The impact on net consolidated profit is deemed non-significant.

**1.3. Change in accounting policy: IFRIC 12, Service Concession Arrangements**

Interpretation IFRIC 12, published in November 2006, was adopted by the members of the Accounting Regulatory Committee (ARC) on 6 November 2008 and its ratification by the European Commission is expected during the first quarter of 2009.
Considering that this Interpretation enables better financial information to be provided, the Group chose to apply it as of the 2008 balance sheet date.

### 1.3.1. Accounting for Service Concession Arrangements under IFRIC 12

IFRIC 12 covers service concession arrangements, operated within the framework of public services, for which the grantor is considered to control the assets operated by the concession operator. The grantor controls the infrastructure if the following criteria are met:

➜ the grantor controls or regulates the services to be provided using the infrastructure, determines to whom those services must be provided and sets the concession operator's remuneration;
➜ the grantor controls any significant residual interest in the infrastructure at the end of the term of the arrangement.

According to the provisions of this Interpretation, the concession operator has two business activities:

➜ a construction activity based on its obligations to design, build and finance infrastructure on behalf of the grantor: revenue is recognised according to the stage of completion method as stipulated in IAS 11;
➜ the concession operator operates and maintains the infrastructure under concession: revenue is recognised in accordance with IAS 18.

In exchange for these business activities, the concession operator receives payments from users according to the "Intangible Asset Model". The operator has the right to receive toll revenue (or other kinds of revenue) from users, in exchange for financing and building the infrastructure. In the case where the grantor pays the concession operator based on the usage made of the infrastructure by users, without providing any guarantee as to the amounts to be paid (simple "pass through" or "shadow toll" agreement), the "Intangible Asset Model" also applies.

In this model, the concession operator's right is recognised in the balance sheet under *Concession intangible assets*. This operating right corresponds to the fair value of the infrastructure asset under concession plus the capitalised borrowing costs recognised during the construction period. It is depreciated over the term of the contract and according to an appropriate manner to reflect the pace at which the economic advantages provided by the contract are consumed, from the date on which the infrastructure asset starts operating.

This model applies to contracts existing within the Group.
The accounting consequences on the Group's consolidated financial statements are presented below.

### 1.3.2. Consequences of the first application of IFRIC 12 on the Group's consolidated financial statements

The main changes in the Group's consolidated financial statements, in application of the "Intangible Asset Model", concern:

➜ the recognition of construction revenue (i.e. services provided in relation to the construction of infrastructure by concession operators on behalf of the grantor, where the works are given to VINCI companies or third parties), which is recognised based on the stage of completion method with a corresponding intangible asset;
➜ a change in the rules and methods used to determine provisions to maintain infrastructure assets under concession in good condition;
➜ the reclassification of operating fixed assets under concession, previously recognised in the *Concession intangible assets* line item, into intangible assets, and the recalculation of the corresponding depreciation.

### 1.3.3 Principal impacts of the change in accounting policy following the application of IFRIC 12

In compliance with the provisions of IAS 8, this change in accounting policy has been applied retrospectively from 1 January 2007. Equity at the beginning of the period, as well as the comparative data presented in these financial statements, has been restated.

# Assets

| (in € millions) | Notes | 31/12/07 As published | IFRIC 12 | 31/12/07 | 31/12/06 As published | IFRIC 12 | 31/12/06 |
|---|---|---|---|---|---|---|---|
| **Non-current assets** | | | | | | | |
| Concession intangible assets | 10 | 5,324.2 | (308.8) | 5,015.4 | 4,843.2 | (246.5) | 4,596.7 |
| Concession tangible assets | 11 | | 483.2 | 483.2 | | 417.6 | 417.6 (1) |
| Property, plant and equipment | 11 | 5.3 | | 5.3 | 7.4 | | 7.4 |
| Investments in associates | 12 | 1.1 | | 1.1 | 1.2 | | 1.2 |
| Other non-current financial assets | 13 | 0.4 | | 0.4 | 0.4 | | 0.4 |
| Fair value of derivative instruments (non-current assets) | 18 | 2.8 | | 2.8 | 48.8 | | 48.8 |
| **TOTAL NON-CURRENT ASSETS** | | **5,333.8** | **174.5** | **5,508.2** | **4,900.8** | **171.1** | **5,071.9** |
| **Current assets** | | | | | | | |
| Inventories and work in progress | 20 | 1.3 | | 1.3 | 1.5 | | 1.5 |
| Trade and other operating receivables | 20 | 95.3 | | 95.3 | 118.3 | | 118.3 |
| Other current assets | 20 | 11.7 | | 11.7 | 11.1 | | 11.1 |
| Fair value of derivative financial instruments (current assets) | 18 | 64.5 | | 64.5 | 62.7 | | 62.7 |
| Cash management financial assets | 17 | 24.3 | | 24.3 | 132.0 | | 132.0 |
| Cash and cash equivalents | 17 | 477.4 | | 477.4 | 373.0 | | 373.0 |
| **TOTAL CURRENT ASSETS** | | **674.4** | | **674.4** | **698.6** | | **698.6** |
| **TOTAL ASSETS** | | **6,008.2** | **174.5** | **6,182.6** | **5,599.4** | **171.1** | **5,770.5** |

(1) The IFRIC 12 impact on property, plant and equipment relates to the reclassification of operating fixed assets under concession that are not controlled by the grantor but play a role in providing a public service.

# Equity and liabilities

| (in € millions) | Notes | 31/12/07 As published | IFRIC 12 | 31/12/07 | 31/12/06 As published | IFRIC 12 | 31/12/06 | |
|---|---|---|---|---|---|---|---|---|
| **Equity** | | | | | | | | |
| Reserves and profit or loss attributable to equity holders of the parent | | 1,569.0 | 36.6 | 1,605.6 | 1,410.7 | 30.6 | 1 ,441.4 | |
| Minority interest | 14.5 | 0.0 | | 0.0 | 1.0 | | 1.0 | |
| **TOTAL EQUITY** | | **1,727.32** | **36.6** | **1,763.9** | **1,570.0** | **30.6** | **1,600.6** | |
| **Non-current liabilities** | | | | | | | | |
| Non-current provisions | 16 | 42.7 | (27.3) | 15.5 | 27.1 | (24.3) | 2.8 | (1) |
| Bonds | 17 | 2,529.1 | | 2,529.1 | 2,583.1 | | 2,583.1 | |
| Other loans and borrowings | 17 | 859.9 | | 859.9 | 654.6 | | 654.6 | |
| Deferred tax liabilities | 8 | 221.7 | 19.2 | 240.9 | 192.7 | 16.1 | 208.8 | |
| **TOTAL NON-CURRENT LIABILITIES** | | **3,653.5** | **(8.0)** | **3,645.5** | **3,457.5** | **(8.3)** | **3,449.3** | |
| **Current liabilities** | | | | | | | | |
| Current provisions | 20 | 30.0 | 145.9 | 175.9 | 34.2 | 148.7 | 182.8 | (1) |
| Trade payables | 20 | 29.2 | | 29.2 | 15.5 | | 15.5 | |
| Payables related to non-current assets | 20 | 47.6 | | 47.6 | 82.7 | | 82.7 | |
| Other current payables | 20 | 62.9 | | 62.9 | 60.8 | | 60.8 | |
| Current tax payables | 20 | 18.2 | | 18.2 | 0.0 | | 0.0 | |
| Current borrowings | 17 | 432.3 | | 432.3 | 378.6 | | 378.6 | |
| Fair value of derivative financial instruments (current liabilities) | 18 | 7.1 | | 7.1 | 0.0 | | | |
| **TOTAL CURRENT LIABILITIES** | | **627.3** | **145.9** | **773.2** | **571.9** | **148.7** | **720.6** | |
| **TOTAL EQUITY AND LIABILITIES** | | **6,008.2** | **174.5** | **6,182.6** | **5,599.4** | **171.1** | **5,770.5** | |

(1) Restatements of current provisions under IFRIC 12 relate to provisions for maintaining infrastructure assets under concession in good condition, reflecting the obligation to renew infrastructure assets and maintain them in good condition.

# Income statement

| (in € millions) | Notes | 2007 | IFRIC 12 | 2007 As published | |
|---|---|---|---|---|---|
| **REVENUE including:** | 5 | **1,469.5** | **431.0** | **1,038.5** | |
| *Revenue - excluding construction of new infrastructure assets under concession* | | *1,038.5* | | *1,038.5* | |
| *Revenue from construction of new infrastructure assets* | | *431.0* | *431.0* | *0.0* | (1) |
| Construction costs | | (431.0) | (431.0) | | |
| Revenue from ancillary activities | | 2.2 | | 2.2 | |
| Operating expenses | 6 | (465.9) | 13.4 | (479.3) | |
| **OPERATING PROFIT FROM ORDINARY ACTIVITIES** | | **574.8** | **13.4** | **561.4** | (2) |
| Share-based payment expense | 6.3 | (3.2) | | (3.2) | |
| Profit / (loss) of associates | | 0.7 | | 0.7 | |
| **OPERATING PROFIT** | 6 | **572.4** | **13.4** | **559.0** | |
| Cost of gross financial debt | | (178.6) | | (178.6) | |
| Financial income from cash management investments | | 23.0 | | 23.0 | |
| **COST OF NET FINANCIAL DEBT** | 7 | **(155.6)** | | **(155.6)** | |
| Other financial income and expenses | 7 | 110.8 | (4.3) | 115.1 | (3) |
| Income tax | 8 | (173.0) | (3.1) | (169.8) | |
| **NET PROFIT** | | **354.7** | **6.0** | **348.7** | |
| Minority interest | | 0.0 | | 0.0 | |
| **NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | | **354.7** | **6.0** | **348.7** | |
| **BASIC AND DILUTED EARNINGS PER SHARE (IN EUROS)** | 9 | **87.4** | **1.5** | **85.9** | |

(1) The IFRIC 12 impact on revenue primarily comprises revenue from work granted by concession operators to third-party companies with respect to designing and building new infrastructure.
(2) The IFRIC 12 impact on operating expenses corresponds to the construction costs incurred to build infrastructure under concession and the complementary provision for the obligation to the assets under concession in good condition.
(3) The IFRIC 12 impact on other financial income and expenses corresponds to the discounting of provisions for the obligation to maintain infrastructure assets under concession in good condition.

# Cash flow statement

| (in € millions) | | Notes | 2007 | IFRIC 12 | 2007 As published |
|---|---|---|---|---|---|
| **CONSOLIDATED NET PROFIT (including minority interest)** | | | **354.7** | **6.0** | **348.7** |
| Depreciation and amortisation | | 6.2 | 152.7 | (3.3) | 156.0 |
| Net increase / (decrease) in provisions | | | 9.9 | (3.0) | 12.9 |
| Share-based payments (IFRS 2) and other restatements | | 15 | 0.4 | | 0.4 |
| Gain or loss on disposals | | | (0.5) | | (0.5) |
| Share of profit or loss of associates | | 12 | (0.7) | | (0.7) |
| Dividends received from unconsolidated entities | | | (0.2) | | (0.2) |
| Capitalised borrowing costs | | 7 | (109.2) | | (109.2) |
| Cost of net financial debt | | 7 | 155.6 | | 155.6 |
| Current and deferred tax expense recognised | | 8 | 173.0 | 3.1 | 169.8 |
| **CASH FLOWS (USED IN) / from operations before tax and financing costs** | | | **735.6** | **2.8** | **732.8** |
| Change in working capital requirement | | 20.1 | 37.5 | | 37.5 |
| Change in current provisions | | 20.2 | (0.5) | (2.8) | 2.3 |
| Income taxes paid | | | (130.3) | | (130.3) |
| Net interest paid | | 7 | (145.8) | | (145.8) |
| **NET CASH FLOWS (USED IN ) / from operating activities** | **I** | | **496.6** | | **496.6** |
| *Purchases of property, plant and equipment, and intangible assets* | | | *(0.5)* | | *(0.5)* |
| *Proceeds from sales of property, plant and equipment, and intangible assets* | | | *0.1* | | *0.1* |
| Net investments in operating assets | | 11 | (0.4) | | (0.4) |
| Purchases of concession fixed assets | | 10 | (560.7) | | (560.7) |
| Proceeds from sales of shares in subsidiaries and associates (consolidated and unconsolidated) | | 21.2 | 6.6 | | 6.6 |
| Net effect of changes in scope of consolidation | | | (2.4) | | (2.4) |
| Dividends received from associates and unconsolidated entities | | | 0.9 | | 0.9 |
| **NET CASH FLOWS (USED IN ) / from investing activities** | **II** | | **(556.0)** | | **(556.0)** |
| Dividends paid | | | | | |
| to shareholders of Cofiroute SA | | 14.4 | (191.2) | | (191.2) |
| Proceeds from new borrowings | | 17 | 537.9 | | 537.9 |
| Repayment of borrowings and changes in other current financial debt | | 17 | (305.9) | | (305.9) |
| Change in cash management assets and other current debts | | 17 | 121.8 | | 121.8 |
| **NET CASH FLOWS (USED IN ) / from financing activities** | **III** | | **162.5** | | **162.5** |
| **CHANGE IN NET CASH** | **I + II + III** | 17 | **103.1** | | **103.1** |
| Net cash and cash equivalents at beginning of year | | | 373.0 | | 373.0 |
| Other changes | | | 1.2 | | 1.2 |
| **NET CASH AT END OF YEAR** | | | **477.4** | | **477.4** |
| | | | | | |
| Increase (decrease) of cash management financial assets | | | (107.6) | | (107.6) |
| (Proceeds from) / repayment of loans | | | (230.4) | | (230.4) |
| Other changes | | | (22.5) | | (22.5) |
| Impact of changes in fair value | | | (2.2) | | (2.2) |
| Effect of changes in foreign exchange rates | | | (0.2) | | (0.2) |
| **CHANGE IN NET DEBT** | | 17 | **(259.8)** | | **(259.8)** |
| Net debt at beginning of year | | | (2 999.8) | | (2 999.8) |
| **NET DEBT AT END OF YEAR** | | | **(3,259.6)** | | **(3,259.6)** |

## 2. Consolidation method

### 2.1. Consolidation scope

Companies in which the Cofiroute Group holds, whether directly or indirectly, the majority of voting rights enabling control to be exercised, are fully consolidated. Companies that are less than 50% owned but in which the Group exercises de facto control – i.e. has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities – are consolidated using this same method. This relates to the following wholly owned companies:

- Cofiroute Participations;
- Cofiroute Corporation, SR 91 and Cofiroute USA;
- Cofiroute UK Ltd.

Companies over which the Group exercises significant influence are accounted for using the equity method. This relates in particular to Operadora Autopista Del Bosque (OADB) (40% interest) and Le Crossing Company Ltd (42.86% owned by Cofiroute UK Ltd).
Proportionate consolidation is used for companies jointly controlled by the Group and other shareholders. This dœs not apply to any Group companies.
The consolidated financial statements include the financial statements of all companies with revenue of more than €2 million, and the financial statements of subsidiaries whose revenue is below this figure but whose impact on the Group's financial statements is material.

**Number of companies by reporting method**

| | 31/12/08 | | | 31/12/07 | | |
|---|---|---|---|---|---|---|
| (number of companies) | **Total** | **France** | **Foreign** | **Total** | **France** | **Foreign** |
| Full consolidation | **6** | 2 | 4 | **6** | 2 | 4 |
| Equity method | **2** | 0 | 2 | **2** | 0 | 2 |
| Number of companies | **8** | 2 | 6 | **8** | 2 | 6 |

### 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 elimination is carried out:

- for the full amount if the transaction is between two subsidiaries;
- by applying the percentage of proportionate consolidation of an entity if the transaction is between a fully consolidated entity and a proportionately consolidated entity;
- by 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.

### 2.3. Translation of the financial statements of foreign subsidiaries and establishments

In most cases, the functional currency of entities and establishments is their local currency.
The financial statements of foreign entities of which the functional currency is different from that used in preparing the Group's consolidated financial statements (euros) are translated at the closing rate. Balance sheet items are translated at the exchange rate at the balance sheet date and income statement items are converted at the average rate for the period (which represents the best estimate of the exchange rate at the transaction date). Any resulting translation differences are recognised under translation differences in consolidated reserves.

### 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 into euros at the closing rate at the end of the period.

## 3. Measurement rules and methods

### 3.1. Use of estimates

The preparation of financial statements under IFRS 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.

Fiscal year 2008 was marked by an economic and financial crisis and it is impossible to forecast precisely how severe it will be or how long it will last after 31 December 2008. The consolidated financial statements for the period were drafted in reference to the current environment, notably for the estimates presented below.

Use of estimates relates in particular to the following:

#### 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.

#### 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 VINCI Group Savings Scheme. This expense is measured on the basis of actuarial calculations using estimated behavioural assumptions based on observation of past behaviour.

#### 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, and mortality rates.
These assumptions are generally updated annually. Details of the assumptions used and how they are determined are given in Note 16.1 *Retirement benefit obligations*.
The Group considers that the actuarial assumptions used are appropriate and justified. Obligations may, however, change in the event of changes in assumptions.

