COFIROUTE

Financial report 2011

VINCI AUTOROUTES

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Report of the Board of Directors

Management report

1. The Company's position and business in 2011

On 9 January 2011, the second section of the A86 Duplex linking the A13 with Vélizy entered into service, six months earlier than the date specified in the contract. This 11-km road between Rueil and Vélizy is now fully operational.

Interurban toll revenues rose by 2.8%. With the addition of the A86 Duplex, total growth in toll revenues was 4.5%.

Investments under the Motorway Green Package, under the 14th rider to the concession contract, are underway and work was 48% completed at 31 December 2011.

The 15th rider to the Cofiroute interurban contract was published on 30 January 2011. This increases tolls in order to compensate for the increase in infrastructure tax that came into force on 1 January 2011.
A 16th rider was signed in relation to the third master contract for 2011-2014, which includes €213 million of investment (in constant currency terms, 2008 base) in exchange for increasing the inflation link by 15 points (from 70% of inflation to 85% of inflation) plus 0.48% over the term of the contract.
This 16th rider to the Cofiroute concession contract was approved by decree on 23 December 2011 and published in France's Official Journal on 27 December. The rider incorporates within the concession road-widening work — on the A10 (between Chambray and the junction with the A85) and on the A71 (between the junction with the A85 and the junction with the A20) — specified by the master contract signed with the government.

2. Traffic

Despite adverse economic conditions, traffic (as measured in kilometres travelled) grew by 0.8% on a stable network basis. In 2011, light vehicle traffic was resilient to economic weakness and increased by 1%, while heavy vehicle traffic — which shows a more direct correlation with the economic situation — fell by 0.4%.

The build-up of traffic on the A86 Duplex accelerated after the second section was opened. The average number of transactions on working days in 2011 was 19,800 per day, with a peak of close to 29,000 on 30 September 2011.

The A86 Duplex resulted in additional traffic growth of 1.7%, leading to overall traffic growth of 2.5% in 2011.

3. Toll revenue

Toll prices increased on 1 February 2011, by 2.07% for light vehicles (class 1, 2 and 5), by 5.50% for 2-axle heavy vehicles (class 3) and by 3.96% for 3-axle heavy vehicles (class 4).

The combination of higher traffic and higher prices pushed toll revenue up by 4.5% to €1,180 million. Revenue from related activities amounted to €22 million, and operating revenue was therefore €1,202 million (+4.5%).

4. Maintenance of network in service

€184 million was invested in 2011, including €34 million in road works and equipment for existing motorways.

4.1. A86 Duplex (€22 million)

The whole A86 Duplex opened on 9 January 2011. Finishing work continued on the operational platforms and buildings and on equipment, such as the installation of additional information signs on the approach.

4.2. Interurban network improvement works (€128 million)

Investment to reduce the network's environmental impact, covered by the 14th rider to the Motorway Green Package, is currently being carried out. The 343 projects on 230 different sites are scheduled for completion by March 2013.
The work was 48% complete at 31 December 2011, in line with the initial schedule. Four free-flow electronic toll payment exit lanes came into operation at the Saint-Arnoult toll gate and 15 rest areas were brought back into service after environmental renovation. A great deal of progress was made with programmes to protect residents from noise, and with water and biodiversity projects.

Preliminary studies for the third master contract began, as were impact studies related to the construction of the new Tours-Bordeaux high-speed rail line alongside the A10, which will require one operational building and one rest area to be moved.

In late 2010, exceptionally harsh winter weather caused damage to the road surface in a number of places, all of which were repaired very quickly. The programme to renew surface courses, which involved €26 million of investment in 2011, was adjusted to take account of circumstances.

5. Network operation

5.1. Safety

5.1.1. Customer safety initiatives

Indicators	2009	2010	2011 *(to 30/11)*
Accident rate (*)	22.40	21.96	16.99
Bodily injury rate	3.25	3.91	3.51
Fatality rate	0.20	0.25	0.26

(*) Number of accidents/number of km travelled x 10 to the power of 8.

The number of fatal accidents fell in 2011, but the number of fatalities was slightly higher: there were 22 accidents with 28 people killed in 2011, as opposed to 25 accidents with 27 people killed in 2010. The accident and bodily injury rates improved, while the fatality rate worsened slightly.

Cofiroute is a member of the VINCI Autoroutes Corporate Foundation for Responsible Driving, whose initiatives included actions to raise motorists' awareness of road safety issues, with a particular focus on the risks of drowsiness while driving. Cofiroute supported these campaigns within its network by helping to co-ordinate events at its rest areas. Cofiroute also helped carry out a survey relating to drowsiness while driving, arranged by Garches Hospital and financed by the VINCI Autoroutes Corporate Foundation for Responsible Driving. The survey was carried out in July at the Monnaie, La Gravelle and Saint-Arnoult toll gates. The awareness campaign aimed at transport companies and truck drivers about the safety of motorway personnel continued with the organisation of heavy vehicle safety days in November 2011 and training sessions hosted by Cofiroute staff within transport companies.

5.1.2. Employee safety initiatives

In 2011, the accident prevention policy and the "100% prevention attitude" action plan were pursued. Results improved slightly, with a reduction in the number of accidents (from 35 in 2010 to 31 in 2011) and in the frequency rate from 13.13 in 2010 to 12.20 in 2011, although there was a slight increase in the severity rate from 0.63 in 2010 to 0.76 in 2011. Six operational centres out of 17 met the objective of zero workplace accidents with leave of absence over a period of more than 12 consecutive months. However, the number of vans and trailers involved in accidents increased sharply, from 24 in 2010 to 46 in 2011.

Initiatives in 2011 included:
➔ greater use of prevention tools: an increase in the number of "15 minutes on safety" sessions (almost one per employee per week), large increase in prevention visits (more than 100), systematic post-accident analysis and a 73% increase in the number of "near accidents" detected;
➔ risk management: new rules for road markings and parking, efforts to take into account accident prevention at an early stage of projects and the sharing of information and best practice.

In 2011, the Company again held prevention seminars for all regional managers and supervisors, along with seminars for the employees of each centre. 11,660 hours of training were devoted to safety.

5.2. Social and environmental impact

5.2.1. Social dialogue

Cofiroute employed 1,911 people at 31 December 2011. Of this workforce, 15% consisted of managers, 19% of supervisors and 66% of workers and other employees.
Women made up almost 40% of the workforce.

Wherever possible, Cofiroute supports the development of permanent employment: 91 staff were recruited on unlimited-term contracts in 2011, up from 73 in 2010. The number of fixed-term contracts awarded continued to decrease and was down 27% relative to 2010. The reduction in non-permanent employment was facilitated by the Company agreement on the reality of on-site work, business lines and working hours for employed workers, which since 2007 has governed how the Company manages periods of peak activity and replaces employees. In 2011, 41 unlimited-term weekend and occasional employment contracts were signed, accounting for more than 30% of new unlimited-term contracts, to handle periodic traffic peaks and retain the flexibility that is required in organising working hours. Overall, 132 new employees joined Cofiroute in 2011.

Developing the skills of all staff is the primary objective of Cofiroute's labour policy. By applying the agreement relating to the workforce planning scheme, Cofiroute was able to facilitate and support skills development among its staff, particularly through targeted training. In 2011, 52,000 hours of training were provided, and 92% of employees took part.
Campus — Cofiroute's training centre — is a major part of the Company's HR policy and supports both employees and the Company's projects regarding safety, the environment, performance and operations. The traffic officer mentoring programme, initiated in 2010 to teach others about this business, is now a major part of Cofiroute's training efforts: 37 mentors have been trained and 23 traffic officers are being mentored.

Cofiroute is pursuing its pro-active equality policy, as reflected by four main highlights in 2011:
➔ the Company maintained its diversity accreditation;
➔ it developed partnerships with companies that employ people with disabilities; the value of business involved is constantly growing and is in excess of targets;
➔ women accounted for 40% of the total workforce, and 28% of them have managerial responsibilities, including four centre heads;
➔ Cofiroute's staff made a significant commitment to citizenship efforts. In 2011, they supported more than 20 projects led by the VINCI Foundation for the Community.

Negotiations in 2011, along with agreements signed, show how the HR policy aims to take into account real on-the-ground conditions, employee aspirations and effective dialogue between management and labour.

Improving the safety of employees is a constant concern for Cofiroute. All Cofiroute staff remain motivated to achieve the best possible safety results, including a "zero work accident" target. The number of training hours devoted to safety (12,300 in 2011 versus 9,121 in 2010), along with 15-minute safety sessions, help ensure that each individual becomes an active participant in accident prevention.
Employees' day-to-day wellbeing at work is also an objective. In 2011, Cofiroute worked with labour representatives to prevent work-related stress and make work less arduous.

