COFIROUTE

Financial Report
2010

VINCI AUTOROUTES

Contents

Report of the Board of Directors

Management report

1. The Company's position and business in 2010

Toll revenue increased by 3.8% as traffic growth surpassed economic growth.

A programme to improve the environmental conditions on Cofiroute's interurban network was initiated under the Motorway Green Package, extending the concession contract by one year.

Cofiroute earmarked €229 million for the Motorway Green Package, overall improvements to the interurban networks in service and the completion of the A86 Duplex, as the second A13 – Vélizy section opened on 9 January 2011.

Clear and concrete efforts have been made to enhance Cofiroute's customer service policy, namely the extension of ISO 14001 certification to all regional departments of the interurban network.

2. Traffic

Despite a fragile economy, the scarcity of fuel due to social protests in the autumn and extreme weather conditions at the beginning and end of the year, traffic growth remained stable at 1.9%, as measured in kilometres travelled.

On the back of a strong recovery in 2009, light vehicle traffic held strong in 2010. The segment resisted the slight dip in growth in the second half of the year due to a high comparison base in 2009 and the above-mentioned factors that weighed on traffic during the autumn and Christmas school holidays. Annual growth came out at 1.7%.

After hitting a low in October 2009, heavy vehicle traffic began to recover in the first quarter of 2010. This strength continued throughout the rest of the year, for growth of 3.3% at the end of 2010.

Total traffic rose by 1.9% across the interurban network. The A86 Duplex, open along the Rueil – A13 section since 1 July 2009, contributed 0.5% to revenue, for average daily traffic of 14,224 light vehicles on business days.

3. Toll revenue

Toll prices increased on 1 February 2010, in accordance with the concession contract and rider 13. Approved by a decree in July 2008, the rider adjusted the concession's boundaries around Angers to cover service roads, limiting the additional toll fee to €0.50 on both sides of the new bypass section, which is free along a 12-km stretch. This was offset by a 0.41% hike in toll prices on the entire concession, applied on 1 February 2009 and 1 February 2010.
Given the rider and the inflation-based pricing law, the average increases ranged from 0.4% for light vehicles (Class 1) to 1.9% for heavy vehicles (Class 4).

The combined effects of trends in traffic, the partial opening of the A86 Duplex and price hikes boosted toll revenue by 3.8% to €1,129 million.

4. A86 Duplex and maintenance of network in service

€207 million was invested in 2010, of which €32 million in road works and equipment for existing motorways.

4.1. A86 Duplex (€72 million)

2010 was devoted to completing the road works and the delivery of the second section of the A86 Duplex (VL2) in the autumn of 2010. The entire system opened on 9 January 2011.

4.2. Improvement work on the network in service (€69 million)

Cofiroute completed the work to widen the A71 motorway between Orléans Nord and Olivet, doubling the number of lanes on the bridge over the Loire. The entire system went into service on 28 January 2011.

On 9 November 2010, Cofiroute finished the work to widen and renovate three kilometres of motorway around the Angers bypass between the "Rocade Est" and "Voie des Berges" interchanges.

4.3. Motorway Green Package (€31 million)

The work to implement the Motorway Green Package began in 2010. The 343 projects on 230 different sites are scheduled for completion by March 2013.

5. Green Package operations

Cofiroute signed rider 14 to its interurban concession contract. This rider was approved by a decree published on 26 March 2010 and extends the concession contract by one year until 31 December 2031.

In exchange, Cofiroute has undertaken to earmark, over three years, €191 million in constant currency terms (2009 base) to improve the environmental performance of the network's oldest sections. The programme has been broken down into 343 projects in five areas: safeguarding of water resources, preservation of biodiversity, reduction of CO_2 emissions, environmentally-friendly restoration of rest areas and protection from noise.

Systems to confine accidental pollution or treat chronic pollution have already been implemented in 2010 in 45 water run-off points draining into the natural environment.

The Poitiers Nord carpooling car park opened on 7 June 2010, offering a total of 63 spaces.
The refurbishments to the central reservation of the A10 dual carriageway south of Tours began in at the end of November 2010.

An action plan was implemented aimed at developing biodiversity along the motorway on two 10-km sections near Orleans and the Saint-Arnoult toll gate.

The environmentally-friendly restoration of rest areas has begun: 22 rest areas were equipped with waste sorting facilities, 26 sanitary facilities were rebuilt and 6 reed-bed filtration systems were set up.

To reduce the level of noise pollution, 94 km of low-noise road surface were laid in the Tours, Nantes and Orleans metropolitan areas.

6. Network operation

6.1. Safety

6.1.1. Customer safety initiatives

Indicators	2008	2009	2010
Accident rate*	22.34	22.40	21.96
Bodily injury rate	3.11	3.25	3.91
Fatality rate	0.37	0.20	0.25
Serious injury rate**	1.00	0.76	1.09

* Number of accidents/number of km travelled x 10 to the power of 8.
** Fatality rate plus number of victims in hospital for more than 24 hours/number of km travelled x 10 to the power of 8.

There were slightly more fatal accidents than in 2009: 25 accidents with 27 people killed in 2010, 18 accidents with 22 people killed over the same period in 2009. The bodily injury rate fell while the accident rate slightly improved.

Cofiroute carried out several road safety awareness initiatives, focusing on messages about the risks of driving while drowsy: information at rest areas during high traffic periods, interviews on Autoroute FM, posters in rest and services areas. The awareness campaign aimed at transport companies and truck drivers about the safety of motorway personnel continued with a new edition of heavy vehicle safety day and training sessions held in transport companies.

The testing of continuous hard shoulders, begun in 2009 and aimed at improving the safety of employees working on the motorway, remained under way in 2010 at 3 points on the network: on the A19 (101 km in the Courtenay-Artenay direction) and on the A10 in the Paris-Southwest direction (from Allaines to Artenay and from Sainte-Maure-de-Touraine to Châtellerault South). A laser distance-measuring device has been set up on the A19 to measure the extent to which vehicles bite onto the hard shoulder whether it has continuous marking or not. In light of the results measured by the testing, the continuous hard shoulders could become standard.

6.1.2. Employee safety initiatives

In 2010, the accident prevention policy and the "100% prevention attitude" action plan were pursued. Despite the commitment of employees and management to the "zero accidents" target, results worsened (accident frequency rate: 13.80 and severity rate: 0.66). However, 9 operational centres out of 17 met the objective of zero workplace accidents with leave of absence over a period of more than consecutive 12 months.

Action taken over the year involved: the analysis of accidents by type of cause and the implementation of corrective and preventive measures, the detection of risk situations and "near accidents", and the sharing of best practices. The "15 minutes on safety" segments played a major role in the communication campaign on these initiatives (about 1,000 segments, twice as many as in 2009), as did prevention seminars for all regional managers and supervisors and seminars for the employees of each centre. In all, 9,121 hours of training were devoted to safety.

However, this considerable mobilisation did not prevent the death of a traffic officer who was run over on the A85 by a motorist who had fallen asleep.

6.2. Social and environmental impact

6.2.1. Social dialogue

Cofiroute's work force totalled 1,903 employees at 31 December 2010.

The number of fixed-term employment contracts decreased further in 2010 thanks to a system implemented to handle traffic peaks and employee replacements (company agreement on the reality of on-site work, business lines and working hours - workers).

This new approach promotes stable jobs at Cofiroute and maintains the flexibility needed to organise working hours.
In 2010, 26 permanent weekend and occasional employment contracts were signed to handle periodic traffic peaks (school holidays, weekends), thus reducing the number of fixed-term employment contracts by 25%.

The 2008 agreement on forward-looking job and skill management contributes to better anticipating changes in business lines, according to the Company's strategy and projects. The programme focuses on career guidance for employees shifting from the toll business line towards other business lines, mainly through training. A special training budget was set aside for this purpose under the French government's "individual training right" system ("DIF" or Dispositif Individuel de Formation).
A traffic officer mentoring programme was set up to teach others about this field. Eleven new traffic officers were mentored in 2010. This initiative is one of the commitments taken under the GPEC forward-looking employment and skills management agreement.

In 2010, 53,000 hours of training were given, with the participation of 93% of employees. Twenty-two career development paths, specifically organised and defined, met operational requirements.

A study was conducted by an independent expert to examine professional equality between men and women at Cofiroute and identify any differences in pay. The conclusions, presented to the equal opportunity committee, showed that differences between men's and women's salaries for the same job were low. Moreover, although still moderate, a growing number of women have taken operational positions: in 2010, three women became traffic officers for a total number of six.

The equal opportunity programme of initiatives, implemented through an agreement signed in 2008, is still in effect, aimed at preventing any kind of discrimination. More disabled workers work at Cofiroute (67 in 2009, 70 in 2010), and the revenue generated with the adapted sector exceeded the targets set for 2010.

Cofiroute signed a company agreement on 27 October 2010, becoming an official member of the "Avenir Handicap" programme implemented by GEIQ TH, a group of employers for the professional integration and qualification of disabled workers, active in France's Central region. This programme assists disabled persons in finding work and obtaining professional qualifications and then helping them aspire to permanent employment.
The professional integration of people with disabilities is a shared priority at Cofiroute. A growing number of employees support VINCI Foundation projects, like the "Potagers de Marcoussis" (the Marcoussis vegetable gardens), which fosters integration through organic market gardening.

In conjunction with staff representatives through an agreement signed on 27 October 2010, Cofiroute decided to undertake a programme to assess psychological and social risks. This decision plays an integral part in Cofiroute's active and global policy to maintain the physical and mental health of its employees. A specialised firm involved in health issues for more than 10 years is in charge of this review. Its results are expected for the end of the first quarter of 2011.

6.2.2. Environmental policy

Cofiroute is now ISO 14001 certified for the operation and construction of its entire interurban network.

The environmental management system includes regular assessments of the environmental impact of Cofiroute's businesses, verification of regulatory compliance and implementation of emergency procedures in the event of a pollution accident on the motorway network.
Action plans are monitored by each regional department to continuously improve environmental performance and prevent pollution. Employees are highly involved in this programme through an awareness campaign and in-house training (671 hours of training in 2010).

In accordance with regulatory provisions and ISO requirements, Cofiroute implemented environmental reporting based on measures taken by Company employees in charge of collecting and processing data.

6.3. Automation of toll stations and development of electronic toll payment

Cofiroute continued its programme to automate its toll stations, while complying with its commitments to maintain jobs. Ten stations were automated in 2010, and the number of automated tolls increased in five already partially automated stations. At the end of the year, all stations were equipped with at least one terminal offering all payment options, for a total of 133 in the network. These terminals are overseen by three electronic toll payment centres (Sorigny, Vivy, Le Mans) which provide 24-hour customer assistance.

To handle the increase in the number of calls, the Sorigny electronic toll payment centre began to expand in 2010. The extension work is currently under way.

At 31 December 2010, the percentage of automated transactions, subscriptions and payments by non-account holders, amounted to 81.8% of total transactions, up 8% year-on-year.

7. Financing

In January 2010, Cofiroute began to reimburse a €150 million short-term credit line drawn in December 2009.

No other significant financing operations took place during the year.

At 31 December 2010, Cofiroute's available cash resources amounted to €1,333.1 million, including €313.1 million in net cash managed, while the €1,020 million medium-term syndicated loan was not used.

Net financial debt stood at €3 billion at 31 December 2010. Seventy-six percent of the total amount is indexed at a fixed rate or hedged.

8. Research and development

Cofiroute's research and development programme in 2010 broke down into the following main categories:

I. Customer information and traffic management

→ Cofiroute was selected to participate in the EasyWay 2 project, co-financed by the European Commission, between 2010 and 2012 (DG Transport). The project covers all 27 member states and aims to deploy road information and traffic and accident management systems in accordance with the 2010 European directive on the intelligent transport systems.

→ Cofiroute experimented with a system used to count available heavy vehicle parking places in the Val-Neuvy rest areas. Data was collected from this rest area using an innovative system of individual sensors installed at each heavy vehicle parking space and sent via a wireless network. This system provides heavy vehicle drivers with real-time information on parking availability through dynamic roadside signs.

→ The "Scoref" (French Experimental Road Cooperative System) proposal, in which Cofiroute participated as a candidate through a consortium, was selected to co-finance an RFP launched by the Single Interministerial Fund (Fonds unique interministériel or FUI). The consortium comprised corporations (Renault, PSA, Hitachi, Orange, etc.), research laboratories (Livic, INRIA, etc.) and two infrastructure operators (Cofiroute and Yvelines General Council (Conseil Général)). Launched on 1 October 2010, the project uses WiFi communications systems between vehicles and infrastructure to demonstrate usage linked to road safety and traffic management.

→ As part of the 7th European Framework Research and Development Programme (7th FRDP), Cofiroute and other VINCI Autoroutes companies (ASF and Escota) began participating in the new eCoMove project in April 2010. eCoMove is designed to test infrastructure operation measures (such as speed control or electronic toll payment lanes) to reduce fuel consumption and greenhouse gas emissions. In addition to traditional information on traffic and events, infrastructure managers can collect real-time intrinsic data from equipped vehicles (windscreen wiper sensors, fog lamps, CO_2 emissions, fuel consumption, etc.).

II. Employee and customer safety

➜ The European Safespot project aims to design, develop and test applications for driver warning and assistance systems that communicate both between the vehicles themselves and between vehicles and infrastructure. As part of this project, an application to warn drivers of one-off events on a motorway section was tested under real traffic conditions on the A85 motorway. Results showed that the technical design of the radio communications between vehicles and infrastructure was reliable.

➜ Cofiroute was also involved in the Rosatte project, completed in December 2010. The purpose of this programme was to specify and demonstrate the organisation of databases of road safety attributes (primarily speed limits). In particular, an information update channel was set up between motorway managers and manufacturers of embedded cards on board vehicles. Cofiroute's participation consisted in checking the real-time transmission of contextual speed limits (dense traffic, roadworks, etc.) to manufacturers of digital cards.

Incremental speed limit updates between Cofiroute and the company Autoroutes-Trafic were demonstrated in November 2010. The project set out specifications to meet the challenge of aligning geographical coordinates between the network and the road operator and map provider databases.

9. Subsidiaries and affiliated companies

9.1. Cofiroute investments

The net income of Cofiroute's investments in 2010 totalled €1,110,000, breaking down into an operating loss of €6,000, net financial income of €1,201,000, exceptional losses of €95,000 and a corporate tax expense of €11,000.

Net financial income was down on 2009, mainly due to the decrease in dividends paid by subsidiaries: €921,000 paid by Cofiroute UK, €106,000 by Médiamobile, €100,000 by SPTF, €50,000 by Sera and €14,000 by Centaure Bretagne.

9.1.1. United Kingdom

Cofiroute UK generated revenue of £1,103,000 for income before tax and before income from companies accounted for by the equity method of £170,000.

2010 revenue of Crossing Company Ltd (LCC), jointly owned by Cofiroute UK Ltd (42.86%) and Ringway Babtie Ltd (57.14%), amounted to £82,000 with a pre-tax loss of £45,000.

Cofiroute UK's 2010 net income came in at £112,000.

9.1.2. United States

Cofiroute Corporation's operating subsidiary Cofiroute USA operates 91 Express Lanes and MnPAss. Cofiroute Corporation generated revenue of $7,517,000, for operating income of $518,000 and net income of $280,000.

In 2009, the Minnesota Department of Transportation awarded Cofiroute USA and its partners the contract for converting and operating a new 24-km section of High Occupancy Toll (HOT) lanes on the I-35W, in the Minneapolis metropolitan area.

9.1.3. France

Sera, the company operating the motorway radio station Autoroute FM, recorded 2010 revenue of €1,992,000 and a net loss of €6,000.

SPTF's 2010 revenue totalled €81,000, with net income of €30,000.

9.2. 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. The company operates a toll payment service for heavy vehicles of 12 tonnes or more on the German federal motorway network.

At 31 December 2010, 134,500 companies had registered 895,200 heavy vehicles with Toll Collect and 665,600 trucks were equipped with an on-board unit (OBU). The percentage of foreign vehicles equipped with an OBU grew further to 43.25%, up from 42.69% at 31 December 2009.

Toll Collect has a high-precision toll collection system. Since 2006, the rate of accuracy of the automatic identification of vehicles of 12 tonnes or more has stood at a constant average of 99.75%, well over the 99% requirement set by the operating contract.

Tolls collected in 2010 exceeded €4.5 billion.

Toll Collect GmbH turned in the following results for its last financial year (from 1 September 2009 to 31 August 2010):

- ➔ Revenue: €558 million
- ➔ EBIT: €115 million
- ➔ Net income after tax: €92 million.

The German federal government initiated arbitration proceedings on 8 September 2004 and is claiming €5,500 million from the consortium in penalties and compensation for loss of revenue due to the delays incurred by the project. The arbitration proceedings are in progress. The first hearing with the three arbitrators took place on the 16 and 17 June 2008 and the second from 6 to 14 December 2010. The next hearing is not expected before May 2011. Whatever the outcome, there should be no impact on Cofiroute's financial statements, as the ceiling of its financial contribution to the project was reached 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).

9.3. Autoroutes-Trafic

Autoroutes-Trafic produced revenue of €2,502,000, with net income of €483,000.

10. Consolidated Financial Statements

10.1. Revenue

Pursuant to IFRIC 12 on service concession arrangements, consolidated revenue includes operating revenue, i.e. toll receipts, and construction revenue, paid for building infrastructure facilities on behalf of the government.

2010 consolidated operating revenue grew 3.5% to €1,149.8 million from €1,110.5 million in 2009.

Construction revenue dropped 18.8% to €142.4 million from €175.2 million in 2009, due to the completion of the second master contract and the A86 project. This amount corresponds precisely to the construction work outsourced, as Cofiroute generated no profit on its project management functions.

Total revenue (operation/construction) amounted to €1,292.2 million, compared with €1,285.7 million in 2009.

10.2.EBITDA

EBITDA rose 0.8% or €6.8 million to €806.8 million in 2010 from €800 million in 2009. The opening of the A86 Duplex in 2009 and the impact on traffic resulting from the oil strike and winter weather conditions had a moderate impact on EBITDA, which represented 70.2% in 2010 of revenue versus 72% in 2009.

10.3.Operating income

Operating income fell 1.3% to €584.1 million in 2010 from €591.8 million in 2009. The extension of the interurban network concession contract offset the impact of the additional depreciation of the first section of the A86 Duplex (€13 million).

10.4. Net financial income/(loss)

There was little change to the net financial loss between 2009 and 2010, down from €112.1 million to €111.3 million. The drop in capitalised interim interest, due to the opening of the first section of the A86 Duplex, was notably offset by the reduction in the cost of debt.

10.5. Net income

Income tax dropped €7.7 million to €161.2 million.

Net income totalled €311.6 million, up slightly by €0.8 million or 0.2% on 2009 (€310.8 million), despite the full-year impact of the costs of the A86 Duplex.

10.6. Consolidated balance sheet

Concession intangible assets included the €120 million government subsidy to cover the additional costs incurred for the construction of the A86.

Net debt fell to €3,045 million at 31 December 2010 from €3,226 million at 31 December 2009, for a decrease of €181 million.

11. Group management report

In application of Article L. 233-16 of the French Commercial Code (Code de Commerce), the information provided in the Group's management report is available below.

Changes in the Group's financial position reflect Cofiroute's financial position, as the contribution of subsidiaries remains marginal.

The main indicators remain healthy with steady growth in "Operating" revenue. Net income remains stable despite the opening of the first section of the A86 Duplex in June 2009.

(in millions of euros)	**2010**	**2009**	**2008**
"Operating" revenue	*1,149.8*	*1,110.5*	*1,077.1*
"Construction" revenue	*142.4*	*175.2*	*272.4*
Total	**1,292.2**	**1,285.7**	**1,349.5**
Net income attributable to equity holders of the parent	**311.6**	**310.8**	**323.9**
Net debt at the end of the period	**(3,044.5)**	**(3,225.9)**	**(3,257.0)**

12. Parent company financial statements

2009 parent company financial statements were prepared according to the same principles and methods as in 2009.

12.1. Income Statement

Revenue grew €39.6 million to €1,142.8 million.

The opening of the Rueil section of the A13 had a negative effect on operating income, with an additional depreciation expense, and on financial income, as the financial expenses incurred by this section were fully capitalised. Net income remained stable at €315.5 million versus €315 million in 2009. Despite the impact of the opening of the first section of the A86 Duplex, indicators posted net growth.

12.2. Five-year financial summary

In accordance with Article R. 225-102 of the French Commercial Code, the following table shows the Company's earnings over the past five years:

Type of information (in euros)	2006	2007	2008	2009	2010
1. FINANCIAL POSITION AT YEAR-END					
Share capital	158,282,124	158,282,124	158,282,124	158,282,124	**158,282,124**
Number of shares outstanding	4,058,516	4,058,516	4,058,516	4,058,516	**4,058,516**
2. RESULTS OF OPERATIONS					
Revenue	954,322,153	1,032,325,137	1,071,256,114	1,103,273,814	**1,142,842,920**
Earnings before tax, employee profit-sharing, depreciation, amortisation and provisions	616,717,540	693,281,042	702,581,372	707,043,685	**725,161,269**
Corporate tax at 33.33%	125,664,680	142,500,384	85,366,749	146,438,526	**151,166,454**
Additional corporate tax	4,121,755	4,677,334	2,847,878	4,807,292	**4,963,314**
Earnings after tax, employee profit-sharing, depreciation, amortisation and provisions	300,714,825	347,777,990	231,546,163	314,981,236	**315,502,916**
Distributed earnings	162,827,662	188,315,142	188,315,142	188,315,142	**311,612,858**
Long-term debt	3,171,206,911	3,379,801,220	3,328,528,271	3,325,015,322	**3,366,858,221**
Cost of concession	6,620,339,868	7,275,087,662	7,730,580,700	8,058,781,989	**8,295,403,245**
3. EARNINGS PER SHARE					
Earnings after tax and employee profit-sharing but before depreciation, amortisation and provisions	118.69	133.13	150.79	135.04	**138.77**
Earnings after tax, employee profit-sharing, depreciation, amortisation and provisions	74.09	85.69	57.05	77.61	**77.74**
Dividend per share	40.12	46.40	46.40	46.40	**76.78**
4. EMPLOYEE INFORMATION					
Average number of employees during the year	1,857	1,875	1,941	1,942	**1,913**
Total payroll	61,334,791	61,974,320	64,134,064	68,598,859	**67,562,326**
Total amount paid in respect of employee benefits	27,984,504	28,552,087	29,537,573	31,971,534	**31,467,989**

12.3. Proposed appropriation of 2010 earnings

We propose the following appropriation of earnings:

- Net earnings available	€315,502,916
- Beginning retained earnings	€1,561,001,074
- Profit available for distribution	€1,876,503,990
- Legal reserve	0
- Dividend payout	€311,612,858
- Retained earnings	€1,564,891,132

The proposed dividend is €76.78 per share for all 4,058,516 shares.

As decided by the Board of Directors on 27 August 2010, an interim dividend of €35.95 per share, representing a total payment of €142,048,060, was paid on 29 November 2010.

We propose to approve the payment of a final dividend of €41.78 per share giving entitlement to the 40% allowance stipulated in Article 158-3.2 of the French General Tax Code (Code général des impôts), on 15 April 2011 at the latest.

In application of Article 243 bis of the French General Tax Code, the following dividends were paid out for the past three financial years:

— for 2009
➔ dividends that do not entitle shareholders to the 40% allowance: €188,314,910.40
➔ dividends entitling shareholders to the 40% allowance: €232

— for 2008
➔ dividends that do not entitle shareholders to the 40% allowance: €188,314,855.25
➔ dividends entitling shareholders to the 40% allowance: €232

— for 2007
➔ dividends that do not entitle shareholders to the 40% allowance: €188,315,002.28
➔ dividends entitling shareholders to the 40% allowance: €139.20.

The Statutory Auditors shall provide in their report their conclusions on their audit and specific verifications as required by law.