#### 3.1.4. Measurement of provisions

The factors that materially influence the amount of provisions relate mainly to forecasts for maintenance expenditure spanning several years, and for major repairs, which serve as a basis for provisions for major repairs on infrastructure assets under concession. These forecasts are estimated by taking into account indexing clauses of construction contracts (principally the TP01, TP02 and TP09 indices).

#### 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, which give preference to the use of observable factors.

### 3.2. Revenue

The Group's consolidated revenue is recognised in accordance with IAS 18 and IAS 11. It comprises tolls received on road infrastructure operated under concession, as well as fees for commercial premises and rent for telecommunications infrastructure and advertising space. It also includes revenue recognised for the construction of new infrastructure assets under concession according to the stage of completion method in compliance with IAS 11 (see Note A.1.3.2 *Consequences of the first application of IFRIC 12).*

In addition, it includes the total of the services provided by consolidated subsidiaries as their main activity.

**3.3. Revenue from ancillary activities**

Revenue from ancillary activities mainly consists of studies and assistance work performed by the Business Development department, and services provided outside the concessions scope or for other motorway concession operators.

**3.4. Share-based payments**

The measurement and recognition methods for share subscription and purchase plans, bonus share plans and the VINCI Group Savings Schemes are defined by IFRS 2 *Share-based Payment*s. The granting of stock options, bonus shares and offers to subscribe to the Group Savings Scheme represent a benefit granted to their beneficiaries and therefore constitutes supplementary remuneration borne by the Group. Because such transactions do not give rise to monetary transactions, the benefits granted in this way by VINCI in the form of its own equity instruments to employees of its subsidiary Cofiroute 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 their fair value at the date on which the equity instruments are granted. The binomial "Monte Carlo" valuation model is deemed the most reliable and the most long-standing in terms of measuring this fair value because it enables a larger number of scenarios to be modelled by including in the valuation, in particular, assumptions about the behaviour of beneficiaries on the basis of historical observations.

3.4.1. Share subscription or purchase option plans

Options to subscribe to or purchase VINCI shares are granted to Group employees and Company officers. The fair value of the options granted is determined at the grant date using a binomial valuation model of the "Monte Carlo" type. The number of options measured is adjusted for the probability that the vesting conditions for the exercise of the option will not be satisfied.

3.4.2. Bonus share allocation plans

Bonus VINCI shares, conditional on performance, were granted to Group employees and officers in previous periods. As this is a plan under which the final vesting of the bonus shares depends on the realisation of conditions relating to market performance and financial criteria, the fair value of the free shares has been estimated at grant date using a "Monte Carlo" simulation model in order to factor in the impact of the market performance condition and take into account the likelihood that the financial criteria would be met as recommended by IFRS 2.

The number of bonus 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.

3.4.3. VINCI Group Savings Scheme

Under the Group Savings Scheme, three times a year, VINCI issues new shares reserved for its employees with a subscription price that includes a discount 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 the "Monte Carlo" binomial valuation model at the date on which the Board of Directors sets the subscription price. As certain restrictions apply to the shares acquired by 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.

In 2007, VINCI carried out a leveraged employee shareholding transaction, called "Castor Avantage" for the employees of its French subsidiaries.

The expense related to leveraged plans is measured at grant date in accordance with IFRS 2, on the basis of the benefit granted by the Group to its employees.

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

Advantages from stock options, allocations of bonus shares and the Group Savings Scheme are granted by a decision of VINCI SA's Board of Directors, after approval from the Shareholders Meeting and are not systematically renewed. As their measurement is not directly linked to its business operations, the Group has considered it was appropriate not to include this expense in 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.

**3.5. Cost of net financial debt**

The cost of net financial debt includes:

➜ the cost of gross financial debt, which includes interest expense calculated at the effective interest rate as well as 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 *Financial income from cash management investments* line item, which comprises the return on investments of cash and cash equivalents measured at fair value in the income statement.

**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 assets operated under concession are included in the cost of those assets. To the extent that borrowing is not earmarked 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.

**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. Deferred tax is calculated using the latest tax rates enacted or substantially enacted. 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 expenses related to share-based payments (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 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.

**3.8. Earnings per share**

Undiluted earnings per share (basic 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.

**3.9. Concession intangible assets**

*Concession intangible assets* correspond to the concession operator's right to operate the infrastructure asset under concession in exchange for investment expenditure incurred in designing and building the structure. This right of the concession operator corresponds to the fair value of the construction of the infrastructure asset under concession and, in addition, the financial charges recognised during the construction period. It is depreciated over the term of the contract according to an appropriate manner to reflect the pace at which the economic advantages provided by the contract are consumed, from the date on which the operating right becomes effective (see Note A.1.3. *Change in accounting policy: IFRIC 12, Service Concession Arrangements).*

**3.10. Other intangible assets**

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

**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.

**3.12. Property, plant and equipment**

Property, plant and equipment mainly comprises fittings, equipment, furniture and vehicles wholly owned by Group companies. Such items are recorded at acquisition or production cost less cumulative depreciation and any impairment losses. Their value is not adjusted. They also include operating fixed assets of the infrastructure under concession that are not controlled by the grantor but are required to operate the concession: buildings used for operating purposes, as well as toll, remote transmission and video-surveillance equipment, and so forth (see Note A.1.3. *Change in 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.

Periods of use of the various categories of property, plant and equipment (fittings, equipment, furniture and vehicles) range from three to 10 years.

Depreciation commences as from the asset's entry into service.

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

Under certain circumstances, impairment tests must be performed on intangible and tangible 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 flows 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 discounting rate is determined for each cash-generating unit, taking account of its geographical location and the risk profile of its business.

**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 subsequently 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 3.13 *Impairment of non-financial non-current assets.*

**3.15. Other non-current financial assets**

Other non-current financial assets comprise available-for-sale securities and the fair value of non-current derivative financial instruments (assets) (see Note A.3.24 *Fair value of derivative financial instruments, (assets and liabilities).*
The *available-for-sale securities* category includes the Group's shareholdings in unconsolidated companies.
At the balance sheet date, available-for-sale securities are measured at their fair value.

For unlisted securities, if their fair value cannot be determined reliably, the securities continue to be measured at their original cost, i.e. their cost of acquisition plus transaction costs. They give rise to an impairment loss if their fair value is lower than their original cost. Changes in fair value are recognised directly in equity.

**3.16. Inventories**

Inventories are recognised at their cost of acquisition and mainly comprise supplies needed to maintain roads and keep them open for traffic (chloride and fuel). At the balance sheet date, they are measured on a FIFO basis.

**3.17. Trade and other operating receivables**

Trade and other operating receivables are current financial assets. They 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.

**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.

### 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. As the 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 through the income statement.

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, the discounting of future cash flows. When assessing the fair value of listed instruments, the Group uses their market price at the balance sheet date or the cash-in value of UCITS.

### 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 money market UCITS (in accordance with the AMF classification), 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 the income statement.

### 3.21. Non-current provisions

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

#### 3.21.1. Retirement benefit obligations

Provisions are taken in the balance sheet for obligations arising from 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 recognised in the balance sheet only 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 the 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-based adjustments (the effects of differences between the actuarial assumptions drawn upon and what has actually occurred).

Cumulative unrecognised actuarial gains and losses that exceed 10% of the higher of the discounted 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.

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

### 3.21.2. Other non-current provisions

They include provisions for other employee benefits, and early retirement compensation under the so-called "CATS" agreement measured in accordance with IAS 19, as well as provisions that are not directly linked to the operating cycle, in particular the provision for major repairs, measured in accordance with IAS 37. These are recognised when, 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 and whenever a reliable estimate can be made of the amount of the obligation. They are measured at their present value, corresponding to the best estimate of the consumption 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 is shown 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*.

### 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.

Contractual obligations with respect to maintaining assets operated under concessions in good condition have led to provisions being set aside. They have been mainly booked to cover payments for major repairs of pavements (surfacing, restructuring of slow lanes, etc.), engineering structures and hydraulic structures. Such expenditure is remeasured on the basis of appropriate indices (primarily the TP01, TP02 and TP09 indices). Furthermore, provisions are also set aside as soon as definite pathologies are observed in identified structures.

Provisions for disputes connected with operations mainly relate to disputes with customers, subcontractors, 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.

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

Bonds, other loans and borrowings 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 using the amortised cost method and reported under the *Cost of gross financial debt item*.
When the interest rate practised is significantly lower than the market rate, in particular with respect to funding extended by public-sector organisations, the economic benefit this leads to is considered, in accordance with IAS 20, as a public grant that is deducted from the related debt and investments.

The part at less than one year of borrowings is included in the *Current financial liabilities* item.

### 3.24. 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 are designated as hedging instruments. Hedge accounting is applicable in particular if the conditions provided for in IAS 39 are satisfied:

➔ at the inception of the hedge there is a formal designation and documentation of the hedging relationship;
➔ the effectiveness of the hedging relationship is 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 instruments designated as hedges are reported under *Other current financial assets* or *Other loans and borrowings*.

### 3.24.1. 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; or
- ➜ a cash flow hedge.

**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 commitments to be hedged.

Changes in the fair value of the derivative financial instrument are recognised in the income statement for the period. The change in value of the hedged item attributable to the hedged risk is recognised symmetrically in the income statement 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 variability in future cash flows associated with an existing asset or liability, or a highly probable forecast transaction, to be hedged.

Changes in the fair value of the derivative financial instrument are recognised in equity for the effective part and in the income statement for the period for the ineffective part. Cumulative gains or losses in equity are taken to the income statement 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 the income statement.

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 immediately taken to the income statement.

### 3.24.2. 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 in the income statement.

### 3.25. 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.

### 3.26. Off-balance sheet commitments

The Group's off-balance sheet commitments are monitored through an annual or six-monthly report. Off-balance sheet commitments are reported in the appropriate Notes, as dictated by their nature and the activity to which they relate.

### 3.27. Segment reporting

The Cofiroute Group is managed as a single business segment – the operation of infrastructure and motorway assets (such as bridges and tunnels) under concession or operating contracts.

## 4. Standards and Interpretations not applied early

The Group has not elected to apply the following Standards or Interpretations early. Note that their application is not compulsory at 1 January 2008, with the exception of those presented in Note A.1.2. *Change in accounting policy: treatment of loans with a below-market rate of interest* and Note A.1.3. *Change in accounting policy: IFRIC 12, Service Concession Arrangements:*

- ➔ IAS 1 Revised: *Presentation of Financial Statements*
- ➔ IAS 1 Revised/IAS 32: *Puttable Instruments and Obligations Arising on Liquidation*
- ➔ Amendments to IAS 23: *Borrowing Costs*
- ➔ Amendments to IFRS 2: *Vesting Conditions and Cancellations*
- ➔ IAS 27 Revised: *Consolidated and Separate Financial Statements*
- ➔ IFRS 3 Revised: *Business Combinations*
- ➔ IAS 28: *Accounting for Investments in Associates*
- ➔ IAS 31: *Financial Reporting of 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*
- ➔ Amendment to IAS 39: *Eligible Hedged Items*
- ➔ Amendment to the annual procedure aimed at improving IFRS.

The potential impact of these standards and Interpretations on the Group's consolidated financial statements is being ascertained.

# B. Notes to the income statement

## 5. Revenue

| (in € millions) | 2008 | 2007 (*) |
|---|---|---|
| Revenue – toll receipts | 1,055.2 | 1,018.3 |
| Revenue - other | 22.0 | 20.2 |
| **REVENUE - EXCLUDING CONSTRUCTION OF NEW INFRASTRUCTURE ASSETS** | **1,077.1** | **1,038.5** |
| Revenue - construction of new infrastructure assets | 272.4 | 431.0 |
| **REVENUE FROM CONSTRUCTION OF NEW INFRASTRUCTURE ASSETS** | **272.4** | **431.0** |
| **REVENUE** | **1,349.5** | **1,469.5** |

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

## 6. Operating profit

| (in € millions) | 2008 | 2007 (*) |
|---|---|---|
| **REVENUE** | **1,349.5** | **1,469.5** |
| **REVENUE FROM ANCILLARY ACTIVITIES** | **3.5** | **2.2** |
| **CONSTRUCTION COSTS OF NEW INFRASTRUCTURE** | **(272.4)** | **(431.0)** |
| Purchases consumed | (10.5) | ( 9.6) |
| External services | (90.2) | (81.0) |
| Employment costs | (96.1) | (96.7) |
| Taxes and levies | (117.9) | (115.3) |
| Depreciation and amortisation | (191.7) | (152.7) |
| Net provision charges and other (**) | 5.9 | (5.6) |
| Other operating income and expenses | (0.2) | (5.0) |
| **OPERATING EXPENSES** | **(500.8)** | **(465.9)** |
| **OPERATING PROFIT FROM ORDINARY ACTIVITIES** | **579.8** | **574.8** |
| Share-based payment expense (IFRS 2) | (2.0) | (3.2) |
| Profit or loss of associates | 0.6 | 0.7 |
| **OPERATING PROFIT** | **578,4** | **572,4** |

(*) Figures restated in accordance with the change in accounting policy described in Note A.1.3 *Change of accounting policy: IFRIC 12, Service Concession Arrangements.*
(**) Consisting of provisions expense and reversals in respect of non-current provisions (cf. Note C.16.2 *Other non-current provisions*) and current provisions (see Note C.20.2. *Breakdown of current provisions*).

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

It grew 0.9% to €579.8 million at 31 December 2008 (53.8% of revenue) from €574.8 million at 31 December 2007 (55.4% of revenue). In particular, this trend takes account of the entry into service of new sections in late 2007 and during 2008.

Operating profit climbed 1% to €578.4 million at 31 December 2008 (53.7% of revenue) from €572.4 million at 31 December 2007 (55.1% of revenue). It includes the Group's share in associates and share-based payments.

### 6.1. External services

| (in € millions) | 2008 | 2007 |
|---|---|---|
| Major repairs | (34.6) | (31.0) |
| Other external services | (55.7) | (50.0) |
| **EXTERNAL SERVICES** | **(90.2)** | **(81.0)** |

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

### 6.2. Depreciation and amortisation

Depreciation and amortisation breaks down as follows:

| (in € millions) | 2008 | 2007 (*) |
|---|---|---|
| Concession intangible assets | (165.7) | (126.4) |
| Concession tangible assets | (24.0) | (23.8) |
| Property, plant and equipment | (2.1) | (2.4) |
| **DEPRECIATION AND AMORTISATION** | **(191.7)** | **(152.7)** |

### 6.3. Share-based payments

The expense relating to benefits granted to employees has been assessed at €2.0 million in respect of 2008 (down from €3.2 million in 2007), of which €0.2 million in respect of stock option plans (down from €0.7 million in 2007), €0.7 million in respect of Group Savings Schemes (down from €2.0 million in 2007) and €1.1 million in respect of the bonus share allocation plan (see Note 15 *Share-based payments*).

## 7. Financial income and expenses

| (in € millions) | 2008 | | | |
|---|---|---|---|---|
| | **Cost of net financial debt** | **Other financial expenses** | **Other financial income** | **Other financial income** |
| Liabilities at amortised cost | (194.1) | | | |
| Assets and liabilities at fair value through profit or loss (fair value option) | 23.9 | | | |
| Derivatives at fair value through profit or loss (trading): assets and liabilities | 0.4 | | | |
| Derivatives designated as hedge | (0.6) | | | 0.6 |
| ***SUBTOTAL: TOTAL NET FINANCIAL DEBT*** | ***(170.3)*** | ***0.0*** | ***0.0*** | ***0.6*** |
| Available-for-sale financial assets | | (0.1) | 0.3 | |
| Effect of discounting to present value | | (3.8) | | |
| Foreign exchange gains and losses | | 0.0 | | |
| Capitalised borrowing costs | | | 91.9 | |
| **TOTAL FINANCIAL INCOME AND EXPENSES** | **(170.3)** | **(3.9)** | **92.2** | **0.6** |

| (in € millions) | 2007 (*) | | | |
|---|---|---|---|---|
| | **Cost of net financial debt** | **Other financial expenses** | **Other financial income** | **Equity** |
| Liabilities at amortised cost | (188.9) | | | |
| Assets and liabilities at fair value through profit or loss (fair value option) | 23.0 | | | |
| Derivatives at fair value through profit or loss (trading): assets and liabilities | 3.0 | | | |
| Derivatives designated as hedge | 7.3 | | | |
| ***SUBTOTAL: TOTAL NET FINANCIAL DEBT*** | ***(155.6)*** | ***0.0*** | ***0.0*** | |
| Available-for-sale financial assets | | (1.1) | 7.2 | |
| Effect of discounting to present value | | (4.3) | 0.1 | |
| Foreign exchange gains and losses | | (0.3) | | |
| Capitalised borrowing costs | | | 109.2 | |
| **TOTAL FINANCIAL INCOME AND EXPENSES** | **(155.6)** | **(5.7)** | **116.5** | |

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

Discounting costs of provisions for debts and payables with a maturity in excess of one year consist mainly of the provision for the obligation to maintain infrastructure assets under concession in good condition. They totalled €3.7 million at 31 December 2008, compared with €4.3 million at 31 December 2007.

### 7.1 Cost of net debt

The cost of financial debt amounted to €169.7 million at 31 December 2008, up from €155.6 million at 31 December 2007.