The Company gave fresh impetus to its policy of sharing the benefits of growth in 2011. On 28 June 2011, it signed an agreement relating to a staff incentive plan which, alongside the statutory profit-sharing plan, gives employees a greater interest in the company's results and financial performance. Employee safety, business performance and service quality are the themes of Cofiroute's improvement targets. The agreement aims to give employees an incentive bonus linked to Cofiroute's performance in these three areas. The agreement will last for three years from 2011.

Cofiroute is also committed to maintaining the existence and amount of personal risk and healthcare cover for employees. Management launched an invitation to tender in relation to this cover. Through an agreement signed unanimously by management and union organisations on 22 December 2011, the aim of maintaining cover was achieved.

5.2.2. Environmental policy

Cofiroute is now ISO 14001 certified for the construction, operation and maintenance of its entire network, including tunnels since the A86 Duplex entered the scope of quality, safety and environmental management system in 2011.

This 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.

In accordance with Cofiroute's environmental policy, action plans are prepared and 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 (441 hours of training in 2011).

In accordance with regulatory provisions and ISO 14001 requirements, Cofiroute implemented environmental reporting based on measures taken by Company employees in charge of collecting and processing data.

Indicators *Fast Close scope from 01/10/2010 to 30/09/2011*	**2010**	**2011**
Tap water consumption in m^3(*)	142,037	130,039
Electricity consumption in kWh(*)	23,130,567	22,029,888
Fuel consumption in litres(*)	2,502,925	2,361,281
CO_2 emissions (scope 2) in tonnes of CO_2 equivalent	9,919	9,108

(*) In 2011, water, electricity and fuel consumption fell partly due to reduced winter maintenance activity relative to 2010.

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

5.3.1. Free-flow toll systems

Free-flow electronic toll payment was been gradually rolled out across four exit lanes at the Saint-Arnoult toll gate between July and December 2011. Entry lanes will come into operation in 2012.

5.3.2. Development of electronic toll payment

All toll gates now have automatic toll payment equipment. Electronic toll payments account for more than 40% of all transactions.

6. Financing

In February 2011, Cofiroute renewed a credit facility ahead of schedule, replacing the €1,020 million facility expiring October 2011 with a new €500 million five-year facility.

No other significant financing operations took place during the year, and all requirements were covered by existing facilities.

At 31 December 2011, Cofiroute's available cash resources amounted to €898.7 million, comprising €398.7 million in net cash managed and €500 million in the form of the undrawn medium-term syndicated loan.

Net financial debt stood at €2.96 billion at 31 December 2011, of which 78% was indexed to a fixed rate or hedged.

7. Research and development

Cofiroute's research and development programme in 2011 broke down into the following main categories:

I. Customer information and traffic management
➔ After in-depth innovation work by students at ESSEC, Centrale Paris and Strate College of Design, Cofiroute released a free real-time traffic news application for smartphones. The first version was released in June 2011 and provides information about traffic conditions and events (roadworks, jams, accidents etc.) and services available in rest areas. The app also has an emergency call function.
➔ Cofiroute is involved in the multi-year EasyWay 2 programme for the 2010-2012 period, co-financed by the European Commission (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 intelligent transport systems.
➔ Cofiroute continued experiments initiated in 2010 on a system to count available heavy vehicle parking places in the Val-Neuvy rest area. 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.
➔ As part of the 7th European Framework Research and Development Programme (7th FRDP), Cofiroute and other VINCI Autoroutes companies (ASF and Escota) have participated in the eCoMove project since April 2010. eCoMove is designed to test infrastructure operation measures (such as dynamic speed control and free-flow electronic toll payment) in order to reduce fuel consumption and greenhouse gas emissions.

II. Employee and customer safety
➔ The "Scoref" (French Experimental Road Co-operative System) proposal, in which Cofiroute participated as a candidate within a consortium, was selected for co-financing as part of a request for proposals launched by the Single Interministerial Fund (Fonds unique interministériel or FUI). The consortium comprised corporations (Renault, PSA, Hitachi, Orange, etc.), research laboratories (IFSTTAR, INRIA, etc.) and two infrastructure operators (Cofiroute and Yvelines General Council). The project, which began on 1 October 2010, consists of demonstrating road safety and traffic management applications on a large scale, with the help of co-operative systems using Wi-Fi communication between vehicles and infrastructure.

8. Subsidiaries and affiliated companies

8.1. Cofiroute Participations

Cofiroute Participations' net profit in 2011 totalled €382,000, breaking down into an operating loss of €6,000 and net financial income of €396,000. Cofiroute Participations did not report any extraordinary items or income tax for the period.

Net financial income was lower than in 2010, and consisted mainly of dividends received from companies owned.

8.1.1. United Kingdom

Cofiroute UK generated revenue of £1,120,000 and pre-tax profit of £161,000.
Crossing Company Ltd (LCC), jointly owned by Cofiroute UK Ltd (42.86%) and Ringway Babtie Ltd (57.14%), generated revenue of £63,000 and a pre-tax loss of £1,000.
Overall, Cofiroute UK's 2011 net profit came in at £113,000.

8.1.2. United States

Cofiroute Corporation's operating subsidiary Cofiroute USA operates 91 Express Lanes and MnPAss. In 2011, Cofiroute Corporation generated revenue of $7,529,000, an operating loss of $1,100,000 (mainly due to a change of supplier in charge of back-office development), and a net loss of $438,000.

8.1.3. France

Sera, which operates the motorway radio station Autoroute FM, generated revenue of €2,542,000 in 2011, including €1,379,000 from Cofiroute, and net profit of €6,000.
SPTF's 2011 revenue totalled €61,000, with net profit of €28,000.

8.2. 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 2011, 143,000 companies had registered 934,500 heavy vehicles with Toll Collect and 704,500 trucks were equipped with an on-board unit (OBU). The percentage of foreign vehicles equipped with an OBU grew further to 44.5%, up from 43.3% at 31 December 2010.

Toll Collect has a high-precision toll collection system. Since 2006, the automatic identification accuracy rate for 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.

On 1 September 2011, TOLL2GO, an international and interoperable toll service managed jointly with Austrian operator Asfinag, was inaugurated. With TOLL2GO, heavy vehicles of 12 tonnes or more now need only the Toll Collect OBU to pay tolls in Germany and Austria. The two operators succeeded in connecting two systems, one using the DSRC principle and the other using satellite technology. TOLL2GO is a first step towards pan-European toll interoperability. The service has been very popular in the European heavy vehicle market, with more than 28,000 users.

Tolls collected in Germany in 2011 amounted to €4.5 billion.

Toll Collect GmbH reported the following results for its last financial year (from 1 September 2010 to 31 August 2011):

➔ Revenue	€545 million
➔ EBIT	€96 million
➔ Net profit after tax	€75 million

The German federal government initiated SGV I arbitration proceedings on 8 September 2004 and is claiming €5,500 million plus interest from the consortium in penalties and compensation for loss of revenue due to the delays incurred by the project. TC GmbH was unable to claim under the SGV I proceedings, and so in December 2006 it initiated SGV II proceedings before the SGV I arbitrators. Toll Collect is claiming around €400 million (plus interest).
Three hearings with the three arbitrators have been held in Berlin (16/17 June 2008, 4-6 December 2010 and 8-10 May 2011) and a hearing was held in Munich on 26 August 2011.

The arbitration proceedings remain in progress.
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).

8.3. Autoroutes Trafic

According to the company's provisional financial statements, it generated revenue of €2,176,000 and net profit of €295,000. Autoroutes Trafic's developments in 2011 mainly related to the use of FCD (floating car data) by road and motorway operators.

8.4. Mediamobile

Mediamobile's financial statements for the period from 1 April 2010 to 31 March 2011 show revenue of €11,304,000 (up 11% relative to the previous year) and net profit of €4,717,000. There was strong growth in the OEM and GPRS navigation businesses, the company signed a partnership with Météo-France for the launch of a smartphone application, and the company acquired stakes in two other companies (Mediamobile Nordic and Mile).

8.5. Centaure

Centaure Bretagne continued its corporate and mass-market training activities, as well as offering specific courses allowing drivers to avoid picking up penalty points on their licence.

9. Consolidated financial statements

Presentation and measurement methods were not changed in 2011. The closing timetable was speeded up, and the publication of financial statements was brought forward by one month. The scope of consolidation was extended to include Sera, which was not previously consolidated.
Since the Group's revenue was over €250 million, the tax group was subject to an additional contribution equal to 5% of its tax charge.