13. Information on payment time frames

In accordance with the requirements of the French Law on the Modernisation of the Economy (LME) of 4 August 2008, and its application decree No. 2008-1492 of 30 December 2008, the breakdown of outstanding trade payables by due date at the close of the past two financial years is shown in the following table:

(in millions of euros)

Financial year	Due date in less than 30 days	Due date between 30 and 60 days
2010	22.7	34.9
2009	36.4	13.9

14. Important post-balance sheet events for 2010

14.1. Increases in toll prices

In compliance with the 28 January 2011 ministerial Order and in application of the interurban network concession contract, Cofiroute raised its prices on 1 February 2011 by 2.07% for Class 1 light vehicles, and by 3.96% for Class 4 heavy vehicles.

14.2. Opening of the A86 Duplex

On 9 January 2011, the second section of the A86 Duplex was opened. It was opened six months ahead of the date indicated in the concession contract. This 5.5-km stretch between Vélizy (Yvelines) and Vaucresson (Hauts-de-Seine) completes the 4.5-km tunnel between Rueil-Malmaison and Vaucresson, opened in July 2009, thus finishing the "super périphérique" loop, the ring road outside Paris city limits.

15. Foreseeable trends in the Company's situation and outlook

15.1. Concession contracts

The 2011 French budget stipulated the increase in the infrastructure tax of 6.7%, from €0.0686 for 1,000 kilometres to €0.0732 for 1,000 kilometres. In accordance with legal and contractual provisions, this tax increase is reflected in a 0.30% increase in prices for the interurban network as of 1 February 2011 and 0.14% as of 1 February 2012. The 15th rider to the interurban concession implementing this increase was approved by decree on 28 January 2011 and published in the French Official Journal on 30 January 2011.

15.2. Master contract 2011-2014

On 21 December 2010, an agreement was signed with the government concerning the master contract for the period 2011-2014. This contract provides for €213 million in investments (excluding tax in 2008 euros), in exchange for a price hike of 15% of inflation increased by 0.48% over the term of the contract. As a result of this agreement, the third master contract and 16th rider to the interurban concession will be signed in the coming months.

16. Changes in the Company's business, earnings and financial position

In accordance with Article L. 225-100 of the French Commercial Code, an analysis of changes in the Company's business, earnings and financial position is provided below:

Concession contracts with terms of 21 years for the interurban network and 75 years for the A86 as well as the master contracts signed with the government afford Cofiroute clear visibility for its business outlook and help ensure its financial performance.
Cofiroute's major risks include the dependency of toll revenues on users' acceptance of toll prices and trends in traffic, correlated to economic conditions and the Company's financial structure.
The level of financial debt at €3,044.5 million should be considered in light of the investments made to build the concession motorway network, i.e. €5,775.8 million, with a high level of recurring cash flow. The financial risk resulting from this level of debt involves the debt management policy, notably the use of financial instruments. This policy is described in the Notes to the Consolidated Financial Statements, Notes C.16 and C.17, which provide information on the net financial debt and financial risk management.

17. Agreements covered by Article L. 225-38 of the French Commercial Code

We propose to approve the agreements referred to in Article L. 225-38 of the French Commercial Code, regularly authorised by the Board of Directors during the period.
The Statutory Auditors have been informed of these agreements, which they describe in their special report.

18. Agreements covered by Article L. 225-39 of the French Commercial Code

The list and purpose of these agreements relating to ordinary transactions carried out in normal conditions have been sent to the Statutory Auditors in accordance with Article L. 225-39.

19. Share buy-back program

No authorisations to buy back Company shares were granted at the General Shareholders' Meeting.

20. Information on the general management

At its meeting on 10 June 2010, the Board of Directors opted to separate the functions of Chairman of the Board of Directors, maintained by Pierre Coppey, and Chief Executive Officer, now held by Arnaud Grison.

21. Information on corporate officers

In accordance with paragraph 4 of Article L. 225-102-1 of the French Commercial Code, the list of each corporate officer's appointments and terms of office held in 2010 is appended to this report.

22. Remuneration of corporate officers

In accordance with Article L. 225-102-1 of the French Commercial Code, the total remuneration and benefits paid during the period to each corporate officer by the Company and the companies it controls, as defined in Article L. 233-16 of the French Commercial Code, is reported below.

The following tables show all remuneration and benefits received during the period by:

➜ Pierre Coppey, Chairman and Chief Executive Officer until 10 June 2010 and Chairman of the Board of Directors as of 10 June 2010:

Remuneration paid during the period

	Amounts in respect of 2010	Amounts in respect of 2009
Fixed remuneration	€325,000	€282,750
Variable remuneration	€220,000	€190,000
Benefits in kind	Company car	Company car

This remuneration covers all of the terms of offices held at VINCI Group companies.

Bonus shares granted during the period

	2010	2009
Number and date of VINCI plan	2010 Performance shares 9 July 2010	2009 Performance shares 15 September 2009
Number of bonus shares	9,334	9,334
Valuation of shares based on the method used for the Consolidated Financial Statements	€264,152	€290,941
Vesting date	9 July 2012	15 September 2011
Availability date	9 July 2014	15 September 2013
Performance obligations	Yes	Yes

Stock options granted during the period

	2010	2009
Number and date of VINCI plan	2010 plan 9 July 2010	2009 plan 15 September 2009
Number of bonus shares	23,335	23,335
Valuation of shares	€103,374	€131,843
Vesting date	9 July 2013	15 September 2012
Availability date	9 July 2014	15 September 2013
Performance obligations	Yes	Yes

Stock options exercised during the period

No stock options were exercised in 2010.

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

➜ Arnaud Grison, Chief Executive Officer as of 10 June 2010:

Remuneration paid during the period

	2010
Fixed remuneration	€168,038
Variable remuneration	€100,300
Benefits in kind	Company car

Bonus shares granted during the period

	2010
Number and date of plan	2010 Performance shares 9 July 2010
Number of bonus shares	3,200
Valuation of shares based on the method used for the Consolidated Financial Statements	€90,560
Vesting date	9 July 2012
Availability date	9 July 2014
Performance-related conditions	Yes

Stock options granted during the period

	2010
Number and date of plan	2010 plan 9 July 2010
Number of bonus shares	8,000
Valuation of shares	€35,440
Vesting date	9 July 2013
Availability date	9 July 2014
Performance obligations	Yes

Stock options exercised during the period

No stock options were exercised in 2010.

Arnaud Grison is a member of a supplementary retirement benefit plan. Contributions to this plan are covered by the parent company VINCI SA.

➔ Xavier Huillard, permanent representative of VINCI Concessions:

Remuneration paid during the period

	2010
Fixed remuneration	€700,000
Variable remuneration	€868,612
Directors' fees	€47,003
Benefits in kind	€4,115

➔ Patrick Faure, director:
In 2010, VINCI paid €55,000 and Cofiroute paid €10,000.

➔ Christian Saint-Étienne, director:
Cofiroute paid €20,000 in 2010.

Cofiroute did not pay any remuneration to the other Directors in 2010.

Lastly, Cofiroute refers to the Corporate Governance Code for Listed Companies established by AFEP and MEDEF, subject to the observations set out in the Chairman's report on corporate governance, internal control and risk management.

23. Information likely to have an impact in the event of a public offering

Pursuant to Article L. 225-100-3 of the French Commercial Code, we specify the following points that could have an impact in the event of a public offering.

Cofiroute's share capital broke down as follows at 31 December 2010:

➔ Vinci Concessions	65.33%
➔ Cofiroute Holding	17.99%
➔ Colas	16.67%
➔ Other	0.00018%.

To the knowledge of the members of the Board of Directors, there is no information likely to have an impact in the event of a public offering.

24. Employee share ownership

In application of Article L. 225-102 of the French Commercial Code, employees hold no equity stake in the Company.

25. Observations of the Works Council

In application of Article L. 2323-8 of the French Labour Code (Code du travail), all documents submitted at the General Shareholders' Meeting are sent to the Works Council.

The Works Council had no observation to make as to the Company's financial position.

26. Report on internal control and Statutory Auditors' Report

The report drafted by the Chairman of the Board of Directors, in compliance with the provisions of Article L. 225-37 of the French Commercial Code, on the preparation and organisation of the Board's work and the Company's internal control and risk management procedures is appended to the Management Report.
The Statutory Auditors' Report provides further details on the audit performed. Appended to this report is a report of their observations on the Chairman's report.

Board of Directors.

Appendix
Terms of office and duties of corporate officers

Mr Pierre Coppey

Within the VINCI Group

Company/legal form	Head office	Position held
Arcour French limited liability company (Société Anonyme) with a Board of Directors - Nanterre	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Chairman of the Board Director
ASF Holding French limited liability company (Société Anonyme) with a Board of Directors - Nanterre	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Director
Autoroutes du Sud de la France French limited liability company (Société Anonyme) with a Board of Directors - Nanterre	9, place de l'Europe 92500 Rueil-Malmaison	Chairman and Chief Executive Officer
Cofiroute French limited liability company (Société Anonyme) with a Board of Directors - Nanterre	6 à 10, rue Troyon 92310 Sèvres	President Administrator
Cofiroute Services French limited liability company (Société par Actions Simplifiée) - Nanterre	6 à 10, rue Troyon 92310 Sèvres	Chairman
VINCI French limited liability company (Société Anonyme) with a Board of Directors - Nanterre	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Member of the Executive Committee Member of the Management and Coordination Committee
ASFA (Association of French Motorway Companies) Association	3, rue Edmond Valentin 75007 PARIS	Vice-Chairman
VINCI Foundation for the City Corporate foundation	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Director
VINCI Autoroutes French limited liability company (Société par Actions Simplifiée) - Nanterre	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Chairman
VINCI Autoroutes Services French limited liability company (Société par Actions Simplifiée) - Nanterre	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Chairman
VINCI Autoroutes Corporate Foundation for Responsible Driving Corporate foundation	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Chairman

Abroad

Company/legal form/registry	Head office	Position held
Cofiroute Corporation Corporation or C-Corp	12520 Magnolia Boulevard Suite 300 North Hollywood, CA 91607, USA	Director

Offices held as permanent representative within the VINCI Group

For (company)	Position held	At (company)
ASF	Director	Escota

Pierre Coppey is also Chairman of the Aurore Association.

Mr Xavier Huillard

Within the VINCI Group

Company/legal form	Head office	Position held
VINCI Foundation for the City Corporate foundation	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Chairman
Soletanche Freyssinet French limited liability company (Société Anonyme) with a Board of Directors Nanterre	133, boulevard National 92500 Rueil-Malmaison	Director
VINCI French limited liability company (Société Anonyme) with a Board of Directors Nanterre	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Chairman of the Executive Committee Member of the Management and Coordination Committee Chairman and Chief Executive Officer Director
VINCI Concessions French limited liability company (Société par Actions Simplifiée) Nanterre	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Chairman
VINCI Concessions Management French limited liability company (Société par Actions Simplifiée) Nanterre	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Chairman

Abroad

Company/legal form/registry	Address	Position held
VINCI Deutschland GmbH Gesellschaft Mit Beschränkter Haftung	1 Bürgermeister-Grünzweig-Str. 67059 Ludwigshafen a.Rh., Germany	Chairman of the Board
VINCI Investments Limited Private Company Limited by Shares	Astral House Imperial Way Hertfordshire WD2 4YX Watford, United Kingdom	Director
VINCI PLC Public Limited Company	Astral House Imperial Way Watford WD24 4WW Herts, United Kingdom	Director

Offices held as permanent representative within the VINCI Group

For (company)	Position held	At (company)
SNEL	Director	ASF
VINCI	General Partner	Cagne
VINCI	Director	Eurovia
VINCI	General Partner	Signau
VINCI	Director	VINCI Energies SA
VINCI Concessions	Director	ASF Holding
VINCI Concessions	Director	Cofiroute

Mr Henri Stouff

Within the VINCI Group

Company/legal form	Head office	Position held
Autoroutes du Sud de la France French limited liability company (Société Anonyme) with a Board of Directors Nanterre	9, place de l'Europe 92500 Rueil-Malmaison	Director
Société des Autoroutes Esterel Côte d'Azur Provence Alpes, French limited liability company (Société Anonyme) with a Board of Directors Paris	432, avenue de Cannes 06210 Mandelieu	Director
Cofiroute French limited liability company (Société Anonyme) with a Board of Directors Nanterre	6 à 10, rue Troyon 92310 Sèvres	Director

Offices held as permanent representative within the VINCI Group

For (company)	Position held	At (company)
VINCI Concessions	Director	Arcour

Mr Bernard Huvelin

Within the VINCI Group

Company/legal form	Head office	Position held
Consortium Stade de France French limited liability company (Société Anonyme) with a Board of Directors Bobigny	ZAC du Cornillon Nord, 93216 La Plaine-Saint-Denis	Director

Outside the Group

Company/legal form	Head office	Position held
Soficot French limited liability company (Société par Actions Simplifiée)		Director

Within the VINCI Group abroad

Company/legal form	Head office	Position held
Compagnie d'Entreprise CFE French limited liability company (Société Anonyme) with a Board of Directors	Avenue Hermann-Debroux 40-42 1160 Brussels, Belgium	Director

Outside the VINCI Group abroad

Company/legal form	Head office	Position held
Cofido		Director

Offices held as permanent representative within the VINCI Group

For (company)	Position held	At (company)
Cofiroute Holding	Director	Cofiroute
Semana	Director	ASF
Semana	Director	Eurovia

Bernard Huvelin is also Vice-Chairman of the European Construction Industry Federation and Advisor to the European Economic and Social Committee in Brussels.

Mr Richard Francioli

Within the VINCI Group

Company/legal form	Head office	Position held
The City Factory Endowment fund		Director
Soletanche Freyssinet French limited liability company (Société Anonyme) with a Board of Directors Nanterre	133, boulevard National 92500 Rueil-Malmaison	Director
VINCI French limited liability company (Société Anonyme) with a Board of Directors Nanterre	1, cours Ferdinand de Lesseps 92500 Rueil-Malmaison	Member of the Executive Committee Member of the Management and Coordination Committee Deputy Chief Executive Officer
VINCI Energies SA French limited liability company (Société Anonyme) with a Board of Directors Versailles	280, rue du 8 mai 1945 78360 Montesson	Director

Abroad

Company/legal form	Head office	Position held
Compagnie d'Entreprise CFE French limited liability company (Société Anonyme) with a Board of Directors	Avenue Herrmann-Debroux 40-42 1160 Bruxelles, Belgium	Administrateur
VINCI Deutschland GmbH Gesellschaft Mit Beschränkter Haftung	1 Bürgermeister-Grünzweig-Str. 67059 Ludwigshafen a.Rh., Germany	Mitglied des Aufsichtsrats
VINCI PLC Public Limited Company	Astral House Imperial Way Watford WD24 4WW HERTS United Kingdom	Director

Offices held as permanent representative within the VINCI Group

For (company)	Position held	At (company)
VINCI Construction	Director	Cofiroute
VINCI Construction	Director	Doris Engineering
VINCI Construction Participations	Director	Entrepose Contracting

Mr Patrick Faure

Within the VINCI Group

Company/legal form	Head office	Position held
Cofiroute French limited liability company (Société Anonyme) with a Board of Directors Nanterre	6 à 10, rue Troyon 92310 Sèvres	Director
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 of Waterslim (Luxembourg).

Mr Christian Saint-Étienne

Within the VINCI Group

Company/legal form	Head office	Position held
Cofiroute French limited liability company (Société Anonyme) with a Board of Directors Nanterre	6 à 10, rue Troyon 92310 Sèvres	Director

Christian Saint-Étienne is also a university professor.

Mr Arnaud Grison

Within the VINCI Group

Company/legal form	Head office	Position held
Cofiroute French limited liability company (Société Anonyme) with a Board of Directors Nanterre	6 à 10, rue Troyon 92310 Sèvres	Chief Executive Officer

Mr Hervé Le Bouc

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

Company	Legal form	Head office	Position held
Aximum	SA	41, boulevard de la République 78400 Chatou	Permanent representative of Colas
Bouygues	SA	32, avenue Hoche 75008 Paris	Director
Cofiroute	SA	6/10, rue Troyon 92310 Sèvres	Permanent representative of Colas
Colas	SA	7, place René Clair 92100 Boulogne-Billancourt	Chairman and Chief Executive Officer Director
Colasie	SA	7, place René Clair 92100 Boulogne-Billancourt	Chairman and Chief Executive Officer Director
Colas Midi-Mediterranée	SA	345, rue Louis de Broglie La Duranne - 13792 Aix-en-Provence	Permanent representative of Colas
Échangeur International	SNC	7, place René Clair 92100 Boulogne-Billancourt	Permanent representative of Colas
Colas Foundation	FDT	7, place René Clair 92100 Boulogne-Billancourt	Director
Hincol	LDT	5 H Floor Richardson_Crudas Build Sir JJ Road BY 400008 Mumbai, India	Director
Isco	LDT	Je-il bldg 94/49 Youngdeungpo dong 7 ga Yougdeundpo - dong 140988 Seoul, South Korea	Director
Sacer Atlantique	SA	Echangeur Nantes - BP 90783 2, rue Gaspard Coriolis 44307 Nantes	Permanent representative of SPARE (Société de Participations et d'Etudes)
Screg Est	SA	44, boulevard de la Mothe 54000 Nancy	Permanent representative of I.P.F.
Société Parisienne d'Études, d'Informatique et de Gestion	SA	2/4, allée Latécoère 78140 Velizy-Villacoublay	Permanent representative of Colas
SPAC	SA	13, rue Madame de Sanzillon 92112 Clichy	Permanent representative of I.P.F.
TASCO	SA	TIPCO, 118/1 Rama 6 Road - Samsen Nai, Phayathai - 10400 Bangkok, Thailand	Director
Colas Émulsions	SACS	5, boulevard Abdellah-Ben-Yacine 21700 Casablanca, Morocco	Permanent representative of Colas on the Supervisory Board
Grands Travaux Routiers	SACS	5, boulevard Abdellah-Ben-Yacine 21700 Casablanca, Morocco	Permanent representative of Colas on the Supervisory Board
La Route Marocaine	SACS	5, boulevard Abdellah-Ben-Yacine 21700 Casablanca, Morocco	Vice-Chairman of the Supervisory Board
Societe Maghrébine d'entreprises et de travaux	SACS	5, boulevard Abdellah-Ben-Yacine 21700 Casablanca, Morocco	Member of the Supervisory Board
Colas Inc	INC	10 Madison Avenue - Morristown, NJ 07960, USA	Director
Colas Canada	INC	4984 place de la Savane, Bureau 150 Montréal, Québec H4P 2M9, Canada	Director

The Chairman's Report
on internal control

Pursuant to Article L. 225-37 of the French Commercial Code, the Chairman of Cofiroute has prepared this report on the composition of the Board of Directors, the preparation and organisation of its work, any limitations to the powers of the Chief Executive Officer and the Company's internal control and risk management procedures.

Information about the Company's capital structure or that could have an impact in the event of a public offering is found in the Management Report.

1. Composition of the Board

At the date of this report, Cofiroute's Board of Directors comprised eight members:
➔ Pierre Coppey
➔ Henri Stouff
➔ Patrick Faure
➔ Christian Saint-Étienne
➔ Cofiroute Holding
➔ Colas
➔ Vinci Concessions
➔ Vinci Construction.

In 2010, Xavier Huillard resigned from his office as Director. Henri Stouff was co-opted by the Board on 24 February 2010. This co-option was ratified at the General Shareholders' Meeting on 30 April 2010.

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

The Board of Directors meets regularly. 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 free to review, if necessary, 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 limitations to the powers of General Management

➔ As of 10 June 2010, the Board opted to separate the functions of Chairman and Chief Executive Officer.
➔ No limitations impair or prevent the Chief Executive Officer's full and complete exercise of his functions.
➔ The Board of Directors granted Pierre Coppey all necessary powers to pursue the Company's relations with the government.
➔ Shareholders are reminded that, in accordance with Articles L. 225-35 and R. 225-28 of the French Commercial Code, the Board of Directors authorised the Chief Executive Officer to grant guarantees and sureties for up to a total of €50 million on behalf of the Company for the period from 10 June 2010 to 31 December 2010. Any commitment in excess of that amount requires approval from the Board.
➔ Shareholders are reminded that, in accordance with paragraphs 2 and 3 of Article L. 228-40 of the French Commercial Code, the Board of Directors authorised the Chief Executive Officer to issue up to a total of €1.5 billion in bonds for the period from 10 June 2010 to 31 December 2010.
➔ Shareholders are reminded that the Board renewed its special authorisation granted to the Chief Executive Officer on 24 June 2002 and renewed on 11 June 2003, 18 March 2004, 25 February 2005, 20 February 2006, 22 March 2007, 25 February 2008, 9 December 2008, 3 December 2009 and 10 June 2010 to make any commitment and grant unlimited guarantees or sureties, either directly and indirectly, to the German government under the Toll Collect project for the period from 10 June 2010 to 31 December 2010.
➔ At the Board of Directors' meeting on 8 December 2010, the above-mentioned authorisations were renewed for a period of one year as of 1 January 2011.

4. Internal control

4.1. Objectives of internal control

The internal control procedures applied within the Company aim to:
➔ Ensure that management practices, operations and employee behaviour are consistent with the Company's business strategy, values, standards and internal rules as well as all applicable laws and regulations.
➔ 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.

One of the objectives of the internal control system is to prevent and manage risks arising from the Company's business operations and the risks of error and fraud, particularly in accounting and finance. As 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 decentralised structure of the Company's operations, which are broken down into geographical sectors, enables local management to take any necessary operational decisions rapidly.

Delegation of authority

The Company's system for delegating authority is applied in compliance with the following principles for conduct and behaviour:
➔ strict adherence to the rules laid down by the Chief Executive Officer, in particular as regards delegation, commitments and financial and accounting information;
➔ employee transparency and loyalty towards their line management and functional departments. All managers must, in particular, inform their line managers of any difficulties encountered in performing their duties. An integral part of operations managers' roles is to take decisions alone on matters falling within their area of expertise but to handle these difficulties with the assistance, if necessary, of their line managers or functional departments;
➔ compliance with the laws and regulations in force in the countries where the Company operates;
➔ responsibility of operational executives to communicate these principles by appropriate means (orally and/or in writing) and set an example;
➔ safety of people;
➔ a corporate culture of financial performance.

Ethical Charter and VINCI Behaviour

Designed for all managers, this charter defines the rules for good conduct applicable to all employees and sets out the professional ethical principles to be used as a basis for their behaviour.

Safety of people
The Quality, Safety and Environment (QSE) Department, which is separate from operational departments, ensures that the Company's QSE policy is applied correctly.

The safety of people is a top priority for the Company. Its management of work-related risks is reflected in the zero workplace accident objective, a policy integrated into all Company procedures, resources and tools (awareness, training, procedures, indicators).

Internal guidelines
Internal control is based on several sets of guidelines:
➜ the rules to be followed by Company employees, set out primarily in the by-laws, Company regulations along with department procedures or any other documents issued by General Management or its representatives;
➜ an information technology charter, which informs users of the rules to be followed when using computers and other equipment to ensure greater security and reliability.

5. Operational organisation

The Company's internal control structure is based on:
➜ the formalisation of Company strategy and decision-making procedures;
➜ the steering and monitoring of business;
➜ notification procedures and coordination between different Company entities.

5.1. Corporate Governance

The Company refers to the Corporate Governance Code for Listed Companies established by AFEP and MEDEF in December 2008 and revised in April 2010.
The code can be viewed on the website www.medef.fr.

The Board of Directors
The Board of Directors met four times during 2010, with an average attendance rate of 87.5%.

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 meetings and the information and briefings provided to the Board.
In accordance with its internal rules and the AFEP-MEDEF Corporate Governance Code, the Board included a discussion on its own procedures in its agenda for the meeting held on 24 February 2010.