The cost of net financial debt grew by €14.1 million from 2007; the change in the level of borrowing accounted for about one-third of this increase, and the balance was due to the rise in interest rates.
Gains and losses on derivative financial instruments includes gains and losses on derivatives designated as hedges (fair value and cash flow hedge) and on those not so designated, and breaks down as follows:

| | 2008 | 2007 |
|---|---|---|
| Net interest received from derivatives designated as fair value hedges | 0.7 | 7.3 |
| Change in value of derivatives designated as fair value hedge | 22.9 | 32.5 |
| Change in value of the adjustment to fair value hedged financial debt | (23.4) | (32.7) |
| Reversal through profit or loss of amounts deferred in equity | 0.6 | 0.5 |
| Ineffectiveness of cash flow hedge | (0.8) | (0.3) |
| Gains and losses on derivatives not designated as hedge | 0.4 | 3.0 |
| **GAINS AND LOSSES ON DERIVATIVES NOT DESIGNATED AS HEDGE** | **0.4** | **10.3** |

The breakdown of derivative financial instruments is given in Note 18.

### 7.2. Other financial income and expenses

Most of this item relates to borrowing costs included in the cost of assets under construction (€91.9 million in 2008 versus €109.2 million in 2007).

Their change is correlated to the decrease in assets under construction, partly offset by the increase in the average cost of debt.

## 8. Income tax

| (in € millions) | 2008 | 2007 (*) |
|---|---|---|
| Current tax | (92.9) | (141.2) |
| Deferred tax | (80.2) | (31.7) |
| *including temporary differences for* | *(72.9)* | *(24.4)* |
| *including tax losses and tax credits for* | *(7.3)* | *(7.3)* |
| **INCOME TAX** | **(173.1)** | **(173.0)** |

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

### 8.1. Breakdown of net tax expense

The tax expense for the period comprises:

- ➜ tax recognised in respect of Cofiroute, the lead company in the tax consolidation group formed with two French subsidiaries;
- ➜ the tax expense recognised by foreign subsidiaries for €0.4 million (versus €0.3 million in 2007).

### 8.2. 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 period can be analysed as follows:

| (in € millions) | 2008 | 2007 (*) |
|---|---|---|
| Profit before tax and profit or loss of associates | 496.4 | 526.9 |
| Theoretical tax rate in France | 34.43% | 34.43% |
| **THEORETICAL TAX EXPENSE EXPECTED** | **(170.9)** | **(181.4)** |
| Permanent differences and miscellaneous | (2.2) | 8.5 |
| **TAX EXPENSE RECOGNISED** | **(173.1)** | **(173.0)** |
| Effective tax rate | 34.88% | 32.82% |
| Effective tax rate excluding impact of share-based payments | 32.86% | 32.83% |

(*) Figures restated in accordance with the change in 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 associated with the fact that most components of the share-based payment expense are not tax-deductible. They amounted to €0.6 million at 31 December 2008 (versus €0.1 million at 31 December 2007).

### 8.3. Breakdown of deferred tax assets and liabilities

| (in € millions) | 31/12/08 | 31/12/2007 (*) |
|---|---|---|
| **Deferred tax assets** | | |
| Retirement benefit obligations | 5.4 | 4.3 |
| Provisions | 0.3 | 41.8 |
| Concession intangible fixed assets (capitalised borrowing costs and other) | 7.2 | 7.2 |
| Fair value adjustment on financial instruments | 1.6 | 1.6 |
| Other | 6.5 | 6.3 |
| **TOTAL** | **21.0** | **61.1** |
| **Deferred tax liabilities** | | |
| Fair value adjustment on financial instruments | 1.7 | 3.6 |
| Provisions | 12.1 | |
| Concession intangible fixed assets (capitalised borrowing costs and other) | 315.8 | 287.9 |
| Tax-regulated amortisation and depreciation expense | 10.3 | 9.9 |
| Other | 0.3 | 0.6 |
| **TOTAL** | **340.3** | **302.0** |
| **NET DEFERRED TAX** | **319.3** | **240.9** |

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

Temporary differences associated with consolidation restatements relate mainly to concession intangible assets (€315.8 million in 2008 and €287.9 million in 2007).

**8.4. Unrecognised deferred taxes**

Deferred tax assets that are unrecognised on the grounds that their recovery is not probable amounted to €7.3 million at 31 December 2008 and mainly relate to the impairment of the shares in Toll Collect.

## 9. Earnings per share

The Company's share capital is represented by 4,058,516 shares, and remained unchanged in 2008 and 2007. The Company has not issued any instrument that could give rights to shares. As a result, the number of shares to take into consideration when calculating basic and diluted earnings per share in 2008 and in 2007 is 4,058,516.

# C. Notes to the balance sheet

## 10. Concession intangible assets

**10.1. Main features of concession contracts**

The features of the main contracts for concessions operated by the Group are as follows:

| | Control and regulation of prices by concession grantor | Remuneration paid by | Grant or guarantee from concession grantor | Residual value | Concession end date or average duration |
|---|---|---|---|---|---|
| **Cofiroute** | | | | | |
| Intercity toll motorway network in France 1,100km | Pricing law as defined in the concession contract. Price increases subject to agreement by grantor. | Users | Nil | Infrastructure returned to grantor for no consideration, unless purchased by the grantor (in which case at economic value). | End of contract in 2030 |
| A86 France (two toll tunnels under construction) | Pricing law as defined in the concession contract. Price increases subject to agreement by grantor. | Users | Nil | Infrastructure returned to grantor for no consideration, unless purchased by the grantor (in which case at economic value). | End of contract: 70 years after complete entry into service of asset. |

**10.2. Commitments made under concession contracts**

Contractual investment and renewal obligations:

Under its concession contracts, the Group has undertaken to carry out investments in infrastructure that it will operate as concession operator.

The 13th rider to the intercity network concessions contract was approved by decree on 2 July 2008. A master plan defining mainly the capital expenditure to be made and the applicable pricing arrangements is in force for the 2004–2008 period. As it has a well-defined contractual framework for its operations, Cofiroute has good visibility over its prospects.

At 31 December 2008, the investments planned for the next five years under the concession contracts and the master plan relate mainly to the intercity network for €294.1 million and the A86 for €226.0 million.

### 10.3. Breakdown of concession intangible assets

| (in € millions) | Cost of infrastructure in service (**) | Advances and outstandings | Total |
|---|---|---|---|
| **Gross** | | | |
| **At 1 January 2007 (*)** | **4,091.5** | **2,079.6** | **6,171.1** |
| Acquisitions in the period | 198.7 | 353.5 | 552.2 |
| Disposals and retirements during the period | | 0.0 | 0.0 |
| Other movements | 631.8 | (634.4) | (2.6) |
| | **4,922.0** | **1,798.7** | **6,720.7** |
| Grants received | (10.8) | | (10.8) |
| **At 31 December 2007 (*)** | **4,911.2** | **1,798.7** | **6,709.9** |
| Acquisitions in the period | 155.5 | 213.5 | 369.0 |
| Disposals and retirements during the period | (0.7) | | (0.7) |
| Other movements | 357.0 | (378.1) | (21.0) |
| | **5,423.0** | **1,634.1** | **7,057.1** |
| Grants received | (3.6) | | (3.6) |
| **At 31 December 2008** | **5,419.4** | **1,634.1** | **7,053.5** |
| **Amortisation and impairment losses** | | | |
| **At 1 January 2007 (*)** | **(1,574.4)** | | **(1,574.4)** |
| Amortisation for the period | (126.3) | | (126.3) |
| Impairment losses | | | 0.0 |
| Reversals of impairment losses | | | 0.0 |
| Disposals and retirements during the period | 6.4 | | 6.4 |
| Other movements | (0.1) | | **(0.1)** |
| **At 31 December 2007 (*)** | **(1,694.5)** | | **(1,694.5)** |
| Amortisation for the period | (165.8) | | (165.8) |
| Impairment losses | | | 0.0 |
| Reversals of impairment losses | | | 0.0 |
| Disposals and retirements during the period | 0.7 | | 0.7 |
| **At 31 December 2008** | **(1,859.6)** | | **(1,859.6)** |
| **Net** | | | |
| **At 1 January 2007 (*)** | **2,517.1** | **2,079.6** | **4,596.7** |
| **At 31 December 2007 (*)** | **3,216.7** | **1,798.7** | **5,015.4** |
| **At 31 December 2008** | **3,559.8** | **1,634.1** | **5,193.9** |

(*) Figures restated in accordance with the change in accounting policy described in Note A.1.3 *Change of accounting policy: IFRIC 12, Service Concession Arrangements*
(**) After deduction of grants

Fixed assets increased by €369.0 million (versus €552.2 million in 2007), following investments made by Cofiroute under its concession contracts. Borrowing costs included during the period in the cost of concession assets before their entry into service amounted to €91.9 million (versus €109.2 million in 2007).

Concession assets under construction amounted to €1,634.1 million at 31 December 2008, including €1,603.0 million for the A86.

## 11. Property, plant and equipment

| (in € millions) | Concession tangible fixed assets | Land | Fixtures and fittings | Plant and equipment | Total |
|---|---|---|---|---|---|
| **Gross** | | | | | |
| **At 1 January 2007 (*)** | **569.6** | **0.8** | **9.5** | **21.6** | **601.5** |
| Acquisitions in the period | 93.4 | | 0.0 | 0.4 | 93.9 |
| Disposals and retirements during the period | (12.8) | (0.0) | (0.0) | (0.2) | (13.0) |
| Other movements | 2.8 | 0.4 | 0.0 | (0.6) | 2.6 |
| **At 31 December 2007 (*)** | **653.1** | **1.2** | **9.5** | **21.3** | **685.1** |
| Acquisitions in the period | 103.6 | | | 1.1 | 104.7 |
| Disposals and retirements during the period | (15.7) | (0.3) | | (1.0) | (17.0) |
| Other movements | 4.4 | 0.2 | | 0.0 | 4.6 |
| **At 31 December 2008** | **745.4** | **1.0** | **9.5** | **21.5** | **777.4** |
| **Depreciation and impairment losses** | | | | | |
| **At 1 January 2007 (*)** | **(152.1)** | **0.0** | **(9.0)** | **(15.6)** | **(176.7)** |
| Depreciation for the period | (23.8) | | 0.5 | (2.8) | (26.2) |
| Disposals and retirements during the period | 6.1 | | 0.0 | 0.2 | 6.3 |
| Other movements | 0.0 | | | 0.1 | 0.1 |
| **At 31 December 2007 (*)** | **(169.8)** | **0.0** | **(8.5)** | **(18.2)** | **(196.5)** |
| Depreciation for the period | (24.0) | | (0.6) | (1.4) | (26.0) |
| Disposals and retirements during the period | 15.5 | | | 1.0 | 16.5 |
| Other movements | (0.3) | | | 0.1 | (0.2) |
| **At 31 December 2008** | **(178.6)** | **0.0** | **(9.2)** | **(18.6)** | **(206.3)** |
| **Net** | | | | | |
| **At 1 January 2007 (*)** | **417.5** | **0.8** | **0.5** | **6.0** | **424.9** |
| **At 31 December 2007 (*)** | **483.2** | **1.2** | **1.0** | **3.1** | **488.5** |
| **At 31 December 2008** | **566.8** | **1.0** | **0.4** | **2.9** | **571.2** |

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

## 12. Investments in associates

The carrying amount of associates at 31 December 2008 stood at €0.8 million versus €1.1 million at 31 December 2007. These amounts correspond to the value of shareholdings in companies accounted for by the equity method. The €0.2 million decrease therefore consists of the Group's share of the profit or loss of associates.
Shareholdings in companies accounted for by the equity method at 31 December 2008 relate to a Chilean subsidiary in liquidation and a subsidiary in the United Kingdom in which the Group has significant influence.

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

| (in € millions) | **OADB** | **Le Crossing Company Limited** |
|---|---|---|
| % held | 40% | 43% |
| Financial data (on a 100% basis) | | |
| Revenue | 0.0 | 21.6 |
| *Attributable to Group* | *0.0* | *9.3* |
| Operating expenses | 0.0 | (20.2) |
| Operating profit | 0.0 | 1.4 |
| **NET PROFIT FOR THE YEAR** | **0.0** | **1.0** |
| **EQUITY AT 31 DECEMBER 2008** | **0.2** | **1.6** |
| *Attributable to Group* | *0.1* | *0.7* |
| Share of net consolidated profit / (loss) attributable to Group | | |
| **VALUE OF INVESTMENTS IN ASSOCIATES** | **0.1** | **0.8** |
| Carrying amount of shares in parent company accounts | 0.2 | 0.1 |
| Original cost of shares | 0.2 | 0.1 |
| **Other balance sheet information** | | |
| **TOTAL ASSETS / EQUITY AND LIABILITIES** | **0.2** | **1.6** |

## 13. Other non-current financial assets

Other non-current financial assets mainly consist of unlisted subsidiaries and associates that do not meet the minimum financial criteria for consolidation adopted by Cofiroute. They correspond to the available-for-sale assets category, as defined in IAS 39, and amounted to €0.4 million at 31 December 2008. There was no major change during the period.

Available-for-sale assets break down as follows at 31 December:

| (in € millions) | **31/12/08** | **31/12/07** |
|---|---|---|
| Société d'Exploitation de Radiodiffusion Autoroutière | 0.062 | 0.062 |
| Mediamobile | 0.060 | 0.060 |
| Cofiroute Services | 0.019 | |
| Société de Prestations et de Transactions Foncières | 0.008 | 0.008 |
| Centaure Bretagne | 0.181 | 0.181 |
| Auto Trafic GIE | 0.042 | 0.042 |
| Toll Collect | 47.005 | 47.005 |
| *Provision against shareholdings* | *(47.005)* | *(47.005)* |
| **AVAILABLE-FOR-SALE FINANCIAL ASSETS** | **0.372** | **0.353** |

The change of €0.019 million in the period resulted from Cofiroute creating a company called Cofiroute Services. Another note-worthy point is that the €47.0 million shareholding in Toll Collect remained completely written down at 31 December 2008.

## 14. Change in equity (excluding share-based payments)

### 14.1. Shares

The Company's share capital is represented by 4,058,516 shares, unchanged from 2007 and 2006. The Company has not issued any instrument that could give rights to shares. As a result, the number of shares to take into consideration when calculating basic earnings per share in 2008 and in 2007 is 4,058,516.

### 14.2. Distributable reserves

Changes in the Group's distributable reserves are as follows:

| (in € millions) | 31/12/08 | 31/12/07 |
|---|---|---|
| Free of corporate income tax liabilities | 1,242.5 | 1,077.6 |
| **DISTRIBUTABLE RESERVES** | **1,242.5** | **1,077.6** |

Furthermore, the Group's statutory reserve stood at €15.8 million at 31 December 2008, unchanged over the period.

### 14.3. Items recognised directly in equity

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

| (in € millions) | 31/12/08 | 31/12/07 |
|---|---|---|
| **Cash flow hedges** | | |
| Reserve at beginning of the year | 4.0 | 3.0 |
| Changes in fair value in the year | (6.1) | |
| Fair value items recognised in profit or loss | 0.6 | 1.0 |
| **GROSS RESERVE AT END OF THE YEAR** | **(1.5)** | **4.0** |

| (in € millions) | 31/12/08 | 31/12/07 |
|---|---|---|
| **Total items recognised directly in equity** | | |
| Gross reserve | (1.5) | 4.0 |
| Associated tax effect | 0.5 | (1.4) |
| **RESERVE NET OF TAX** | **(1.0)** | **2.6** |

Changes in fair value relative to cash flow hedging operations recognised in equity mainly consist of the hedging of issues of future bonds (interest rate swaps with a delayed start date were set up) or floating-rate bonds (fixed-for-floating interest rate swaps were set up). These operations are described in Note C.18.1.3. *Description of cash flow hedges.*

### 14.4. Dividends

The Shareholders Meeting voting on the 2007 financial statements approved the payment of a dividend of €188,315,142, or €46.40 per share, in respect of 2007. An interim dividend of €158,282,124, or €39 per share, was paid in 2007.
Moreover, the Board of Directors finalised the condensed interim financial statements at 30 June 2008 and decided to pay an interim dividend of €152,803,127, amounting to a dividend of €37.65 for each of the 4,058,516 shares representing the share capital, in respect of 2008.
The dividends paid in respect of 2008 and 2007 break down as follows:

| | 2008 | 2007 |
|---|---|---|
| **Interim dividend (paid in November in the same year)** | | |
| Amount (in € millions) (I) | 152.8 | 158.3 |
| Per share in euros | 37.65 | 39.0 |
| **Final dividend (paid in April of the next year)** | | |
| Amount (in € millions) (II) | 35.5 | 30.0 |
| Per share in euros | 8.75 | 7.4 |
| **Total net dividend per share** | | |
| Amount (in € millions) (I) + (II) | 188.3 | 188.3 |
| Per share in euros | 46.40 | 46.4 |

### 14.5. Minority interest

At 31 December 2008, the subsidiaries in which the Group has de facto control are all fully consolidated (see A.2.1 *Consolidation scope)*. No minority interest is therefore reported in the Group's consolidated financial statements at 31 December 2008.