9.1. Revenue

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

2011 consolidated operating revenue grew 4.5% to €1,202 million from €1,149.8 million in 2010.

Construction revenue dropped 9.1% to €129.4 million from €142.4 million in 2010, due to the completion of the A86 project. This amount corresponds precisely to the construction work outsourced, as Cofiroute generates no profit on its project management functions.

Total revenue (operation/construction) amounted to €1,331.4 million, compared with €1,292.2 million in 2010.

9.2. EBITDA

EBITDA rose 5.1% or €40.8 million to €847.6 million in 2011 from €806.8 million in 2010. This improvement was the result of ongoing efforts to minimise operating expenses and favourable winter weather conditions. The opening of the A86 Duplex in January 2011 will result in positive EBITDA from the first year in which the whole tunnel is operational. EBITDA equalled 70.5% of revenue compared with 70.2% in 2010.

9.3. Operating profit

Operating profit rose by 3.0% to €601.7 million in 2011, up from €584.1 million in 2011. The increase was less than the increase in EBITDA because of additional depreciation on the second section of the A86 Duplex.

9.4. Net financial income/(expense)

Net financial expense increased mainly because of the drop in capitalised borrowing costs caused by to the opening of the second section of the A86 Duplex. Net financial expense amounted to €137.5 million in 2011, up from €111.3 million in 2010.

9.5. Net profit

Income tax increased by €8.8 million to €170.0 million, mainly due to the additional 5% contribution, which had a €7.8 million impact.

Net profit amounted to €294.2 million, down €17.4 million or 5.6% relative to the 2010 figure of €311.6 million. This was a limited decline given the impact of the second section of the A86 Duplex coming into operation and the tax charge arising from the aforementioned 5% contribution.

9.6. Consolidated balance sheet

Net debt fell to €2,959 million at 31 December 2011 from €3,045 million at 31 December 2010, a decrease of €86 million.

10. Group Management report

In application of Article L.233-16 I 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 continued to post steady growth. Net profit was the only indicator to decline, as expected, after the second section of the A86 Duplex came into operation in January 2011 and because of a higher tax charge.

(in millions of euros)	**2011**	**2010**	**2009**	**2008**
"Operating" revenue	*1,202.0*	*1,149.8*	*1,110.5*	*1,077.1*
"Construction" revenue	*129.4*	*142.4*	*175.2*	*272.4*
Total revenue	**1,331.4**	**1,292.2**	**1,285.7**	**1,349.5**
Net profit attributable to owners of the parent	**294.2**	**311.6**	**310.8**	**323.9**
Net financial debt at period-end	**–2,959.0**	**–3,044.5**	**–3,225.9**	**–3,257.0**

11. Parent-company financial statements

2011 parent-company financial statements were prepared according to the same principles and methods as in 2010.

11.1. Income statement

Revenue rose by €51.3 million or 4.5% to €1,194.1 million.

Operating profit increased at a slower pace (2.2%), partly because of increased depreciation relating to the entry into service of the second section of the A86 Duplex (VL2).

Net profit was €290.4 million, representing a limited decline relative to 2010 (€315.5 million) given the impact of the full opening of the A86 Duplex and the additional contribution equal to 5% of income tax.

11.2. 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)*	2007	2008	2009	2010	2011
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	1,032,325,137	1,071,256,114	1,103,273,814	1,142,842,920	1,194,115,531
Earnings before tax, statutory profit-sharing, depreciation, amortisation and provisions	693,281,042	702,581,372	707,043,685	725,161,269	710,652,890
Corporate income tax at 33.33% (*)	142,500,384	85,366,749	146,438,526	151,166,454	155,933,522
Additional corporate income tax	4,677,334	2,847,878	4,807,292	4,963,314	12,917,005
Earnings after tax, statutory profit-sharing, depreciation, amortisation and provisions	347,777,990	231,546,163	314,981,236	315,502,916	290,373,402
Distributed earnings	188,315,142	188,315,142	188,315,142	311,612,858	294,242,410
Long-term debt	3,379,801,220	3,328,528,271	3,325,015,322	3,366,858,221	3,352,555,800
Cost of concession	7,275,087,662	7,730,580,700	8,058,781,989	8,295,403,245	8,472,388,782
3. EARNINGS PER SHARE					
Earnings after tax and statutory profit-sharing but before depreciation, amortisation and provisions	133.13	150.79	135.04	138.77	110.65
Earnings after tax, statutory profit-sharing, depreciation, amortisation and provisions	85.69	57.05	77.61	77.74	71.55
Dividend per share	46.40	46.40	46.40	76.78	72.50
4. EMPLOYEE INFORMATION					
Average number of employees during the year	1,875	1,941	1,942	1,913	1,805
Total payroll	61,974,320	64,134,064	68,598,859	67,562,326	68,213,726
Total amount paid in respect of employee benefits	28,552,087	29,537,573	31,971,534	31,467,989	32,319,562

(*) In 2011, the tax charge also included an additional corporate income tax charge relating to previous years.

11.3. Proposed appropriation of 2011 earnings

We propose the following appropriation of earnings:
(in euros):

– Net earnings available	290,373,402
– Retained earnings from previous year	1,564,891,132
– Profit available for distribution	1,855,264,534
– Allocation to the legal reserve	0
– Dividend distribution	294,242,410
– Retained earnings carried forward	1,561,022,124

The proposed dividend is €72.50 per share for each of the 4,058,516 shares.

As decided by the Board of Directors on 28 July 2011, an interim dividend of €33.44 per share, representing a total payment of €135,716,775, was paid on 14 October 2011.
We propose to approve the payment of a final dividend of €39.06 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 16 April 2012.

In application of Article 243 bis of the French General Tax Code, the following dividends have been paid out with respect to the past three financial years:

— with respect to 2010:
➔ dividends that do not entitle shareholders to the 40% allowance: €311,612,474.58;
➔ dividends entitling shareholders to the 40% allowance: €383.90.

— with respect to 2009:
➔ dividends that do not entitle shareholders to the 40% allowance: €188,314,910.40;
➔ dividends entitling shareholders to the 40% allowance: €232.00.

— with respect to 2008:
➔ dividends that do not entitle shareholders to the 40% allowance: €188,314,855.25;
➔ dividends entitling shareholders to the 40% allowance: €232.00.

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

12. Information on payment timeframes

In accordance with the requirements of the French Act on the Modernisation of the Economy (LME) of 4 August 2008, and its implementing 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	Other timeframes
2011	9.5	7.8	–
2010	22.7	34.9	–

13. Important post-balance sheet events: changes in toll prices

In accordance with the concession contract and the master contract signed by the French government and Cofiroute for 2011-2014, prices increased on 1 February 2012, by 2.53% for class 1, 2 and 5 vehicles, by 4.5% for class 3 vehicles and by 3.5% for class 4 vehicles.

14. 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 remaining terms of 20 years for the interurban network and 75 years for the A86, as well as the master contracts signed with the government, give Cofiroute good visibility on 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 on trends in traffic. Heavy vehicle traffic shows correlation with economic activity and, to a lesser extent, light vehicle traffic shows correlation with consumer spending and retail fuel prices.

The level of financial debt (€2,959 million) should be considered in light of the investments made to build the concession motorway network, i.e. €5,298.6 million, and the high level of recurring cash flow. Cofiroute's debt management policy addresses the financial risk resulting from this level of debt, and includes 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 net financial debt and financial risk management.

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

We propose to approve agreements referred to in Article L. 225-38 of the French Commercial Code that were properly 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.

16. Share buyback programme

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

17. Information on corporate officers

In accordance with Article L. 225-102-1 paragraph 4 of the French Commercial Code, the list of each corporate officer's appointments and terms of office held in 2011 is appended to this report.

18. Compensation 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 of the Board of Directors

Remuneration paid during the period

	Amounts in respect of 2011
Fixed remuneration	€357,500
Variable remuneration	€250,350
Benefits in kind	Company car

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

Bonus shares granted during the period

	2011
Number and date of VINCI plan	Performance shares 02/05/2011
Number of bonus shares	9,334
Value of shares based on the method used for the consolidated financial statements	€344,425
Vesting date	02/05/2013
End of lock-up period	02/05/2015
Performance conditions	Yes

Stock options granted during the year

	2011
Number and date of VINCI plan	2011 plan 02/05/2011
Number of bonus shares	23,335
Value of shares	€178,746
Vesting date	02/05/2014
End of lock-up period	02/05/2015
Performance conditions	Yes

Stock options exercised during the period

	2011
Number and date of plan	2005 plan 01/03/2005
Type of option	Subscription plan
Number of options exercised during the year	200,323
Strike price	€24,195

Pierre Coppey is a member of a supplementary retirement benefit plan.