Remuneration Committee
The Remuneration Committee met on 19 February 2010 to issue recommendations for the remuneration of Pierre Coppey, Patrick Faure and Christian Saint-Étienne. Its recommendations were unanimously adopted by the Board of Directors at its 24 February 2010 meeting.

Audit Committee
The Audit Committee met twice in 2010 to examine the interim and annual financial statements before they were presented to the Board of Directors.
The Committee also conducted a review of risks and unforeseen events: the Company's exposure to interest rate, rating and financing risks, the purpose and amount of balance sheet provisions, the monitoring of off-balance sheet commitments and a summary of the audit performed by the Statutory Auditors. Specific matters examined by the Audit Committee for 2010 included the risk of closure of the A86 Duplex and the monitoring of the fight against fraud.
The internal and external audit reports were presented to the Committee.

Technical and Financial Committee
The Technical and Financial Committee, comprised of shareholder representatives, met quarterly to examine the Company's operational and financial performance during the previous four months and its short-term outlook.

5.2. Internal Committees

Executive Committee

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

Risks Committee

Any significant financial and/or contractual commitment made by Cofiroute or any investment in excess of €300,000 not related to a renewable asset is examined by the Risks Committee prior to approval. The Committee is chaired by the Chief Executive Officer and examines every aspect of Cofiroute's commitments (financial, technical, legal and other, guarantees, sureties and off-balance sheet commitments), investment opportunities and their impact on the Company's financial position. The Risks Committee met nine times in 2010 and reviewed 21 dossiers.

5.3. General Management reviews

Concession reviews

One concession review was held in 2010 that focused on compliance with Cofiroute's commitments under its two concession contracts.

Quality, Safety and Environment (QSE) reviews

Every year, management reviews study the results of the Company's QSE policy and set its future guidelines based on the audits and analysis of the operational and support processes.

The Company's QSE management system, including these management reviews, obtained ISO 9001 and ISO 14001 certification for the operation of its interurban network.

Every month, the Operations Director examines the implementation of the accident prevention action plan that applies to the Company's operational staff and is aimed at achieving the target of zero workplace accidents for all employees. This action plan is based on the Accident Prevention policy implemented by VINCI Autoroutes in April 2010.

Project reviews

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

5.4. Control processes

5.4.1. Accounting system

Expenditure commitment system

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

The following restrictions have been put in place:

➔ expenditure commitment (expenses and investments) is authorised according to personalised thresholds set within the software. This commitment is a pre-requisite for processing and subsequently paying an expense;

➔ the Company's various departments ensure the "accounts payable accounting", but the creation or modification of a supplier is centralised;

➔ the "supplier invoice processing" and "supplier invoice payment" functions are separate;

➔ a permanent control function has been set up within the Finance Department ensuring that procedures for processing income and expenses are followed.

Income and expense processing procedures

Accounting and management system user procedures are available on the Company's intranet.

A pre-requisite to processing toll revenue separates the "control" function from the "production" function. The departments concerned (Finance Department, Operational Systems Department and Operations Department) perform a cross-check, which is reported on a monthly basis.

Preparation and verification of financial statements

The Finance Department is in charge of preparing and approving the Company's interim and annual financial statements, ensuring compliance with accounting policies and the procedures applied by the Company's various departments.

The Statutory Auditors review these procedures every year. In 2010, the reviews covered taxes, financial instruments and the purchasing process.

5.4.2. Budget preparation and monitoring

The Management Control Department implements and co-ordinates the budget process for the entire Group. Each department inputs its budget proposals into the SAP system at the required dates, along with explanatory notes aligning budget proposals with business forecasts or identified risks and unforeseen events.

The budget, its two annual updates and an analysis by every Group department are presented to the Chief Executive Officer and Chief Financial Officer. The budgets allocated to each department are then formally approved by General Management and regularly monitored throughout the year.

5.4.3. Cash management

Cash management complies with the Group's cash management guidelines, in particular the management of risk limits by counterparty. Surpluses are invested in products that are "listed" by the Group.

Interest rate risk is managed according to prudential rules defined by the Group.

Cofiroute uses derivative financial instruments in its debt management, notably market risk exposure, as described in Notes C.16 "Information on net financial debt" and C.17 "Information on financial risk management" to the Consolidated Financial Statements.

Decisions about the main financing and debt management transactions are taken at the Treasury Committee meetings held regularly and before any significant operation.

Bank mandates are granted to a limited extent, in compliance with the Group's cash management guidelines. The nature of the authorisations granted and the list of beneficiaries are regularly surveyed.

5.5. Reporting

Reporting to General Management and shareholders

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

➔ interim and annual financial statements;

➔ financial forecasts for the current year (initial 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 every year.

Reporting to the concession granting authority

Under its two concession contracts, Cofiroute regularly reports to the concession granting authority on its commitments. In June 2010, Cofiroute namely sent its 2009 parent company financial statements, reports on the performance of each of its concession contracts and an annual review of operations. The results of the annual user satisfaction survey are also sent every year along with a special report on the safety of customers, employees and contractors working on the network.

6. Risk management procedures

Procedures for 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, disclosed within and outside the Company. In particular, it is in charge of:

➜ drawing up, validating and analysing interim and annual parent company and consolidated financial statements;

➜ defining and monitoring accounting procedures and implementing IFRS standards.

The Statutory Auditors review the Company's accounting treatment of transactions that are complex from an accounting point of view. The Statutory Auditors present their observations and comments on the interim and annual financial statements to the Finance Department and to the Audit Committee before they are presented to the Board of Directors.
The Statutory Auditors obtain a representation letter signed by the Chief Financial Officer before signing their report.

Procedures implemented to prevent and manage the Company's operational risk

Internal and external procedures, set out in the "Technical and Operational Handbook", apply to the operation of the network in service. Interventions are formally set out in the Intervention and Back-up Plan *(Plan d'Intervention et de Secours or PIS)* for every motorway in the network. The Plan defines and facilitates the co-ordination and the implementation of back-up and operational measures. It ranges from coping with daily and minor events to handling serious disruptions when the Prefect has not decided to launch an emergency plan or the Orsec Plan (the French basic emergency plan implemented in the event of a disaster, when local resources are not sufficient).

An emergency procedure covers the entire network. Under this procedure, a crisis management cell is manned by operational employees 24 hours a day, while the General Management, represented by a member of the Executive Committee, and the Communication Department are also available around-the-clock.

An information system recovery plan has been drawn up to handle a system shutdown or a disaster. The plan was tested during the second half of the year. In April 2010, a power cut at the head office in Sèvres enabled the Company to verify the efficiency of its recovery plan.

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 the system, Socatop would be in charge of operational crisis management while Cofiroute would handle the crisis communication.
In application of current regulations, a thorough analysis of the tunnel's safety was performed with the government services to define the conditions for closure approved by the prefectoral decree of 26 July 2010.
Risks causing the closure of the A86 Duplex were identified and the impacts and loss of revenue were assessed. As a result of this review, risk prevention and transfer solutions were defined and implemented.

Procedures implemented to guarantee operation of the Information System

Cofiroute has a Head of Information System Security (RSSI) who is in charge of defining and implementing the IT security policy. The Company's management system now meets ISO 27001 and ISO 27002 standards. The RSSI is also in charge of identifying and assessing risks. He defines and controls the application of security incident response plans and ensures that the security component is included in various IT projects. The RSSI is the information system security representative of the Ministry of Ecology, Sustainable Development, Transport and Housing.

7. Shareholders' attendance at General Shareholders' Meetings

Regarding shareholders' attendance at General Shareholders' Meetings, the reader is referred to Section V of the corporate by-laws copied hereafter:

SECTION V/General Shareholders' Meetings

Article 21

General Shareholders' Meetings are convened under the terms set by the law.
The meetings take place on the date, time and place indicated in the Meeting notification.

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 of them.
Shareholders who attend the meeting via videoconference or other means of telecommunication by which they can be identified, the nature and conditions of application of which are determined by decree, are deemed to be present for the calculation of the quorum and majority.
In all the meetings, the owners of shares are entitled to attend the Meeting or be represented without any prior formalities, if their shares are registered five days at the latest before the date of the Meeting.
The Board of Directors has the right to reduce or to cancel this time limit.
General Shareholders' Meetings are chaired by the Chairman or one of the Vice-Chairmen of the Board of Directors, or by a Director specially designated by the Board for this purpose. Failing this, the Meeting elects its Chairman itself.

Article 23

Ordinary or Extraordinary General Meetings, ruling in the legal conditions of quorum and majority which govern them respectively, exercise the powers granted 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 extracts 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 any benefits granted to corporate officers

Regarding Directors, the reader is referred to the Management report.
Regarding Pierre Coppey, Chairman and Chief Executive Officer of Cofiroute until 10 June 2010, then Chairman of the Board of Directors thereafter, and Arnaud Grison, Chief Executive Officer since 10 June 2010, the reader is referred to the Management report.

Pierre Coppey's remuneration includes a variable portion determined by the fulfilment of his individual objectives.

9. Action plan to strengthen internal control

Cofiroute is currently updating its map of major risks set out in 2009.

Risk management measures taken in 2010

➔ Implementation of detection tools and equipment for the fight against fraud and debt collection assistance;
➔ Identification of risks of closure of the A86 Duplex, assessment of impacts and loss of revenue; definition of risk prevention or transfer solutions;
➔ ISO 14001 certification to all regional departments of the interurban network;
➔ Audit on income reported by sub-concessionaires;
➔ Pursuit of the compliance programme on bank data security (PCI-DSS); external validation of the compliance plan;
➔ IT back-up plan exercise and full-scale test in April (electric power cut in Sèvres);
➔ Launch of the IT security awareness programme;
➔ Implementation of an intrusion detection/prevention detector and external intrusion test;
➔ Definition of security rules to be applied in IT projects;
➔ Distribution of the security booklet to each employee (network intervention rules and authorisations).

External audits were also performed.
Internal and external audits were conducted on several processes as part of the QSE management system.
No significant malfunctions were identified.

Following the audit by Bureau Veritas Certification, which took place from 14 to 18 November 2010, Cofiroute's ISO 9001 and ISO 14001 certification covers the operation and maintenance of its entire interurban network.

Measures planned in 2011

➔ Pursuit of the compliance programme on bank data security (PCI-DSS), notably in terms of policy, procedures and guidelines;
➔ Update of the analysis of business risks on the interurban network and A86;
➔ Set-up of a secure data exchange platform;
➔ Set-up of an online revenue reporting system for Cofiroute sub-concessionaires;
➔ Pursuit of audit on income reported by sub-concessionaires;
➔ Improvement in access control (badge system) for sensitive buildings;
➔ Implementation of an architecture to manage encryption and single system access to applications;
➔ Continuation of the IT security awareness programme for the intranet and employee training;
➔ ISO 9001 and ISO 14001 certification for the A86 and ISO 9001 certification for construction standards.

The QSE internal audit programme for 2011 was approved at a management review on 10 February 2011. In any case, at least about fifteen audits will be conducted by internal auditors, monitoring external audit No. 2 will be performed by Bureau Veritas Certification between now and the end of 2011.

In accordance with the last sub-paragraph of Article L. 225-37 of the French Commercial Code, this report was approved by the Board of Directors.

Chairman
Pierre COPPEY

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

Cofiroute – Société anonyme (French limited liability company)
Registered office: 6 à 10 rue Troyon 92316 Sèvres Cedex, France
Share capital: €158,282,124

Year ended on 31 December 2010

To the Shareholders,

As Statutory Auditors of Cofiroute and pursuant to the provisions of Article L. 225-235 of the French Code of Commerce, we hereby present our report on the report prepared by the Chairman of the Company in accordance with the provisions of Article L. 225–37 of the French Commercial Code for the period ended 31 December 2010.

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

Our role is to:
➔ report to you on the information contained in the Chairman's report on internal control and risk management 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 Commercial Code, although we are not required to verify the fairness of this other information.

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

Information concerning the internal control and risk management procedures relating to the preparation and treatment of financial and accounting 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 concerning the internal control and risk management procedures relating to the preparation and treatment of accounting and financial information. Those standards notably require us to:
➔ review the internal control and risk management procedures relating to the preparation and treatment of the accounting and financial information supporting the information presented in the Chairman' s report and the existing documentation;
➔ review the work performed to prepare this information and the existing documentation;
➔ ascertain whether any material weaknesses were identified in the internal control procedures relating to the preparation and treatment of accounting and financial information as part of our review of the disclosures in the Chairman's report.

On the basis of this work, we have no comments to make on the disclosures regarding the Company's internal control and risk management 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 Commercial Code.

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 Commercial Code.

Paris-La Défense and Neuilly-sur-Seine, 24 March 2011

Salustro Reydel, Member of KPMG International	Deloitte & Associés
Philippe Bourhis, Associé	Mansour Belhiba, Partner

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Consolidated income statement

(in € millions)	Notes	2010	2009
REVENUE	**4.1**	**1,292.2**	**1,285.7**
including:			
Revenue - excluding construction of new infrastructure assets under concession by third-party companies		*1,149.8*	*1,110.5*
Revenue - construction of new infrastructure assets under concession by third-party companies		142.4	175.2
Revenue from ancillary activities		2.3	2.7
Operating expenses	4.2	(708.8)	(695.5)
OPERATING INCOME FROM ORDINARY ACTIVITIES		**585.7**	**592.9**
Share-based payments (IFRS 2)	4.5	(1.6)	(1.5)
Income from associates		(0.0)	0.4
OPERATING INCOME	**4.2**	**584.1**	**591.8**
Cost of gross borrowings		(137.4)	(155.8)
Financial income from cash investments		2.9	5.4
COST OF NET DEBT	**5**	**(134.5)**	**(150.4)**
Other financial income	5	33.9	58.9
Other financial expenses	5	(10.7)	(20.6)
Income taxes	6	(161.2)	(168.8)
NET INCOME FOR THE PERIOD		**311.6**	**310.8**
Net income attributable to minority interests		0.0	0.0
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**311.6**	**310.8**
BASIC EARNINGS PER SHARE (in €)	**7**	**76.8**	**76.6**

Statement of comprehensive income

(in € millions)	**2010**	**2009**
NET INCOME FOR THE PERIOD	**311.6**	**310.8**
Financial instruments of affiliates: change in fair value o/w:	**(0.1)**	**(6.1)**
Available-for-sale financial assets	*0.0*	*0.0*
*Cash flow hedges**	*(0.1)*	*(6.1)*
Financial instruments of associates: change in fair value	0.0	0.0
Currency translation differences	0.2	0.1
Taxes**	0.0	2.1
Income and expenses recognised directly in equity	**0.2**	**(3.9)**
COMPREHENSIVE INCOME FOR THE PERIOD	**311.8**	**306.9**

* Changes in the fair value of cash flow hedges (interest rate hedges) are recognised in equity for the effective portion of the hedge. Cumulative gains or losses in equity are recorded in the income statement if the hedged cash flow affects earnings.
** Tax effect resulting from cash flow hedges (effective portion) (versus €2.1 million in 2009).

Statement of consolidated financial position
Assets

(in € millions)	Notes	31/12/2010	31/12/2009
Non-current assets			
Concession intangible assets	8	5,260.5	5,385.3
Concession property, plant and equipment	9	515.2	493.1
Property, plant and equipment	9	8.8	9.0
Investments in associates	10	0.1	0.6
Other non-current financial assets	11	28.9	23.8
TOTAL NON-CURRENT ASSETS		**5,813.5**	**5,911.8**
Current assets			
Inventories and work in progress	15	1.7	1.4
Trade and other operating receivables	15	121.7	98.2
Other current assets	15	13.2	13.2
Other current financial assets	17	107.2	81.7
Liquid financial assets	16	10.4	10.3
Cash and cash equivalents	16	307.7	285.9
TOTAL CURRENT ASSETS		**561.9**	**490.6**
TOTAL ASSETS		**6,375.4**	**6,402.5**

Statement of consolidated financial position

Equity and liabilities

(in € millions)	Notes	31/12/2010	31/12/2009
Equity			
Share capital		158.3	158.3
Consolidated reserves		1,685.8	1,560.2
Currency translation reserves		(0.4)	(0.6)
Net income attributable to equity holders of the parent		311.6	310.8
Fair value reserves		(5.1)	(5.0)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**12**	**2,150.2**	**2,023.6**
Minority interests	12.5	0.0	0.0
TOTAL EQUITY		**2,150.2**	**2,023.6**
Non-current liabilities			
Non-current provisions	14	22.1	24.8
Bonds	16	2,244.8	2,239.9
Other loans and financial liabilities	16	1,114.4	1,111.4
Deferred tax liabilities	6.3	335.2	328.8
TOTAL NON-CURRENT LIABILITIES		**3,716.5**	**3,704.9**
Current liabilities			
Current provisions	15.3	196.0	178.3
Trade payables	15.1	28.9	40.8
Payables related to non-current assets	15.1	54.5	32.0
Other current liabilities	15.1	84.5	85.5
Tax payables		4.9	61.2
Current financial liabilities	16 - 17	140.0	276.1
TOTAL CURRENT LIABILITIES		**508.6**	**673.9**
TOTAL EQUITY & LIABILITIES		**6,375.4**	**6,402.5**

Consolidated cash flow statement

(in € millions)		Note	2010	2009
CONSOLIDATED NET INCOME FOR THE PERIOD			**311.6**	**310.8**
Depreciation and amortisation		4.4	223.5	213.2
Net additions to/(reversals from) provisions			9.9	18.5
Share-based payments (IFRS 2) and other restatements		13	(0.5)	(2.9)
Gain/(loss) on disposals			0.4	0.2
Share in earnings of associates		10	0.0	(0.4)
Dividends received from unconsolidated entities			(0.3)	(0.6)
Capitalised borrowing costs		8	(33.5)	(58.0)
Cost of net debt		5	134.5	150.4
Current and deferred tax expense		6	161.2	168.8
CASH FLOWS FROM/(USED IN) OPERATIONS BEFORE TAX AND FINANCING COSTS			**806.8**	**800.1**
Change in working capital requirement and in current provisions		15	6.9	(40.6)
Income taxes paid			(212.4)	(71.0)
Net interest paid		5	(144.5)	(153.2)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**I**		**456.8**	**535.3**
Purchases of property, plant and equipment, and intangible assets			*(1.5)*	*(5.7)*
Proceeds from sales of property, plant and equipment, and intangible assets			*0.1*	*0.2*
Net investments in operating assets		9	(1.4)	(5.4)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES AFTER NET INVESTMENTS IN OPERATING ASSETS			**455.4**	**529.9**
Investments in concession assets		8	(100.5)	(315.4)
Dividends received from associates and unconsolidated entities			0.8	1.3
Other			0.0	0.0
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**II**		**(101.0)**	**(319.5)**
Dividends paid to Cofiroute SA shareholders		12.4	(184.5)	(181.4)
Proceeds from new borrowings		16	7.0	4.7
Repayment of borrowings and changes in other current financial liabilities		16	(6.5)	(304.8)
Change in liquid assets and other current liabilities		17	(150.1)	149.1
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**III**		**(334.2)**	**(332.5)**
CHANGE IN NET CASH	**I + II + III**	**16**	**21.6**	**(116.7)**
Net cash and cash equivalents at beginning of year			285.9	402.6
Other changes			0.2	0.0
NET CASH AND CASH EQUIVALENTS AT YEAR-END			**307.7**	**285.9**

Increase (decrease) in liquid financial assets			150.1	(149.1)
(Issue) repayment of borrowings			(0.4)	300.1
Other changes			12.5	4.2
Impact of changes in fair value			(2.6)	(7.5)
Effect of changes in foreign exchange rates			(0.0)	(0.0)
CHANGE IN NET DEBT		**16**	**181.2**	**31.1**
Net debt at beginning of year			(3,225.9)	(3,257.0)
NET DEBT AT YEAR-END			**(3,044.6)**	**(3,225.9)**

Statement of changes in consolidated equity

(in € millions)	Equity attributable to equity holders of the parent: Share capital	Consolidated reserves	Currency translation reserves	Fair value reserves	Net income	Total	Minority interests	Total
EQUITY AT 01/01/2009	**158.3**	**1,419.6**	**(0.7)**	**(1.0)**	**323.9**	**1,900.1**	**0.0**	**1,900.1**
Net income for the period					310.8	310.8		310.8
Income and expenses for the period recognised directly in equity			0.1	(4.0)		(3.9)		(3.9)
COMPREHENSIVE INCOME FOR THE PERIOD			**0.1**	**(4.0)**	**310.8**	**306.9**	**0.0**	**306.9**
Allocation of net income and dividend payments		142.5			(323.9)	(181.4)		(181.4)
Share-based payments (IFRS 2)		(1.9)				(1.9)		(1.9)
EQUITY AT 31/12/2009	**158.3**	**1,560.1**	**(0.7)**	**(5.0)**	**310.9**	**2,023.6**	**0.0**	**2,023.6**
Net income for the period					311.6	311.6		311.6
Income and expenses for the period recognised directly in equity			0.2	(0.1)		0.2		0.2
COMPREHENSIVE INCOME FOR THE PERIOD			**0.2**	**(0.1)**	**311.6**	**311.8**	**0.0**	**311.8**
Allocation of net income and dividend payments		126.4			(310.8)	(184.5)		(184.5)
Share-based payments (IFRS 2)		(0.7)				(0.7)		(0.7)
EQUITY AT 31/12/2010	**158.3**	**1,685.8**	**(0.4)**	**(5.0)**	**311.6**	**2,150.2**	**0.0**	**2,150.2**

Notes
to the consolidated financial statements

A. Accounting policies and measurement methods

1. General principles

In application of EC Regulation No. 1606/2002 of 19 July 2002, the consolidated financial statements of Cofiroute (hereafter "the Group") at 31 December 2010 have been prepared and presented under the International Financial Reporting Standards (IFRS) as endorsed by the European Union at 31 December 2010 [1]. The Group chose to apply IFRIC 12 "Service Concession Arrangements" as early as its 31 December 2008 closing. Application became compulsory on 1 January 2010.

The accounting principles applied by the Group at 31 December 2010, are the same as those chosen for the Group's consolidated financial statements for the year ended 31 December 2009, with the exception of the standards and interpretations adopted by the European Union, applicable as of 1 January 2010 (see Note A.1.1 New standards and interpretations applicable from 1 January 2010).

Data for 2008, presented in the 2009 financial report filed with the AMF on 30 April 2010, are included for reference purposes.

The Board of Directors approved the consolidated financial statements on 25 February 2011. They will be submitted for approval at the General Shareholders' Meeting on 12 April 2011.

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

1.1. New standards and interpretations applicable from 1 January 2010

1.1.1. Application of IFRS 3 (revised) Business Combinations and IAS 27 (revised) Consolidated and Separate Financial Statements

The application of these standards became compulsory as from 1 July 2009. For Cofiroute, they shall apply as of 1 January 2010.
Revised IFRS 3 introduced changes to the acquisition method as defined in IFRS 3 prior to revision.
Revised IAS 27 introduces changes to acquisitions or sales of minority interests and sales of investments.
These standards do not apply to the Group.

1.1.2. Other standards and interpretations applicable from 1 January 2010

The following standards and interpretations applicable from 1 January 2010 did not have a significant impact on the Group's financial statements at 31 December 2010:
- ➔ Amended IFRS 2 Share-based Payment (incorporation of IFRIC 8 and IFRIC 11), published in June 2009.
- ➔ IFRS 5 amended for the annual Improvements to International Financial Reporting Standards issued in May 2008. Since 1 July 2009, the IASB states that all assets and liabilities of a subsidiary sold with loss of control shall be classified as held for sale on the balance sheet, and, where applicable, as a discontinued operation on the income statement.
- ➔ IAS 39 Eligible Hedged Items (partially adopted by the EU).
- ➔ IFRIC 17 Distribution of Non-Cash Assets to Owners.
- ➔ IFRIC 18 Transfers of Assets from Customers.
- ➔ Certain amendments from the annual Improvements to International Financial Reporting Standards issued in April 2009.