## 15. Share-based payments

Cofiroute Group employees are entitled to share purchase option plans, bonus share plans and the Group Savings Scheme of the parent company VINCI. The aggregate expense recognised at 31 December 2008 in respect of share-based payments totalled €2.0 million, of which €0.7 million in respect of the Group Savings Scheme, versus €3.2 million at 31 December 2007, of which €2.0 million in respect of the Group Savings Scheme at 31 December 2007.

VINCI's Board of Directors defines the conditions for subscribing to the Group Savings Scheme in accordance with the authorisations granted to it by the Shareholders Meeting. For France, VINCI issues new shares reserved for employees three times a year with a subscription price that includes a discount of 10% on the stock market price. Subscribers benefit from a contribution from their company, capped at €3,500 per year; this amount was raised to €3,800 in 2009 on an exceptional basis. The benefits granted in this way to Group employees 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: four months;
- ➜ length of period during which funds are frozen: five years from the end of the subscription period.

## 16. Non-current provisions

| (in € millions) | Note | 31/12/08 | 31/12/2007 (*) |
|---|---|---|---|
| Provisions for retirement benefit obligations | 16.1 | 0.8 | 0.3 |
| Other non-current provisions | 16.2 | 21.1 | 15.2 |
| **NON-CURRENT PROVISIONS** | | **21.9** | **15.5** |

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

**16.1. Retirement benefit obligations**

Provisions for retirement benefit obligations amounted to €0.8 million at 31 December 2008 versus €0.3 million at 31 December 2007. These provisions comprise provisions for lump sums on retirement and provisions for obligations for supplementary retirement benefits.

Cofiroute's retirement benefit obligations under defined benefit plans fall into two categories:

➜ obligations borne directly by Cofiroute, covered by provisions recognised in the consolidated balance sheet: this relates to lump sums on retirement and supplementary defined benefit pension plans;

➜ plans imposing obligations that are pre-financed through a contract with an insurance company.

Retirement benefit obligations covered by provisions in the balance sheet are measured using the following assumptions:

| | 2008 | 2007 |
|---|---|---|
| Discount rate | 5.60% | 5.25% |
| Inflation rate | 2.00% | 1.90% |
| Rate of salary increases | 3.00% | 2-4.2% |
| Rate of pension increases | 2.00% | 1.5-2.5% |
| Probable average remaining working life of employees | between 10 and 15 years | between 10 and 15 years |

The Group chose at 31 December 2008 an average discounting rate for the euro zone of 5.6%. This rate was determined from an analytical curve representing the yield on first-category bonds at various maturities.

For each plan, the expected return on plan assets is determined using the building block method, which breaks the expected return down into three parts: money market investments, investments in bonds and investments in equities. The return on equities is determined by adding 3% to the long-term yield on government bonds. The money and bond market components are determined from published market indices.

Plan assets are valued at their fair value at 31 December 2008. With respect to assets invested with insurance companies, their carrying amount at 31 December 2008 is drawn upon.

The breakdown was as follows:

| | 31/12/08 | | 31/12/07 | |
|---|---|---|---|---|
| | **Eurozone** | **Weighted average** | **Eurozone** | **Weighted average** |
| **Breakdown of financial assets** | | | | |
| Shares | 9% | 9% | 18% | 18% |
| Bonds | 83% | 83% | 74% | 74% |
| Property | 9% | 9% | 8% | 8% |
| Total | 100% | 100% | 100% | 100% |
| **AVERAGE RATE OF RETURN ASSUMED** | **5%** | **5%** | **5%** | **5%** |

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**

| (in € millions) | 31/12/08 | 31/12/07 |
|---|---|---|
| Present value of retirement benefit obligations | (13.9) | (6.8) |
| Fair value of plan assets | 5.5 | 5.3 |
| **SURPLUS (OR DEFICIT)** | **(8.3)** | **(1.5)** |
| **PROVISIONS RECOGNISED IN BALANCE SHEET** | **0.8** | **(0.3)** |
| Assets recognised in balance sheet | | |
| Items not recognised in balance sheet | | |
| Actuarial gains and losses | 0.9 | (1.4) |
| Past service cost | 6.6 | 0.2 |

### Changes in the period

| (in € millions) | 2008 | 2007 |
|---|---|---|
| **Present value of retirement benefit obligations** | | |
| **BALANCE AT THE BEGINNING OF THE YEAR** | **6.8** | **8.1** |
| ***INCLUDING OBLIGATIONS COVERED BY PLAN ASSETS FOR*** | **5.5** | **5.3** |
| Current service cost | 0.4 | 0.5 |
| Cost for the year of discounting | 0.4 | 0.4 |
| Benefits paid during the year | (0.2) | (0.5) |
| Actuarial gains and losses | (0.4) | (0.2) |
| Past service cost | 6.9 | (0.2) |
| Settlement of rights | | |
| Effects of plan curtailments and alterations | (0.1) | (1.4) |
| Effect of exchange rate fluctuations | | |
| Changes in consolidation scope and miscellaneous | | |
| **BALANCE AT THE END OF THE YEAR** | **13.9** | **6.8** |
| ***INCLUDING OBLIGATIONS COVERED BY PLAN ASSETS FOR*** | | |
| **Plan assets** | | |
| **BALANCE AT THE BEGINNING OF THE YEAR** | **5.3** | **5.1** |
| Expected return on plan assets | 0.2 | 0.2 |
| Actuarial gains and losses | | |
| Contributions paid to funds | 0.2 | 0.2 |
| Benefits paid during the year | (0.1) | (0.2) |
| Settlement of rights | | |
| Effects of plan closures | | |
| Effect of exchange rate fluctuations | | |
| Changes in consolidation scope and miscellaneous | | |
| **BALANCE AT THE END OF THE YEAR** | **5.5** | **5.3** |
| **Items not recognised in balance sheet** | | |
| **BALANCE AT THE BEGINNING OF THE YEAR** | **1.2** | **1.9** |
| New elements | | |
| Effect of changes in assumptions | (0.2) | (0.2) |
| Effect of experience gains and losses | (0.2) | 0.1 |
| Amortisation for the year | | (0.1) |
| Exchange rate and other changes | | |
| Effects of plan curtailments and alterations | 6.7 | (0.5) |
| **BALANCE AT THE END OF THE YEAR** | **7.5** | **1.2** |
| *including actuarial gains and losses, for* | *0.9* | *1.4* |
| *including past service cost for* | *6.6* | *(0.2)* |
| Actuarial gains and losses as percentage of obligations | 6.2% | 20.2% |

The Group estimates the payments to be made in 2009 in respect of retirement benefit obligations at €0.5 million, comprising €0.3 million relating to benefits paid to retired employees and €0.2 million to contributions payable to fund managing bodies.

The 2008 Social Security Finance Act makes lump sums paid when employees are made to retire before the age of 65 subject to a supplementary welfare tax of 25% in 2008 and 50% in 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 drawn upon, but these adjustments have not led to a material impact on the corresponding obligations.

Moreover, in accordance with the decree dated 18 July 2008, the legal severance payment granted to an employee when an open-ended work contract is terminated cannot be lower, apart from the case where a business sector agreement sets out more favourable provisions, than one-fifth of the monthly wage for every year worked, increased by two-fifths after 10 years.

Unrecognised items (the difference between the observed amount of obligations, or invested funds, and the expected amounts) totalled €7.5 million at 31 December 2008, including €6.7 million relating to past service costs following changes in the calculation of severance payment rights. These past service costs are amortised over the remaining working lives of employees in service.

**Expenses recognised in respect of defined benefit plans**

| (in € millions) | **2008** | **2007** |
|---|---|---|
| Rights acquired by employees during the year | 0.4 | 0.5 |
| Discounting of acquired rights to present value | 0.4 | 0.4 |
| Expected return on plan assets | (0.2) | (0.2) |
| Amortisation of actuarial gains and losses | 0.0 | 0.1 |
| Amortisation of past service cost – rights not vested | 0.1 | |
| Past service cost – rights vested | | |
| Other | (0.3) | (1.6) |
| **TOTAL** | **0.6** | **(0.8)** |

The Group contributes to basic State pension schemes, for which the expense recognised is the amount of the contributions called by the State bodies. Basic State pension schemes are considered as being defined contribution plans.
The amount of retirement benefit contributions taken as an expense in the period in respect of defined contribution plans (excluding basic State schemes) amounted to €4.8 million at 31 December 2008, compared with €4.5 million at 31 December 2007. This sum comprises the contributions paid to the CRICA and ANEP providence funds.

## 16.2. Other non-current provisions

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

| (in € millions) | Opening balances | Provisions taken | Provisions 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 (*)** | | | | | | **1.8** |
| Other employee benefits (**) | 1.8 | 11.4 | | | | 13.2 |
| | | | | | | |
| Financial liabilities | 0.0 | | | | | 0.0 |
| Other liabilities | 11.4 | 0.6 | (8.2) | (0.1) | | 3.7 |
| | | | | | | |
| Reclassification of the part at less than one year of non-current provisions | (11.4) | | | | 9.6 | (1.8) |
| **1 January 2008 (*)** | **1.8** | **12.1** | **(8.2)** | **(0.1)** | **9.6** | **15.2** |
| Other employee benefits (**) | 13.2 | 3.3 | (0.8) | | | 15.7 |
| | | | | | | |
| Financial liabilities | 0.0 | | | | | 0.0 |
| Other liabilities | 3.7 | 3.7 | (0.1) | | | 7.3 |
| | | | | | | |
| Reclassification of the part at less than one year of non-current provisions | (1.8) | | | | (0.3) | (2.0) |
| **31 December 2008** | **15.2** | **7.0** | **(0.9)** | **0.0** | **(0.3)** | **21.1** |

(*) Figures restated in accordance with the change in accounting policy described in Note A.1.3 *Change of accounting policy: IFRIC 12, Service Concession Arrangements.*
(**) Mainly provisions relating to early retirement compensation under the so-called "CATS" *(Cessation Anticipée d'Activité des Travailleurs Salariés)* agreements (for more details, see Note 16.2.1. *Other employee benefits)*

### 16.2.1. Other employee benefits

Provisions for other employee benefits consist mostly of provisions relating to early retirement compensation under so-called "CATS" agreements, and are measured at the discounted value of future benefits.
The provisions were calculated using the following actuarial assumptions:

| | 2008 | 2007 |
|---|---|---|
| Discount rate | 5.60% | 5.25% |
| Inflation rate | 2.00% | 1.90% |
| Rate of salary increases | 3% | 2-4.2% |

At 31 December 2008, the provision amounted to €13.9 million (of which €11.7 million was at more than one year).

### 16.2.2. Provisions for other liabilities

Provisions for other liabilities, not directly linked with the operating cycle, include in particular the provisions for disputes and arbitration and amounted to €7.3 million at 31 December 2008.

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. Provisions that the Company considers sufficient given the current state of affairs have been taken in respect of cases in progress, where necessary.

## 17. Net financial debt

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

| (in € millions) | 31/12/08 Non-current | 31/12/08 Current * | 31/12/08 Total | 31/12/07 Non-current | 31/12/07 Current * | 31/12/07 Total |
|---|---|---|---|---|---|---|
| Bonds | (2,240.7) | (374.7) | **(2,615.4)** | (2,529.1) | 421.3 | **(2,950.3)** |
| Other bank loans and other financial debt | (1,098,5) | (12.0) | **(1,110,4)** | (859.9) | (10.7) | **(870.7)** |
| Credit facility | | (0.1) | **(0.1)** | | | |
| **LONG-TERM FINANCIAL DEBT** | **(3,339.1)** | **(386.8)** | **(3,726.0)** | **(3,389.0)** | **(432.0)** | **(3,821.0)** |
| Other current financial liabilities | 0.0 | (0.1) | **(0.1)** | 0.0 | (0.3) | **(0.3)** |
| Bank overdrafts | 0.0 | 0.0 | **0.0** | 0.0 | 0.0 | **0.0** |
| **I - GROSS FINANCIAL DEBT including** | **(3,339.1)** | **(386.9)** | **(3,726.0)** | **(3,389.0)** | **(432.3)** | **(3,821.3)** |
| *impact of fair value hedges* | 19.2 | 6.5 | **25.7** | (2.3) | | **(2.3)** |
| *gross financial debt before fair value adjustment* | **(3,358.3)** | **(393.4)** | **(3,751.7)** | **(3,386.7)** | **(432.3)** | **(3,819.0)** |
| Cash management financial assets not cash equivalents | | 9.4 | **9.4** | | 24.3 | **24.3** |
| Cash equivalents | | 388.3 | **388.3** | | 448.5 | **448.5** |
| Cash | | 14.3 | **14.3** | | 28.9 | **28.9** |
| **II - FINANCIAL ASSETS** | **0.0** | **412.0** | **412.0** | **0.0** | **501.6** | **501.6** |
| Derivative financial instruments - liabilities | (5.0) | (26.9) | **(31.9)** | 0.0 | (7.1) | **(7.1)** |
| Derivative financial instruments - assets | 19.2 | 69.8 | **89.0** | 2.8 | 64.5 | **67.3** |
| **III - DERIVATIVE FINANCIAL INSTRUMENTS** | **14.2** | **42.9** | **57.1** | **2.8** | **57.4** | **60.2** |
| **NET FINANCIAL DEBT (I + II + III)** | **(3,324.9)** | **68.0** | **(3,257.0)** | **(3,386.2)** | **126.7** | **(3,259.5)** |

* Current part including accrual

At 31 December 2008, the Group's net financial debt totalled €3.3 billion, virtually unchanged from 31 December 2007. The small change was due to a new bank loan taken out to fund investments and the redemption of a bond.

**Reconciliation of net financial debt with balance sheet items:**

| (in € millions) | 31/12/08 | 31/12/07 |
|---|---|---|
| Bonds (non current) | (2,240.7) | (2,529.1) |
| Other loans and borrowing | (1,098.5) | (859.9) |
| Current borrowings | (386.9) | (432.3) |
| Cash management financial assets | 9.4 | 24.3 |
| Cash and cash equivalents | 402.6 | 477.4 |
| Derivative financial instruments - non-current assets | 19.2 | 2.8 |
| Derivative financial instruments - non-current liabilities | (5.0) | 0.0 |
| Derivative financial instruments - current assets | 69.8 | 64.5 |
| Derivative financial instruments - current liabilities | (26.9) | (7.1) |
| **NET FINANCIAL DEBT** | **(3,257.0)** | **(3,259.5)** |

**17.1. Breakdown of long-term financial debt**

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

| (in € millions) | 31/12/08 | | | | | | 31/12/07 | |
|---|---|---|---|---|---|---|---|---|
| | Currency | Contractual interest rate | Maturity | Nominal outstanding | Carrying amount | Including accrued interest not matured for | Nominal outstanding | Carrying amount |
| **Bonds** | | | | | | | | |
| Bonds, 1997 | EUR | 5.900% | November 2008 | | | | 350.6 | 354.3 |
| Bonds, 1999 | EUR | 6.000% | November 2009 | 300.0 | 308.5 | 2.6 | 300.0 | 303.3 |
| Bonds, 2001 | EUR | 5.875% | October 2016 | 300.0 | 319.9 | 4.1 | 300.0 | 307.5 |
| Bearer bond issue 2001 | EUR | 5.875% | October 2016 | 200.0 | 210.4 | 2.7 | 200.0 | 211.1 |
| Bonds, 2003 | EUR | 5.250% | April 2018 | 600.0 | 648.0 | 21.2 | 600.0 | 650.1 |
| Bonds, 2006 | EUR | 5.000% | May 2021 | 750.0 | 763.5 | 22.8 | 750.0 | 762.9 |
| Bearer bond issue 2006 | EUR | 5.000% | May 2021 | 350.0 | 341.1 | 10.6 | 350.0 | 339.3 |
| PEE (company savings fund) April 2001 | EUR | 7.500% | April 2008 | | | | 1.5 | 1.6 |
| PEE (company savings fund) April 2002 | EUR | 7.500% | April 2009 | 1.6 | 1.7 | 0.1 | 3.0 | 3.2 |
| PEE (company savings fund) Nov. 2002 | EUR | 7.500% | October 2009 | 1.5 | 1.5 | 0.0 | 1.5 | 1.5 |
| PEE (company savings fund) April 2003 | EUR | 7.500% | April 2010 | 4.8 | 5.0 | 0.2 | 4.8 | 5.0 |
| PEE (company savings fund) Oct. 2003 | EUR | 7.500% | October 2010 | 1.2 | 1.2 | 0.0 | 1.2 | 1.2 |
| PEE (company savings fund) April 2004 | EUR | 7.500% | April 2011 | 4.0 | 4.5 | 0.2 | 4.0 | 4.6 |
| PEE (company savings fund) April 2005 | EUR | 7.500% | April 2012 | 3.3 | 3.9 | 0.2 | 3.3 | 4.0 |
| PEE (company savings fund) April 2006 | EUR | 7.500% | April 2013 | 3.0 | 3.5 | 0.2 | 3.0 | 3.6 |
| PEE (company savings fund) April 2007 | EUR | 7.500% | April 2014 | 2.0 | 2.4 | 0.1 | 2.0 | 2.4 |
| PEE (company savings fund) April 2008 | EUR | 7.500% | April 2015 | 4.5 | 5.2 | 0.2 | | |
| **Other bank loans and other financial debt** | | | | | | | | |
| EIB - March 2002 | EUR | EIB rate | March 2027 | 75.0 | 75.1 | 0.2 | 75.0 | 75.2 |
| EIB - December 2002 | EUR | EUR 3M + 0.121% | December 2027 | 50.0 | 50.0 | 0.1 | 50.0 | 50.0 |
| EIB - March 2003 | EUR | 5.080% | March 2018 | 75.0 | 84.7 | 3.0 | 75.0 | 78.1 |
| EIB - December 2004 | EUR | EIB rate | December 2019 | 200.0 | 200.3 | 0.4 | 200.0 | 200.5 |
| EIB - December 2005 | EUR | 4.115% | December 2025 | 190.0 | 190.7 | 0.7 | 190.0 | 190.7 |
| EIB - December 2006 | EUR | 4.370% | December 2029 | 50.0 | 50.1 | 0.1 | 50.0 | 50.1 |
| EIB June 2007 | EUR | 4.380% | June 2029 | 210.0 | 214.7 | 4.8 | 210.0 | 214.7 |
| EIB November 2008 | EUR | EUR 3M + 0.324% | November 2028 | 250.0 | 234.6 | 1.5 | | |
| Credit facility | EUR | EUR 3M + 0.20% | October 2011 | | 0.1 | 0.1 | | |
| Other | EUR | | January 2014 | 7.0 | 5.4 | | 8.3 | 6.1 |
| **LONG-TERM FINANCIAL DEBT** | | | | **3,632.9** | **3,726.0** | **76.1** | **3,733.2** | **3,821.0** |

The Group's long-term financial debt decreased by €100 million in 2008.
This change results from the drawing down of €250 million from an EIB loan with a 2028 maturity with a 32.4-bp margin and the redemption of the €350 million November 1997 bond.