➔ Arnaud Grison, Chief Executive Officer

Remuneration paid during the period

	Amounts in respect of 2011
Fixed remuneration	€197,730
Variable remuneration	€110,350
Benefits in kind	Company car

Bonus shares granted during the period

	2011
Number and date of plan	Performance shares 02/05/2011
Number of bonus shares	4,100
Value of shares based on the method used for the consolidated financial statements	€151,290
Vesting date	02/05/2013
End of lock-up period	02/05/2015
Performance conditions	Yes

Stock options granted during the year

	2011
Number and date of plan	2011 plan 02/05/2011
Number of bonus shares	10,250
Value of shares	€78,515
Vesting date	02/05/2014
End of lock-up period	02/05/2015
Performance conditions	Yes

Stock options exercised during the period

Arnaud Grison did not exercise any stock options in 2011.

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 Autoroutes

	Amounts in respect of 2011
Fixed remuneration	€900,000
Variable remuneration	€882,997
Directors' fees	€13,670
Benefits in kind	€4,072

➔ Patrick Faure, Director

In 2011, Cofiroute paid €10,000 in addition to €50,000 paid by VINCI in respect of Mr Faure's other positions within the Group.

➔ Christian Saint-Étienne, Director

In 2011, Cofiroute paid €12,500.

➔ Henri Stouff, Director

In 2011, Cofiroute paid €12,500.

Cofiroute did not pay any remuneration to the other Directors in 2011.

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

19. 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 2011:

➔ VINCI Autoroutes	65.33%
➔ Cofiroute Holding	17.99%
➔ Colas	16.67%
➔ Other	0.00018%

On 26 September 2011, VINCI Concessions transferred its Cofiroute shares to VINCI Autoroutes.

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.

20. Employee share ownership

Pursuant to Article L. 225-102 of the French Commercial Code, employees hold no equity in the Company.

21. Observations of the Autorité des Marchés Financiers

Statutory Auditors will be appointed in the next General Shareholders' Meeting.
The Board of Directors proposes KPMG SA as its primary Statutory Auditor, replacing Salustro Reydel, and KPMG Audit ID as substitute Statutory Auditor, replacing Jean-Claude Reydel.
In accordance with Article L. 621-22 of the French monetary and financial code, this proposal has been submitted to the Autorité des Marchés Financiers.
Any observations by the Autorité des Marchés Financiers are appended to this report.

22. 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.

Any comments by the Works Council on the Company's economic and social position are appended to this report.

23. 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.

The Board of Directors

APPENDIX 1
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 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	Chairman Director
Cofiroute Services French limited liability company (*Société par Actions Simplifiée*) Nanterre	6 à 10, rue Troyon 92310 Sèvres	Chairman until 26/05/2011
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 Community 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 Corporate Foundation for Responsible Driving Corporate foundation	1, cours Ferdinand-de-Lesseps 92500 Rueil-Malmaison	Chairman
La Fabrique de la Cité Endowment fund	1, cours Ferdinand-de-Lesseps 92500 Rueil-Malmaison	Director
Société d'Exploitation de Radiodiffusion Autoroutière French limited liability company (*Société par Actions Simplifiée*) Nanterre	8, rue Troyon 92310 Sèvres	Chairman since 30 June 2011
Radio Trafic FM French limited liability company (*Société par Actions Simplifiée*) Cannes	432, avenue de Cannes 06210 Mandelieu-la-Napoule	Chairman since 2 May 2011

Abroad

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

Offices held as permanent representative within the VINCI Group

For (company)	Position held	At (company)
ASF	Director	Escota
VINCI Autoroutes	Director	VINCI Corporate Foundation for Responsible Driving

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 Community 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 until 07/03/2011
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	Bürgermeister-Grünzweig Str. 1 67059 Ludwigshafen a.Rh. Germany	Member of the Supervisory Board
VINCI Investments Limited Private Company Limited by Shares	Astral House Imperial Way Watford Hertfordshire WD2 4YX 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 Autoroutes	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 Provences Alpes French limited liability company (*Société Anonyme*) with a Board of Directors Paris	432, avenue de Cannes 06210 Mandelieu-la-Napoule	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 93210 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 Limited liability company (*Société Anonyme*) with a Board of Directors	Avenue Herrmann-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
Entrepose Contracting French limited liability company (*Société Anonyme*) with a Board of Directors Nanterre	165, boulevard de Valmy 92707 Colombes	Director
The City Factory Endowment fund	1, cours Ferdinand-de-Lesseps 92500 Rueil-Malmaison	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
VIE French limited liability company (*Société par Actions Simplifiée*) Nanterre	1, cours Ferdinand-de-Lesseps 92500 Rueil-Malmaison	Chairman
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 Limited liability company (*Société Anonyme*) with a Board of Directors	Avenue Herrmann-Debroux 40-42 1160 Brussels Belgium	Director
VINCI Deutschland GmbH Gesellschaft Mit Beschränkter Haftung	Bürgermeister-Grünzweig Str. 1 67059 Ludwigshafen a.Rh Germany	Member of the Supervisory Board
VINCI PLC Public Limited Company	Astral House Imperial Way Watford WD24 4WW 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

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 lecturer.

Mr Hervé Le Bouc

Company/legal form	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 à 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-Méditerranée	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
Fondation Colas	FDT	7, place René-Clair 92100 Boulogne-Billancourt	Director
Hincol	LTD	5 H Floor Richardson Crudas Build Sir JJ Road BY 400008 Mumbai, India	Director
ISCO	LTD	Je-il bldg 94/46 Youngdeungpo dong7 ga-gu Yougdeundpo 140988 Seoul, South Korea	Director
Sacer Atlantique	SA	Immeuble Échangeur - 2, rue Gaspard-Coriolis BP 90783 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 IPF
Société parisienne d'études, d'infor- matique et de gestion	SA	2/4, allée Latécoère 78140 Vélizy-Villacoublay	Permanent representative of Colas
SPAC	SA	13, rue Madame-de-Sanzillon 92112 Clichy	Permanent representative of IPF
TASCO	SA	TIPCO, 118/1 Rama 6 road Samsen Nai, Phayathai Bangkok 10400, Thailand	Director
Colas Émulsions	SACS	5, boulevard Abdellah-Ben-Yacine 21700 Casablanca, Morocco	Representative of Colas on the Supervisory Board
Grands Travaux Routiers	SACS	5, boulevard Abdellah-Ben-Yacine 21700 Casablanca, Morocco	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
Société 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

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
VINCI Corporate Foundation for Responsible Driving Corporate foundation	1, cours Ferdinand-de-Lesseps 92500 Rueil-Malmaison	Vice-chairman

Offices held as permanent representative within the VINCI Group

For (company)	Position held	At (company)
VINCI Autoroutes	Director	VINCI Corporate Foundation for Responsible Driving

Chairman's report
on the composition of the Board of Directors, the preparation and organisation of work done by the Board of Directors and internal control and risk management procedures adopted by the Company

In accordance with the requirements of 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, and the Company's internal control and risk management procedures.

Information about the Company's capital structure and factors that could have an impact in the event of a public offering can be 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 Autoroutes;
➔ VINCI Construction.

In 2011, VINCI Concessions resigned from its office as Director and VINCI Autoroutes was co-opted by the Board on 28 July 2011. This co-option will be put to the General Shareholders' Meeting of 23 March 2012 for ratification.

In 2011, all members of Cofiroute's Board of Directors were men.
On forthcoming occasions when terms of office come up for renewal, the Board will seek female representation.

2. Preparation and organisation of work done by the Board of Directors

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 Executive Management

➔ No limitations impair or prevent the Chief Executive Officer's full and complete exercise of his functions.
➔ Shareholders are reminded that, in accordance with Articles L. 225-35 and R. 225-28 of the French Commercial Code, the Board of Directors, in its 8 December 2010 meeting, authorised the Chief Executive Officer to grant guarantees and sureties for up to a total of €100 million on behalf of the Company, for a period of one year from 1 January 2011.
➔ 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 has authorised the Chief Executive Officer to issue up to €1.5 billion of bonds, for a period of one year from 1 January 2011. The Chief Executive Officer shall be accountable to the Board for any such bond issues.
➔ 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, 10 June 2010 and 8 December 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 a period of one year from 1 January 2011.
➔ At the Board of Directors' meeting on 2 December 2011, the aforementioned authorisations were renewed for a period of one year from 1 January 2012.