1.2. Standards and interpretations adopted by the IASB but not yet applicable as at 31 December 2010

The Group did not apply any of the new standards and interpretations listed below, as their application was not mandatory at 1 January 2010:
- ➔ IFRS 9 Financial Instruments: Classification and Measurement;
- ➔ Amendment to IAS 24 Related Party Disclosures;
- ➔ Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement;
- ➔ IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments;
- ➔ Amendment to IAS 32 Classification of Rights Issues;
- ➔ Certain amendments from the annual Improvements to International Financial Reporting Standards issued in May 2010.

The Group is currently analysing the impacts and practical consequences of the application of these standards and interpretations.

2. Consolidation method

2.1. Consolidation scope

Companies in which the Cofiroute Group holds either directly or indirectly the majority of voting rights enabling control to be exercised, are fully consolidated. This is the case for the following wholly owned companies:

➔ Cofiroute Participations

➔ Cofiroute Corporation, SR 91 and Cofiroute USA

➔ Cofiroute UK Ltd.

The Group does not jointly own any companies.

Companies over which the Group exercises significant influence are consolidated according to the equity method. This includes more specifically:

➔ Crossing Company Limited that is 42.86% held by Cofiroute UK Ltd.

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 have a material impact on the Group's financial statements.

Changes in the consolidation scope

	31/12/2010			31/12/2009		
(number of companies)	**Total**	**France**	**Foreign**	**Total**	**France**	**Foreign**
Full consolidation	**6**	2	4	**6**	2	4
Equity method	**1**	0	1	**2**	0	2
Total	**7**	2	5	**8**	2	6

The change in scope concerned the liquidation of the company Operadora Autopista del Bosque (OADB), in which the Group held a 40% stake.

2.2. Inter-company transactions

Inter-company transactions between consolidated companies involving assets and liabilities and income and expenses 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 stake of an entity accounted for by the equity method 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 for balance sheet items and income statement items at the average rate for the period. Any resulting translation differences are recognised under translation differences in consolidated reserves.

2.4. Foreign currency transactions

Transactions in foreign currencies are translated into euros at the exchange rate prevailing at the transaction date. At the balance sheet date, financial assets and monetary liabilities denominated in foreign currencies are translated into euros at the closing rate prevailing at the end of the period. The foreign exchange gains and losses that stem from this translation are recognised under "Foreign exchange gains and losses" item and presented in"Other financial income and expenses" in the income statement.

3. Measurement rules and methods

3.1. Use of estimates

The preparation of financial statements under IFRS requires using estimates and making assumptions 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 change or if new information becomes available. Actual results may be different from these estimates.

Financial years 2009 and 2010 were marked by an economic and financial crisis. It is impossible to forecast precisely how severe it will be or how long it will last after 31 December 2010. The consolidated financial statements for the period were prepared in reference to the current environment, notably for the estimates presented below.

3.1.1. Values used in impairment tests

The assumptions and estimates used to determine the recoverable amount of intangible assets and property, plant and equipment relate in particular to the assessment of market outlook needed to assess the cash flow and discount rates applied. Any change in these assumptions could have a material effect on the recoverable amount and could entail a change in the impairment losses to be recognised.

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

The Group recognises a share-based payment expense for the grant of stock options (offers to subscribe to or purchase shares), performance share plans and shares under the VINCI Group Savings Plan. This expense is measured using actuarial calculations based on estimated behavioural assumptions arising from observation of past behaviour.

3.1.3. Measurement of retirement benefit obligations

The Group provides both defined contribution and defined benefit retirement plans. Its obligations under these plans are measured actuarially based on assumptions such as the discount rate, the return on the investments dedicated to these plans, future increases in wages and salaries, employee turnover, mortality rates and the healthcare expenditure growth rate.
These assumptions are generally updated annually. The assumptions used and their calculation methods are provided in Note D. 14.1. "Provisions for retirement benefits".
The Group considers that the actuarial assumptions used are appropriate and justified. Obligations may, however, change in the event of changes in assumptionsw

3.1.4. Measurement of provisions

The factors that materially influence provision amounts include:
➔ forecasts for medium- to long-term maintenance expenditure and for major repairs, which serve as a basis for provisions for the obligation to maintain infrastructure assets under concession in good condition. These forecasts are estimated by taking into account the indexing clauses of construction contracts (principally the TP01, TP02 and TP09 indices);
➔ the discounting rates used to discount these provisions to present value.

3.1.5. Valuation of financial instruments at fair value

Fair value is measured using a three-level hierarchy:

Level 1. Prices listed on an active market. Where available, prices listed on an active market are used as the preferred method for determining market value. Marketable securities and some listed bonds are measured in this way.

Level 2. Internal models using valuation techniques drawing on observable market inputs. These techniques are based on standard mathematical calculations incorporating observable market inputs such as futures prices, yield curves, etc. Most derivatives (swaps, caps, floors, etc.) traded on markets are measured based on models commonly used by market practitioners in pricing these financial instruments.
Internal valuations of derivatives are checked quarterly for consistency with the valuations sent by counterparties.

Level 3. Internal models based on unobservable inputs. This model is applied to unlisted investments in associates that are recognised at cost, as no active market exists to measure fair value.

3.2. Revenue

Group revenue is recognised in application of IAS 18 and IAS 11. The method used to recognise revenue generated by concession contracts is described in depth in Note A. 3.4. "Service Concession Arrangements" below. Revenue includes:

➜ tolls received on road infrastructure operated under concession, fees for commercial facilities and rent income on telecommunications infrastructure and advertising space;

➜ revenue recognised for the construction of new infrastructure assets under concession according to the percentage of completion method of accounting under IAS 11. It also includes the total amount of services provided by consolidated subsidiaries operating in their main business.

3.3. Revenue from ancillary activities

Ancillary revenue mainly covers surveys and assistance work performed as part of development activity and services provided outside the scope of the Company's concessions or for other motorway concession operators.

3.4. Service Concession Arrangements

According to the provisions of IFRIC 12, the concession operator has two business activities:

➜ a construction business consisting of its obligations to design, build and finance new infrastructure that it provides for the grantor: revenue is recognised according to the percentage of completion method of accounting under IAS 11;

➜ the concession operator operates and maintains the infrastructure under concession: revenue is recognised in accordance with IAS 18.

The concession operator in turn receives payment from users according to the "Intangible Asset Model". The operator has the right to receive toll or other revenue from users for financing and building the infrastructure. If the grantor pays the concession operator based on the extent to which the public uses the service, with no guarantee of payment (simple "pass through" or "shadow toll" agreement), the "Intangible Asset Model" also applies.

Based on this model, the concession operator's right to receive toll or other revenue is recognised in the balance sheet under "Concession intangible assets" (see Note A. 3.10 "Concession intangible assets"). This right corresponds to the fair value of the infrastructure asset under concession plus the capitalised borrowing costs recognised during the construction period. It is amortised to reflect the pattern by which the contract's economic benefits are used up, from the date on which the infrastructure asset goes into operation.

This model applies to Group contracts.

3.5. Share-based payments

The measurement and recognition methods for stock option plans, the VINCI Group savings plans and performance share plans are defined by IFRS 2 "Share-based Payment". Stock options. performance shares and the Group Savings Plan represent benefits and therefore additional compensation paid by the Group. As these transactions do not constitute monetary transactions, these benefits granted by VINCI are recognised as expenses in the period in which the rights vest, offset by a corresponding increase in equity. Benefits are recognised at the fair value on the date on which the equity instruments are granted. The binomial "Monte Carlo" valuation model is deemed the most reliable and most stable for measuring fair value because it covers a larger number of conditions in modelling its scenarios, notably by including assumptions about the behaviour of beneficiaries based on historical observations in the valuation.

3.5.1. Stock options

Options to subscribe to or purchase VINCI shares have been granted to Group employees and company officers. Under some of these plans, the stock options granted vest based on performance criteria. The fair value of the stock options is determined at the grant date using the "Monte Carlo" model, which covers the impact of the market performance criterion, where applicable.

3.5.2. Performance share plans

VINCI performance shares were granted to Group employees and officers in previous periods. As these shares vest based on market performance and financial criteria, the fair value of VINCI performance shares is measured at the share value on the grant date using a "Monte Carlo" simulation model to factor in these criteria, as recommended by IFRS 2.
The number of performance shares measured at fair value in the calculation of the IFRS 2 expense is then adjusted at each balance sheet date for the impact of the change in the likelihood that the financial criteria will be met.

3.5.3. VINCI Group Savings Plan

Under the Group Savings Plan, VINCI issues new shares reserved for its employees three times a year, at a subscription price discounted to the average stock market price of the VINCI share over the last 20 business days preceding the authorisation by the Board of Directors. This discount is considered a benefit granted to the employees. Its fair value is determined using the "Monte Carlo" valuation model at the date on which the Board of Directors sets the subscription price. As certain restrictions apply to shares granted under these plans regarding their sale or transfer, the fair value of the benefit to the employee takes into account the five-year lock-up period that applies to these shares.

The Group recognises these benefits as an expense over the vesting period, offset by a corresponding increase in equity. Benefits on stock options, performance shares and the Group Savings Plan are granted by a decision of VINCI SA's Board of Directors, upon approval at the General Shareholders' Meeting and, as a general rule, are not systematically renewed. Furthermore, their measurement is not directly linked to its business operations. Accordingly, the Group considered it was appropriate not to include this expense in operating income from ordinary activities, which is an indicator of performance. It is instead reported as a separate item. "Share-based payment expense (IFRS 2)", under operating income.

3.6. Cost of net debt

Cost of net debt includes:
➜ the cost of gross borrowings, which includes interest expense calculated at the effective interest rate and gains and losses on interest rate derivatives relating to gross debt, whether or not they are designated as hedging instruments for accounting purposes;
➜ "financial income from investments", which includes revenue generated by investments in cash and cash equivalents. Investments in cash and cash equivalents are measured at fair value in the income statement.

3.7. Other financial income and expenses

Other financial income and expenses mainly comprise foreign exchange gains and losses, discounting income and expenses, dividends received from non-consolidated entities, capitalised borrowing costs and changes in the value of derivatives not related to interest rate risk management.
Borrowing costs borne during the construction of assets operated under concession are charged against the value of those assets. If borrowings are not earmarked to finance a specific project, the interest eligible for capitalisation on an asset is determined by applying a capitalisation rate to the construction expenses for that asset. This capitalisation rate is equal to the weighted average of borrowing costs.

3.8. Income tax

Income tax is computed in accordance with the applicable tax legislation in the countries where the earnings are taxable.
In accordance with IAS 12, deferred tax is recognised for the temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is calculated based on the tax rates applicable at year-end. The effects of a change in the tax rate from one period to another are recognised in the income statement in the period in which the change occurs.

Deferred tax relating to items recognised directly under equity, in particular "Share-based payment expense (IFRS 2)", is also recognised under equity.
If subsidiaries have distributable reserves, a deferred tax liability is recognised according to the likelihood of any distribution in the foreseeable future. For investments in associates, a deferred tax liability is recognised for any differences between the carrying amount and the tax base of the shares.
Net deferred tax is determined by the tax position of each entity or group of entities included in the tax group and is booked under assets or liabilities for its net amount per taxable entity.

Deferred tax is reviewed at each balance sheet date to take into consideration in particular the impact of changes in tax legislation and the likelihood of collection. Deferred tax assets are only recognised if their collection is probable.
Deferred tax assets and liabilities are not discounted.

3.9. Earnings per share

Undiluted earnings per share (basic EPS) equals the net income attributable to equity holders of the parent for the period divided by the weighted average number of shares outstanding during the period.

3.10. 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 corresponds to the fair value of the construction of the infrastructure asset under concession adjusted for the financial expenses recognised during the construction period. It is amortised to reflect the pattern by which the contract's economic benefits are used up, from the date on which the right of operation goes into effect.

3.11. Other intangible assets

Other intangible assets mainly consist of computer software and licences, measured at cost less cumulative amortisation and impairment losses. They are amortised on a straight-line basis over their useful life.

3.12. Grants related to assets

Grants related to assets are presented in the balance sheet and charged against the carrying amount of the asset for which they were received.

3.13. Property. plant and equipment

Property, plant and equipment are recorded at acquisition or production cost less cumulative depreciation and any impairment losses. Their value is not revalued. These assets mainly include fittings, equipment, furniture and vehicles wholly owned by Group companies. 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, i.e. buildings used in operations and toll, remote transmission and video-surveillance equipment, and so forth.

Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may, however, apply when deemed more appropriate to the terms of use of the asset.

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

Depreciation commences as from the date on which the asset is ready to go into operation.

3.14. Impairment of non-financial non-current assets

Impairment tests must be performed on intangible assets and property, plant and equipment under certain circumstances. For intangible assets with an indefinite useful life, goodwill and fixed assets under construction, an impairment test is performed at least once a year and whenever there is an indication that the asset may be impaired. For other fixed assets, a test is performed only when there is an indication of impairment.

Assets tested for impairment are grouped within cash-generating units (CGUs), defined as the smallest identifiable groups of assets that generate cash inflows. If a CGU's recoverable amount is less than its carrying amount, an impairment loss is recognised under operating income. The recoverable amount of a CGU is the higher of its fair value less costs to sell or its value in use. Value in use is the discounted present value of the future cash flows expected to arise from an asset or CGU. The discount rate is determined for each cash-generating unit, according to its geographical location and the risk profile of its business.

3.15. Investments in associates

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

If there is an indication that an investment may be impaired, its recoverable value is tested as described in Note A. 3.14. "Impairment of non-financial non-current assets". Impairment losses resulting from this impairment test are charged against the carrying amount of the corresponding investments in associates.

These investments include companies over which the Group exercises significant influence. The earnings of these investments are booked under operating income.

3.16. Other non-current financial assets

Other non-current financial assets comprise available-for-sale securities and the fair value of non-current derivative assets designated as hedging instruments for accounting purposes (see Note A. 3.25 "Fair value of derivative assets and liabilities").

The "available-for-sale securities" category includes the Group's shareholdings in unconsolidated companies.

Available-for-sale securities are measured at their fair value at the balance sheet date.

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

An impairment loss is booked if their fair value is less than their initial cost.

3.17. Inventories

Inventories are stated at cost and mainly comprise supplies needed to maintain roads and keep them open for traffic (chloride and fuel). They are measured using the FIFO method at the balance sheet date.

3.18. Trade and other operating receivables

Trade and other operating receivables are current financial assets. They are initially measured at their fair value, i.e. generally their nominal value, unless they have been significantly discounted. At each balance sheet date, receivables are measured at their amortised cost less any impairment losses, taking into account any risk of non-payment.
The risk of non-payment of receivables is estimated at each balance sheet date. A provision for amortisation is booked accordingly. This risk is assessed based on either a group of receivables taken collectively or an individual basis. Receivables past due and guarantees obtained are taken into account.

3.19. Other current financial assets

Other current financial assets comprise the fair value of derivative assets not designated as hedging instruments for accounting purposes and the current portion of the fair value of derivative assets designated as hedging instruments for accounting purposes (see Note A. 3.25 "Fair value of derivative assets and liabilities").

3.20. Liquid financial assets

Liquid financial assets include money market securities and bonds and short-term investments in UCITS that do not meet the criteria for cash equivalents defined by IAS 7. The Group deems the fair value of these assets to be the best measurement of their performance and recognises them accordingly, with any changes in fair value booked in the income statement.
Purchases and sales of liquid financial assets are recognised at their transaction date.
Their fair value is determined based on commonly used valuation models or the discounted future cash flow method for unlisted liquid assets. The Group measures the fair value of listed instruments using the price at the balance sheet date or the net asset value of cash assets invested in UCITS.

3.21. Cash and cash equivalents

This item comprises bank current accounts and cash equivalents corresponding to short-term, liquid investments subject to negligible risks of fluctuations of value. Cash equivalents notably cover money market UCITS (in accordance with the AMF classification) and certificates of deposit starting with a maturity of less than three months. Bank overdrafts are not included in cash and are reported under "Current financial liabilities".
The Group uses the fair value method to assess returns on its financial instruments. Changes in fair value are recognised in the income statement.
Fair value is determined based on commonly used valuation models or the discounted future cash flow method for unlisted liquid assets. The Group measures the fair value of listed instruments using the price at the balance sheet date or the net asset value of cash assets invested in UCITS.

3.22. Non-current provisions

Non-current provisions comprise provisions for retirement benefits and other non-current provisions.

3.22.1. Provisions for retirement benefits

Provisions are booked 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 by using the projected unit credit method based on actuarial assessments made at each annual balance sheet date. The actuarial assumptions used to determine obligations vary depending on the economic conditions of the country where the plan applies. Each plan's obligations are recognised separately.
For defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), differences in the fair value of assets compared with the discounted value of the obligations are 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 the income statement. However, surplus assets are recognised in the balance sheet provided that they comply with the criteria defined by IFRIC 14 "The Limit on a Defined Benefit Asset. Minimum Funding Requirements and their Interaction".

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. If new entitlements 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, if the adoption of a new plan or a change in a plan grants 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 (differences between the actuarial assumptions used as a basis and actual occurrence). Cumulative unrecognised actuarial gains and losses that exceed 10% of the higher of the discounted value of the defined benefit obligation or the fair value of plan assets are reported in the income statement 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 income 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 current portion of provisions for retirement benefits maturing in less than one year is shown under "Current liabilities".

3.22.2. Other non-current provisions

This item includes provisions for other employee benefits, measured in accordance with IAS 19, and provisions that are not directly linked to the operating cycle, measured in accordance with IAS 37. Other non-current provisions are recognised when, at the balance sheet date, the Group has a legal or constructive present obligation to a third party 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 the amount of the obligation can be measured reliably. These provisions are measured at their present value, corresponding to the best estimate of the use of resources required to settle the obligation.
Provision expenses and reversals result from the change in these assessments at each balance sheet date.
The current portion (maturing less than one year) is shown under "Other current liabilities". The current portion of provisions not directly linked to the operating cycle is reported under "Current provisions".

3.23. Current provisions

Current provisions are directly linked to the operating cycle, irrespective of the expected maturity. They are recognised in accordance with IAS 37 (see A. 3.22.2 "Other non-current provisions"). They also include the current portion (maturing less than one year) of provisions not directly linked to the operating cycle.

Provisions are booked to cover the contractual obligations to maintain assets under concession in good condition, i.e. major repairs of road surfaces (surfacing, restructuring of slow lanes, etc.), engineering structures and hydraulic structures. They are calculated based on a medium- to long-term expenditure programme that is reviewed annually. This expenditure is remeasured using the appropriate indices (primarily the TP01, TP02 and TP09 indices). Provisions are also booked when structures have been identified with established problems. These provisions are recognised at their discounted amounts. The discounted cost is recorded under "Other financial expenses".

Provisions for disputes connected with operations mainly relate to disputes with customers, subcontractors, joint contractors or suppliers. Restructuring provisions include the cost of confirmed plans and measures announced before year-end.

3.24. Bonds and other current and non-current financial liabilities

Bonds and other loans and borrowings are recognised at amortised cost based on the effective interest method. The effective interest rate is determined after taking account of redemption premiums and issuance expenses. Under this method, interest expense is measured using the actuarial method and reported under "Cost of gross borrowings".
When the interest rate applied is significantly lower than the market rate, notably for funding granted by government organisations, the resulting economic benefit is considered, in accordance with IAS 20, as a government grant that is deducted from the related debt and investments.

The current portion of instruments designated as hedging instruments is reported under "Current financial liabilities".

3.25. Fair value of derivative assets and liabilities

The Group uses derivatives to hedge its exposure to market risks, mainly interest rate risk. Most interest rate derivatives used are designated as hedging instruments. Hedge accounting is applicable in particular if the criteria set out in IAS 39 are met:
➔ the hedging relationship is formally designated and documented at inception;
➔ the effectiveness of the hedging relationship is demonstrated prospectively and retrospectively from the outset and at each reporting date.

The fair value of derivatives designated as hedging instruments maturing in more than one year is reported in the balance sheet under «Other non-current financial assets» or "Other non-current loans and financial liabilities".
The fair value of other derivatives not designated as hedging instruments and the current portion of instruments designated as hedging instruments are reported under "Other current financial assets" or "Current financial liabilities".

3.25.1. Financial instruments designated as hedging instruments

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

➔ a fair value hedge of an asset or a liability or of an unrecognised firm commitment;
➔ a cash flow hedge.

Fair value hedges

A fair value hedge is used to hedge the exposure to the risk of a change in the fair value of a financial asset, a financial liability or unrecognised firm commitments.

Changes in the derivative's fair value 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 portion of the hedge, these two revaluations offset each other within the same items in the income statement.

Cash flow hedges

A cash flow hedge is used to hedge exposure to variability in future cash flows associated with an existing asset or liability or a highly probable forecast transaction.

The effective portion of changes in the derivative's fair value is recognised under equity and the ineffective portion in the income statement for the period. Cumulative gains or losses in equity are reported in the income statement under the same item as the hedged item – i.e. under operating income for cash flows from operations and under financial income otherwise – whenever the hedged cash flow affects earnings.

If the hedging relationship is interrupted because it becomes ineffective, the cumulative gains or losses on the derivative 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 transferred to the income statement.

3.25.2. Derivatives not designated as hedging instruments

Derivatives that are not designated as hedging instruments are reported in the balance sheet at fair value. Changes in their fair value are recognised in the income statement.

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 relevant Notes, as defined by the activity to which they relate.

B. Segment Reporting

The 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.

C. Notes to the income statement

4. Revenue and operating income

4.1. Revenue

(in € millions)	2010	2009
Toll revenue	1,128.9	1,087.2
Revenue - Other	20.9	23.3
REVENUE - excluding construction of new infrastructure assets	**1,149.8**	**1,110.5**
Revenue - construction of new infrastructure assets	142.4	175.2
Revenue - construction of new infrastructure assets under concession by third-party companies	**142.4**	**175.2**
REVENUE	**1,292.2**	**1,285.7**

4.2. Operating income

(in € millions)	2010	2009
REVENUE	**1,292.2**	**1,285.7**
o/w:		
Revenue - excluding construction of new infrastructure assets under concession by third-party companies	*1,149.8*	*1,110.5*
Revenue - construction of new infrastructure assets under concession by third-party companies	*142.4*	*175.2*
REVENUE FROM ANCILLARY ACTIVITIES	**2.3**	**2.7**
Construction costs	(142.4)	(175.2)
Purchases used	(14.9)	(12.9)
External services	(83.7)	(76.6)
Taxes	(130.6)	(123.5)
Employment costs	(106.8)	(107.9)
Other operating income and expenses	(0.3)	(0.2)
Depreciation and amortisation	(223.5)	(213.2)
Net provision charges and other*	(6.7)	14.0
OPERATING EXPENSES	**(708.8)**	**(695.5)**
OPERATING INCOME FROM ORDINARY ACTIVITIES	**585.7**	**592.9**
*% of revenue** *	*50.9%*	*53.4%*
Share-based payments (IFRS 2)	(1.6)	(1.5)
Income from associates	(0.0)	0.4
OPERATING INCOME	**584.1**	**591.8**
*% of revenue** *	*50.8%*	*53.3%*

* Includes additions and reversals of non-current provisions (see Note D. 14.2. "Other non-current provisions") and current provisions (see Note D. 15.3. "Breakdown of current provisions").
** Percentage calculated based on revenue excluding the construction of new infrastructure assets under concession by third-party companies.

4.3. Other operating revenue and expenses

(in € millions)	2010	2009
Capital gains net of disposals of intangible assets and property. plant and equipment	(0.3)	(0.2)
Share in earnings of joint operations	0.0	0.0
TOTAL	**(0.3)**	**(0.2)**

4.4. Depreciation and amortisation

Depreciation and amortisation break down as follows:

(in € millions)	2010	2009
Concession intangible assets	(180.9)	(177.8)
Concession property. plant and equipment	(40.5)	(34.0)
Property. plant and equipment	(2.1)	(1.4)
DEPRECIATION AND AMORTISATION	**(223.5)**	**(213.2)**

Only concession assets in operation are subject to depreciation for obsolescence.