**17.2. Other current financial liabilities**

Other current financial liabilities relate to foreign subsidiaries and amounted to €0.1 million (versus €0.3 million at 31 December 2007).

**17.3. Net cash managed**

The Group's policy is to hold sufficient cash available at any time to meet its existing and future commitments and to extend the average period of its debt.
This is made possible by the total amount available from the net cash managed by the Group (€412 million at 31 December 2008), supported furthermore by a confirmed, unused credit facility (of €1,020 million at 31 December 2008).
Cofiroute also has a commercial paper programme of €450 million, rated A-2 by Standard & Poor's. This facility was not being used at 31 December 2008.
Moreover, at 31 December 2008, the Group's ratings by Standard & Poor's were:

➜ long-term: BBB+ outlook stable
➜ short-term: A2.

### 17.3.1 Maturity of financial debt and associated interest payments

At 31 December 2008, the average maturity of the Group's financial debt was 10 years, versus 9.9 years at 31 December 2007.
The Group's financial debt at redemption value and the associated interest payments, on the basis of crystallisation of interest rates at 31 December 2008, break down as follows, by maturity date:

| | | 31/12/08 | | | | |
|---|---|---|---|---|---|---|
| (in € millions) | **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 | (2,615.4) | (2,525.9) | (303.1) | (6.0) | (10.3) | (2,206.5) |
| Interest payment cash flows | | (1,290.4) | (135.8) | (117.6) | (350.6) | (686.5) |
| **Other bank loans and other financial debt** | | | | | | |
| Capital | (1,105.0) | (1,100.0) | | | (55.7) | (1,044.3) |
| Interest payment cash flows | | (545.6) | (41.0) | (41.0) | (122.6) | (340.9) |
| **Other current financial liabilities** | | | | | | |
| Capital | (5.6) | (7.0) | (1.3) | (1.3) | (3.8) | (0.6) |
| **SUBTOTAL: LONG-TERM BORROWING** | | **(5,468.9)** | **(481.2)** | **(165.9)** | **(543.0)** | **(4,278.8)** |
| | | | | | | |
| Other current financial liabilities | (0.1) | | 0.0 | 0.0 | 0.0 | 0.0 |
| **I FINANCIAL DEBT** | **(3,726.0)** | **(5,468.9)** | **(481.2)** | **(165.9)** | **(543.0)** | **(4,278.8)** |
| Cash management financial assets | 9.4 | | | | | |
| Cash equivalents | 388.3 | | | | | |
| Cash | 14.3 | | | | | |
| **II - FINANCIAL ASSETS** | **412.0** | | | | | |
| Derivative financial instruments - liabilities | (31.9) | | | | | |
| Derivative financial instruments - assets | 89.0 | | | | | |
| **III - DERIVATIVE FINANCIAL INSTRUMENTS** | **57.1** | **(78.8)** | **(13.0)** | **(7.0)** | **(22.1)** | **(36.8)** |
| **NET FINANCIAL DEBT (I + II + III)** | **(3,257.0)** | **(5,547.7)** | **(494.2)** | **(172.9)** | **(565.1)** | **(4,315.5)** |

### 17.3.2 Net cash managed

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

| (in € millions) | 31/12/08 | 31/12/07 |
|---|---|---|
| **CASH EQUIVALENTS** | **388.3** | **448.5** |
| *Marketable securities and mutual funds (UCITS)* | *257.6* | *147.5* |
| *Negotiable debt securities with an original maturity of less than three months* | *130.7* | *301.0* |
| **CASH** | **14.3** | **28.9** |
| **BANK OVERDRAFTS** | **0.0** | **0.0** |
| **NET CASH** | **402.6** | **477.4** |
| **CASH MANAGEMENT FINANCIAL ASSETS** | **9.4** | **24.3** |
| *Marketable securities and mutual funds (UCITS)* | *9.4* | *24.3* |
| *Negotiable debt securities with an original maturity of less than three months* | *0.0* | *0.0* |
| *Negotiable debt securities with an original maturity of more than three months* | *0.0* | *0.0* |
| **COMMERCIAL PAPER ISSUED** | **0.0** | **0.0** |
| **NET CASH MANAGED** | **412.0** | **501.6** |

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 UCITS and negotiable debt securities (in particular, certificates of deposit with a maturity of less than three months) and similar securities. They are measured and recognised at their fair value (see Note 3.18 *Cash management financial assets*).

These various financial assets *Cash management current financial assets* and *cash equivalents* are managed with limited risk-taking for capital and are monitored through a risk and performance monitoring system.

*Cash management current financial assets* and *cash equivalents* correspond mainly to the investment of the Group's cash surpluses. At 31 December 2008, the amount managed totalled €412.0 million.

### 17.3.3 Unused credit facilities

At 31 December 2007, the Group had an unused confirmed bank credit facility of €1,020 million, expiring in 2011.
The maturities of Cofiroute's credit lines were as follows at 31 December 2008:

| | | | Maturity | | |
|---|---|---|---|---|---|
| (in € millions) | Utilisation | Authorisation | Within 1 year | Between 1 and 5 years | Between 5 and 7 years |
| Syndicated loan | 0 | 0 | | | |
| Revolving credit facility | 0 | 1,020 | | 1,020 | |
| Term loan | 0 | 0 | | | 0 |
| **TOTAL** | **0** | **1,020** | **0** | **1,020** | **0** |

### 17.3.4 Financial covenants

The Group's financing agreements (bond loans, bank loans and credit facilities) do not include financial covenants.

Some finance agreements provide that a change in control of the borrower may constitute a case for mandatory early redemption or trigger demand for early repayment.

## 18. Management of financial risks

The following disclosures present the Group's exposure to its financial risks, as well as its objectives, policy and processes to measure and manage risks.
Given the high level of its net financial debt and the size of the associated financial income and expense, the Group has instituted a system to manage and monitor the various financial risks to which it is exposed, principally interest rate risk.
The management and limiting of these financial risks are generally handled by the Group's Finance Department in accordance with the management policies agreed by the Audit Committee and the guidelines issued by the Treasury and Finance Committees. The Treasury Committees are responsible for identifying, measuring and hedging financial risks.
The Group also uses the information system of its parent company, VINCI.
In order to manage its exposure to market risks, the Group uses derivative financial instruments that 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:

| | | 31/12/08 | | | | |
|---|---|---|---|---|---|---|
| (in € millions) | **Ref.** | **Non-current asset** | **Current asset (1)** | **Non-current liability** | **Current liability (1)** | **Net** |
| Interest rate derivatives: fair value hedges | 18.1.2. | 19.1 | 5.8 | | | 24.9 |
| Interest rate derivatives: cash flow hedges | 18.1.3. | 0.1 | | (5.0) | | (4.9) |
| Interest rate derivatives not designated as hedges | 18.1.4. | | 64.0 | | (26.9) | 37.1 |
| **INTEREST RATE DERIVATIVES** | | **19.2** | **69.8** | **(5.0)** | **(26.9)** | **57.1** |

(1) The current part includes accrued interest not matured, amounting to €5.6 million at 31 December 2008

| | 31/12/07 | | | | |
|---|---|---|---|---|---|
| (in € millions) | **Non-current asset** | **Current asset (1)** | **Non-current liability** | **Current liability (1)** | **Net** |
| Interest rate derivatives: fair value hedges | 2.0 | 2.8 | | | 4.8 |
| Interest rate derivatives: cash flow hedges | 0.8 | | | | 0.8 |
| Interest rate derivatives not designated as hedges | | 61.6 | | (7.1) | 54.6 |
| **INTEREST RATE DERIVATIVES** | **2.8** | **64.5** | **0.0** | **(7.1)** | **60.2** |

(1) The current part includes accrued interest not matured, amounting to €5.6 million at 31 December 2008

### 18.1. Interest rate risk

All the Group's consolidated net debt is denominated in euros.

Interest rate risk is managed with two timescales: the long term, aiming to ensure and optimise the concession's economic equilibrium, and the near term, with the objective of optimising the average cost of debt within the budget framework. Over the long run, the objective is to maintain a breakdown between fixed and floating rates that can change depending on the level of debt.

To do this, the Group uses derivative financial instruments in the form of options or interest rate swaps of which the start date may be deferred. These hedging instruments are capped at the same nominal amounts and the same maturities as the hedged items. These derivative financial instruments are either designated as hedges for accounting purposes or not (the economic hedge concept).

The table below shows the breakdown of the redemption amount at par of the long-term debt between fixed and floating rate, before and after taking account of the associated derivative financial instruments, whether designated as hedging instruments or not:

| | 31/12/08 | | | 1/12/07 | | |
|---|---|---|---|---|---|---|
| (in € millions) | **Out-standing** | **Propor-tion** | **Rate** | **Out-standing** | **Propor-tion** | **Rate** |
| Fixed rate | 3,066.1 | 85% | 5.29% | 3,417.1 | 91% | 5.31% |
| Floating rate | 558.2 | 15% | 3.53% | 325.0 | 9% | 5.09% |
| Impact of fair value hedging and accrued interest not matured | 1,01.7 | | | 79.2 | | |
| **TOTAL BEFORE HEDGING** | **3,726.0** | **100%** | **5.02%** | **3,821.3** | **100%** | **5.29%** |
| Fixed rate | 2 773.9 | 77% | 4.96% | 2 892.3 | 77% | 5.05% |
| Capped floating rate | 524.6 | 14% | 3.54% | 750.4 | 20% | 4.73% |
| Floating rate | 325.8 | 9% | 3.80% | 99.4 | 3% | 5.69% |
| Impact of fair value hedging and accrued interest not matured | 101.7 | | | 79.2 | | |
| **TOTAL AFTER HEDGING** | **3,726.0** | **100%** | **4.65%** | **3,821.3** | **100%** | **5.02%** |

### 18.1.1. Sensitivity to interest rate risk

The Group's income statement is exposed to fluctuations in interest rates arising from:

➔ cash flows relating to floating-rate financial instruments (whether derivatives or not);

➔ 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 five years of which the maximum loss over the lifespan of the transaction is equal to the premium paid.

On the other hand, fluctuations in the value of derivatives designated as hedges do not have a direct impact on profit or loss but do affect equity.

**Interest rate instruments: sensitivity of cash flows**

The sensitivity of floating-rate instruments' cash flows has been determined by taking into account all variable flows of derivative and non-derivative instruments. The analysis below has been prepared by assuming that the amount of the financial debt and derivatives at 31 December remains constant over the full year.

A fluctuation of 50 basis points in interest rates at the balance sheet date would not have a material impact on equity or profit or loss. For the purpose of this analysis, all the other variables are assumed to remain constant.

### 18.1.2. Detail of interest rate derivatives

At the balance sheet date, derivative financial instruments designated as fair value hedges break down as follows:

| | 31/12/08 | | | | | | |
|---|---|---|---|---|---|---|---|
| (in € millions) | Within 1 year | Between 1 and 2 years | Between 2 and 5 years | After 5 years | Notional | Fair value asset | Fair value liability |
| Fixed receiver / floating payer interest rate swap | 300 | | | 225 | 525 | 27.6 | |
| Interest rate options (caps, floors and collars) | | | | | 0 | | |
| **INTEREST RATE DERIVATIVES: FAIR VALUE HEDGES** | **300** | **0** | **0** | **225** | **525** | **27.6** | **0** |

| | 31/12/07 | | | | | | |
|---|---|---|---|---|---|---|---|
| (in € millions) | Within 1 year | Between 1 and 2 years | Between 2 and 5 years | After 5 years | Notional | Fair value asset | Fair value liability |
| Floating receiver / fixed payer interest rate swap | | 300 | | 225 | 525 | 4.8 | |
| Interest rate options (caps, floors and collars) | | | | | 0 | | |
| **INTEREST RATE DERIVATIVES: HEDGING OF PROBABLE CASH FLOWS** | **0** | **300** | **0** | **225** | **525** | **4.8** | **0** |

Fair value hedging primarily relates to the Group's fixed-rate bond issuance.

### 18.1.3. Derivative instruments designated as cash flow hedges

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

| | 31/12/08 | | | | | | |
|---|---|---|---|---|---|---|---|
| (in € millions) | Within 1 year | Between 1 and 2 years | Between 2 and 5 years | After 5 years | Notional | Fair value asset | Fair value liability |
| Floating receiver / fixed payer interest rate swap | | | 250 | | 250 | | (4.8) |
| Interest rate options (caps, floors and collars) | | 200 | | | 200 | 0.1 | |
| **INTEREST RATE DERIVATIVES: HEDGING OF PROBABLE CASH FLOWS** | **0** | **200** | **250** | **0** | **450** | **0.1** | **(4.8)** |

| | 31/12/07 | | | | | | |
|---|---|---|---|---|---|---|---|
| (in € millions) | Within 1 year | Between 1 and 2 years | Between 2 and 5 years | After 5 years | Notional | Fair value as-set | Fair value liability |
| Floating receiver / fixed payer interest rate swap | | | | | 0 | | |
| Interest rate options (caps, floors and collars) | | | 200 | | 200 | 0.8 | |
| **INTEREST RATE DERIVATIVES: HEDGING OF PROBABLE CASH FLOWS** | **0** | **0** | **200** | **0** | **200** | **0.8** | **0** |

The Group has set up caps with the objective of ensuring interest payments on floating-rate debts are fixed. Contractual flows relating to caps are paid symmetrically with the hedged interest flows on bonds. Given the lack of intrinsic value, the full fluctuation in value is recognised in profit or loss.
The following table shows the periods during which the Group expects the amounts recognised in equity at 31 December 2008 in respect of derivative instruments, in use or unwound, which are designated as cash flow hedges, will impact profit or loss:

| (in € millions) | Amount recorded in equity | Amount recycled in profit or loss | | | |
|---|---|---|---|---|---|
| | | Within 1 year | Between 1 and 2 years | Between 2 and 5 years | After 5 years |
| Interest rate derivatives designated for accounting purposes as hedges of contractual cash flows | 3.4 | 0.3 | 0.2 | 0.7 | 2.2 |
| Interest rate derivatives designated for accounting purposes as hedges of highly probable cash flows | (4.9) | (1.2) | (1.3) | (2.4) | 0.0 |
| **TOTAL INTEREST RATE DERIVATIVES DESIGNATED FOR ACCOUNTING PURPOSES AS CASH FLOW HEDGES** | **(1.5)** | **(0.9)** | **(1.1)** | **(1.7)** | **2.2** |

### 18.1.4 Derivative instruments not designated as hedges

These transactions broke down as follows at 31 December:

| (in € millions) | 31/12/08 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Within 1 year | Between 1 and 2 years | Between 2 and 5 years | After 5 years | Notional | Fair value asset | Fair value liability |
| Interest rate swaps | | | | 1,200 | 1,200 | 60.7 | (26.7) |
| Interest rate options (caps, floors and collars) | | 325 | | | 325 | 0.2 | |
| **INTEREST RATE DERIVATIVES NOT DESIGNATED AS HEDGES FOR ACCOUNTING PURPOSES** | **0** | **325** | **0** | **1,200** | **1,525** | **60.9** | **(26.7)** |

| (in € millions) | 31/12/07 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Within 1 year | Between 1 and 2 years | Between 2 and 5 years | After 5 years | Notional | Fair value asset | Fair value liability |
| Interest rate swaps | | | | 1,200 | 1,200 | 48.1 | |
| Interest rate options (caps, floors and collars) | | 225 | 325 | | 550 | 6.4 | |
| **INTEREST RATE DERIVATIVES NOT DESIGNATED AS HEDGES FOR ACCOUNTING PURPOSES** | **0** | **225** | **325** | **1,200** | **1,750** | **54.5** | **0.0** |

Non-hedging transactions are mainly short-maturity options. They enable the level of hedging to be adjusted by taking into account the market situation. Moreover, the swap transactions correspond mainly to a portfolio of mirror swaps (following swap reversal transactions) that generate no risk of fluctuation in fair value.