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 internal control 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. No control system can provide absolute assurance that all risk will be 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 act rapidly in taking any necessary operational decisions.

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.

VINCI Code of Ethics and Conduct

This code, which applies to all managers, 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 and indicators).

Internal guidelines

Internal control is based on several sets of guidelines:

➔ the rules to be followed by Company employees, set out primarily in by-laws, Company regulations, departmental procedures and any other documents issued by Executive 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 co-ordination and monitoring of business activities;

➔ notification procedures and co-ordination 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 www.medef.fr website.

The Board of Directors

The Board of Directors met three times during 2011, with an average attendance rate of 83.3%.

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 25 February 2011.

Remuneration Committee

The Remuneration Committee met on 25 February 2011 to issue recommendations for the remuneration of Pierre Coppey and Arnaud Grison. Its recommendations were unanimously adopted by the Board of Directors at its 25 February 2011 meeting.

Audit Committee

The Audit Committee met twice in 2011, on 11 February and 27 July, 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, credit-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 2011 included the risk of closure of the A86 Duplex and the monitoring of efforts to combat toll fraud, audits of sub-concession holders and the adoption of PCI DSS standards for bank-card transactions.

The internal and external audit reports were presented to the Committee.

Technical and Financial Committee

The Technical and Financial Committee, which consists of shareholder representatives, met three times to examine the Company's operational and financial performance and its short-term outlook.

5.2. Internal Committees

Executive Committee

The Executive Committee is a forum for information, discussion, co-ordination and decision-making, and consists 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 — including financial, technical and legal aspects — of Cofiroute's commitments (guarantees, sureties and off-balance sheet commitments), investment opportunities and their impact on the Company's financial position. The Risks Committee met ten times in 2011 and reviewed 25 dossiers.

5.3. Executive Management reviews

Concession reviews

Two concession reviews were held in 2011, on 6 July and 2 December, with the aim of assessing progress in meeting obligations under 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, which includes these management reviews, has obtained ISO 9001 and ISO 14001 certification for the construction, operation and maintenance of motorway networks.

Every two months, the Chief Executive Officer examines the implementation of the accident prevention action plan that applies to the Company's staff and is aimed at achieving the target of zero workplace accidents for all employees. This action plan is based on the VINCI Autoroutes Accident Prevention policy adopted 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) 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, purchasing, 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 item of expenditure;

➔ the Company's various departments carry out "accounts payable accounting", but the creation and modification of supplier entries, along with payments, are 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.

The control function is separated from the production function through a procedure that is required prior to processing toll revenue. This procedure involves the departments concerned (Finance Department, Operational Systems Department and Operations Department) performing cross-checks, on which monthly reports is provided.

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.

Each year, the Statutory Auditors are asked to perform a specific assignment as part of checks on procedures and compliance with accounting principles. In 2011, assignments related to payroll, cash management and accounts closing procedures as part of the Fast Close 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 on the required dates, along with explanatory notes aligning budget proposals with business forecasts, 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 Executive 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. In October 2011, a cash management agreement was signed with VINCI Autoroutes regarding the investment of cash.

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

Cofiroute uses derivative financial instruments in managing its debt, and market risk exposure in particular, 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 Executive Management and shareholders

The Finance Department reports monthly to the Company's shareholders regarding 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 regarding its commitments. In June 2011, Cofiroute sent its 2010 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.

6. Risk management procedures

Procedures relating to the preparation and treatment of accounting and financial information for the parent-company and consolidated financial statements

The Finance Department, which reports to Executive 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 IFRSs.

The Statutory Auditors are involved with discussions and work related to the implementation of complex accounting operations. In 2011, they were involved in defining the new accounts closing procedure as part of the plan to speed up the interim and full-year close. 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 Executive Officer and Chief Financial Officer before signing their reports.

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 in cases where the Prefect has not decided to launch an emergency plan or an 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 Executive 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 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 security aspects are dealt with in various IT projects. The RSSI is the information system security representative of the Ministry of Ecology, Sustainable Development, Transport and Housing.

Procedures related to internal control

The Chief Executive Officer has specified the internal control organisation, which consists of the toll fraud prevention officer, the RSSI and an internal control officer for other areas. These officers may use external providers for any independent audits they deem necessary. They have drawn up action plans, and report to the Chief Executive Officer.

7. Shareholders' attendance at General Shareholders' Meetings

Regarding shareholders' attendance at General Shareholders' Meetings, the reader is referred to Section V of the articles of association, reproduced below:

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.
If the Company is being liquidated, 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 of the Board of Directors, and Arnaud Grison, Chief Executive Officer, the reader is referred to the Management report.

Pierre Coppey and Arnaud Grison's remuneration includes a variable portion determined by the fulfilment of their individual objectives.

9. Action plan to strengthen internal control

Risk management measures taken in 2011

➔ Application of international standards for the protection of bank card data (EMV/PCI-DSS);
➔ Development of a functional prototype;
➔ Validation of the secure electronic payments chain and of card data storage;
➔ Update of the business-risk analysis relating to the interurban network and A86;
➔ Exercises relating to the IT back-up plan (November 2011);
➔ Installation of a secure data exchange platform;
➔ Rolling audit of revenue reported by sub-concession holders;
➔ Audit of the Purchasing process;
➔ Action to detect toll fraud by hauliers, in association with the police;
➔ Validation of the operator safety plan and facility-specific protection plans;
➔ Identification of sensitive premises and definition of a plan to strengthen access control;
➔ Implementation of an architecture to manage encryption and a single application access system;
➔ Efforts to raise employee awareness of IT security;
➔ Audit of environmental and social indicators;
➔ ISO 9001 and ISO 14001 certification for the A86.

Measures planned in 2012

➔ Modification of toll-lane equipment in accordance with international standards for the protection of bank card data (EMV/PCI-DSS);
➔ Extension of badge-based access control across sensitive premises;
➔ Opportunity analysis of an A86 back-up plan supplementing existing security measures;
➔ Audit of A86 systems and networks by the Agence Nationale de Sécurité des Systèmes d'Information (ANSSI);
➔ Implementation of two-factor authentication for administrators of sensitive databases and provision of secure mobile storage media;
➔ Continuation of the rolling audit of revenue reported by sub-concession holders;
➔ Modification of the purchasing process in view of recommendations resulting from the 2011 audit;
➔ Collection of evidence from employees for the preparation of reports relating to toll-gate offences (applying the system specified by article 58 of the Grenelle II act);
➔ Implementation of new bank communication protocols.

The internal audit programme will be completed during the year.

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

The 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
Registered office: 6-10, rue Troyon 92316 Sèvres Cedex – Share capital: €158,282,124

Year ended on 31 December 2011

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 2011.
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, on 17 February 2012

Salustro Reydel, Member of KPMG International — Deloitte & Associés

Philippe Bourhis, Partner — Mansour Belhiba, Partner

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2011 consolidated financial statements and 2011 parent-company financial statements

Consolidated financial statements at 31 December 2011

Consolidated income statement

(in millions of euros)	**Notes**	**2011**	**2010**
REVENUE	**4.1**	**1,331.4**	**1,292.2**
including: *Revenue from operations* *Revenue from construction of new infrastructure assets*		 *1,202.0* *129.4*	 *1,149.8* *142.4*
Revenue from ancillary activities		2.3	2.3
Operating expenses	4.2 to 4.4	–729.9	–708.8
OPERATING PROFIT FROM ORDINARY ACTIVITIES		**603.8**	**585.7**
Share-based payment expense	4.5	–2.1	–1.6
Income from associates		0.0	–0.0
OPERATING PROFIT	**4.2**	**601.7**	**584.1**
Cost of gross financial debt		–138.7	–137.4
Financial income from cash management investments		4.7	2.9
COST OF NET FINANCIAL DEBT	**5**	**–134.0**	**–134.5**
Other financial income	5	0.6	33.9
Other financial expenses	5	–4.1	–10.7
Income tax	6	–170.0	–161.2
NET PROFIT		**294.2**	**311.6**
Net profit - Attributable to minority interests		0.0	0.0
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT		**294.2**	**311.6**
Earnings per share (in euros) - Attributable to owners of the parent	**7**	**72.5**	**76.8**

Statement of comprehensive income

(in millions of euros)	**2011**	**2010**
NET PROFIT	**294.2**	**311.6**
Financial instruments of affiliates: change in fair value	5.0	– 0.1
o/w: *Financial assets held for sale* *Cash flow hedges (*)*	 *0.0* *5.0*	 *0.0* *–0.1*
Financial instruments of associates: change in fair value	0.0	0.0
Currency translation differences	0.1	0.2
Tax expense (**)	–1.7	0.0
Income and expense recognised directly in equity	**3.3**	**0.2**
COMPREHENSIVE INCOME	**297.5**	**311.8**

(*) 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).