4.5. Share-based payments

The expense relating to benefits granted to employees was assessed at €1.6 million for 2010 (up from €1.5 million at 31 December 2009), of which €0.8 million for performance share plans (up from €1 million at 31 December 2009) (see Note D. 13 "Share-based payments").

5. Financial income and expenses

(in € millions)	2010	2009
COST OF GROSS BORROWINGS	**(137.4)**	**(155.8)**
Financial income from cash investments	2.9	5.4
COST OF NET DEBT	**(134.5)**	**(150.4)**
Other financial income	33.9	58.9
Other financial expenses	(10.7)	(20.6)
OTHER FINANCIAL INCOME AND EXPENSES	**23.3**	**38.3**

The cost of net debt fell to €134.5 million at 31 December 2010 from €150.4 million at 31 December 2009.

The remaining financial income and expenses came out at €23.3 million at 31 December 2010 versus €38.3 million at 31 December 2009.
Other financial income mainly includes capitalised borrowing costs on concession infrastructure assets under construction. They fell to €33.5 million at 31 December 2010 from €58.0 million at 31 December 2009.
Other financial expenses notably cover discounting costs, amounting to €10.5 million at 31 December 2010 versus €20.3 million at 31 December 2009.

Discounting costs primarily consist of the provisions for the obligation to maintain infrastructure assets under concession in good condition, which stood at €9.7 million at 31 December 2010, down from €19.2 million at 31 December 2009, and the provisions for retirement benefits which totalled €0.8 million at 31 December 2010, down from €1.2 million at 31 December 2009.

Financial income and expenses break down as follows by category of financial assets and liabilities:

(in € millions)	31/12/2010 Cost of net debt	Other financial income and expenses	Equity
Liabilities at amortised cost	(147.6)		
Assets and liabilities at fair value under earnings (fair value option)	2.9		
Derivatives designated as hedges: assets and liabilities	8.9		(0.1)
Derivatives at fair value under earnings: assets and liabilities	1.3		
Available-for-sale assets		0.0	
Dividends		0.3	
Foreign exchange gains and losses		0.0	
Discount costs		(10.5)	
Capitalised borrowing costs		33.5	
NET FINANCIAL INCOME	**(134.5)**	**23.3**	**(0.1)**

(in € millions)	31/12/2009 Cost of net debt	Other financial income and expenses	Equity
Liabilities at amortised cost	(168.4)		
Assets and liabilities at fair value under earnings (fair value option)	5.4		
Derivatives designated as hedges: assets and liabilities	11.1		(6.1)
Derivatives at fair value under earnings: assets and liabilities	1.5		
Available-for-sale assets		0.0	
Dividends		0.6	
Foreign exchange gains and losses		0.0	
Discount costs		(20.3)	
Capitalised borrowing costs		58.0	
NET FINANCIAL INCOME	**(150.4)**	**38.3**	**(6.1)**

The drop in capitalised borrowing costs of €24.5 million is due to the opening of the first section of the A86 Duplex on 1 July 2009.

The cost of net debt fell by €15.9 million, mainly as a result of the interest expense on €300 million in fixed-rate bonds redeemed in November 2009 and, to a lesser extent, the lower cost of debt through new hedging transactions.
Lastly, the €9.8 million reduction in discounting costs is primarily linked to the lesser decline in discount rates recorded at 31 December 2010, which are used to determine the discounted value of provisions for the obligation to maintain infrastructure assets under concession in good condition.

Gains and losses on derivatives relating to borrowings (derivatives designated as hedging instruments) break down as follows:

(in € millions)	31/12/2010	31/12/2009
Net interest from derivatives designated as fair value hedges	15.8	14.8
Change in value of derivatives designated as fair value hedges	0.5	(1.6)
Change in value of the adjustment to hedged financial liabilities at fair value	(0.7)	2.4
Reserve transferred to earnings for cash flow hedges	(6.8)	(4.5)
Ineffective portion of cash flow hedges	0.0	0.0
INCOME FROM DERIVATIVES RECOGNISED AS NET DEBT	**8.9**	**11.1**

6. Income tax

Income tax expense amounted to €161.2 million at 31 December 2010 as against €168.8 million at 31 December 2009.

6.1. Breakdown of net tax expense

(in € millions)	2010	2009
Current tax	(154.8)	(157.2)
Deferred tax	(6.4)	(11.7)
o/w temporary differences	*0.9*	*(4.4)*
o/w tax loss carry-forwards and tax credits	*(7.3)*	*(7.3)*
TOTAL TAX	**(161.2)**	**(168.8)**

Tax expense for the period comprises:

➔ taxes recognised for Cofiroute. the parent company of the tax consolidation group formed with two French subsidiaries and including a tax provision for the verification in progress;

➔ €0.2 million in taxes recorded by foreign subsidiaries, compared with €0.4 million in 2009.

6.2. Effective tax rate

The effective tax rate was 34.09% in 2010, compared with 35.23% in 2009.

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)	2010	2009
Income before tax and income from associates	472.8	479.3
Theoretical tax rate in France	34.43%	34.43%
EXPECTED THEORETICAL TAX EXPENSE	**(162.8)**	**(165.0)**
Permanent and other differences	1.6	(3.8)
RECOGNISED TAX EXPENSE	**(161.2)**	**(168.8)**
Effective tax rate (excluding associates)	34.09%	35.23%
Effective tax rate (excluding impact of share-based payments and associates)	34.32%	35.79%

The permanent differences shown in the effective tax rate reconciliation notably reflect the fact that most components of the share-based payment expense are not tax deductible. They amounted to €0.5 million at 31 December 2010 versus €1.1 million at 31 December 2009.

6.3. Breakdown of deferred tax assets and liabilities

(in € millions)	31/12/2010	Changes Earnings	Equity	Other	31/12/2009
Deferred tax assets					
Retirement benefit obligations	5.9	0.0			5.9
Temporary differences on provisions	5.9	1.0			4.9
Concession intangible assets (capitalised borrowing costs and other)	7.2				7.2
Fair value adjustment on financial instruments	1.6	0.0	0.0		1.6
Other	12.2	2.7			9.6
TOTAL	**32.9**	**3.7**	**0.0**	**0.0**	**29.2**
Deferred tax liabilities					
Fair value adjustment on financial instruments	0.1	0.0			0.1
Provisions	13.4	0.0			13.4
Concession intangible assets (capitalised borrowing costs and other)	339.5	7.6			331.9
Tax-regulated depreciation and amortisation	14.1	1.7			12.4
Other	1.1	0.9			0.2
TOTAL	**368.1**	**10.2**	**0.0**	**0.0**	**358.0**
NET DEFERRED TAX	**335.2**	**6.5**	**(0.0)**	**0.0**	**328.8**

Temporary differences mainly relate to concession intangible assets, totalling €339.5 million in 2010 as against €331.9 million in 2009.

6.4. Unrecognised deferred taxes

Certain deferred tax assets are not recognised because it is not deemed probable that taxable profit will be available. These amounted to €7.3 million at 31 December 2010 and cover the impairment of Toll Collect shares.

7. Earnings per share

The Company's share capital is comprised of 4,058,516 shares, unchanged from 2010 and 2009. The Company has not issued any instrument granting rights to shares. As a result, the number of shares used to calculate both basic and diluted earnings per share in 2010 and 2009 is 4,058,516.

D. Notes to the balance sheet

8. Concession intangible assets

(in € millions)	Cost of infrastructure in service*	Advances and in progress	Total
Gross			
At 01/01/2009	**5,419.3**	**1,634.2**	**7,053.5**
Purchases in the period	109.8	121.8	231.7
Other movements	1,176.9	(1,037.7)	139.1
	6,706.0	**718.3**	**7,424.3**
Grants received	(1.6)		(1.6)
At 31/12/2009	**6,704.4**	**718.3**	**7,422.6**
Purchases in the period	69.4	106.5	175.8
Disposals in the period	0.0	0.0	0.0
Other movements	19.1	(18.6)	0.5
	6,792.8	**806.1**	**7,598.9**
Grants received	(119.0)		(119.0)
At 31/12/2010	**6,673.9**	**806.1**	**7,480.0**
Amortisation			
At 01/01/2009	**(1,859.5)**	**0.0**	**(1,859.5)**
Amortisation for the period	(177.8)		(177.8)
At 31/12/2009	**(2,037.4)**	**0.0**	**(2,037.4)**
Amortisation for the period	(181.2)		(181.2)
Disposals in the period	0.0		0.0
Other movements	(0.9)		(0.9)
At 31/12/2010	**(2,219.5)**	**0.0**	**(2,219.5)**
Net			
At 01/01/2009	**3,559.8**	**1,634.2**	**5,193.9**
At 31/12/2009	**4,667.0**	**718.3**	**5,385.3**
At 31/12/2010	**4,454.4**	**806.1**	**5,260.5**

* After deduction of grants.

Intangible assets grew by €175.8 million, as opposed to €231.7 million in 2009, following investments made by Cofiroute under its concession contracts.
Borrowing costs included during the period in the cost of concession assets before going into operation came out at €33.5 million, versus €58.0 million in 2009.
Concession assets under construction amounted to €806.1 million at 31 December 2010, including €737.6 million for the A86.

9. Property, plant and equipment

(in € millions)	Concession property, plant and equipment	Land	Fixtures and fittings	Plant, equipment and other	Total
Gross					
At 01/01/2009	**745.3**	**1.0**	**9.5**	**21.5**	**777.3**
Purchases in the period	100.8	0.0	0.0	5.7	106.4
Disposals in the period	(3.4)	(0.2)	(4.3)	(0.1)	(8.0)
Other movements	(140.0)	0.3	0.0	0.5	(139.2)
At 31/12/2009	**702.7**	**1.0**	**5.2**	**27.6**	**736.6**
Purchases in the period	63.9	0.0	0.0	1.4	65.3
Disposals in the period	(2.7)	(0.1)	0.0	(0.0)	(2.8)
Other movements	(0.8)	0.0	1.7	(1.3)	(0.4)
At 31/12/2010	**763.1**	**1.0**	**7.0**	**27.7**	**798.7**
Depreciation					
At 01/01/2009	**(178.5)**		**(9.2)**	**(18.7)**	**(206.3)**
Depreciation for the period	(34.0)		(0.1)	(1.4)	(35.4)
Disposals in the period	2.8		4.3	0.1	7.2
At 31/12/2009	**(209.6)**		**(4.9)**	**(20.0)**	**(234.5)**
Depreciation for the period	(40.5)		(0.3)	(1.8)	(42.6)
Disposals in the period	2.3		0.0	0.0	2.3
Other movements	0.0		(0.4)	0.4	(0.0)
At 31/12/2010	**(247.8)**		**(5.6)**	**(21.4)**	**(274.7)**
Net					
At 01/01/2009	**566.9**	**1.0**	**0.4**	**2.9**	**571.2**
At 31/12/2009	**493.1**	**1.0**	**0.3**	**7.6**	**502.1**
At 31/12/2010	**515.2**	**1.0**	**1.4**	**6.3**	**524.0**

10. Investments in associates

The carrying amount of associates at 31 December 2010 stood at €0.1 million versus €0.6 million at 31 December 2009. These amounts correspond only to the value of shareholdings in Crossing Limited Company, over which the Group exercises significant influence, OADB was removed from the consolidation scope in 2010.

The main financial data relating to this company at 31 December 2010 were as follows (based on a 43% stake):

(in € millions)	**Crossing Company Limited**
Financial data (on a 100% basis)	
Revenue	0.041
Operating income	(0.024)
NET INCOME	**(0.012)**
Other balance sheet information (on a 100% basis)	
EQUITY AT 31/12/2010	**0.104**
Current assets	0.230
Non-current assets	0.002
Current liabilities	0.128
Non-current liabilities	0.000
Value of investments in associates	0.099

11. Other non-current financial assets

(in € millions)	**31/12/2010**	**31/12/2009**
Available-for-sale assets	0.4	0.4
Fair value of non-current derivative assets	28.5	23.4
OTHER NON-CURRENT FINANCIAL ASSETS	**28.9**	**23.8**

* See Note D. 17 “Financial risk management”.

Available-for-sale assets totalled €0.4 million at 31 December 2010, remaining unchanged on 31 December 2009. They include shareholdings in unlisted subsidiaries that do not meet the minimum financial criteria for consolidation adopted by Cofiroute.
Available-for-sale assets break down as follows at 31 December:

(in € millions)	**31/12/2010**	**31/12/2009**
Société d’Exploitation de Radiodiffusion Autoroutière	0.062	0.062
Médiamobile	0.060	0.060
Cofiroute Services	0.018	0.018
Société de Prestations et de Transactions Foncières	0.008	0.008
Centaure Bretagne	0.181	0.181
Auto Trafic GIE	0.043	0.043
Toll Collect	47.005	47.005
Provision for investments in associates	*(47.005)*	*(47.005)*
AVAILABLE-FOR-SALE ASSETS	**0.372**	**0.372**

The €47 million equity stake in Toll Collect remained fully provisioned at 31 December 2010.

12. Equity

12.1. Shares

The Company's share capital is comprised of 4.058.516 shares, unchanged from 2010 and 2009. The Company has not issued any instrument granting rights to shares. As a result, the number of shares used to calculate basic earnings per share in 2010 and in 2009 is 4.058.516.

12.2. Distributable reserves

Changes in the Group's distributable reserves break down as follows:

(in € millions)	31/12/2010	31/12/2009
Free of corporate income tax liabilities	1.423.2	1.292.6
DISTRIBUTABLE RESERVES	**1.423.2**	**1.292.6**

The Group's legal reserve stood at €15.8 million at 31 December 2010, unchanged over the period.

12.3. Items recognised directly in equity

The following tables provide a breakdown of these items by type of financial instrument:

(in € millions)	31/12/2010	31/12/2009
Cash flow hedges		
Reserve at beginning of year	(7.6)	(1.5)
Changes in fair value for the period	0.1	(5.8)
FAIR VALUE ITEMS RECOGNISED IN THE INCOME STATEMENT	(0.2)	(0.3)
RESERVE AT YEAR-END	**(7.7)**	**(7.6)**
Total items recognised directly in equity		
Gross reserve	(7.7)	(7.6)
Associated tax effect	2.7	2.6
RESERVE NET OF TAX	**(5.1)**	**(5.0)**

Changes in fair value recognised in the income statement for the period mainly concern the hedging of floating-rate bonds through fixed-for-floating interest rate swaps. These transactions are described in Note D. 17.1.3 "Description of cash flow hedges".

12.4. Dividends

The dividends paid for 2010 and 2009 break down as follows:

	2010	2009
Dividend per share (in euros)		
Interim dividend	35.00	35.95
Final dividend	41.78	10.45
TOTAL NET DIVIDEND	**76.78**	46.40
Amount of dividend (in € millions)		
Interim dividend	142.0	145.9
Final dividend	169.6	42.4
TOTAL NET DIVIDEND	**311.6**	**188.3**

Cofiroute paid the remaining amount due on the 2009 dividend on 3 May 2010.
An interim dividend of €35 per share for 2009 was paid on 29 November 2010, totalling €142 million, versus €35.95 paid for 2009, totalling €145.9 million.
The total amount of the dividend that will be paid out for 2010 will be submitted for approval at the Ordinary Shareholders' Meeting (see Note H. 25 "Appropriation of 2010 earnings").

12.5. Minority interests

At 31 December 2010, the subsidiaries over which the Group has de facto control were all fully consolidated (see A. 2.1 "Consolidation scope"). As a result, no minority interests were reported in the Group's consolidated financial statements at 31 December 2010.

13. Share-based payments

Cofiroute Group employees may be granted stock options or performance shares or may subscribe to the VINCI Group Savings Plan. The share-based payment expense at 31 December 2010 totalled €1.6 million, of which €0.6 million for the Group Savings Plan, versus €1.5 million at 31 December 2009, of which €0.4 million for the Group Savings Plan.

VINCI's Board of Directors sets the terms for subscribing to the Group Savings Plan in accordance with the authorisations granted at the General Shareholders' Meeting. For France, VINCI issues new shares reserved for employees three times a year with a subscription price that includes a 10% discount on the stock market price. Subscribers benefit from employer contributions, which are limited to €3,500 per year. These benefits granted to Group employees are recognised in the income statement and valued in accordance with IFRS 2 using the following assumptions:

- ➔ length of subscription period: 4 months;
- ➔ lock-up period: 5 years from the end of the subscription period.

14. Non-current provisions

(in € millions)	Note	31/12/2010	31/12/2009
Provisions for retirement benefits	14.1	3.2	2.2
Other non-current provisions	14.2	19.0	22.6
NON-CURRENT PROVISIONS		**22.1**	**24.8**

14.1. Provisions for retirement benefits

At 31 December 2010, provisions for retirement benefits amounted to €3.3 million, of which €3.2 million in non-current provisions, compared with €2.2 million at 31 December 2009, of which €2.2 million in non-current provisions.

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

➜ obligations borne directly by Cofiroute, covered by provisions recognised in the consolidated balance sheet: retirement bonuses and additional defined benefit pension plans;

➜ plans 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:

Plan	2010	2009
Discount rate	5.00%	5.10%
Inflation rate	2.10%	1.90%
Rate of salary increases	1.00%	1.00%
Rate of pension increases	1.00%	1.00%
Probable average remaining working life of employees	10 to 15 years	10 to 15 years

The discount rate was determined based on the yields of high-quality corporate bonds (AA rating or higher). The discount rate applied aligns the actual duration of plans with the duration of these bonds.
Other actuarial assumptions were adjusted to account for new requirements under the French law of 9 November 2010 on retirement reform, which raised the legal retirement age to 67.

The Building Block Approach is the preferred method used to determine the expected return on hedging assets. It breaks the expected return down into the main asset classes: money market assets, bonds and shares. The target allocation of funds is then applied to determine the weighted average rate of return on assets. In the specific case of premiums invested in the general assets of an insurance company, the expected return was determined by also taking into account the specific features of each contract, in particular historical net and forecast returns.
Financial assets are measured at their fair value at 31 December 2010. The carrying amount at 31 December 2010 is used for assets invested in the general assets of insurance companies.

Financial assets break down as follows:

	31/12/2010		31/12/2009	
	Euro zone	Weighted average	Euro zone	Weighted average
Breakdown of Financial Assets				
Shares	7%	7%	8%	8%
Bonds	84%	84%	84%	84%
Property	9%	9%	8%	8%
Total	100%	100%	100%	100%
ASSUMED AVERAGE RATE OF RETURN	**4%**	**4%**	**4%**	**4%**

On the basis of these assumptions, retirement benefit obligations, provisions and pension costs break down as follows:

Reconcilation of obligations and provisions in the balance sheet

(in € millions)	31/12/2010	31/12/2009
Present value of retirement benefit obligations	(13.3)	(12.3)
Fair value of financial assets	5.9	5.7
SURPLUS (OR DEFICIT)	**(7.5)**	**(6.6)**
PROVISIONS RECOGNISED IN BALANCE SHEET	**(3.3)**	**(2.2)**
Assets recognised in balance sheet	0.0	0.0
Items not recognised in balance sheet	4.2	4.4
Actuarial gains and losses	*1.5*	*1.6*
Past service cost	*2.7*	*2.8*

Change in the period

(in € millions)	31/12/2010	31/12/2009
Present value of retirement benefit obligations		
AT 1 JANUARY	**12.3**	**13.9**
o/w obligations covered by plan assets	***5.7***	***5.5***
Additional entitlements vested	0.7	0.9
Discount for the year	0.7	0.8
Benefits paid during the year	(0.2)	(0.4)
Actuarial gains and losses	(0.1)	0.7
Past service cost	0.0	0.0
Effect of plan curtailments and settlements	0.0	(3.6)
AT 31 DECEMBER	**13.3**	**12.3**
o/w obligations covered by plan assets	***5.9***	***5.7***
Plan assets		
AT 1 JANUARY	**5.7**	**5.5**
Expected return on plan assets	0.2	0.2
Contributions paid to funds	0.3	0.4
Benefits paid during the year	(0.2)	(0.4)
AT 31 DECEMBER	**5.9**	**5.7**
Items not recognised in balance sheet		
AT 1 JANUARY	**4.4**	**7.5**
Effect of changes in assumptions	0.0	0.8
% of retirement benefit obligations	0.3%	6.2%
Effect of experience adjustments under retirement benefit obligations	(0.1)	(0.1)
% of retirement benefit obligations	-0.9%	-0.5%
Effect of experience adjustments under retirement benefit obligations	0.0	0.0
% of plan assets	0.0	0.0
Effect of plan curtailments and settlements	(0.2)	(3.8)
AT 31 DECEMBER	**4.2**	**4.4**
o/w actuarial gains and losses	*1.5*	*1.6*
o/w past service cost	*2.7*	*2.8*
Actuarial gains and losses/obligations (as %)	11.2%	12.8%

The Group estimates the payments to be made for retirement benefit obligations in 2011 at €0.5 million, of which €0.3 million relating to benefits paid to retired employees and €0.2 million in fees paid to fund managers.

History of obligations, the fair value of financial assets and the effects of gains and losses arising from experience adjustments

(in € millions)	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
Value of plan assets and liabilities					
Present value of retirement benefit obligations	(13.3)	(12.3)	(13.9)	(6.8)	(8.1)
Fair value of financial assets	5.9	5.7	5.5	5.3	5.1
Surplus (or deficit)	**(7.5)**	**(6.6)**	**(8.3)**	**(1.5)**	**(3.0)**
Experience adjustments	**(0.1)**	**(0.1)**	**(0.2)**	**0.0**	**(0.1)**
Effect of experience adjustments under retirement benefit obligations	(0.1)	(0.1)	(0.2)	0.0	(0.1)
% of retirement benefit obligations	*0.9%*	*0.5%*	*1.6%*	*0.6%*	*1.5%*
Effect of experience adjustments under retirement benefit obligations	0.0	0.0	0.0	0.0	0.0
% of plan assets	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

Expenses recognised for defined benefit plans

(in € millions)	2010	2009
Entitlements vested by employees during the period	0.7	0.9
Discount of vested entitlements	0.7	0.8
Expected return on plan assets	(0.2)	(0.2)
Amortisation of actuarial gains and losses	0.2	0.3
Amortisation of past service cost - unvested entitlements	0.0	(0.1)
Amortisation of past service cost - vested entitlements	0.0	0.0
Other	(0.2)	(0.5)
TOTAL	**1.1**	**1.3**

The Group contributes to basic government pension plans. This expense is recognised in the amount of the contributions required by government bodies. Basic government pension plans are treated as defined contribution plans.

The amount of retirement benefit contributions recognised as an expense in the period under defined contribution plans (excluding basic government plans) amounted to €5.1 million at 31 December 2010 versus €5 million at 31 December 2009. This sum comprises the contributions paid to the CRICA and ANEP providence funds.

Individual training entitlement

The French Act of 4 May 2004 grants employees of French businesses an entitlement to a minimum of 20 hours of training a year, which can be carried forward and accumulated over a period of six years. Expenditure for this individual training entitlement is recorded as an expense for the period. No provisions, barring exceptional cases, are booked for this entitlement. The Group's employees had acquired rights to 151,312 hours of training at 31 December 2010.