## 18.2. Foreign exchange risk

The Group is exposed to foreign exchange risk only through its subsidiaries, and this risk is very marginal.

## 18.3. Credit risk and counterparty risk

The Group is exposed to credit risks connected with the risk of default by its customers and to counterparty risk mainly in respect of cash and cash equivalents, negotiable debt securities, marketable securities, financial receivables and derivative financial instruments.
The notional amounts and market values are given in Note 17.3.
Moreover, the Group has implemented procedures intended to avoid the concentration of credit risk and counterparty risk.

### Derivatives and investments

In addition to existing procedures aimed at curbing counterparty risk, the Group has issued instructions limiting the number of counterparties and of UCITS. This system of limits allocates maximum lines of risk to counterparties in financial transactions, based on their credit ratings as published by Standard & Poor's, Moody's and Fitch IBCA. Said limits are regularly monitored and updated by the Group at Treasury Committee meetings by drawing on monthly reporting at the consolidated level.

**Trade receivables**

The Group has set up procedures to limit the risk on trade receivables. Moreover, there is no credit risk concentration with a customer accounting for more than 0.5% of revenue (revenue greater than €5 million). The Group considers that this risk exposure is minimal.

## 19. 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:

| | 31/12/08 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Accounting categories | | | | | | Fair value | | |
| (in € millions) | Derivatives at fair value through profit or loss (trading) | Derivatives designated as hedges | Derivatives at fair value through profit or loss (fair value option) | Available-for-sale financial assets | Liabilities at amortised cost | Total carrying amount for the class | Listed prices | Internal model based on observable factors | Fair value of the class |
| Investments in unlisted subsidiaries and associates | | | | 0.4 | | **0.4** | | 0.4 | **0.4** |
| **I - NON-CURRENT FINANCIAL ASSETS** | **0.0** | **0.0** | **0.0** | **0.4** | **0.0** | **0.4** | **0.0** | **0.4** | **0.4** |
| Interest rate derivatives: fair value hedges | | 27.6 | | | | **27.6** | | 27.6 | **27.6** |
| Interest rate derivatives: cash flow hedges | | 0.1 | | | | **0.1** | | 0.1 | **0.1** |
| Interest rate derivatives not designated as hedges | 60.9 | | | | | **60.9** | | 60.9 | **60.9** |
| **II - DERIVATIVE FINANCIAL INSTRUMENTS - ASSETS** | **60.9** | **27.7** | **0.0** | **0.0** | **0.0** | **88.6** | **0.0** | **88.6** | **88.6** |
| **III - TRADE RECEIVABLES** | | | | | | **0.0** | | | |
| Cash management financial assets not cash equivalents | | | 9.4 | | | **9.4** | 9.4 | | **9.4** |
| Cash equivalents | | | 388.3 | | | **388.3** | 257.6 | 130.7 | **388.3** |
| Cash | | | 14.3 | | | **14.3** | | 14.3 | **14.3** |
| **IV - CURRENT FINANCIAL ASSET** | **0.0** | **0.0** | **412.0** | **0.0** | **0.0** | **412.0** | **267.0** | **145.0** | **412.0** |
| **TOTAL ASSETS** | **60.9** | **27.7** | **412.0** | **0.4** | **0.0** | **501.0** | **267.0** | **234.0** | **501.0** |
| Bond issues, participating loans and subordinated debt of indefinite maturity | | | | | (2,615.4) | **(2,615.4)** | (2,512.8) | (28.9) | **(2,541.8)** |
| Other bank loans and other financial debt | | | | | (1,110.5) | **(1,110.5)** | | (1,105.8) | **(1,105.8)** |
| **V - NON-CURRENT FINANCIAL DEBT** | **0.0** | **0.0** | **0.0** | **0.0** | **(3,726.0)** | **(3,726.0)** | **(2,512.8)** | **(1,134.7)** | **(3,647.5)** |
| **VI - DERIVATIVE FINANCIAL INSTRUMENTS - LIABILITIES** | **(26.7)** | **(4.8)** | | | | **(31.5)** | | | |
| **VII - TRADE PAYABLES** | | | | | | **0.0** | | | |
| Other current financial liabilities | | | | | (0.1) | **(0.1)** | | 0.0 | **0.0** |
| **VIII - CURRENT FINANCIAL LIABILITIES** | **0.0** | **0.0** | **0.0** | **0.0** | **(0.1)** | **(0.1)** | **0.0** | **0.0** | **0.0** |
| **TOTAL EQUITY AND LIABILITIES** | **(26.7)** | **(4.8)** | **0.0** | **0.0** | **(3,726.0)** | **(3,757.6)** | **(2,512.8)** | **(1,134.7)** | **(3,647.5)** |
| **CARRYING AMOUNT OF CATEGORIES** | **34.2** | **22.9** | **412.0** | **0.4** | **(3,726.0)** | **(3,256.6)** | **(2,245.8)** | **(900.7)** | **(3,146.6)** |

Fair value is determined either:

➔ on the basis of listed prices on an active market. Whenever listed prices on an active market are available, they are used as a priority in determining market value. Marketable securities and some listed bond loans are measured in this way;
➔ 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 traded on markets and are measured on the basis of models commonly used by market participants to price such financial instruments.
At each balance sheet date, the internally calculated values of derivative instruments are checked for consistency with the values sent to us by counterparties.

## 20. Working capital requirement and current provisions

### 20.1. Change in working capital requirement

| | | Changes 2008 - 2007 | | |
|---|---|---|---|---|
| (in € millions) | **31/12/08** | **Connected with the activity** | **Receivables /payables related to non-current assets** | **31/12/2007 (*)** |
| Inventories and work in progress (net) | 1.4 | 0.1 | | 1.3 |
| Trade and other operating receivables | 77.6 | (17.7) | | 95.3 |
| Other current assets | 12.6 | 0.9 | | 11.7 |
| **INVENTORIES AND OPERATING RECEIVABLES (I)** | **91.6** | **(16.8)** | | **108.3** |
| Trade payables | (115.9) | (11.6) | (27.5) | (76.8) |
| Other current payables | (90.6) | (28.8) | | (61.8) |
| **TRADE AND OTHER OPERATING PAYABLES (II)** | **(206.5)** | **(40.5)** | **(27.5)** | **138.9** |
| **WORKING CAPITAL REQUIREMENT (BEFORE CURRENT PROVISIONS) (I+II)** | **(115.0)** | **(57.2)** | **(27.5)** | **(30.6)** |
| | | | | |
| **CURRENT PROVISIONS** | **(171.1)** | **4.8** | | **(175.9)** |
| *including part at less than one year of non-current provisions* | *0.8* | *(0.1)* | | *(0.7)* |
| **WORKING CAPITAL REQUIREMENT (after current provisions)** | **(286.0)** | **(52.4)** | | **(206.5)** |

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

Working capital requirement (WCR) 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.

WCR before current provisions amounts to €115.0 million, up from €30.6 million in 2007.

The breakdown by maturity of the component parts of working capital requirement is as follows:

| (in € millions) | 31/12/2008 | Maturity | | |
|---|---|---|---|---|
| | | **Within 1 year** | **Between 1 and within 5 years** | **After 5 years** |
| Inventories and work in progress (net) | 1.4 | 1.4 | | |
| Trade and other operating receivables | 77.6 | 75.9 | 1.7 | |
| Other current assets | 12.6 | 12.6 | | |
| **INVENTORIES AND OPERATING RECEIVABLES (I)** | **91.6** | **89.8** | **1.7** | |
| Trade payables | (115.9) | (115.9) | | |
| Other current payables | (90.6) | (84.1) | (6.6) | |
| **TRADE AND OTHER OPERATING PAYABLES (II)** | **(206.5)** | **(200.0)** | **(6.6)** | |
| **WORKING CAPITAL REQUIREMENT (BEFORE CURRENT PROVISIONS) (I+II)** | **(115.0)** | **(110.2)** | **(4.8)** | |

Trade receivables that are between six and 12 months past due amount to €0.3 million, while those more than one year past due amount to €1.7 million.

| (in € millions) | Opening | Provisions taken | Provisions used | Reversals | Change in the part at less than one year of non-current provisions | Translation difference | Closing |
|---|---|---|---|---|---|---|---|
| **1 January 2007 (*)** | | | | | | | |
| Renovation work | 0.0 | 2.3 | | | | | 2.3 |
| Disputes | 0.0 | | | | | 0.0 | 0.0 |
| Maintenance of concession intangible asset in a good state of repair | 171.4 | 30.0 | (22.7) | (5.8) | | | 172.9 |
| Other current liabilities | 0.1 | | | (0.1) | | | 0.0 |
| Reclassification of the part at less than one year of non-current provisions | 11.4 | | | | (10.7) | | 0.7 |
| **1 January 2008 (*)** | **182.8** | **32.3** | **(22.7)** | **(5.9)** | **(10.7)** | **0.0** | **175.9** |
| Renovation work | 2.3 | | (0.5) | | | | 1.9 |
| Disputes | 0.0 | | | | | | 0.0 |
| Maintenance of concession intangible asset in a good state of repair | 172.9 | 3.7 | | (8.2) | | | 168.4 |
| Other current liabilities | 0.0 | | | | | | 0.0 |
| Reclassification of the part at less than one year of non-current provisions | 0.7 | | | | 0.1 | | 0.8 |
| **31 December 2008** | **175.9** | **3.7** | **0.5** | **8.2** | **0.1** | **0.0** | **171.1** |

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

Current provisions directly linked to the operating cycle amounted to €171.1 million at 31 December 2008 (including the part at less than one year of non-current provisions) compared with €175.9 million at 31 December 2007. They consist mostly of provisions related to construction contracts and provisions for the obligation to maintain infrastructure assets under concession in good condition.

Provisions for the obligation to maintain infrastructure assets under concession in good condition consist primarily of expenditure incurred in repairing pavements (surfacing, restructuring of slow lanes, etc.), engineering structures and hydraulic structures. These provisions amounted to €168.4 million at 31 December 2008, versus €172.9 million at 31 December 2007.

## 21. Transactions with related parties

Transactions with related parties consist of:

➔ remuneration and similar benefits paid to members of the governing and management bodies;
➔ transactions with the VINCI Group, the Colas Group and other related parties (mainly companies in which the Group has a shareholding).

### 21.1. Remuneration and similar 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 € millions) | **2008** | **2007** |
| Remuneration | 1.9 | 1.8 |
| Employer's social charges | 1.0 | 0.8 |
| Lump sums payable at end of contract | 0.0 | 0.2 |
| Share-based payments (*) | 1.1 | 0.7 |
| **TOTAL EXPENSE RECOGNISED** | **4.1** | **3.4** |

(*) This amount is determined in accordance with IFRS 2 *Share-based payments* and as described in Note 15 *Share-based payments*.

Cofiroute does not grant membership of a supplementary pension regime to the members of the Executive Committee. They are covered by the regime described in Note 16.1 *Provisions for retirement benefit obligations*.

### 21.2. Transactions with the VINCI Group

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

| (in € millions) | **2008** | **2007 (*)** |
|---|---|---|
| Concession fixed assets in progress | 3.7 | 11.3 |
| Construction costs | 265.2 | 363.0 |
| Trade receivables | 0.9 | 1.6 |
| Dividend payments | 152.4 | 159.4 |
| Trade payables | 34.7 | 26.9 |
| Revenue and revenue from ancillary activities | 0.3 | 2.5 |
| Advance payments to subcontractors | 2.5 | 27.4 |
| Other external expenses | (23.0) | 17.3 |

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

### 21.3. Transactions with the Colas Group

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

| (in € millions) | 2008 | 2007 (*) |
|---|---|---|
| Concession fixed assets in service | | 0.1 |
| Construction costs | 5.7 | 1.2 |
| Trade receivables | | |
| Dividend payments | 30.4 | 31.9 |
| Trade payables | 0.8 | 1.7 |
| Revenue and revenue from ancillary activities | | |
| Advance payments to subcontractors | | |
| Other external expenses | 15.1 | 6.7 |

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

### 21.4. Other related parties

Information about equity-accounted companies is given in Note 12.

## 22. Contractual obligations and other commitments made and received

The commitments made and received by the Group in connection with concession contracts, and items connected with unrecognised retirement benefit obligations, are shown in the following notes:

- in Note 10.2 in respect of concession contracts;
- in Note 16.1 in respect of unrecognised items with respect to retirement obligations.

## 23. Workforce and staff training rights

The number of employees at 31 December breaks down as follows::

| | 31/12/08 | 31/12/07 |
|---|---|---|
| Engineers and managers | 255 | 230 |
| Office, technical and manual | 1,766 | 1,768 |
| **TOTAL** | **2,021** | **1,998** |

The Act of 4 May 2004 gives employees of French businesses the right to a minimum of 20 hours of vocational training a year, which can be carried forward and accumulated over a period of six years. Expenditure under this individual right to vocational 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 106,034 hours at 31 December 2008.

# D. Post-balance sheet events

Pursuant to the concession contract and 2004–2008 master plan signed by the State and Cofiroute, the prices in force on the Cofiroute motorway network increased on 1 February 2009. This increase averaged 2.7% for vehicle categories 1, 2 and 5, and 5.4% for categories 3 and 4. This increase takes into account the change in the consumer price index excluding tobacco.

# Statutory Auditors' Report
on the consolidated financial statements

Compagnie Financière et Industrielle des Autoroutes - Cofiroute - *Société Anonyme*
French limited liability company: 6-10 rue Troyon, 92316 Sèvres cedex - Share Capital: €158,282,124

## Consolidated Financial Statements - 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 Cofiroute; the justification of our assessments; and the specific verifications and information required by law. These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

**1. 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 to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion, which follows.
In our opinion, the consolidated financial statements for the period 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.
Although this does not modify our previously stated audit opinion, we would like to draw your attention to Notes A-1.2 and A-1.3 to the Appendix to the consolidated financial statements, which set out two changes in the accounting method relating to the early application of the amendment to IAS 20 bearing on the accounting treatment of loans with a below-market rate of interest and of IFRIC 12 relating to accounting for service concession arrangements.

**2. Justification of our assessments**
As required by Article L. 823-9 of the French Code of Commerce regarding disclosure of the reasons for our conclusions, we inform you of the following:
➜ as shown in Note A-3.1, the Cofiroute Group uses estimations drawing on information available at the 2008 balance sheet date, against the background of an economic and financial crisis. The severity and the length of this crisis, beyond 31 December 2008, cannot be precisely forecast;
➜ as mentioned in the first part of this Report, Note A-1.2 to the Appendix to the consolidated financial statements sets out the change in accounting method carried out during the period relative to the accounting treatment of loans with a below-market rate of interest. In accordance with the provisions of IAS 20, this change in method was applied in a forward-looking approach to loans with a below-market rate of interest issued during the 2008 period. As part of our assessment of the accounting principles used by your Company, we have reviewed the information provided in this respect in Note A-1.2 to the Appendix to the consolidated financial statements;
➜ as mentioned in the first part of this Report, Note A-1.3 to the Appendix to the consolidated financial statements sets out the change in accounting method carried out during the period relative to the accounting treatment of concession contracts. In accordance with IAS 8, the comparative information relating to the 2007 period, presented in the consolidated financial statements, has been restated to take into account retrospectively the application of this change in accounting method. Accordingly, the comparative information differs from the consolidated financial statements published in respect of the 2007 period. As part of our assessment of the accounting principles used by your Company, we have reviewed the correct restatement of the financial statements of the 2007 period and the information provided in this respect in Note A-1.3 to the Appendix 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.

**3. Specific verifications and information**
We have also carried out, in accordance with the professional standards applicable in France, the specific verifications required by law.
We have no comments to make as to the fair presentation and conformity with the consolidated financial statements of the information given in the report of the Board of Directors.