Statement of consolidated financial position
Assets

(in millions of euros)	Notes	31/12/11	31/12/10
Non-current assets			
Concession intangible assets	8	5,298.6	5,260.5
Goodwill	3.11	0.0	0.0
Other intangible assets		1.6	0.0
Concession property, plant and equipment	9	409.1	515.2
Property, plant and equipment	9	8.2	8.8
Investments in associates	10	0.1	0.1
Other non-current financial assets	11	75.2	28.9
TOTAL NON-CURRENT ASSETS		**5,792.8**	**5,813.5**
Current assets			
Inventories and work in progress	15	1.0	1.7
Receivables	15	76.9	71.4
Other current operating assets	15	37.1	43.5
Other non-current operating assets		0.0	20.0
Current tax assets		0.0	0.0
Other current financial assets	17	136.8	107.2
Cash management financial assets	16	322.2	10.4
Cash and cash equivalents	16	76.5	307.7
TOTAL CURRENT ASSETS		**650.5**	**561.9**
TOTAL ASSETS		**6,443.3**	**6,375.4**

Statement of consolidated financial position
Liabilities

(in millions of euros)	**Notes**	**31/12/11**	**31/12/10**
Equity			
Share capital		158.3	158.3
Consolidated reserves		1,691.3	1,685.8
Currency translation reserves		–0.4	–0.4
Net profit attributable to equity holders of the parent		294.2	311.6
Transactions recognised directly in equity	12.3	–1.8	–5.1
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**12**	**2,141.6**	**2,150.2**
Minority interests		0.0	0.0
TOTAL EQUITY		**2,141.6**	**2,150.2**
Non-current liabilities			
Non-current provisions	14	12.5	22.1
Bonds	16	2,293.8	2,244.8
Other loans and financial liabilities	16	1,091.2	1,114.4
Deferred tax liabilities		248.0	335.2
TOTAL NON-CURRENT LIABILITIES		**3,645.6**	**3,716.5**
Current liabilities			
Current provisions	15.3	196.6	196.0
Trade payables	15.1	27.0	28.9
Payables related to non-current assets		43.2	54.5
Other current operating liabilities	15.1	93.5	84.5
Tax payables		109.7	4.9
Current financial liabilities	16 - 17	186.2	140.0
TOTAL CURRENT LIABILITIES		**656.2**	**508.6**
TOTAL EQUITY & LIABILITIES		**6,443.3**	**6,375.4**

Consolidated cash flow statement

(in millions of euros)		Notes	2011	2010
CONSOLIDATED NET PROFIT FOR THE PERIOD			**294.2**	**311.6**
Depreciation and amortisation		4.4	248.8	223.5
Net additions to/(reversals from) provisions			1.4	9.9
Share-based payments and other restatements		13	−1.1	−0.5
Gain/(loss) on disposals			0.9	0.4
Share in earnings of associates and dividends received from unconsolidated entities			−0.2	−0.3
Capitalised borrowing costs			0.0	−33.5
Cost of net debt		5	134.0	134.5
Current and deferred tax expense		6	170.0	161.2
CASH FLOWS FROM/(USED IN) OPERATIONS BEFORE TAX AND FINANCING COSTS			**848.0**	**806.8**
Change in working capital requirement and in current provisions		15.1	6.4	6.9
Income taxes paid			−161.2	−212.4
Net interest paid		5	−133.3	−144.5
Dividends received from associates			0.0	0.5
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**I**		**559.8**	**457.3**
Purchases of property, plant and equipment, and intangible assets			*−2.2*	*−1.5*
Proceeds from sales of property, plant and equipment, and intangible assets			*0.0*	*0.1*
Net investments in operating assets			−2.2	−1.4
Operating cash flow			**557.6**	**455.9**
Investments in concession assets (net of grants received)		8-9	−172.1	−100.5
Free cash flow (after investments)			**385.5**	**355.4**
Dividends received from associates and unconsolidated entities			0.2	0.3
Net impact of changes in consolidation scope (*)			0.5	0.0
Other			0.0	0.0
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**II**		**−173.6**	**−101.5**
Dividends paid to Cofiroute SA shareholders		12.4	−305.3	−184.5
Proceeds from new long-term borrowings		16	6.7	7.0
Repayment of long-term borrowings		16	−7.1	−6.5
Change in cash management assets and other current liabilities		17	−311.7	−150.1
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**III**		**−617.4**	**−334.2**
CHANGE IN NET CASH	**I + II + III**	**16**	**−231.2**	**21.6**
Net cash at beginning of period			307.7	285.9
Other changes (*)			0.0	0.2
NET CASH AT BEGINNING OF PERIOD			**76.5**	**307.7**
Increase (decrease) in cash management assets			311.7	150.1
(Issue) repayment of borrowings			0.4	−0.4
Other changes			1.9	12.5
Impact of changes in fair value			2.2	−2.6
Impact of changes in foreign exchange rates			0.0	−0.0
CHANGE IN NET DEBT		**16**	**85.1**	**181.2**
Net debt at beginning of period			−3,044.5	−3,225.9
NET DEBT AT YEAR-END			**−2,959.5**	**−3,044.6**

(*) Including the net financial debt of companies acquired over the period.

Statement of changes in consolidated equity

(in millions of euros)	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 01/01/2010	**158.3**	**1,560.1**	**–0.7**	**–5.0**	**310.9**	**2,023.6**	**0.0**	**2,023.6**
Net profit 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		– 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**
Net profit for the period					294.2	294.2		294.2
Income and expenses for the period recognised directly in equity			0.1	3.3		3.3		3.3
COMPREHENSIVE INCOME FOR THE PERIOD			**0.1**	**3.3**	**294.2**	**297.5**	**0.0**	**297.5**
Allocation of net income and dividend payments		6.3			–311.6	–305.3		–305.3
Share-based payments		–0.9				–0.9		–0.9
EQUITY AT 31/12/2011	**158.3**	**1,691.2**	**–0.4**	**–1.8**	**294.2**	**2,141.6**	**0.0**	**2,141.6**

Notes
to the consolidated financial statements

A. Accounting policies and measurement methods

1. General principles

In application of Regulation (EC) No. 1606/2002 of 19 July 2002, the consolidated financial statements of Cofiroute (hereafter "the Group") at 31 December 2011 have been prepared and presented under the International Financial Reporting Standards (IFRSs) as endorsed by the European Union at 31 December 2011 (1).

The accounting principles applied by the Group at 31 December 2011 are the same as those chosen for the Group's consolidated financial statements for the year ended 31 December 2010, with the exception of the standards and interpretations adopted by the European Union, applicable as of 1 January 2011 (see Note A.1.1 New standards and interpretations applicable from 1 January).

Data for 2009, presented in the 2010 financial report filed with the AMF on 20 April 2011, are included for reference purposes.

The Board of Directors approved the consolidated financial statements on 27 January 2012. They will be submitted for approval at the General Shareholders' Meeting on 23 March 2012.

1.1. New standards and interpretations applicable from 1 January 2011

New standards and interpretations applicable from 1 January 2011 did not have a significant impact on Cofiroute's consolidated financial statements at 31 December 2011. They mainly concern:
➜ amendment to IAS 24 Related Party Disclosures;
➜ amendment to IAS 32 Classification of Rights Issues;
➜ amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement;
➜ IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments;
➜ certain amendments from the annual Improvements to International Financial Reporting Standards issued in May 2010.

1.2. Standards and interpretations adopted by the IASB but not yet applicable as at 31 December 2011

The Group did not apply any of the new standards and interpretations listed below, as their application was not mandatory at 1 January 2011:

Standards on consolidation methods:
➜ IFRS 10 Consolidation;
➜ IFRS 11 Joint Agreements;
➜ IFRS 12 Disclosure of Interests in Other Entities;
➜ IAS 27 Consolidated Financial Statements;
➜ revision of IAS 28 Investments in Associates and Joint Ventures.

Other standards:
➜ amendment to IFRS 7 Disclosures of Transfers of Financial Assets;
➜ IFRS 9 Classification and Measurement of Financial Instruments;
➜ IFRS 13 Fair Value Measurement;
➜ amendment to IAS 1 Presenting Comprehensive Income;
➜ amendment to IAS 12 Recovery of Underlying Assets;
➜ amendment to IAS 19 Employee Benefits.