14.2. Other non-current provisions

Changes in non-current provisions reported under balance sheet's liabilities break down as follows for 2010 and 2009:

(in € millions)	Opening balances	Additions	Provisions used	Other unused reversals	Changes in scope and other	Change in current portion of non-current provisions	Closing balances
01/01/2009	**15.2**	**7.0**	**(0.9)**	**0.0**	**0.0**	**(0.3)**	**21.1**
Other employee benefits*	15.7	1.5	(1.0)	(2.7)			13.6
Financial risks	0.0						0.0
Other risks	7.6	6.3	(0.6)	(0.7)			12.5
Discounted non-current provisions	(0.3)	(0.1)					(0.4)
Reclassification of current portion of non-current provisions	(2.0)					(1.1)	(3.1)
31/12/2009	**21.1**		**(1.6)**	**(3.4)**	**0.0**	**(1.1)**	**22.6**
Other employee benefits*	13.6	0.5	(1.6)				12.5
Financial risks	0.0						0.0
Other risks	12.5	10.6	(12.0)	(0.3)			10.8
Discounted non-current provisions	(0.4)	0.2					(0.1)
Reclassification of current portion of non-current provisions	(3.1)					(1.0)	(4.1)
31/12/2010	**22.6**	**11.3**	**(13.5)**	**(0.3)**	**0.0**	**(1.0)**	**19.0**

* Mainly provisions relating to early retirement compensation under the "CATS" agreement (see details in Note D. 14.2.1 "Other employee benefits").

14.2.1. Other employee benefits

Provisions for other employee benefits consist mostly of provisions relating to early retirement compensation under the "CATS" agreements and are measured at the discounted value of future benefits.

The provisions were calculated using the following actuarial assumptions:

	2010	2009
Discount rate	2.51%	3.25%
Inflation rate	2.10%	1.90%
Rate of salary increases	2.20%	2.20%

At 31 December 2010, the provision amounted to €10.7 million (of which €8.5 million in non-current provisions).

14.2.2. Provisions for other liabilities

Provisions for other liabilities not directly linked to the operating cycle mainly include provisions for disputes and arbitration, amounting to €10.8 million at 31 December 2010.

To the Company's knowledge, there is no exceptional event or dispute likely to have a substantial effect on the Group's business, earnings, net assets or financial position. The company has booked provisions that it deems adequate for ongoing disputes and verifications given the current progress on these cases.

15. Current operating assets and liabilities and current provisions

15.1. Current operating assets and liabilities

			Changes 2010-2009	
(in € millions)	**31/12/2009**	**31/12/2009**	**Related to operations**	**Receivables /payables related to non-current assets**
Inventories and work in progress (net)	1.7	1.4	0.4	
Trade and other operating receivables	121.7	98.2	3.5	20.0
Other current assets	13.2	13.2	(0.0)	
INVENTORIES AND OPERATING RECEIVABLES (I)	**136.6**	**112.7**	**3.9**	**20.0**
Trade payables	(83.3)	(72.8)	12.0	(22.4)
Other current liabilities	(82.1)	(83.4)	1.3	
TRADE AND OTHER OPERATING PAYABLES (II)	**(165.4)**	**(156.2)**	**13.2**	**(22.4)**
TOTAL (before current provisions) (I+II)	**(28.8)**	**(43.5)**	**17.1**	**(2.4)**
CURRENT PROVISIONS	**(196.0)**	**(178.3)**	**(17.7)**	
o/w current portion of non-current provisions	*2.0*	*0.9*	*1.0*	
TOTAL (after current provisions)	**(224.8)**	**(221.8)**	**(0.5)**	**(2.4)**

The working capital requirement (WCR) comprises current assets and liabilities related to operations except for current tax assets and liabilities and other current financial assets and liabilities.

The components of the working capital requirement break down as follows:

(in € millions)	31/12/2010	< 1 year 1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	> 5 years
Inventories and work in progress (net)	1.7	1.7				
Trade and other operating receivables	121.7	121.7				
Other current assets	13.2	6.7	6.5			
INVENTORIES AND OPERATING RECEIVABLES (I)	**136.6**	**130.1**	**6.5**	**0.0**	**0.0**	**0.0**
Trade payables	(83.3)	(83.3)				
Other current liabilities	(82.1)	(75.8)	(0.2)	(0.3)	(2.6)	(3.2)
TRADE AND OTHER OPERATING PAYABLES (II)	**(165.4)**	**(159.1)**	**(0.2)**	**(0.3)**	**(2.6)**	**(3.2)**
TOTAL (before current provisions) (I+II)	**(28.8)**	**(29.0)**	**6.3**	**(0.3)**	**(2.6)**	**(3.2)**

(in € millions)	31/12/2009	< 1 year 1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	> 5 years
Inventories and work in progress (net)	1.4	1.4				
Trade and other operating receivables	98.2	95.8	0.2	0.3	1.9	
Other current assets	13.2	12.0	1.1			
INVENTORIES AND OPERATING RECEIVABLES (I)	**112.7**	**109.2**	**1.3**	**0.3**	**1.9**	**0.0**
Trade payables	(72.8)	(72.8)				
Other current liabilities	(83.4)	(49.6)	(15.1)	(9.6)	(9.1)	
TRADE AND OTHER OPERATING PAYABLES (II)	**(156.2)**	**(122.5)**	**(15.1)**	**(9.6)**	**(9.1)**	**0.0**
TOTAL (before current provisions) (I+II)	**(43.5)**	**(13.3)**	**(13.8)**	**(9.3)**	**(7.1)**	**0.0**

15.2. Trade receivables

The following table presents trade receivables and any amortisation:

(in € millions)	31/12/2010	31/12/2009
Trade receivables - Other	68.8	68.0
Provisions - trade receivables	(2.2)	(1.9)
NET TRADE RECEIVABLES	**66.7**	**66.1**

At 31 December 2010, trade receivables past due break down as follows:

(in € millions)	31/12/2010	< 1 year 1 to 3 months	< 1 year 3 to 6 months	< 1 year 6 to 12 months	1 to 5 years
Trade receivables	68.8	65.5	0.3	0.1	2.8
Provisions - net trade receivables	(2.2)	0.0	(0.1)	(0.1)	(1.9)

15.3. Breakdown of current provisions

In 2010 and 2009, current provisions recognised under liabilities in the balance sheet break down as follows:

(in € millions)	Opening balances	Additions	Provisions used	Other unused reversals	Change in current portion of non-current provisions	Closing balances
01/01/2009	**175.9**	**31.0**	**(36.0)**	**0.0**	**0.1**	**171.1**
Renovation work	1.9		(0.3)			1.5
Maintenance of concession intangible asset in good condition	168.4	41.7	(26.7)	(7.6)		175.8
Reclassification of current portion of non-current provisions	0.8				0.2	0.9
31/12/2009	**171.1**	**41.7**	**(27.0)**	**(7.6)**	**0.2**	**178.3**
Renovation work	1.5		(0.3)	(0.1)		1.1
Maintenance of concession intangible asset in good condition	175.8	45.4	(28.4)			192.9
Reclassification of current portion of non-current provisions	0.9				1.0	2.0
31/12/2010	**178.3**	**45.4**	**(28.6)**	**(0.1)**	**1.0**	**196.0**

Current provisions directly linked to the operating cycle amounted to €196.0 million at 31 December 2010 (including the current portion of non-current provisions) compared with €178.3 million at 31 December 2009. They consist mostly of provisions for the obligation to maintain infrastructure assets under concession in good condition, i.e. road surfaces repairs (surfacing, restructuring of slow lanes, etc.), engineering structures and hydraulic structures.

Provisions for the obligation to maintain infrastructure assets under concession in good condition totalled €192.9 million at 31 December 2010 versus €175.8 million at 31 December 2009.

16. Net debt

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

		31/12/2010			31/12/2009		
		Non-current	**Current***	**Total**	**Non-current**	**Current***	**Total**
Financial instruments at amortised cost	Bonds	(2,244.8)	(66.7)	**(2,311.5)**	(2,239.9)	(68.6)	**(2,308.5)**
	Other bank loans and financial liabilities	(1,098.3)	(10.4)	**(1,108.7)**	(1,100.4)	(10.7)	**(1,111.1)**
	LONG-TERM FINANCIAL LIABILITIES	**(3,343.1)**	**(77.1)**	**(3,420.2)**	**(3,340.3)**	**(79.3)**	**(3,419.6)**
	Other current financial liabilities					(150)	**(150)**
	Bank overdrafts						
	I - GROSS FINANCIAL LIABILITIES	**(3,343.1)**	**(77.1)**	**(3,420.2)**	**(3,340.3)**	**(229.4)**	**(3,569.7)**
	o/w impact of fair value hedges	*24.0*		***24.0***	*23.4*		***23.4***
Assets at fair value under earnings (fair value option)	Current liquid financial assets not cash equivalents		10.4	**10.4**		10.3	**10.3**
	Cash equivalents		293.6	**293.6**		268.9	**268.9**
	Cash		14.1	**14.1**		17.0	**17.0**
	II - FINANCIAL ASSETS		**318.1**	**318.1**		**296.2**	**296.2**
Derivatives	Derivative liabilities	(15.2)	(62.9)	**(78.0)**	(10.7)	(46.7)	**(57.5)**
	Derivative assets	28.5	107.2	**135.7**	23.4	81.7	**105.1**
	III - DERIVATIVES	**13.3**	**44.3**	**57.6**	**12.6**	**35.0**	**47.6**
	NET DEBT (I + II + III)	**(3,329.8)**	**285.3**	**(3,044.5)**	**(3,327.7)**	**101.8**	**(3,225.9)**

* The current portion includes unpaid accrued interest.

At 31 December 2010, the Group's net debt totalled €3 billion, down slightly by €181.4 million on 31 December 2009.

Reconciliation of net debt with balance sheet items:

(in € millions)	**31/12/2010**	**31/12/2009**
Bonds (non-current)	(2,244.8)	(2,239.9)
Other loans and financial liabilities	(1,098.3)	(1,100.4)
Current financial liabilities	(77.1)	(229.4)
Liquid financial assets	10.4	10.3
Cash and cash equivalents	307.7	285.9
Non-current derivative assets	28.5	23.4
Non-current derivative liabilities	(15.2)	(10.7)
Current derivative assets	107.2	81.7
Current derivative liabilities	(62.9)	(46.7)
NET DEBT	**(3,044.5)**	**(3,225.9)**

Derivative assets are presented in the balance sheet, according to maturity and whether or not they are designated as hedging instruments, under "Other non-current financial assets" for the non-current portion and under "Other current financial assets" for the current portion. Derivative liabilities are presented in the balance sheet, according to maturity and whether or not they are designated as hedging instruments, under "Other non-current financial liabilities" for the non-current portion and under "Other current financial liabilities" for the current portion.

16.1. Breakdown of long-term financial liabilities

At 31 December 2010, long-term financial liabilities remained stable on the previous year, at €3.4 billion. There were no other significant changes in this item in 2010.

Long-term financial liabilities at 31 December 2010 break down as follows:

	31/12/2010						31/12/2009	
(in € millions)	**Currency**	**Contractual interest rate**	**Maturity**	**Nominal amount outstanding**	**Carrying amount**	**o/w unpaid accrued interest**	**Nominal amount outstanding**	**Carrying amount**
Bonds								
2001 bond	EUR	5.875%	October-16	300.0	324.4	4.056	300.0	322.3
2001 bearer bond issue	EUR	5.875%	October-16	200.0	208.7	2.704	200.0	209.5
2003 bond	EUR	5.250%	April-18	600.0	643.2	21.230	600.0	645.6
2006 bond	EUR	5.000%	May-21	750.0	761.1	22.808	750.0	764.1
2006 bearer bond issue	EUR	5.000%	May-21	350.0	343.4	10.644	350.0	342.2
April 2003 Company savings plan	EUR	7.500%	April-10		0.0	0.000	4.8	5.0
October 2003 Company savings plan	EUR	7.500%	October-10		0.0	0.000	1.2	1.2
April 2004 Company savings plan	EUR	7.500%	April-11	4.0	4.3	0.226	4.0	4.4
April 2005 Company savings plan	EUR	7.500%	April-12	3.3	3.6	0.182	3.3	3.8
April 2006 Company savings plan	EUR	7.500%	April-13	3.0	3.4	0.166	3.0	3.5
April 2007 Company savings plan	EUR	7.500%	April-14	2.0	2.3	0.111	2.0	2.3
April 2008 Company savings plan	EUR	7.500%	April-15	4.5	5.1	0.227	4.5	5.1
April 2009 Company savings plan	EUR	5.000%	April-14	1.3	1.3	0.047	1.3	1.3
December 2009 Company savings plan	EUR	7.500%	December-16	2.5	2.9	0.007	2.5	2.9
April 2010 Company savings plan	EUR	3.750%	April-15	1.1	1.1	0.029		
May 2010 Company savings plan	EUR	7.500%	May-17	5.5	6.8	0.276		
Other bank loans and financial liabilities								
EIB March 2002	EUR	EIB RATE	13 March to 17 March	75.0	75.0	0.045	75.0	75.0
EIB December 2002	EUR	EUR3M + 0.121%	13 December to 27 December	50.0	50.0	0.006	50.0	50.0
EIB March 2003	EUR	5.080%	March 2018	75.0	87.7	2.923	75.0	86.1
EIB December 2004	EUR	EIB RATE	December 2019	200.0	200.1	0.119	200.0	200.1
EIB December 2005	EUR	4.115%	12 December to 25 December	190.0	190.7	0.664	190.0	190.7
EIB December 2006	EUR	4.370%	13 December to 29 December	50.0	50.1	0.096	50.0	50.1
EIB June 2007	EUR	4.380%	14 June to 29 June	210.0	214.7	4.738	210.0	214.7
EIB November 2008	EUR	EUR3M + 0.324%	13 November to 28 November	250.0	236.5	0.429	250.0	234.9
Credit line	EUR	EUR3M + 0.20%	October 2011			0.118		0.1
Other	EUR		January 2014	4.5	3.9	0.000	5.7	4.6
LONG-TERM FINANCIAL LIABILITIES				**3,331.6**	**3,420.2**	**71.9**	**3,332.3**	**3,419.6**

16.2. Resources and cash

The Group's policy is to maintain adequate cash available at any time to meet its existing and future commitments and to extend the average period of its debt.

At 31 December 2010, the Group held €1,338.1 million in available cash, including €318.1 million in net cash under management and €1,020 million in confirmed medium-term bank credit lines that have not been drawn down.

Furthermore, Cofiroute has a commercial paper programme of €450 million, rated A-2 by Standard & Poor's. This facility had not been drawn down as at 31 December 2010.

16.2.1. Maturity of financial liabilities and associated interest payments

The Group's financial liabilities at redemption value and the associated interest payments, based on 31 December 2010 interest rates, break down by maturity date as follows:

	31/12/2010							
(in € millions)	**Carrying amount**	**Capital and interest cash flows**	**< 3 months**	**3 to 6 months**	**6 months to 1 year**	**1 to 2 years**	**2 to 5 years**	**> 5 years**
Bonds								
Capital	(2,311.5)	(2,227.1)	0.0	(4.0)	0.0	(3.3)	(11.8)	(2,208.0)
Interest payment cash flows		(1,041.5)	0.0	(88.5)	(29.4)	(117.5)	(351.2)	(454.9)
Other bank loans and financial liabilities								
Capital	(1,108.7)	(1,104.5)	0.0	(0.6)	(0.6)	(11.7)	(142.6)	(948.9)
Interest payment cash flows		(297.9)	(6.1)	(10.6)	(13.4)	(30.2)	(86.0)	(151.6)
SUB-TOTAL: LONG-TERM FINANCIAL LIABILITIES	(3,420.2)	**(4,671.0)**	**(6.1)**	**(103.7)**	**(43.4)**	**(162.7)**	**(591.6)**	**(3,763.3)**
Other current financial liabilities	0.0	**0.0**						
I - FINANCIAL LIABILITIES	**(3,420.2)**	**(4,671.0)**	**(6.1)**	**(103.7)**	**(43.4)**	**(162.7)**	**(591.6)**	**(3,763.3)**
Liquid financial assets	10.4							
Cash equivalents	293.6							
Cash and cash equivalents	14.1							
II - FINANCIAL ASSETS	**318.1**							
Derivative liabilities	(78.0)	(159.2)	0.9	(26.7)	1.7	(24.1)	(53.1)	(58.0)
Derivative assets	135.7	341.3	(3.3)	39.5	4.6	40.9	122.6	137.0
III - DERIVATIVES	**57.6**	**182.1**	**(2.4)**	**12.9**	**6.3**	**16.8**	**69.5**	**79.0**
NET DEBT (I + II + III)	**(3,044.5)**	**(4,488.9)**	**(8.5)**	**(90.8)**	**(37.1)**	**(145.9)**	**(522.1)**	**(3,684.4)**
TRADE PAYABLES	**83.4**	**83.4**	**83.4**					

At 31 December 2010, the average maturity of the Group's long-term financial liabilities was 8.8 years, versus 9.4 years at 31 December 2009.

No significant portion of Cofiroute's debt will mature before 2016.

16.2.2. Net cash

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

(in € millions)	31/12/2010	31/12/2009
CASH EQUIVALENTS	**293.6**	**268.9**
Marketable securities and mutual funds (UCITS)	*293.6*	*118.9*
Negotiable debt securities starting with a maturity of less than three months	*0.0*	*150.0*
CASH	**14.1**	**17.0**
NET CASH	**307.7**	**285.9**
LIQUID FINANCIAL ASSETS	**10.4**	**10.3**
Marketable securities and mutual funds (UCITS)	*10.4*	*10.3*
NET CASH UNDER MANAGEMENT	**318.1**	**296.2**

The investment vehicles used by the Group are mainly money market UCITS, negotiable debt securities (in particular, bank certificates of deposit), term deposit accounts maturing in less than three months and bonds. They are measured and recognised at their fair value.

These various financial assets ("Liquid financial assets" and "Cash equivalents") are managed to avoid risks to capital and are monitored through a performance and risk control system.

Liquid financial assets comprise marketable securities pledged to the employee savings plan. Cash equivalents mainly include the investment of the Group's net cash surpluses. At 31 December 2010, the Group had a total of €318.1 million in cash under management.

16.2.3. Revolving credit lines

At 31 December 2010, the Group had a confirmed bank credit facility of €1,020 million, expiring in October 2011, that had not been drawn down.

16.2.4. Financial covenants

The Group's financing agreements (bonds, bank loans and credit facilities) do not include any case of default as defined by financial covenants.

Some finance agreements stipulate that a change in control of the borrower may require mandatory early redemption or repayment.

16.2.5. Credit ratings

At 31 December 2010, the Group was rated by Standard & Poor's as follows:

- ➜ Long-term: BBB+ outlook stable;
- ➜ Short-term: A-2.

17. Financial risk management

This note presents the Group's exposure to financial risks, its objectives and its risk measurement and management policy and procedures.
Given the high level of its net debt and associated financial income, the Group has set up a system to manage and monitor its various financial risks, principally interest rate risk, as the Group's consolidated net debt is entirely in euros.
The Group's Finance Department is generally in charge of managing and limiting these financial risks, in accordance with the management policies approved 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 information system of the parent company VINCI is also used.
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 derivatives breaks down as follows:

		31/12/2010				
(in € millions)	Notes	Non-Current assets	Current assets*	Non-Current liabilities	Current liabilities*	Net
Interest rate derivatives: fair value hedges	17.1.2	28.5	16.0	(4.6)		39.9
Interest rate derivatives: cash flow hedges	17.1.3			(10.6)	(0.8)	(11.4)
Interest rate derivatives not designated as hedges	17.1.4		91.2		(62.1)	29.1
INTEREST RATE DERIVATIVES		**28.5**	**107.2**	**(15.2)**	**(62.9)**	**57.6**

		31/12/2009				
(in € millions)	Notes	Non-Current assets	Current assets*	Non-Current liabilities	Current liabilities*	Net
Interest rate derivatives: fair value hedges	17.1.2	23.4	4.2			27.6
Interest rate derivatives: cash flow hedges	17.1.3			(10.7)	(0.9)	(11.6)
Interest rate derivatives not designated as hedges	17.1.4		77.5		(45.8)	31.7
INTEREST RATE DERIVATIVES		**23.4**	**81.7**	**(10.7)**	**(46.7)**	**47.7**

* The current portion includes unpaid accrued interest.

17.1. Interest rate risk

Interest rate risk is managed with two time scales: a long-term time scale, aiming to ensure and optimise the concession's financial equilibrium, and a short-term time scale, aiming to optimise the average cost of debt within the budget according to the prevailing climate on financial markets.
The long-term objective is to maintain a breakdown between fixed and floating rates that can be adapted to the level of debt.
The Group uses interest rate options or swaps with a deferrable interest payments to hedge interest rate risk. These derivatives are deemed financial hedges, whether or not they are designated as hedging instruments for accounting purposes under IFRS.

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

	Breakdown of fixed and floating rates before hedging										
	Fixed rate			Capped floating rate/ inflation			Floating rate			Total	
(in € millions)	**Debt**	**Proportion**	**Interest rate**	**Debt**	**Proportion**	**Interest rate**	**Debt**	**Proportion**	**Interest rate**	**Debt***	**Interest rate**
Total at 31/12/2010	2,763.3	84%	5.09%				561.0	16%	1.16%	3,420.2	4.42%
At 31/12/2009	2,765.1	84%	5.09%				559.6	16%	1.04%	3,419.7	4.41%

	Breakdown of fixed and floating rates after hedging										
	Fixed rate			Capped floating rate/ inflation			Floating rate			Total	
(in € millions)	**Debt**	**Proportion**	**Interest rate**	**Debt**	**Proportion**	**Interest rate**	**Debt**	**Proportion**	**Interest rate**	**Debt***	**Interest rate**
Total at 31/12/2010	2,277.9	69%	4.81%				1,046.4	31%	2.1%	3,420.2	3.96%
At 31/12/2009	2,772.5	84%	4.88%	527.1	15%	1.21%	25.0	1%	0.91%	3,419.7	4.27%

* Long-term financial liabilities at amortised cost + unpaid accrued interest + impact of fair value hedges.

17.1.1. 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 after hedging (whether derivatives or not);
- ➜ fixed-rate financial instruments recognised in the balance sheet at fair value through earnings;
- ➜ derivatives that are not designated as hedging instruments.

By contrast, fluctuations in the value of derivatives designated as cash flow hedges do not have a direct impact on the income statement and are recognised in equity.

The following analysis was carried out on the basis that the amount of financial liabilities and derivatives at 31 December 2010 remains constant over a year.
A fluctuation in interest rates of 50 basis points at the balance sheet date would not have a material impact on equity or earnings. For the purpose of this analysis, all the other variables are assumed to remain constant.

17.1.2. Description of fair value hedges

At the balance sheet date, derivatives designated as fair value hedges break down as follows:

	31/12/2010							
(in € millions)	**< 1 year**	**1 to 2 years**	**2 to 5 years**	**> 5 years**	**Notional**	**Fair value assets**	**Fair value liabilities**	**TOTAL**
Fixed receiver/floating payer interest rate swaps	-	-	-	725	725	44.5	(4.6)	39.9
Interest rate options (Caps. Floors. Collars)	-	-	-	-	-	-	-	-
INTEREST RATE DERIVATIVES: FAIR VALUE HEDGES	**-**	**-**	**-**	**725**	**725**	**44.5**	**(4.6)**	**39.9**

	31/12/2009							
(in € millions)	**< 1 year**	**1 to 2 years**	**2 to 5 years**	**> 5 years**	**Notional**	**Fair value assets**	**Fair value liabilities**	**TOTAL**
Fixed receiver/floating payer interest rate swaps	-	-	-	225	225	27.6	-	27.6
Interest rate options (Caps. Floors. Collars)	-	-	-	-	-	-	-	-
INTEREST RATE DERIVATIVES: FAIR VALUE HEDGES	**-**	**-**	**-**	**225**	**225**	**27.6**	**-**	**27.6**

These transactions mainly hedge the Group's fixed-rate bond issuance.

The change between 2009 and 2010 is due to the use of two fixed-to-floating swaps on the 2021 bonds, for a total amount of €500 million.