Paris La Défense and Neuilly-sur-Seine, 5 March 2009
The Statutory Auditors

Salustro Reydel, A member of KPMG International — Deloitte & Associés

Benoît Lebrun — Michel Berthet — Thierry Benoit

# 2008 parent company financial statements

## Balance sheet

| Assets (in €) | 31 December 2008 | | | 31 December 2007 |
|---|---|---|---|---|
| | Gross | Depreciation, amortisation and provisions | Net | |
| **INTANGIBLE ASSETS** | **76,072** | **0** | **76,072** | **76,072** |
| Land | 981,516 | | 981,516 | 1,207,325 |
| Plant and equipment | 9,532,190 | 9,149,824 | 382,366 | 1,008,665 |
| Other property, plant and equipment | 21,413,976 | 18,562,179 | 2,851,797 | 3,088,849 |
| **OWNED NON-CURRENT ASSETS** | **31,927,682** | **27,712,003** | **4,215,679** | **5,304,839** |
| Non-renewable assets in service | 5,230,206,644 | 1,782,280,426 | 3,447,926,218 | 3,079,664,156 |
| Renewable assets in service | 581,031,677 | 363,425,580 | 217,606,097 | 204,242,215 |
| Non-renewable assets in progress | 1,633,284,036 | | 1,633,284,036 | 1,797,649,163 |
| Renewable assets in progress | 286,058,343 | | 286,058,343 | 224,572,719 |
| **CONCESSION NON-CURRENT ASSETS** | **7,730,580,700** | **2,145,706,006** | **5,584,874,694** | **5,306,128,253** |
| Investment in subsidiairies and associates and related receivables | 49,139,797 | 47,005,000 | 2,134,797 | 2,116,281 |
| Guarantees and deposits | 59,764 | | 59,764 | 50 ,014 |
| **FINANCIAL FIXED ASSETS** | **49,199,561** | **47,005,000** | **2,194,561** | **2,166,295** |
| **INVENTORIES** | **1,359,104** | **0** | **1,359,104** | **1,297,790** |
| Trade receivables | 62,834,571 | 1,757,895 | 61,076,676 | 50,791,026 |
| Employees | 103,339 | | 103,339 | 76,581 |
| State | 26,380,730 | | 26,380,730 | 9,506,669 |
| Advances and progress payments made | 1,637,773 | | 1,637,773 | 27,127,893 |
| Other receivables | 7,542,886 | | 7,542,886 | 7,004,867 |
| **RECEIVABLES** | **98,499,299** | **1,757,895** | **96,741,404** | **94,507,036** |
| **PREPAID EXPENSES** | **38,854,266** | | **38,854,266** | **41,749,064** |
| **CASH AND CASH EQUIVALENTS** | **407,990,680** | | **407,990,680** | **489,304,718** |
| **TRANSLATION DIFFERENCE, ASSETS** | **0** | | **0** | **0** |
| **TOTAL** | **8,358,487,364** | **2,222,180,904** | **6,136,306,460** | **5,940,534,067** |

# Balance sheet

| Equity and liabilities (in €) | **31 December 2008** | **31 December 2007** |
|---|---|---|
| **EQUITY** | | |
| Share capital | 158,282,124 | 158,282,124 |
| Legal reserve | 15,828,212 | 15,828,212 |
| Other reserves | 4,209,755 | 4,209,755 |
| Unappropriated profit or loss | 1,391,103,934 | 1,231,641,087 |
| | | |
| **NET PROFIT FOR THE PERIOD** | **231,546,163** | **347,777,990** |
| | | |
| **INTERIM DIVIDEND** | **(152,803,107)** | **(158,282,124)** |
| | | |
| **INVESTMENT GRANTS** | **94,238,243** | **90,610,666** |
| | | |
| **TAX-REGULATED PROVISIONS** | **29,991,303** | **28,777,396** |
| | **1,772,396,627** | **1,718,845,106** |
| | | |
| **CONTINGENCY AND LOSS PROVISIONS** | **228,611,552** | **71,737,356** |
| | | |
| Other loans | 3,696,004,464 | 3,781,614,563 |
| Debts to central and local government | 7,001,221 | 8,274,170 |
| **FINANCIAL DEBTS** | **3 ,703 ,005,685** | **3,789,888,733** |
| | | |
| Trade payables | 115,843,973 | 76,569,748 |
| Customer guarantee deposits | 6,542,758 | 5,922,319 |
| Employees | 15,519,047 | 17,904,044 |
| Tax, employment and social benefit liabilities | 235,457,278 | 196,401,648 |
| Other payables | 8,218,904 | 5,440,202 |
| **LIABILITIES** | **381,581,960** | **302,237,961** |
| | | |
| **DEFERRED INCOME** | **50,710,636** | **57,824,911** |
| | | |
| **TRANSLATION DIFFERENCE, LIABILITIES** | **0** | **0** |
| **TOTAL** | **6,136,306,460** | **5,940,534,067** |

# Income statement

| (in €) | 2008 | 2007 |
|---|---|---|
| **Operating income** | | |
| **Revenue** | | |
| Toll revenue | 1,055,152,134 | 1,018,253,831 |
| Ancillary revenue | 16,103,980 | 14,071,306 |
| **NET REVENUE** | **1,071,256,114** | **1,032,325,137** |
| | | |
| Reversal of provisions | 37,061,731 | 22,888,227 |
| Other income | 3,639,288 | 4,558,597 |
| | | |
| **TOTAL I** | **1,111,957,133** | **1,059,771,961** |
| **Operating expenses** | | |
| Purchases of consumables | 9,153,246 | 8,222,073 |
| External costs related to investments | 35,483,440 | 33,149,198 |
| Major repairs | 34,555,906 | 31 023 521 |
| External costs related to operations | 25,831,408 | 22,627,299 |
| Transfer of insurance claim settlement income | (6,540,650) | (5,103,351) |
| Taxes and levies | 117,946,240 | 115,312,058 |
| Employment costs | 93,671,637 | 90,526,407 |
| Statutory employee profit-sharing | 2,388,599 | 5,790,937 |
| Other ordinary management expenses | 309,432 | 542,333 |
| Depreciation of owned fixed assets | 2,065,321 | 2,379,801 |
| Depreciation of renewable assets | 32,490,018 | 31,651,361 |
| Special concession amortisation | 160,393,164 | 119,617,993 |
| Provisions for operating expenses | 190,126,486 | 44,128,955 |
| **TOTAL II** | **697,874,247** | **499,868,585** |
| **1. OPERATING PROFIT (I - II)** | **414,082,886** | **559,903,376** |
| **Financial income** | | |
| Capitalised borrowing costs | 91,893,594 | 109,227,621 |
| Other financial income | 46,095,081 | 43,457,515 |
| **TOTAL III** | **137,988,675** | **152,685,136** |
| **Financial expenses** | | |
| Finance charges | 199,299,282 | 193,938,038 |
| Other financial expenses | 250,204 | 238,339 |
| **TOTAL IV** | **199,549,486** | **194,176,377** |
| **2. NET FINANCIAL EXPENSE (III - IV)** | **(61,560,811)** | **(41,491,241)** |
| **3. OPERATING INCOME AFTER NET FINANCIAL EXPENSE (1+2)** | **352,522,075** | **518,412,135** |
| Exceptional income V | 6,352,080 | 19,565,830 |
| Exceptional expenses VI | 11,520,551 | 13,421,471 |
| **NET EXCEPTIONAL INCOME/(EXPENSE) (V - VI)** | **(5,168,471)** | **(6,144,359)** |
| Income tax, deferred tax and levies VII | 115,807,441 | 176,778,504 |
| **TOTAL INCOME (I + III + V)** | **1,256,297,888** | **1,232,022,927** |
| **TOTAL EXPENSES (II + IV + VI + VII)** | **1,024,751,725** | **884,244,937** |
| **NET PROFIT** | **231,546,163** | **347,777,990** |

# Cash flow statement

| (in € millions) | 2008 | 2007 |
|---|---|---|
| **CASH POSITION AT BEGINNING OF PERIOD** | **489** | **497** |
| **Operating activities** | | |
| Cash flow from operations excluding transfers of expense | 493 | 407 |
| Change in working capital requirement | 86 | 70 |
| **A. NET CASH FLOWS FROM OPERATING ACTIVITIES** | **579** | **477** |
| **Investing activities** | | |
| Non-current activities | (381) | (559) |
| Grants related to investment | 4 | 11 |
| Disposal of non-current assets | 0 | 0 |
| **B. CASH FLOWS USED (IN) / FROM INVESTING ACTIVITIES** | **(377)** | **(548)** |
| **Financing activities** | | |
| Dividends | (183) | (191) |
| New loans and advances | 255 | 562 |
| Repayment of borrowings and advances | (355) | (308) |
| **C. NET CASH FLOWS USED (IN) / FROM FINANCING ACTIVITIES** | **(283)** | **63** |
| **CHANGE IN CASH POSITION (A+B+C)** | **(81)** | **(8)** |
| **CASH POSITION AT END OF PERIOD** | **408** | **489** |

# Notes
# to the financial statements
## at 31 December 2008

## 1. Key events

### 1.1. New sections opened
Cofiroute opened the northern Angers bypass on 24 April 2008. It is 18 km long and includes a 1.7 km cut-and-cover section.

At 31 December 2008, the total length of the network operated was 1.100 km.

### 1.2. Rider to the intercity network concession contract
A thirteenth rider to the intercity network concession contract, signed with the State and approved on 2 July 2008, grants Cofiroute an additional increase in prices in 2009 and 2010 in exchange for the inclusion in the concession of connecting roads for the northern Angers bypass and the commitment to set moderate prices for this section.

### 1.3. Financing activities
A supplementary €4.5 million bond was issued, within the framework of the Group's retirement savings plan, on 30 April 2008. maturing in 2015.

Furthermore, on 3 June 2008, a complementary €250 million financing contract for the A86 was signed with the EIB. This loan led to a disbursement on 17 November 2008.

## 2. Measurement rules and methods

Cofiroute's annual financial statements are denominated in euros and comply with the provisions of the French chart of accounts (ministerial order dated 22 June 1999).

### 2.1. Non-current assets
These are divided into three categories: concession non-current assets, the Company's own assets and financial assets.

#### 2.1.1. Concession non-current assets
Concession non-current assets are the movable and immovable assets that are directly necessary for the design, construction and operation of the motorway network. They are financed by the concession operator and will be returned free of charge to the French government at the end of the concession.

They are recognised at their historical cost and comprise:
➜ land, studies, works and subsequent improvements;
➜ pre-operational expenses and borrowing costs: loan issuance expenses and premiums, redemption premiums and capitalised borrowing costs;
➜ the cost of staff allocated to monitoring construction of the asset.

They are subject to special concession amortisation calculated over the remaining period of the concession.
There are two kinds of concession asset:

➜ non-renewable assets: their useful life is greater than the length of the concession contract and they may require major repairs. They relate in particular to the network infrastructure, tunnels and bridges;
➜ renewable assets: since their economic life is less than the term of the concession, they must be renewed at least once during the term of the concession. These relate in particular to plant and equipment needed to ensure safety, maintain useable road surfaces and collect tolls.

**Capitalised borrowing costs**
This relates to interest that has been capitalised during the construction period and deducted from finance charges for the period. It is capitalised under the cost of construction of non-renewable assets until these enter service and is therefore included under assets in the balance sheet.

**Depreciation and amortisation**
Special concession amortisation charges are applied to non-renewable assets in service and non-current operating assets. The purpose of the special concession amortisation charges is to reduce the value of these assets to zero at the end of the concession term, not to recognise any wearing out or obsolescence of the assets.

➜ The special concession amortisation charges in respect of non-renewable assets are applied to the cost of the assets net of any grants received, on a straight-line basis between the date of entry into service and the end of the concession.
➜ The special concession amortisation charges in respect of non-current operating assets are based on their carrying amount and the period remaining until the end of the concession (23 years at 1 January 2008).

The difference between the replacement value and the acquisition value of renewable assets does not give rise to the creation of a provision for renewal because their net amount is amortised by the special amortisation charge.

Normal depreciation charges are taken in respect of assets with a useful life that is less than the length of the concession contract, and are calculated using either the straight-line or diminishing balance method in accordance with Article 39A of the French Tax Code. The difference between depreciation for accounting and for tax purposes is booked under "tax-regulated provisions", under liabilities.

Depreciation periods are between 10 and 30 years for buildings, and from three to 10 years for fittings. and equipment, furniture and vehicles. Software is written off over one year for tax purposes.

### 2.1.2. Owned non-current assets
These belong to Cofiroute and comprise all the fixed assets not used for the operation of the motorway concession. They are recognised at cost and depreciated on a straight-line basis over their useful life, i.e. three to 10 years for software, fittings, and equipment, furniture and vehicles.

### 2.1.3. Financial assets
Shares in subsidiaries and associates are recognised in the balance sheet at their historical cost. A provision is recognised if their fair value, based primarily on that company's net assets, is lower than cost.

## 2.2. Inventories
Chlorides and fuel are measured on a FIFO basis. Any differences on physical inventory are recognised in profit or loss in the period.

## 2.3. Trade and other operating receivables
This item includes progress payments made to main contractors for construction work.
Trade and other operating receivables are measured at their nominal value less provisions taking account of the probability of recovery.

## 2.4. Marketable securities
Marketable securities (money-market SICAVs) are recorded at their acquisition cost. If their market price is lower than their acquisition price, a depreciation is recognised; in the opposite case, the unrealised capital gain is not recognised.

## 2.5. Loans
Loan issuance expenses, including issuance premiums, are written off on a straight-line basis over the duration of the corresponding loans.

## 2.6. Financial instruments
The Company uses derivative financial instruments such as interest rate swaps and caps to manage the risk of interest rate fluctuations on its borrowings. As these transactions are carried out for hedging purposes. any gains and losses are recognised over the same period as the item covered.

**2.7. Grants related to assets**

Grants received to finance fixed assets are recognised under shareholders' equity. They are deducted from concession fixed assets for the purposes of calculating the special concession amortisation.

**2.8. Provisions**

Provisions are liabilities of uncertain timing or amount but are intended to cover expenses that at the balance sheet date have become likely or certain to occur as a result of a past or present event.

A provision for major repairs is calculated at the end of the period, based on a multi-year works plan drawn up by the Company's technical department and revised annually to take account of changes in costs and in the corresponding spending plans.

**2.9. Income tax**

Cofiroute recognises a provision for deferred tax in its annual financial statements based on the tax rate in force at year-end. This provision is determined by taking into account timing differences relating to capitalised borrowing costs, statutory employee profit-sharing and the Organic sales-based tax.

Income tax is calculated on the basis of the tax group comprising Cofiroute (parent company), Cofiroute Participations. SPTF and SERA (companies included in the tax group). The tax charge borne by these subsidiaries is equal to that which they would have borne had they not been part of a tax group. Any savings. other than those relating to carry forward tax losses, are retained by the parent company.

**2.10. Consolidation**

Cofiroute has prepared consolidated statements under IFRS since 2007. They are published and filed with the AMF.

Cofiroute's financial statements are fully consolidated in the consolidated financial statements of VINCI, a French *Société Anonyme* with share capital of €1,240,406,200 as at 31 December 2008 and with its registered office at 1 cours Ferdinand de Lesseps, 92851 Rueil Malmaison Cedex, France.

## 3. Notes to the accounts

### 3.1. Assets

#### 3.1.1. Non-current assets - gross

| | | Movements in the period | | | |
|---|---|---|---|---|---|
| (in € millions) | **At 1 January 2008** | **Increases** | **Decreases** | **Transfers** | **At 31 December 2008** |
| Intangible assets | 0.1 | 0.0 | 0.0 | | 0.1 |
| Owned non-current assets | 32.0 | 1.1 | 1.3 | 0.2 | 31.9 |
| Concession fixed assets: | 7.275.0 | 472.3 | 16.6 | (0.1) | 7,730.6 |
| – in service | 5.252.8 | 183.6 | 16.6 | 391.5 | 5,811.3 |
| – in progress | 2.022.2 | 288.7 | | (391.6) | 1,919.3 |
| Non-current financial assets | 49.2 | 0.0 | 0.0 | | 49.2 |
| **TOTAL** | **7.356.3** | **473.4** | **18.0** | **0.1** | **7,811.8** |

Assets under construction mainly comprise the cost of work connected with the sections under construction on the A86. as well as the related capitalised borrowing costs.

### 3.1.2.Depreciation and amortisation

| (in € millions) | At 1 January 2008 | Movements in the period | | At 31 December 2008 |
|---|---|---|---|---|
| | | **Provisions taken** | **Reversals** | |
| Intangible assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Owned non-current assets | 26.7 | 2.1 | 1.1 | 27.7 |
| Concession non-current assets: | | | | |
| – special concession amortisation | 1,621.9 | 160.4 | 0.0 | 1,782.3 |
| – depreciation of renewable assets | 347.1 | 32.5 | 16.2 | 363.4 |
| **TOTAL** | **1,995.7** | **195.0** | **17.3** | **2,173.4** |

Following the Decree of September 26, 1995 approving the eighth rider to the concession agreement between the French State and Cofiroute, the end of the concession period of the A10, A11, A28, A71, A81, A85 and A821 motorways is set at 31 December 2030. The special concession amortisation is therefore calculated on this basis.