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

(1) Available on the website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

2. Consolidation method

2.1. Consolidation scope

Companies in which the 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
➔ SERA, the company operating the motorway radio station Autoroute FM.

The Group does not jointly own any companies.
Companies over which the Group exercises significant influence are accounted for under the equity method. This applies exclusively to:

➔ Crossing Company Limited, 42.86%-owned 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

	31/12/11			31/12/10		
(number of companies)	**Total**	**France**	**Foreign**	**Total**	**France**	**Foreign**
Full consolidation	**7**	3	4	**6**	2	4
Equity method	**1**	0	1	**1**	0	1
Total	**8**	3	5	**7**	2	5

The change in scope concerned the entry of SERA into the consolidation scope.

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 rate for balance sheet items and at the average rate for the period for income statement items. Any resulting translation differences are recognised under translation differences in consolidated reserves.

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 IFRSs 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.

The 2011 financial year was affected 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 2011. The consolidated financial statements for the period were prepared in reference to the current environment, in particular with respect to the estimates presented below.

3.1.1 Assessments 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 payments (IFRS 2 expense)

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 C.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 assumptions.

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. Measurement 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 accordance with 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 facilities 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 core 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, a 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;

➔ a concession operator operates and maintains the infrastructure facilities 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 on the basis of 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.

In accordance with 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 over the period covered by the contract in order to reflect the pace at which the contract's economic benefits are used up, from the date on which the infrastructure asset is commissioned.

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.

Benefits consisting of stock options, performance shares and the Group Savings Plan are granted by decision of VINCI SA's Board of Directors, upon approval at the General Shareholders' Meeting, and as a general rule are not systematically renewed. Moreover, their measurement is not directly related to operating activities. Accordingly, the Group considered it was appropriate not to include the corresponding expense in operating profit from ordinary activities as it is the indicator used to measure performance but, instead, to present it on a separate line, "Share-based payments" (IFRS 2), under operating profit.

3.5.1. Stock options

Options to subscribe to or purchase VINCI shares have been granted to employees and senior executives. Under some of these plans, the stock options granted vest when performance-based objectives are met. The fair value of the options is determined at the grant date, by using the Monte Carlo valuation model. Where applicable, the model includes an "impact of market performance" condition. The Monte Carlo model enables a larger number of scenarios to be modelled, in particular by factoring assumptions about how beneficiaries behave into the valuation, on the basis of historical observations.

3.5.2. Performance share plans

VINCI performance shares were granted to Group employees and officers in previous periods. Since financial criteria may have to be met for these shares to vest, the fair value of VINCI performance shares is measured at the share value on the grant date, according to the likelihood of the financial criteria being met, as recommended by IFRS 2.
The number of performance shares measured at fair value in the calculation of the IFRS 2 expense is subsequently adjusted at each balance sheet date to reflect 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 showing a 10% discount 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 (barring specific cases).
The Group recognises these benefits as an expense over the vesting period, offset by a corresponding increase in consolidated equity.

3.6. Cost of net financial debt

The cost of net financial debt includes:
➔ the cost of gross financial debt, which includes interest expense calculated at the effective interest rate 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. Insofar as 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, or being introduced, 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 recognised only if their collection is probable.
Deferred tax assets and liabilities are not discounted.

3.9. Earnings per share

Undiluted earnings per share (basic EPS) equal the net income attributable to owners 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 over the term of the contract to reflect the pace at which the contract's economic benefits are used up, in other words from the date on which the right of operation goes into effect. It is amortised on a straight-line basis.

3.11. Goodwill

Goodwill is the difference recognised when a company enters the consolidation scope, between the cost of acquiring the shares in that company and the Group's share of fair value, at the dates on which assets, liabilities and contingent liabilities relating to the Company are acquired.

Goodwill relating to fully consolidated subsidiaries is recorded on the asset side of the consolidated balance sheet under "Goodwill".

The amount of goodwill was not material at the end of the period.

3.12. Other intangible assets

These mainly consist of computer software and licences and are presented on the balance sheet, measured at acquisition cost less cumulative amortisation and impairment losses. They are amortised on a straight-line basis over their useful life.

3.13. Grants related to assets

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

3.14. 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 remeasured. These assets mainly include fittings, equipment, furniture and vehicles wholly owned by Group companies. They also include operating fixed assets of the infrastructure facility under concession that are not controlled by the grantor but are required to operate the concession, i.e. buildings used in operations, as well as toll equipment, signs and markings, remote transmission and video-surveillance equipment, vehicles and other equipment.

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 given 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 on the date on which the asset is ready to come into service.

3.15. 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 an indication of impairment appears.

Assets tested for impairment are grouped within cash-generating units (CGUs), defined as the smallest groups of homogenous assets that generate cash identifiable 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.

3.16. 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.3.15 "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 in a specific line, between operating profit from ordinary activities and operating profit.

3.17. 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.3.26 "Fair value of derivative assets and liabilities").
The "available-for-sale securities" category includes the Group's shareholdings in unconsolidated companies.
At balance sheet dates, available-for-sale securities are measured at their fair value. Changes in fair value are directly recognised in equity.
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.
When there is an objective indication that these assets may be impaired, the corresponding loss is irreversibly recognised in the income statement. With respect to unlisted securities, the factors considered consist of a decline in value of the Group's share of equity in the absence of any prospect of profitability.

3.18. Inventories

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

3.19. 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, trade receivables and other operating 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 recognised accordingly. This risk of non-payment is assessed on the basis of receivables past due and guarantees obtained.

3.20. Other current financial assets

Other current financial assets comprise the fair value of derivative assets not designated as hedging instruments for accounting purposes; the current portion of the fair value of derivative assets designated as hedging instruments for accounting purposes and the current portion of loans and receivables found in other non-current financial assets (see Note A.3.26 "Fair value of derivative assets and liabilities").

3.21. Cash management financial assets

Cash management 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 (see Note A.3.22 "Cash and cash equivalents"). Since the Group takes the view that fair value is the best indication of these assets' performance, they are measured and recognised at fair value, with any changes in fair value taken to income.
Purchases and sales of cash management financial assets are recognised at their transaction date.
Their fair value is determined on the basis of commonly used valuation models or the discounted future cash flow method for unlisted cash management assets. The Group measures the fair value of listed instruments with reference to their price at the balance sheet date or the net asset value of cash assets invested in UCITS.

3.22. 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 in their value. Cash equivalents include 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 on the basis of commonly used valuation models or the discounted future cash flow method for unlisted cash management assets. The Group measures the fair value of listed instruments with reference to their price at the balance sheet date or the net asset value of cash assets invested in UCITS.

3.23. Non-current provisions

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

3.23.1. 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.

Past service cost corresponds to the benefits granted either when a company adopts a new defined benefit plan or when it changes the level of benefits paid by 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 immediately recognised in the income statement. Conversely, if the adoption of a new plan or a change in a plan leads to rights being acquired 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 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 covered by that plan.

For defined benefit plans, the expense recognised under operating profit 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".

3.23.2. 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 discounted value, corresponding to the best estimate of the use of resources required to settle the obligation.

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

The current portion (maturing in less than one year) of provisions for employee benefits is shown under "Other current liabilities". The current portion of provisions not directly linked to the operating cycle is reported under "Current provisions".

3.24. 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.3.23.2 "Other non-current provisions"). They also include the current portion (maturing in 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 on the basis of 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 as long as they have been announced before year-end.

3.25. 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 redemption premiums and issuance expenses into account. Under this method, interest expense is measured using the actuarial method and reported under "Cost of gross financial debt".
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 "Other current financial liabilities".

3.26. 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".

3.26.1. Financial instruments designated as hedging instruments

Derivatives designated as hedging instruments are systematically recognised at fair value in the balance sheet (see Note A.3.1.5 "Measurement of financial instruments at fair value"). Nevertheless, their recognition varies depending on whether they are designated as:

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

Fair value hedge

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

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

Cash flow hedge

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

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

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

3.26.2. Derivative financial instruments not designated as hedging instruments

Derivative financial instruments that are not designated as hedging instruments are recognised in the balance sheet at fair value while changes in their fair value are recognised in the income statement.