17.1.3. Description of cash flow hedges

At the balance sheet date, derivatives designated as cash flow hedges break down as follows:

	31/12/2010							
(in € millions)	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Notional	Fair value assets	Fair value liabilities	TOTAL
Floating receiver/fixed payer interest rate swaps	-	250	-	-	250	-	(11.4)	(11.4)
Interest rate options (Caps, Floors, Collars)	-	-	-	-	-	-	0.0	-
INTEREST RATE DERIVATIVES: HEDGING OF DEFINITE CASH FLOW	**-**	**250**	**-**	**-**	**250**	**-**	**(11.4)**	**(11.4)**

	31/12/2009							
(in € millions)	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Notional	Fair value assets	Fair value liabilities	Total
Floating receiver/fixed payer interest rate swaps	-	-	250	-	250	-	(11.6)	(11.6)
Interest rate options (Caps, Floors, Collars)	200	-	-	-	200	-	-	-
INTEREST RATE DERIVATIVES: HEDGING OF DEFINITE CASH FLOW	**200**	**-**	**250**	**-**	**450**	**-**	**(11.6)**	**(11.6)**

The Group's exposure to risks of fluctuation in future interest flows is due to floating-rate debt as at 31 December 2010 and interest expenses of future debt issuance.

The Group has set up interest rate swaps and interest rate options (caps) to fix interest payments on floating-rate debt. Contractual payments relating to these derivatives are settled symmetrically with the hedged interest flows on bonds. The deferred amount in equity is recognised in the income statement in the period in which the interest flows of the debt affect earnings. In the absence of intrinsic value of caps, any differences in value are fully recognised in the income statement.

Two caps with a nominal amount of €200 million designated as cash flow hedges matured in 2010.
The following table shows the periods during which the Group expects the amounts recognised in equity at 31 December 2010 for derivatives, in use or unwound, designated as cash flow hedges, will impact the income statement:

(in € millions)	Amount recognised under equity	Amount recognized under earnings			
		< 1 year	1 to 2 years	2 to 5 years	> 5 years
Unwound interest rate derivatives designated as cash flow hedges	2.9	0.2	0.2	0.9	1.6
Interest rate derivatives designated as hedges of definite cash flow	(10.6)	(5.6)	(5.0)	0.0	0.0
Total interest rate derivatives designated as cash flow hedges	**(7.7)**	**(5.4)**	**(4.8)**	**0.9**	**1.6**

17.1.4. Derivatives not designated as hedging instruments

At the balance sheet date, these transactions break down as follows:

	31/12/2010							
(in € millions)	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Notional	Fair value assets	Fair value liabilities	TOTAL
Interest rate swaps	-	-	-	1,200	1,200	91.2	(62.1)	29.1
Interest rate options (Caps, Floors, Collars)	-	-	-		-	0.0	0.0	0.0
INTEREST RATE DERIVATIVES NOT DESIGNATED AS HEDGES	**-**	**-**	**-**	**1,200**	**1,200**	**91.2**	**(62.1)**	**29.1**

	31/12/2009							
(in € millions)	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Notional	Fair value assets	Fair value liabilities	TOTAL
Interest rate swaps	-	-	-	1,200	1,200	77.5	(45.8)	31.7
Interest rate options (Caps, Floors, Collars)	325	-	-		325	-	-	-
INTEREST RATE DERIVATIVES NOT DESIGNATED AS HEDGES	**325**	**-**	**-**	**1,200**	**1,525**	**77.5**	**(45.8)**	**31.7**

Three step up caps with a nominal amount of €325 million matured in 2010.

Transactions not designated as hedges at 31 December 2010 are mirror swaps that do not generate significant risk of changes in fair value in the income statement.

17.2. Foreign exchange risk

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

17.3. Credit risk and counterparty risk

The Group is exposed to credit risks in the event of default by its customers. It is exposed to counterparty risk through the investment of its cash and cash equivalents, subscription to negotiable debt securities, marketable securities, unused credit authorisations, financial receivables and derivatives.
The Group has set up procedures to supervise and limit credit risk and counterparty risk.

Trade receivables

The Group has set up procedures to limit the risk on trade receivables. For instance, there is no concentration of credit with any single customer representing more than 0.5% of revenue (revenue greater than €5 million) apart from contracts with badge issuers. The Group considers its exposure to this risk to be minimal. The breakdown of trade receivables is provided in Note D. 15.2 "Trade receivables".

Financial instruments

The financial instruments are put in place with financial institutions that meet the credit rating criteria defined by the Group. Moreover, the Group has set up a system of limits per counterparty to manage its counterparty risk. This system sets maximum lines of risk by counterparty defined according to their credit ratings, as issued by Standard & Poor's, Moody's and Fitch IBCA. These limits are regularly monitored and updated by the Group at Treasury Committee meetings based on consolidated quarterly reporting.
In addition, the Group's Finance Department has issued instructions setting limits for every authorised counterparty and a list of authorised UCITS.

18. Carrying amount and fair value by category

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

	31/12/2010									
	Accounting categories						Fair value			
(in € millions)	Financial instruments under earnings	Derivatives designated as hedges	Assets at fair value (fair value option)	Available-for sale assets	Liabilities at amortised cost	Total carrying amount for the class	Level 1 Listed prices	Level 2 Internal model based on observable inputs	Level 3 Internal model based on unobservable inputs*	Fair value of the class
Unlisted investment securities				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			0.4	0.4
II - DERIVATIVE ASSETS	91.2	44.5				135.7		135.7		135.7
III - TRADE RECEIVABLES						0.0				0.0
Current liquid financial assets not cash equivalents			10.4			10.4	10.4			10.4
Cash equivalents			293.6			293.6	293.6			293.6
Cash			14.1			14.1		14.1		14.1
IV - CURRENT FINANCIAL ASSETS	0.0	0.0	318.1	0.0	0.0	318.1	304.0	14.1		318.1
TOTAL ASSETS	91.2	44.5	318.1	0.4	0.0	454.2	304.0	149.7	0.4	454.2
Bonds issues. participating loans and subordinated debt with indefinite maturity					(2,311.5)	(2,311.5)	(2,480.4)	(30.7)		(2,511.1)
Other bank loans and financial liabilities					(1,108.7)	(1,108.7)		(1,165.6)		(1,165.6)
V - NON-CURRENT FINANCIAL LIABILITIES	0.0	0.0	0.0	0.0	(3,420.2)	(3,420.2)	(2,480.4)	(1,196.3)		(3,676.6)
VI - DERIVATIVE LIABILITIES	(62.1)	(16.0)				(78.0)		(78.0)		(78.0)
VII - TRADE PAYABLES						0.0				0.0
Other current financial liabilities						0.0				0.0
VIII - CURRENT FINANCIAL LIABILITIES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL LIABILITIES	(62.1)	(16.0)	0.0	0.0	(3,420.2)	(3,498.3)	(2,480.4)	(1,274.3)	0.0	(3,754.7)
CARRYING AMOUNT OF CATEGORIES	29.1	28.5	318.1	0.4	(3,420.2)	(3,044.1)	(2,176.4)	(1,124.6)	0.4	(3,300.5)

* See comments in Note D. 11.

Fair value is determined as follows:

Level 1. Prices listed on an active market

Where available, prices listed on an active market are used as the preferred method for determining market value. Marketable securities and some listed bonds are measured in this way.

Level 2. Internal models using valuation techniques drawing on observable market inputs

These techniques are based on standard mathematical calculations incorporating observable market inputs such as futures prices, yield curves, etc. Most derivatives (swaps, caps, floors, etc.) traded on markets are measured based on models commonly used by market practitioners in pricing these financial instruments.

Internal valuations of derivatives are checked quarterly for consistency with the valuations sent by counterparties.

Level 3. Internal models based on unobservable inputs

This model is applied to unlisted investments in associates that are recognised at cost, as no active market exists to measure fair value.

In 2010, the methods used to measure fair value by accounting category were not changed.

E. Notes on the main characteristics of concession contracts

19. Main characteristics of concession contracts

The characteristics of the main concession contracts operated by the Group are shown in the following table:

	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	Accounting method
Cofiroute						
Interurban toll motorway network in France (1.100 km of toll motorways)	Pricing law as defined in the concessioncontract. Price increases subject to approval by grantor.	Users	None	Infrastructure returned to grantor for no consideration, unless purchased by the grantor (in which case at economic value).	Term of contract: end-December 2031	Intangible assets
A86 Duplex (11-km toll tunnel)	Pricing law as defined in the concession contract. Price increases subject to approval by grantor.	Users	€120 million subsidy as compensation for additional costs incurred following the application of new safety standards for tunnels.	Infrastructure returned to grantor for no consideration, unless purchased by the grantor (in which case at economic value).	Term of contract: end-December 2086.	Intangible assets

20. Commitments given under concession contracts
(see Note A. 3.4. "Concession contracts")

Contractual investment and renewal obligations:
Under the concession contracts it has signed, the Group has committed to making certain infrastructure investments in facilities that it will subsequently operate as concessionaire.
Benefiting from a well-defined contractual framework of concession contracts and master contracts. Cofiroute enjoys good visibility as to its outlook.
At 31 December 2010, total investment commitments forecast for the next five years under concession contracts mostly relate to the interurban network for €646.6 million and the A86 for €70.5 million.

F. Other Notes

21. Related party transactions

Transactions with related parties include:
➔ remuneration and similar benefits granted 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 holds an equity stake).

21.1. Remuneration and similar benefits granted to members of the governing and management bodies

The remuneration of the Group's corporate officers is determined by the Board of Directors based on proposals from the Remuneration Committee.
Aggregate remuneration and similar benefits granted to the members of the Group's governing bodies and Executive Committee, recognised as expenses in 2010 and 2009, break down as follows:

	Members of governing bodies and executive committee	
(in € millions)	**2010**	**2009**
Remuneration	2.3	2.6
Employer's welfare contributions	1.2	1.2
Termination benefits	0.0	0.0
Share-based payments*	0.7	0.6

* This amount is determined in accordance with IFRS 2 "Share-based payments" and as described in Note D. 13 "Share-based payments".

Members of Cofiroute's Executive Committee do not benefit from a supplementary retirement plan. They are covered by the plan described in Note D. 14.1 "Provisions for retirement benefits".
Corporate officers benefit from a supplementary retirement plan. Contributions to this plan are covered by the parent company VINCI SA, totalling €0.8 million in 2010.

21.2. Transactions with the VINCI Group

Transactions in 2010 and 2009 between the Group and the VINCI Group break down as follows:

(in € millions)	2010	2009
Concession assets under construction	15.4	17.2
Concession property, plant and equipment	4.2	51.0
Construction costs	(106.8)	(137.1)
Trade receivables	5.0	10.1
Dividends payments	153.7	151.2
Trade payables	36.3	30.7
Revenue and other ancillary revenue	0.5	0.5
Advance payments to subcontractors	0.0	2.0
Other external charges	(23.4)	(19.3)

21.3. Transactions with the Colas Group

Transactions in 2010 and 2009 between the Group and the Colas Group break down as follows:

(in € millions)	2010	2009
Concession assets in service	0.0	0.0
Construction costs	(9.9)	(9.7)
Trade receivables		
Dividends payments	30.7	30.2
Trade payables	1.1	1.1
Revenue and other ancillary revenue		
Advance payments to subcontractors		
Other external charges	(5.1)	(6.9)

21.4. Other related parties

Information about companies consolidated under the equity method is found in Note D. 10, "Investments in associates".

22. Contractual obligations and other commitments given and received

The commitments given and received by the Group relating to concession contracts and unrecognised items relating to retirement benefit obligations are shown in the following Notes:
➔ Note E. 20: "Commitments given under concession contracts",
➔ Note D. 14.1: "Provisions for retirement benefits".

23. Workforce

The number of employees at 31 December 2010 breaks down as follows:

	31/12/2010	31/12/2009
Engineers and managers	286	267
Office, technical and manual	1,697	1,750
TOTAL	**1,983**	**2,017**

24. Statutory Auditors' fees

Statutory Auditors' fees totalled €0.17 million in 2010, compared with €0.20 million in 2009.

These fees include €0.08 million for Deloitte & Associés, of which €0.08 million for the statutory audit, and €0.09 million for KPMG, of which €0.08 million for the statutory audit.

G. Disputes and arbitration

Since September 2010, Cofiroute has been subject to an accounting verification for the 2007, 2008 and 2009 financial years. The tax treatment of interim interest for 2007 was reported to the tax authorities. No reports have been made for 2008 and 2009, but the risk identified for 2007 continues.

Although the company has opposed the position of the authorities, it has assessed these risks and booked provisions accordingly.

H. Post-balance sheet events

25. Appropriation of 2010 earnings

On 25 February 2011, the Board of Directors approved the consolidated financial statements at 31 December 2010. These financial statements will not be deemed final until their approval at the General Shareholders' Meeting. Shareholders will be asked to approve a dividend of €76.78 per share for 2010 at the Ordinary General Meeting. With the interim dividend already paid in November 2010 (€35 per share), the remaining dividend to be paid out stands at €41.78 per share, representing a total amount of about €169.6 million.

26. Other developments

26.1. Opening of the second section of the A86 Duplex

The second section of the A86 Duplex was opened on 9 January 2011, six months ahead of the date indicated in the concession contract. This 5.5-km stretch between Vélizy (Yvelines) and Vaucresson (Hauts-de-Seine) completes the 4.5-km tunnel between Rueil-Malmaison and Vaucresson, opened in June 2009, thus finishing the "super périphérique" loop, the ring road outside Paris city limits.

26.2. Concession contracts

The 2011 French budget stipulated the increase in the infrastructure tax of 6.7%, from €0.0686 for 1,000 kilometres to €0.0732 for 1,000 kilometres. In accordance with legal and contractual provisions, this tax increase is reflected in a 0.30% increase in prices for the interurban network as of 1 February 2011 and 0.14% as of 1 February 2012. The 15th rider to the interurban concession implementing this increase was approved by decree on 28 January 2011 and published in the French Official Journal on 30 January 2011.

26.3. Master contract 2011 - 2014

On 21 December 2010, an agreement was signed with the government concerning the master contract for the period 2011-2014. This contract provides for €213 million in investments (excluding tax in 2008 euros), in exchange for a price hike of 15% of inflation increased by 0.48% over the term of the contract. As a result of this agreement, the third master contract and 16th rider to the interurban concession will be signed in the coming months.

26.4. Increases in toll prices

In compliance with the 28 January 2011 ministerial Order and in application of the interurban network concession contract, Cofiroute raised its prices on 1 February 2011 by 2.07% for Class 1 light vehicles and by 3.96% for Class 4 heavy vehicles.

26.5. Medium-term bank credit lines

Since October 2004, Cofiroute has had a credit line of €1,020 million, maturing in October 2011, Cofiroute took advantage of favourable market conditions for the early renewal of this medium-term bank credit line.
A €500 million contract, arranged by five banks (BNP Paribas, Crédit Agricole Corporate and Investment Bank, Natixis. The Royal Bank of Scotland Plc and Société Générale Corporate & Investment Banking), was signed on 25 February 2011.

Statutory Auditors' report
on the consolidated financial statements

Cofiroute – Société anonyme (French limited liability company)
Registered office: 6 à 10 rue Troyon 92316 Sèvres Cedex, France
Share capital: €158,282,124

Year ended on 31 December 2010

To the Shareholders,

In accordance with our appointment as statutory auditors at the General Shareholders' Meeting, we hereby report to you for the year ended 31 December 2010, 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 accounts

We conducted our audit in accordance with 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.

2. Justification of our assessments

As required by Article L. 823-9 of the French Commercial Code regarding disclosure of the reasons for our conclusions, we would like to draw your attention to the following information:
- The Group books provisions to cover its obligations to maintain infrastructure assets under concession in good condition, according to the method described in Notes 3.1.4 and 3.23 of the Appendix. We have assessed the data and assumptions on which these provisions are based as well as the calculations applied.

This conclusion was formed as part of our audit of the consolidated financial statements, taken as a whole, and has 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, 24 March 2011
The Statutory Auditors

Salustro Reydel, Membre de KPMG International	Deloitte & Associés
Philippe Bourhis, Partner	Mansour Belhiba, Partner

Parent company financial statements

Balance sheet Assets

(in €)	31/12/2010			31/12/2009
ASSETS	**Gross**	**Depreciation, amortisation & provisions**	**Net**	
INTANGIBLE ASSETS	**76,072**	**0**	**76,072**	**76,072**
Land	995,816		995,816	1,028,619
Fixtures and fittings	5,258,733	4,998,651	260,082	314,634
Other property, plant and equipment	28,396,321	21,842,742	6,553,579	7,010,223
OWNED NON-CURRENT ASSETS	**34,650,870**	**26,841,393**	**7,809,477**	**8,353,476**
Non-renewable assets in service	6,605,366,704	2,135,249,954	4,470,116,751	4,559,432,886
Renewable assets in service	688,525,868	440,840,877	247,684,991	268,430,677
Non-renewable assets in progress	806,782,891	0	806,782,891	718,933,713
Renewable assets in progress	194,727,782	0	194,727,782	155,753,587
PROPERTY, PLANT AND EQUIPMENT UNDER LICENSE AGREEMENTS	**8,295,403,245**	**2,576,090,830**	**5,719,312,414**	**5,702,550,863**
Investments in associates and related receivables	49,139,797	47,005,000	2,134,797	2,134,797
Deposits and guarantees	76,437		76,437	76,437
FINANCIAL ASSETS	**49,216,234**	**47,005,000**	**2,211,234**	**2,211,234**
INVENTORIES	**1,723,368**	**0**	**1,723,368**	**1,360,991**
Trade receivables	73,472,023	2,166,138	71,305,885	74,582,915
Employees	178,218		178,218	364,761
Government	39,778,322		39,778,322	9,316,362
Advances and progress payments	0		0	1,134,987
Other receivables	9,910,318	0	9,910,318	11,283,197
RECEIVABLES	**123,338,881**	**2,166,138**	**121,172,743**	**96,682,222**
PREPAID EXPENSES	**32,664,206**		**32,664,206**	**36,303,125**
CASH AND CASH EQUIVALENTS	**313,089,837**		**313,089,837**	**289,837,626**
UNREALISED TRANSLATION LOSSES	**0**		**0**	**0**
TOTAL	**8,850,162,712**	**2,652,103,361**	**6,198,059,351**	**6,137,375,609**

Balance sheet Liabilities

(in €)	31/12/2010	31/12/2009
EQUITY AND LIABILITIES		
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
Retained earnings	1,561,001,074	1,434,334,980
NET INCOME FOR THE PERIOD	**315,502,916**	**314,981,236**
INTERIM DIVIDEND	**(142,048,061)**	**(145,903,628)**
INVESTMENT GRANTS	**216,116,830**	**95,991,775**
TAX-REGULATED PROVISIONS	**41,146,338**	**36,119,601**
	2,170,039,188	**1,913,844,055**
PROVISIONS FOR CONTINGENCIES AND LOSSES	**237,477,536**	**226,330,903**
FINANCIAL LIABILITIES	**3,385,549,563**	**3,548,021,395**
Other borrowings	3,381,094,241	3,542,293,123
Debts to central and local government	4,455,322	5,728,272
LIABILITIES	**365,699,546**	**404,423,355**
Trade payables	83,593,117	71,575,852
Customer guarantee deposits	7,688,421	7,304,575
Employees	20,282,054	19,638,278
Tax and social liabilities	242,893,302	295,850,931
Other liabilities	11,242,653	10,053,719
DEFERRED INCOME	**39,293,518**	**44,755,901**
UNREALISED TRANSLATION GAINS	**0**	**0**
TOTAL	**6,198,059,351**	**6,137,375,609**

Income statement

(in €)	2010	2009
Operating income		
REVENUE		
Toll revenue	1,128,898,798	1,087,178,474
Ancillary revenue	13,944,122	16,095,340
NET REVENUE	**1,142,842,920**	**1,103,273,814**
Reversal of provisions	31,765,818	38,847,720
Other income	14,144,446	16,874,876
TOTAL I	**1,188,753,184**	**1,158,996,410**
Operating expenses		
Purchases of consumables	13,171,744	11,136,802
External costs related to investments	38,283,286	37,444,670
Major repairs	29,410,377	27,226,364
External costs related to operations	31,592,739	31,877,492
Transfer of insurance claim settlement income	(5,286,355)	(6,815,903)
Taxes	130,627,121	123,482,243
Employment costs	99,030,315	100,570,393
Employee profit-sharing	5,972,659	7,851,843
Other ordinary management expenses	258,956	382,838
Depreciation and amortisation of owned non-current assets	1,588,633	1,460,926
Depreciation and amortisation of renewable assets	44,385,824	38,158,786
Special concession depreciation and amortisation	177,756,055	175,213,471
Provisions for operating expenses	43,736,427	31,945,636
TOTAL II	**610,527,781**	**579,935,561**
1. NET OPERATING INCOME (I - II)	**578,225,403**	**579,060,849**
Financial income		
Capitalised borrowing costs	33,477,284	58,023,931
Other financial income	23,974,017	25,844,347
TOTAL III	**57,451,301**	**83,868,278**
Financial expenses		
Finance costs	151,795,408	171,692,402
Other financial expenses	72,626	32,314
TOTAL IV	**151,868,034**	**171,724,716**
2. NET FINANCIAL INCOME (III - IV)	**(94,416,733)**	**(87,856,438)**
3. INCOME FROM ORDINARY ACTIVITIES (1 + 2)	**483,808,670**	**491,204,411**
Exceptional income V	17,179,563	6,628,078
Exceptional expenses VI	22,410,642	17,471,043
NET EXCEPTIONAL INCOME (V - VI)	**(5,231,079)**	**(10,842,965)**
Income tax deferred and other taxes VII	163,074,672	165,380,210
TOTAL INCOME (I + III + V)	**1,263,384,048**	**1,249,492,766**
TOTAL EXPENSES (II + IV + VI + VII)	**947,881,129**	**934,511,530**
NET PROFIT/(LOSS)	**315,502,916**	**314,981,236**

Cash flow statement

(in €)	2010	2009
Operating activities		
Cash flows from/(used in) operating activities	522,937,093	475,802,724
Change in working capital requirement	(77,407,732)	14,974,194
A . CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**445,529,361**	**490,776,918**
Investing activities		
Intangible assets and property, plant and equipment	(207,661,998)	(279,410,495)
Financial assets	0	(16,673)
Investment grants	120,125,055	1,753,532
Disposals	442,318	772,260
B . CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**(87,094,624)**	**(276,901,376)**
Financing activities		
Dividends	(184,459,575)	(181,415,648)
New loans	6,550,000	153,760,000
Repayment of loans	(156,000,000)	(303,100,000)
Advance from central and local government	(1,272,950)	(1,272,949)
C . CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**(335,182,525)**	**(332,028,597)**
CHANGE IN CASH POSITION (A + B + C)	**23,252,212**	**(118,153,055)**
CASH POSITION AT 1 JANUARY	**289,837,621**	**407,990,680**
CASH POSITION AT 31 DECEMBER	**313,089,837**	**289,837,621**

Notes to the financial statements
At 31 December 2010

1. Key events

1.1. Concession contracts

2010 saw a recovery in government contracting, which led to the signing of the 1st rider to the A86 concession agreement and the 14th rider to the interurban concession contract.

Rider 1, published on 4 September 2010, represents the agreement on compensation for the additional costs incurred in building the A86 Duplex (following the application of new safety standards for tunnels) through a €120 million operation subsidy, €100 million of which was paid in 2010, and a five-year extension on the concession contract, which now applies until 31 December 2086.
The 14th rider to the interurban concession contract was published on 26 March 2010. In exchange for investments made to improve the environmental impact of the motorway network, the concession contract was extended for one year, now terminating on 31 December 2031.

2. Measurement rules and methods

Cofiroute's parent company 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 assets, the Company's own assets and financial assets.

2.1.1. Non-current concession assets

Concession assets are the movable and immovable property that is 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 assigned to monitoring the construction of the infrastructure asset.

They are subject to special concession depreciation and amortisation charges calculated over the remaining period of the concession.
Non-current concession assets fall into two categories:
➔ Non-renewable assets: their useful life is longer than the length of the concession contract and may require major repairs. They relate in particular to the network infrastructure, tunnels and bridges.
➔ Renewable assets: since their economic life is shorter than the term of the concession, they must be renewed at least once during the term of the concession. These assets notably include plant and equipment needed to ensure safety, maintain usable road surfaces and collect tolls.