### 3.1.3. Subsidiaries

| (in € millions) | **SUBSIDIARIES * Cofiroute Participations**<br>6-10 rue Troyon 92316 Sèvres cedex - France - Siret Number: 352 579 353 00025 |
|---|---|
| Share capital | 2.2 |
| Other equity (1) | 2.2 |
| Percentage of capital owned | 99.99% |
| Book value of shares owned: | |
| – gross | 1.6 |
| – net | 1.6 |
| Outstanding loans and advances made by the Company | |
| Guarantees given by the Company | |
| Revenue excluding taxes (2) in the last financial year | 0.0 |
| Profit/(loss) for the last financial year | 0.7 |
| Dividends received by the Company during the period (2) | 0.8 |
| Comments | |

(*) Figures at 31 December 2008
(1) Including earnings for the year
(2) Received by the parent company (Cofiroute Participations)

### 3.1.4. Maturity dates of receivables

Operating receivables amounted to €98.5 million in total.

| (in € millions) | Gross | Within one year | Payable after 1 year and within 5 years | Payable within 5 years |
|---|---|---|---|---|
| Clients | 62.8 | 62.8 | | |
| State | 26.4 | 26.4 | | |
| Personnel | 0.1 | 0.1 | | |
| Advances and progress payments | 1.6 | | 1.6 | |
| Other receivables | 7.5 | 7.5 | | |
| **TOTAL** | **98.5** | **96.8** | **1.6** | **0.0** |

### 3.1.5. Impairment provisions

Provisions for impairment changed during the period as follows:

| (in € millions) | At 1 January 2008 | Movements in the period | | At 31 December 2008 |
|---|---|---|---|---|
| | | Increases | Decreases | |
| Renewable assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Shares in subsidiaries and associates* | 47.0 | 0.0 | 0.0 | 47.0 |
| Clients | 2.0 | 0.0 | 0.2 | 1.8 |
| **TOTAL** | **49.0** | **0.0** | **0.2** | **48.8** |

* Provision for impairment of shares in Toll Collect

### 3.1.6. Prepaid expenses

Prepaid expenses amounted to €38.9 million and include €26.7 million in respect of the payments on inception received on swaps in connection with financing.

### 3.1.7. Cash and cash equivalents

Cash and cash equivalents break down into €397.5 million in marketable securities and €10.5 million in cash balances.

## 3.2. Equity and liabilities

### 3.2.1. Share capital

The share capital is represented by 4.058.516 shares of €39 nominal, fully paid-up.

### 3.2.2 Equity

The only change in equity during the period resulted from the allocation of unappropriated retained earnings.

### 3.2.3. Provisions

Movements in provisions over the period were as follows:

| (in € millions) | At 1 January 2008 | Movements in the period | | At 31 December 2008 |
|---|---|---|---|---|
| | | Increases | Decreases | |
| Provisions for major repairs | 54.2 | 186.5 | 35.5 | 205.2 |
| Provisions for obligations under "CATS" (early retirement) agreement | 11.4 | 3.3 | 0.8 | 13.9 |
| Provisions for contractual obligations to return | 2.3 | 0.0 | 0.5 | 1.9 |
| Other provisions | 3.7 | 4.0 | 0.1 | 7.6 |
| **TOTAL** | **71.7** | **193.7** | **36.8** | **228.6** |

The application of IFRIC 12 to consolidated financial statements, an interpretation applicable to service concession arrangements, enhanced the visibility of Cofiroute's obligations with respect to maintaining assets operated under concession in good condition, and thus led to widening the scope of expenditure covered by provisions for major repairs. Such provisions now cover pavements (surfacing, restructuring of slow lanes, etc.), engineering structures and hydraulic structures. They are now defined according to the frequency with which various components need to be renovated.
The Company's retirement obligations to its employees are covered by a specific insurance policy.

### 3.2.4. Maturity dates of receivables

Operating payables include deferred tax for €181.1 million.

| (in € millions) | Gross | Within 1 year | Payable after 1 year and within 5 years | After 5 years |
|---|---|---|---|---|
| Financial debt | 3,703.0 | 374.5 | 106.4 | 3,222.1 |
| Trade and other operating payables | 381.6 | 381.6 | | |
| Deferred income | 50.7 | 6.8 | 26.2 | 17.7 |
| **TOTAL** | **4,135.3** | **762.9** | **132.6** | **3,239.8** |

### 3.2.5. Loans

Fixed-coupon bonds have been issued for €2,525.9 million, European Investment Bank (EIB) loans have been taken out at a floating rate for €575.0 million and at a fixed rate for €525.0 million.

Interest rate swaps on a notional amount of €525.0 million have changed fixed rates into floating rates. Derivative interest rate instruments have the same maturity dates as the items hedged.
Two caps maturing in June 2009 with a notional amount of €75 million and €150 million were sold in March 2008 for an amount of €0.06 million. The other caps, with a notional amount of €525 million, have been kept. An interest rate swap with a notional amount of €250 million, backed by the EIB loan taken out in November 2008 at a variable rate, has been set up for a four-year term.

Given the transactions made in 2008, all loans at 31 December 2008 are at fixed or hedged rates.

There are no financial ratio covenants that may affect interest rates or trigger early repayment of borrowings. Only the EIB loans contain a consultation clause applicable in the event of a downgrading of the Company's rating by the rating agencies.

| (in € millions) | Gross | Within 1 year | Payable after 1 year and within 5 years | After 5 years |
|---|---|---|---|---|
| Bonds | 2,525.9 | 303.1 | 18.3 | 2,204.5 |
| Other loans (EIB) | 1,107.0 | 1.3 | 53.2 | 1,052.5 |
| Accrued interest | 70.1 | 70.1 | | |
| **TOTAL** | **3,703.0** | **374.5** | **71.5** | **3,257.0** |

### 3.2.6. Deferred income

Deferred income mainly comprises:

Operating rights paid by telecommunications operators under agreements covering several years, recognised as revenue on a straight-line basis over the duration of the agreements granting these rights, for €7.5 million.

Financial income related to balances on swaps received on inception by the Company and recognised over the period of the loans:
- €3.9 million corresponding to the balance of equalisation payments received when swap locks relating to bond issues in November 1999, April 2003, May 2006 and July 2007 were unwound;
- €13.1 million corresponding to the balance of equalisation payments on cancellation of fixed-to-float swaps: €11.8 million received in 2004 to which should be added the balance of €12.6 million received in July 2007, and €0.5 million in equalisation payments received in July 2007 on the occasion of the cancellation of a €100 million fixed-to-float swap on the supplementary issue of the May 2006 bond;
- €26.2 million to the balance of an issue premium of €37.6 million received in August 2005 on the occasion of the reopening of the October 2001 bond issue.

## 3.3. Income statement

### 3.3.1. Revenue

Revenue breaks down as follows:

| (in € millions) | 2008 | 2007 |
|---|---|---|
| **REVENUE** | **1,071.3** | **1,032.3** |
| Toll revenue | 1,055.2 | 1,018.3 |
| Ancillary revenue | 16.1 | 14.0 |

The change in toll revenue between 2007 and 2008 can be broken down as follows:

| (in € millions) | Change 2008/2007 |
|---|---|
| **TOLL REVENUE** | **3.60%** |
| Increase in traffic assuming identical network | -1.40% |
| Traffic on new sections | 3.30% |
| **CHANGES IN PRICES AND IN MIX BETWEEN LIGHT AND HEAVY VEHICLES** | **1.70%** |

### 3.3.2. Purchases and external expenses

Purchases and external expenses break down as follows:

| (in € millions) | 2008 | 2007 |
|---|---|---|
| **PURCHASES AND EXTERNAL EXPENSES** | **105.0** | **95.0** |
| Purchases of consumables | 9.2 | 8.2 |
| External costs related to investments | 35.5 | 33.1 |
| External costs related to operations | 25.8 | 22.6 |
| Major repairs | 34.6 | 31.0 |

### 3.3.3. Gross operating surplus

The gross operating surplus is the excess of operating revenue over operating expenses, excluding depreciation, amortisation and provision charges and reversals.

| (in € millions) | 2008 | 2007 |
|---|---|---|
| **OPERATING INCOME EXCLUDING REVERSALS OF PROVISIONS** | **1,074.9** | **1,036.9** |
| Revenue | 1,071.3 | 1,032.3 |
| Other operating income | 3.6 | 4.6 |
| **OPERATING EXPENSES EXCLUDING DEPRECIATION, AMORTISATION AND PROVISION CHARGES** | **312.8** | **302.0** |
| Purchases and external expenses | 105.0 | 95.0 |
| Insurance claim settlements | (6.5) | (5.1) |
| Employment costs including statutory profit-sharing | 96.1 | 96.3 |
| Taxes and levies | 117.9 | 115.3 |
| Other ordinary management expenses | 0.3 | 0.5 |
| **GROSS OPERATING SURPLUS** | **762.1** | **734.9** |

In 2008, this ratio inched down to 71.1 % of revenue from 71.2% in 2007.

### 3.3.4. Profit or loss from operations

| (in € millions) | 2008 | 2007 |
| --- | --- | --- |
| **GROSS OPERATING SURPLUS** | **762.1** | **734.8** |
| Net operating provision charges | (153.1) | (21.2) |
| Depreciation and amortisation for the period | (194.9) | (153.7) |
| **OPERATING PROFIT** | **414.1** | **559.9** |

Start-ups in late 2007 and in 2008, as well as the extension of the scope of provisions for major repairs, had a negative impact on operating profit.

### 3.3.5 Exceptional income and expense

Exceptional items comprise:

| (in € millions) | 2008 | 2007 |
| --- | --- | --- |
| **FINANCIAL INCOME** | **138.0** | **152.7** |
| Capitalised borrowing costs | 91.9 | 109.2 |
| Other financial income | 46.1 | 43.5 |
| **FINANCIAL EXPENSE** | **(199.6)** | **( 194.2)** |
| Finance charges | (199.3) | (193.9) |
| Other financial expenses | (0.3) | (0.3) |
| **FINANCIAL INCOME/(EXPENSE)** | **(61.6)** | **(41.5)** |

### 3.3.6. Exceptional income and expense

Exceptional items comprise:

| (in € millions) | 2008 | 2007 |
| --- | --- | --- |
| **EXCEPTIONAL INCOME** | **6.4** | **19.5** |
| Relating to operating transactions | 0.5 | 0.0 |
| Relating to capital transactions | 0.0 | 0.0 |
| Reversals of provisions | 5.8 | 19.5 |
| **EXCEPTIONAL EXPENSES** | **11.5** | **13.4** |
| Relating to operating transactions | 0.8 | 5.1 |
| Relating to capital transactions | 0.0 | 0.8 |
| Depreciation. amortisation and provision charges | 10.7 | 7.5 |
| **NET EXCEPTIONAL INCOME/(EXPENSE)** | **(5.2)** | **6.1** |

### 3.3.7. Income tax

The tax expense of €115.8 million comprises:

- corporate income tax arising on ordinary operations for €85.4 million;
- deferred tax for €27.6 million;
- the 3.3% social contribution levy for €2.8 million.

### 3.3.8. Unrealised tax position

The company has taken cumulative tax-regulated, supplementary depreciation charges of €30 million as at 31 December 2008, which results in an unrealised tax liability of €10 million, applying the 33.33% tax rate.

## 3.4. Additional information

### 3.4.1. Off-balance sheet commitments

- Commitments given to third parties either in the form of guarantees issued by banks on behalf of Cofiroute or directly: €12.0 million;
- Commitments received in the form of guarantees issued by banks on behalf of toll subscribers in favour of Cofiroute: €0.6 million;
- Financial commitments received: signature in 2004 of a syndicated loan of €1.02 billion maturing in October 2011;
- Investment commitments: under the terms of its concession contracts, the Company is committed to carrying out capital expenditure of €839 million over the next five years.

### 3.4.2. Average numbers employed

| (number) * | **Employees** |
|---|---|
| Management | 228 |
| Supervisory | 314 |
| Clerical and manual | 1,399 |
| **TOTAL** | **1,941** |

* including the early retirement agreement (CATS)

### 3.4.3. Statutory Auditors' fees

Statutory Auditors' fees amounted to €0.25 million for 2008, of which €0.19 million was in respect of statutory audit and €0.06 million in respect of other services, to be compared with €0.13 million in 2007, of which €0.10 million was in respect of statutory audit.

# Statutory Auditors' Report
## on the parent company financial statements

Compagnie Financière et Industrielle des Autoroutes - Cofiroute - *Société Anonyme*
French limited liability company: 6-10 rue Troyon, 92316 Sèvres cedex - Share Capital: €158,282,124

## 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 annual financial statements of Compagnie Financière et Industrielle des Autoroutes, Cofiroute;
· the justification of our assessments; and
· the specific verifications and information required by law.
These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

**1. Opinion on the parent company 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 to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion, which follows.
In our opinion, the financial statements give a true and fair view of the Company's financial position and assets and liabilities as of 31 December 2008 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted in France.

**2. Justification of our assessments**
As required by Article L. 823-9 of the French Code of Commerce regarding disclosure of the reasons for our conclusions, we draw to your attention the following information:
➜ your Company sets aside provisions to cover its obligations to maintain infrastructure assets under concession in good condition, according to the method described in Notes 2.8. and 3.2.3. to the Appendix.
We have assessed the data and assumptions on which they are based as well as the calculations applied.
Aforesaid assessments are part of our auditing of annual financial statements. These conclusions were formed as part of our audit of the annual financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this report.

**3. Specific verifications and information**
We have also carried out, in accordance with the professional standards applicable in France, the specific verifications required by law.
We have no comments to make as to the fair presentation and conformity with the annual financial statements of the information given in the report of the Board of Directors and in the documents addressed to the shareholders, with respect to the financial position and the annual financial statements.
Regarding the fair presentation of the information given in the Report of the Board of Directors on the remuneration and benefits paid to company officers and on the commitments made in their favour at the time of commencement, modification or cessation of their duties or afterwards, we make the following observation:
Remuneration and benefits paid are not fully disclosed in the Report of the Board of Directors. This report states:
➜ "Please refer to the notes on remuneration given in the report of VINCI SA for the remuneration paid to Messrs Xavier Huillard, Bernard Huvelin and Roger Martin."
In accordance with the law, we have verified that the appropriate disclosures have been provided in the Board of Directors' report with regard to the acquisition of shares and controlling interests, and the identity of shareholders and holders of voting rights.

Paris La Défense and Neuilly-sur-Seine, 5 March 2009
The Statutory Auditors

Salustro Reydel, A member of KPMG International — Deloitte & Associés

Benoît Lebrun — Michel Berthet — Thierry Benoit

# Persons responsible for the document

## 1. Statement by the persons responsible for the document

I, the undersigned Pierre Coppey, Chairman and Chief Executive Officer of Cofiroute, declare having taken all due care to ensure that, to the best of my knowledge, the information presented in this annual financial report gives a true and fair view and that there are no omissions likely to affect materially the meaning of the said information.
To the best of my knowledge, the financial statements have been prepared in compliance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of Cofiroute and all consolidated subsidiaries.
I also confirm that the Report of the Board of Directors presents a true and fair view of business developments, the results and the financial position of Cofiroute and all consolidated subsidiaries, as well as a description of the principal risks and uncertainties that they face.

Pierre Coppey
Chairman and Chief Executive Officer

## 2. Statutory Auditors

The Statutory Auditors are registered with the *Compagnie Nationale des Commissaires aux Comptes* (official statutory auditors' representative body) and are subject to the authority of the *Haut Conseil du Commissariat aux Comptes* audit regulatory body.

**Statutory Auditors**

**➜ Salustro Reydel**
**Member of KPMG International**
**1 cours Valmy**
**92923 Paris La Défense cedex**
**France**
Date of commencement of current appointment: AGM 20 April 2006
Current appointment expires at the close of the Shareholders Meeting that will approve the financial statements for 2011.

**➜ Deloitte & Associés**

**185 avenue Charles-de-Gaulle**
**92200 Neuilly-sur-Seine cedex**
**France**
First appointed:
AGM 8 January 2008 (accounts for 2007)
Current appointment expires at the close of the Shareholders Meeting that will approve the financial statements for 2012.

**Alternate Auditors**

**➜ Jean-Claude Reydel**
**1, cours Valmy**
**92923 Paris La Défense cedex**
**France**
First appointed:
AGM 20 April 2006
Current appointment expires at the close of the Shareholders Meeting that will approve the financial statements for 2011.

**➜ Cabinet Beas**
**7-9 villa Houssay**
**92524 Neuilly-sur-Seine**
**France**
First appointed: AGM 8 January 2008 (accounts for 2007)
Current appointment expires at the close of the Shareholders Meeting that will approve the financial statements for 2012.

## 3. Statutory Auditors' fees

Statutory Auditors' fees amounted to €0.25 million in respect of 2008 of which €0.19 million was in respect of statutory audit and €0.06 million in respect of other services, to be compared with €0.13 million in 2007 of which €0.10 million was in respect of statutory audit.

## 4. Persons responsible for financial information

Patrick Paris, Chief Financial Officer and Member of the Executive Committee (+33 1 41 14 70 00).

## 5. Documents available for consultation by the public

The following documents in particular are available on the Company's website (www.cofiroute.fr):
- ➜ the 2008 financial report filed with the *Autorité des Marchés Financiers*;
- ➜ the 2008 interim financial report 2008 filed with the *Autorité des Marchés Financiers*;
- ➜ the 2007 financial report filed with the *Autorité des Marchés Financiers*;
- ➜ management reports.

Cofiroute's Memorandum and Articles of Association may be consulted at Cofiroute's registered office, 6-10 rue Troyon, 92316 Sèvres Cedex France (+33 1 41 14 70 00).

**Compagnie financière et industrielle des autoroutes – Cofiroute**
**A French limited liability company *(Société Anonyme)* with share capital of €158,282,124**
**Registered office : 6-10 rue Troyon • 92316 Sèvres cedex • France**
**Registration number: RCS Nanterre 552 115 891**

Design and production: Idé Édition. Cover photo: Peter Marlow/Magnum Photos. This document is printed on Inuit Origin blanc glacier paper, made from trees from FSC-certified forests.

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