Capitalised borrowing costs

This relates to interest that has been capitalised during the construction period and deducted from financial expenses for the period. It is capitalised under the cost of construction of non-renewable assets until they go into operation and is therefore booked as an asset in the balance sheet.

Depreciation and amortisation

Special concession depreciation and amortisation charges are applied to non-renewable assets in service and non-current operating assets. The purpose of the special concession depreciation and amortisation charges is to reduce the value of these assets to zero by the end of the concession term, rather than recognise any wear or obsolescence of the assets.

➜ The special concession depreciation and amortisation charges for 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.

➜ These charges applied to non-current operating assets are calculated based on their carrying amount and the period remaining until the end of the concession.

No provision is booked for the renewal of assets when a difference arises between the replacement value and the purchase price of renewable assets, because their net amount is depreciated or amortised using this special method.

Normal depreciation and amortisation charges are applied to 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 39 A of the French Tax Code. The difference between depreciation for accounting and for tax purposes is booked under "tax-regulated provisions", under liabilities.

Depreciation and amortisation periods range between 10 and 30 years for buildings and from 3 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 assets belong to Cofiroute and are defined by default. They comprise all the fixed assets not used for operating the motorway concession. They are recognised at cost and depreciated on a straight-line basis over their useful life, i.e. 3 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 book 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 with physical inventory are recognised in the income statement for the period.

2.3. Trade and other operating receivables

This item includes progress payments made to the 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. Impairment is recognised if their market price is lower than cost. In the opposite case, the unrealised capital gain is not recognised.

2.5. Borrowings

Debt issue costs, including issuance premiums, are amortised on a straight-line basis over the life of the debt.

2.6. Financial instruments

The Company uses derivatives such as interest rate swaps and caps to manage the interest rate risk on its borrowings. As these transactions are carried out for hedging purposes, any gains and losses are recognised in 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 non-current concession assets to calculate 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 medium- to long-term works plan drawn up by the Company's technical department and revised annually to adjust for changes in costs and in the corresponding spending plans.

2.9. Income tax

Cofiroute recognises a provision for deferred tax in its parent company financial statements based on the applicable tax rate at year-end. This provision is determined by taking into account timing differences relating to capitalised borrowing costs, a provision for early retirement compensation under the CATS agreements, employee profit-sharing and France's "ORGANIC" social solidarity contributions.
Income tax is calculated on the basis of the tax group comprising Cofiroute (parent company), Cofiroute Participations, SPTF and SERA (consolidated companies). The tax expense borne by these subsidiaries is equal to the tax that would have applied had they not been part of a tax group. Any savings, other than those relating to tax loss carry-forwards, are retained by the parent company.

2.10.Consolidation

Cofiroute has drawn up 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 SA (1 cours Ferdinand de Lesseps, 92851 Rueil Malmaison Cedex, France), a French société anonyme with share capital of €1,381,551,118 as of 31 December 2010.

3. Notes to the financial statements

3.1. Assets

3.1.1. Non-current assets - gross

(in € millions)	At 1 January 2010	Movements in the period: Increases	Decreases	Transfers	At 31 December 2010
Intangible assets	0.1	0.0	0.0		0.1
Owned non-current assets	33.2	1.2	0.1	0.4	34.7
Concession assets	8,058.8	239.9	2.9	(0.4)	8,295.4
o/w in service	*7,184.1*	*84.9*	*2.7*	*27.6*	*7,293.9*
o/w in progress	*874.7*	*187.1*	0.2	*(28.0)*	*1,001.5*
Financial assets	49.2	0.0	0.0		49.2
TOTAL	**8,141.2**	**241.1**	**3.0**	**0.0**	**8,379.3**

Assets under construction mainly comprise the cost of works on the A86 VL2, the section opened in January 2011, the related capitalised borrowing costs and the works to widen the A71 motorway at the Olivet junction.

3.1.2. Depreciation and amortisation

(in € millions)	At 1 January 2010	Movements in the period Additions	 Reversals	At 31 December 2010
Intangible assets	0.0			0.0
Owned non-current assets	24.8	2.0		26.8
Concession assets				
Special concession depreciation/amortisation	*1,957.5*	*177.8*		*2,135.3*
Depreciation/amortisation of renewable assets	*398.7*	*44.4*	*2.3*	*440.8*
TOTAL	**2,381.0**	**224.2**	**2.3**	**2,602.9**

Following the Decree of 26 March 2010 approving the 14th rider to the concession contract between the French government and Cofiroute, the concession period of the A10, A11, A28, A71, A81, A85 and A821 motorways terminates on 31 December 2031. The special concession depreciation and amortisation are therefore calculated on this basis.
The concession period for the A86 was initially for 70 years from the day the entire tunnel opened. Rider 1, published on 4 September 2010, extended the concession period for five years to compensate for the application of new safety standards for tunnels. The concession now terminates on 31 December 2086. The special concession depreciation and amortisation booked in the second half of 2010 were calculated on this basis.

3.1.3. Subsidiaries

(in € millions) (in € millions)	**Subsidiaries* Cofiroute Participations,** 6 à 10 rue Troyon 92316 Sèvres cedex Siret No.: 35257935300025
Share capital	2.2
Reserves (1)	1.5
Share of capital owned (as %)	99.99%
Carrying amount of investments held:	
Gross	*1.6*
Net	*1.6*
Outstanding loans and advances made by the Company	-
Guarantees given bythe Company	-
Pre-tax revenue for the past financial year	0.0
Earnings (profit or loss) for the past financial year	1.1
Dividends received by the Company during the period (2)	1.2
Comments	

* Figures at 31 December 2010.
(1) Includes net income for the year.
(2) Received by the parent company (Cofiroute Participations).

3.1.4. Maturity of receivables

Operating receivables totalled €123.3 million:

(in € millions)	Gross	Within one year	Payable in 1 to 5 years	Payable after 5 years
Trade receivables	73.4	71.2	2.2	
Government	39.8	39.8		
Employees	0.2	0.2		
Advances and progress payments	0.0	0.0		
Other receivables	9.9	9.9		
TOTAL	**123.3**	**121.1**	**2.2**	**0.0**

3.1.5. Impairment provisions

Provisions for impairment break down as follows:

		Movements in the period		
(in € millions)	At 1 January 2010	Increases	Decreases	At 31 December 2010
Renewable assets	0.0	0.0	0.0	0.0
Investments in associates*	47.0	0.0	0.0	47.0
Trade receivables	1.9	0.3	0.0	2.2
TOTAL	**48.9**	**0.3**	**0.0**	**49.2**

* Provision for impairment of shares in Toll Collect.

3.1.6. Prepaid expenses

Prepaid expenses amounted to €32.7 million, of which €19.7 million in compensation related to financial operations.

3.1.7. Cash and cash equivalents

Cash and cash equivalents break down into €303.9 million in marketable securities and €9.2 million in cash balances.

3.2. Equity and liabilities

3.2.1. Share capital

The share capital breaks down into 4,058,516 fully paid-up shares with a nominal value of €39.

3.2.2. Equity

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

		Movements in the period		
(in € millions)	**At 1 January 2010**	**Increases**	**Decreases**	**At 31 December 2010**
Share capital	158.3	0.0	0.0	158.3
Legal reserve	15.8	0.0	0.0	15.8
Other reserves	4.2	0.0	0.0	4.2
Retained earnings	1,434.3	314.9	188.2	1,561.0
TOTAL	**1,612.6**	**314.9**	**188.2**	**1,739.3**

3.2.3. Provisions

Provisions break down as follows over the period:

		Movements in the period		
(in € millions)	**At 1 January 2010**	**Increases**	**Decreases**	**At 31 December 2010**
Provisions for major repairs	200.5	42.7	28.3	214.9
Provisions for obligations under "CATS" (early retirement) agreement	11.8	0.5	1.6	10.7
Provisions for renovation work	1.5	0.0	0.4	1.1
Provisions for other liabilities	12.5	10.6	12.3	10.8
TOTAL	**226.3**	**53.8**	**42.6**	**237.5**

Coverage of the Company's pension commitments for its personnel is outsourced via a specific insurance contract.

The provision for the "CATS" agreements covers commitments resulting from the early retirement agreement signed in 2007. It is based on an actuarial calculation using demographic assumptions and parameters (age of entry into workforce, number of quarters active, retirement age, mortality table, etc.) and economic assumptions (increase in the social security ceiling, wage rises, increases in welfare contributions and expenses, etc.). The provision covers all the commitments of the plan (premiums, retirement benefits and bonuses).

Provisions for other liabilities: Since September 2010, Cofiroute has been subject to an accounting verification for the 2007, 2008 and 2009 financial years. The tax treatment of interim interest for 2007 was reported to the tax authorities. No reports have been made for 2008 and 2009, but the risk identified for 2007 continues.
Although the company has opposed the position of the authorities, it has assessed these risks and booked provisions accordingly.
A proposal to raise the 2007 rental value of property, the basis for business tax in France, has also been submitted. The Company has taken into account the consequences of this proposal and booked provisions accordingly.

The provision for major repairs covers future expenses for maintaining road surfaces, engineering structures and hydraulic structures. The schedule is established based on the frequency of renovation for each item.

3.2.4. Maturity of payables

Operating payables notably include €202.4 million in provisions for deferred tax.

(in € millions)	Gross	Within one year	Payable in 1 to 5 years	Payable after 5 years
Financial liabilities	3,385.5	59.0	169.4	3,157.1
Trade and other operating payables	365.7	358.0	7.7	
Deferred income	39.3	6.4	24.2	8.7
TOTAL	**3,790.5**	**423.4**	**201.3**	**3,165.8**

3.2.5. Borrowings

At 31 December 2010, borrowings in the balance sheet totalled €3,327.1 million. They broke down between outstanding fixed-coupon bonds totalling €2,227.1 million and European Investment Bank (EIB) loans amounting to €1,100 million. The EIB loans in turn broke down into €575 million taken out at a floating rate and €525 million at a fixed rate.

In April and July 2010, Cofiroute took out two fixed-to-floating swaps on the 2021 bonds, for a total amount of €500 million.

Cofiroute did not carry out any significant bond issues or redemptions over the year. However, the short-term €150 million loan taken out at the end of 2009 was repaid in January 2010.

After taking into account the fixed-to-floating swaps and hedging transactions, net debt broke down into 75% at a fixed rate and 25% at a floating rate.

There are no financial ratio covenants or rating clauses in the documentation on borrowings and syndicated loans. Only the EIB loans contain a consultation clause applicable if the Company's rating is downgraded by rating agencies.

(in € millions)	Gross Amount	Within one year	Payable in 1 to 5 years	Payable after 5 years
Bonds	2,227.1	4.0	15.1	2,208.0
Other bonds (EIB)	1,100.0	0.0	151.1	948.9
Accrued interest	54.0	54.0		
TOTAL	**3,381.1**	**58.0**	**166.2**	**3,156.9**

	Movements in the period			
(in € millions)	At 1 January 2010	Increases	Decreases	At 31 December 2010
Bonds	2,226.6	6.5	6.0	2,227.1
Other bonds (EIB)	1,250.0	0.0	150.0	1,100.0
Accrued interest	65.7	0.0	11.7	54.0
TOTAL	**3,542.3**	**6.5**	**167.7**	**3,381.1**

3.2.6. Deferred income

Deferred income mainly comprises:

Rights of use in the amount of €6.8 million paid by telecommunications operators under medium- to long-term agreements are reported as revenue on a straight-line basis over the duration of the agreements granting these rights.

Financial income from compensation received by the Company and staggered over the period of the borrowings:

➜ €3.4 million corresponds to the remaining compensation received on the unwinding of pre-hedging transactions for the bond issues in April 2003, May 2006 and July 2007.

➜ €9.6 million corresponds to the remaining compensation for the cancellation of fixed-to-floating swaps: €11.8 million received in 2004 plus €12.6 million in compensation received in July 2007 and €0.5 million in compensation received in July 2007 for the cancellation of a €100 million fixed-to-floating swap used to hedge the additional issue on the May 2006 bond.

➜ €19.5 million corresponds to the remainder of the €37.6 million in issue premiums received in August 2005 for the additional issue on the October 2001 bond.

3.2.7. Accrued expenses

Outstanding expenses are broken down in the following table:

(in € millions)	2010	2009
Trade payables	26.0	21.3
Employees	20.8	21.2
Taxes	15.6	17.1
Other payables	8.3	4.3
Unpaid accrued interest	54.0	65.7
Accrued expenses	**124.7**	**129.6**

3.2.8. Accrued income

Accrued income includes the subsidy under rider 1 to the A86 concession contract and breaks down as follows:

(in € millions)	2010	2009
Trade invoices to be issued	4.7	9.2
Other receivables and accrued income	0.8	0.4
Government, accrued income	20.0	0.0
Accrued income	**25.5**	**9.6**

3.3. Income statement

3.3.1. Revenue

Revenue breaks down as follows:

(in € millions)	2010	2009
REVENUE	**1,142.8**	**1,103.3**
Toll revenue	1,128.9	1,087.2
Ancillary revenue	13.9	16.1

Toll revenue between 2009 and 2010 can be broken down as follows:

	Change 2010/2009
Toll revenue	**3.8%**
Increase in traffic assuming identical network	+1.9%
Traffic on new sections	-
Duplex A86	+0.5%
Changes in prices and in mix between light and heavy vehicles	+1.4%

3.3.2. Purchases and external expenses

Purchases and external expenses break down as follows:

(in € millions)	2010	2009
Purchases and external expenses	**112.4**	**107.7**
Purchases of consumables	13.2	11.1
External costs related to investments	38.3	37.4
External costs related to operations	31.6	31.9
Major repairs	29.4	27.2

3.3.3. Gross operating surplus

The gross operating surplus is the excess of operating income less operating expenses, excluding additions and reversals to depreciation, amortisation and provisions.

(in € millions)	2010	2009
Operating income excluding reversals of provisions	**1,156.9**	**1,120.2**
Revenue	1,142.8	1,103.3
Other operating income	14.1	16.9
Operating expenses excluding depreciation, amortisation and provisions	**343.0**	**333.2**
Purchases and external expenses	112.4	107.7
Insurance claim settlements	(5.2)	(6.8)
Employment costs including profit-sharing	105.0	108.4
Taxes	130.6	123.5
Other ordinary management expenses	0.2	0.4
GROSS OPERATING INCOME	**813.9**	**787.0**

In 2010, this ratio remained stable at 71.2% of revenue as against 71.3% in 2009.

3.3.4. Operating income

(in € millions)	2010	2009
Gross operating income	**813.9**	**787.0**
Operating provisions	(11.9)	6.9
Depreciation and amortisation	(223.8)	(214.8)
NET OPERATING INCOME	**578.2**	**579.1**

3.3.5. Net financial income

Financial expenses came out at €94.4 million. This increase was mainly due to the drop in capitalised borrowing costs, resulting from the opening of the VL1 section of the A86 Duplex in 2009.

(in € millions)	2010	2009
Financial income	**57.4**	**83.8**
Capitalised borrowing costs	33.5	58.0
Other financial income	24.0	25.8
Financial expenses	**(151.9)**	**(171.7)**
Finance costs	(151.8)	(171.7)
Other financial expenses	(0.1)	0.0
NET FINANCIAL INCOME	**(94.4)**	**(87.9)**

3.3.6. Exceptional items

Exceptional items include:

(in € millions)	2010	2009
Exceptional income	**17.2**	**6.6**
From operating transactions	0.2	0.8
From capital transactions	0.0	0.0
Reversals of provisions	16.9	5.8
Exceptional expenses	**22.4**	**17.5**
From revenue transactions	0.5	0.8
From capital transactions	0.0	0.0
Depreciation, amortisation and provisions	21.9	16.7
NET EXCEPTIONAL INCOME	**(5.2)**	**(10.8)**

3.3.7. Income tax

The tax expense of €163.1 million comprises:

- corporate income tax arising on ordinary operations for €152.1 million;
- corporate income tax arising on exceptional items for €1 million;
- deferred tax for €7.1 million;
- the 3.3% social surtax for €4.9 million.

3.3.8. Unrealised tax position

The Company has booked a tax-regulated provision of €41.1 million at 31 December 2010 for depreciation and amortisation, resulting in an unrealised tax liability of €13.7 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: €15.6 million, of which €10 million for the employee savings plan.
→ 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: syndicated loan of €1.02 billion signed in 2004 and maturing in October 2011;
→ Investment commitments: under the terms of its concession contracts, the Company is committed to investing €717 million over the next five years.

3.4.2. Average workforce and staff training rights

(number)	Employees
Management	261
Supervisory	350
Office, technical and manual	1,302
TOTAL	**1,913**

The French Act of 4 May 2004 grants employees of French companies an entitlement to a minimum of 20 hours of training a year, which can be carried forward and accumulated over a period of six years. Expenditure for this individual training entitlement is recorded as an expense for the period. No provisions, barring exceptional cases, are booked for this entitlement. The Group's employees had acquired rights to 151,312 hours of training at 31 December 2010.

4. Other information

4.1. Remuneration and similar benefits granted to members of the governing and management bodies

The remuneration of the Group's corporate officers is determined by the Board of Directors based on proposals from the Remuneration Committee.

Aggregate remuneration and similar benefits granted to the members of the Group's governing bodies and Executive Committee, recognised as expenses in 2010 and 2009, break down as follows:

	Members of governing bodies and Executive Committee	
(in € millions)	**2010**	**2009**
Remuneration	2.3	2.6
Employer's welfare contributions	1.2	1.2
Termination benefits		
Share-based payments*	0.7	0.6

* This amount is determined in accordance with IFRS 2 "Share-based payments" and as described in Note D. 13 "Share-based payments".

4.2. Transactions with the VINCI Group

Transactions in 2010 and 2009 between the Group and the VINCI Group break down as follows:

(in € millions)	**2010**	**2009**
Concession assets under construction	15.4	17.2
Concession property, plant and equipment	4.2	51.0
Concession assets	(106.8)	137.1
Trade receivables	5.0	10.1
Dividend payments	153.7	151.2
Trade payables	36.3	30.7
Revenue and other ancillary revenue	0.5	0.5
Advance payments to subcontractors	0.0	2.0
Other external charges	(23.4)	(19.3)

4.3. Transactions with the Colas Group

Transactions in 2010 and 2009 between the Group and the Colas Group break down as follows:

(in € millions)	**2010**	**2009**
Concession assets in service	**0.0**	
Concession assets	(9.9)	9.7
Trade receivables		
Dividend payments	30.7	30.2
Trade payables	1.1	1.1
Revenue and other ancillary revenue		
Advance payments to subcontractors		
Other external charges	(5.1)	(6.9)

5. Post-balance sheet events

5.1. Opening of the second section of the A86 Duplex

The second section of the A86 Duplex was opened on 9 January 2011, six months ahead of the date indicated in the concession contract. This 5.5-km stretch between Vélizy (Yvelines) and Vaucresson (Hauts-de-Seine) completes the 4.5-km tunnel between Rueil-Malmaison and Vaucresson, opened in June 2009, thus finishing the "super périphérique" loop, the ring road outside Paris city limits.

5.2. Concession contracts

The 2011 French budget stipulated the increase in the infrastructure tax of 6.7%, from €0.0686 for 1,000 kilometres to €0.0732 for 1,000 kilometres. In accordance with legal and contractual provisions, this tax increase is reflected in a 0.30 % increase in prices for the interurban network as of 1 February 2011 and 0.14 % as of 1 February 2012. The 15th rider to the interurban concession implementing this increase was approved by decree on 28 January 2011 and published in the French Official Journal on 30 January 2011.

5.3. Master contract 2011 - 2014

On 21 December 2010, an agreement was signed with the government concerning the master contract for the period 2011-2014. This contract provides for €213 million in investments (excluding tax in 2008 euros), in exchange for a price hike of 15% of inflation increased by 0.48% over the term of the contract. As a result of this agreement, the third master contract and 16th rider to the interurban concession will be signed in the coming months.

5.4. Increases in toll prices

In compliance with the 28 January 2011 ministerial Order and in application of the interurban network concession contract, Cofiroute raised its prices on 1 February 2011 by 2.07% for Class 1 light vehicles and by 3.96% for Class 4 heavy vehicles.

5.5. Medium-term bank credit lines

Since October 2004, Cofiroute has had a credit line of €1,020 million, maturing in October 2011. Cofiroute took advantage of favourable market conditions for the early renewal of this medium-term bank credit line. A €500 million contract was signed on 25 February 2011.

Statutory Auditors' report on the financial statements

Cofiroute – Société anonyme (French limited liability company)
Registered office: 6 à 10 rue Troyon 92316 Sèvres Cedex, France
Share capital: €158,282,124

To the Shareholders,

In accordance with our appointment as statutory auditors at the General Shareholders' Meeting, we hereby report to you for the year ended 31 December 2010, 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 financial statements

We have conducted our audit in accordance with 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 2010 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 Commercial Code regarding disclosure of the reasons for our conclusions, we would like to draw your attention to the following information:

➜ The Company books provisions to cover its obligations to maintain infrastructure assets under concession in good condition, as indicated in Notes 2.8 and 3.2.3 of the Appendix. We have assessed the data and assumptions on which they are based as well as the calculations applied.

This conclusion was formed as part of our audit of the financial statements, taken as a whole, and has 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 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 financial statements.
Regarding the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code on the remuneration and benefits paid to corporate officers and on the commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.
In accordance with the law, we have verified that the required information as to the identity of shareholders and holders of voting rights has been disclosed in the management report.

Paris-La Défense and Neuilly-sur-Seine, 24 March 2011
The Statutory Auditors

Salustro Reydel, Member of KPMG International	Deloitte & Associés
Philippe Bourhis, Partner	Mansour Belhiba, Partner

Persons responsible for the document

1. Statement by the person responsible for the document

I, the undersigned, Arnaud Grison, 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 earnings of Cofiroute and all consolidated subsidiaries. I also confirm that the Management Report presents a true and fair view of business developments, earnings and the financial position of Cofiroute and all consolidated subsidiaries, as well as a description of the principal risks and uncertainties that they face.

Arnaud GRISON
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
Current term began:
AGM 20 April 2006
Current appointment expires
at the close of the Shareholders Meeting
held to approve the 2011 financial statements

➔ Deloitte & Associés
185, avenue Charles de Gaulle,
92200 Neuilly-sur-Seine cedex
France
First appointed:
AGM 8 January 2008 (2007 financial statements)
Current appointment expires
at the close of the Shareholders Meeting
held to approve the 2012 financial statements

Alternate Auditors

➔ Jean-Claude Reydel
1, cours Valmy,
92923 Paris La Défense cedex,
France
Current term began:
AGM 20 April 2006
Current appointment expires
at the close of the Shareholders Meeting
held to approve the 2011 financial statements

➔ Cabinet Beas
7-9, villa Houssay,
92524 Neuilly-sur-Seine,
France
First appointed:
AGM 8 January 2008 (2007 financial statements)
Current appointment expires
at the close of the Shareholders Meeting
held to approve the 2012 financial statements

3. Statutory Auditors' fees

Statutory Auditors' fees amounted to €0.2 million for 2010 of which €0.16 million for the statutory audit and €0.04 million for other services, compared with €0.2 million in 2009, of which €0.16 million for the statutory audit.

4. Person 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 web site (www.cofiroute.fr):

- ➜ the 2010 financial report filed with the Autorité des Marchés Financiers;
- ➜ the 2010 interim financial report filed with the Autorité des Marchés Financiers;
- ➜ the 2009 annual and interim financial reports filed with the Autorité des Marchés Financiers;
- ➜ the 2008 annual and interim financial reports 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).

Cofiroute
Share capital: €158,282,124
Head office: 6 à 10, rue Troyon · 92316 Sèvres Cedex · France
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