3.27. 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. Notes to the income statement

4. Revenue and operating profit

4.1. Revenue

(in millions of euros)	2011	2010
Toll revenue	1,180.2	1,128.9
Revenue - Other	21.8	20.9
OPERATING REVENUE	**1,202.0**	**1,149.8**
Revenue - construction of new infrastructure assets under concession	129.4	142.4
Revenue - construction of new infrastructure assets under concession	**129.4**	**142.4**
REVENUE	**1,331.4**	**1,292.2**

4.2. Operating profit

(in millions of euros)	2011	2010
REVENUE	**1,331.4**	**1,292.2**
o/w		
Operating revenue	*1,202.0*	*1,149.8*
Revenue - construction of new infrastructure assets under concession	*129.4*	*142.4*
INCOME FROM ANCILLARY ACTIVITIES	**2.3**	**2.3**
Construction costs	–129.4	–142.4
Purchases used	–14.5	–14.9
External services	–89.1	–83.7
Taxes	–141.0	–130.6
Employment costs	–110.3	–106.8
Other operating profit and expenses	–0.9	–0.3
Depreciation and amortisation	–248.8	–223.5
Net provision charges and other (*)	4.2	–6.7
OPERATING EXPENSES	**–729.9**	**–708.8**
OPERATING PROFIT FROM ORDINARY ACTIVITIES	**603.8**	**585.7**
% of revenue (**)	*50.2%*	*50.9%*
Share-based payments	–2.1	–1.6
Income from associates	0.0	–0.0
OPERATING PROFIT	**601.7**	**584.1**
% of revenue (**)	*50.1%*	*50.8%*

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

4.3. Other operating income and expenses

(in millions of euros)	2011	2010
Capital gains net of disposals of intangible assets and property. plant and equipment	–0.9	–0.3
TOTAL	**–0.9**	**–0.3**

4.4. Depreciation and amortisation

Depreciation and amortisation break down as follows:

(in millions of euros)	2011	2010
Concession intangible assets	–195.8	–180.9
Concession property. plant and equipment	–51.5	–40.5
Property. plant and equipment	–1.5	–2.1
DEPRECIATION AND AMORTISATION	**–248.8**	**–223.5**

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

4.5. Share-based payments

The expense relating to employee benefits has been estimated at €2.1 million for 2011 (up from €1.6 million at 31 December 2010), including €1.3 million for performance share plans (up from €0.8 million at 31 December 2010) (see Note B.13 "Share-Based Payments").

5. Financial income and expenses

(in millions of euros)	2011	2010
COST OF GROSS FINANCIAL DEBT	**–138.7**	**–137.4**
Financial income from cash management investments	4.7	2.9
COST OF NET FINANCIAL DEBT	**–134.0**	**–134.5**
Other financial income	0.6	33.9
Other financial expenses	–4.1	–10.7
OTHER FINANCIAL INCOME AND EXPENSES	**–3.5**	**23.3**

The cost of net financial debt fell to €134.0 million in 2011 compared with €134.5 million in 2010.

Other financial income and expenses came out at a loss of €3.5 million in 2011 versus €23.3 million in 2010.
Other financial expenses include discounting costs, which dropped to €4 million in 2011 from €10.5 million in 2010.

Discounting costs primarily consist of provisions for the obligation to maintain infrastructure assets under concession in good condition, which stood at €3.2 million at 31 December 2011 (down from €9.7 million at 31 December 2010) and provisions for retirement benefits which totalled €0.8 million at 31 December 2011 (unchanged relative to 31 December 2010).

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

	31/12/11		
(in millions of euros)	**Cost of net financial debt**	**Other financial income and expenses**	**Equity**
Liabilities at amortised cost	–150.9		
Assets and liabilities measured at fair value through earnings (JV option)	4.7		
Derivatives designated as hedges: assets and liabilities	10.9		5.0
Derivatives measured at fair value through earnings: assets and liabilities	1.3		
Available-for-sale assets		0.0	
Dividends		0.2	
Foreign exchange gains and losses		0.0	
Discount costs		–3.7	
Capitalised borrowing costs		0.0	
NET FINANCIAL INCOME	**–134.0**	**–3.5**	**5.0**

	31/12/10		
(in millions of euros)	**Cost of net financial debt**	**Other financial income and expenses**	**Equity**
Liabilities at amortised cost	–147.6		
Assets and liabilities measured at fair value through earnings (JV option)	2.9		
Derivatives designated as hedges: assets and liabilities	8.9		–0.1
Derivatives measured at fair value through 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**

The €33.5 million decline in capitalised borrowing costs is related to the opening of the second section of the A86 Duplex on 9 January 2011.

The cost of net financial debt fell by €0.5 million, against the backdrop of rising short-term interest rates. This was mainly due to a lower cost of debt, as a result of hedging transactions conducted in 2010 and the increase in investment income.

The €6.8 million reduction in discounting costs is primarily linked to the rise in discount rates recorded at 31 December 2011, 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 of euros)	**31/12/11**	**31/12/10**
Net interest from derivatives designated as fair value hedges	16.6	15.8
Change in value of derivatives designated as fair value hedges	50.8	0.5
Change in value of the adjustment to hedged financial liabilities at fair value	–51.1	–0.7
Reserve transferred to earnings for cash flow hedges	–5.4	–6.8
Ineffective portion of cash flow hedges	0.0	0.0
INCOME FROM DERIVATIVES RECOGNISED AS NET DEBT	**10.9**	**8.9**

6. Income tax

Income tax expense increased to €170.0 million in 2011, up from €161.2 million in 2010.

6.1. Breakdown of net tax expense

(in millions of euros)	**2011**	**2010**
Current tax	–258.8	–154.8
Deferred tax	88.8	–6.4
o/w temporary differences	*96.1*	*0.9*
o/w tax loss carry-forwards and tax credits	*–7.3*	*–7.3*
TOTAL TAX	**– 170.0**	**– 161.2**

Tax expense for the period reflects:
→ taxes recognised for Cofiroute, the parent company of the tax consolidation group formed with two French subsidiaries;
→ the 5% hike in the company tax rate;
→ tax adjustments resulting from audits of financial years 2007 to 2009;
→ income tax expense recognised by foreign affiliates, which decreased from €0.2 million in 2010 to –€0.4 million;
→ the reversal of deferred tax provisions relating to temporary differences.

6.2. Effective tax rate

The effective tax rate increased to 36.62% in 2011 from 34.09% in 2010.

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 of euros)	**2011**	**2010**
Income before tax and income from associates	464.2	472.8
Theoretical tax rate in France	36.10%	34.43%
EXPECTED THEORETICAL TAX EXPENSE	**–167.6**	**–162.8**
Permanent and other differences	–2.4	1.6
RECOGNISED TAX EXPENSE	**–170.0**	**–161.2**
Effective tax rate (excluding associates)	36.62%	34.09%
Effective tax rate (excluding impact of share-based payments and associates)	36.95%	34.32%

The permanent differences shown in the effective tax rate reconciliation reflect the fact that most components of the share-based payment expense are not tax deductible. They rose to €0.7 million at 31 December 2011 from €0.5 million at 31 December 2010.

6.3. Breakdown of deferred tax assets and liabilities

(in millions of euros)	31/12/11	Changes Earnings	Equity	Other	31/12/10
Deferred tax assets					
Retirement benefit obligations	5.5	–0.4			5.9
Temporary differences on provisions	4.2	–1.7			5.9
Concession intangible assets (capitalised borrowing costs and other)	7.2				7.2
Fair value adjustment on financial instruments	2.3	2.4	–1.7		1.6
Other	15.4	3.2			12.2
TOTAL	**34.7**	**3.5**	**– 1.7**	**0.0**	**32.9**
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)	253.4	–86.1			339.5
Tax-regulated depreciation and amortisation	14.2	0.1			14.1
Other	1.6	0.6			1.1
TOTAL	**282.7**	**–85.4**	**0.0**	**0.0**	**368.1**
NET DEFERRED TAX	**248.0**	**–88.9**	**1.7**	**0.0**	**335.2**

Temporary differences mainly relate to concession intangible assets and declined to €253.4 million in 2011 from €339.5 million, in line with the increase in tax expense.

6.4. Unrecognised deferred taxes

Certain deferred tax assets are not recognised because it is deemed unlikely that taxable profit will be available. They totalled €7.3 million at 31 December 2011 and relate to the impairment of Toll Collect shares.

7. Earnings per share

The Company's share capital is comprised of 4,058,516 shares, unchanged during both 2011 and 2010. 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 2011 and 2010 is 4,058,516. Earnings per share climbed to €72.50 in 2011 from €76.78 in 2010.

C. Notes to the balance sheet

8. Concession intangible assets

(in millions of euros)	Cost of infrastructure in service (*)	Advances and in progress	Total
Gross			
At 01/01/2010	**6,704.4**	**718.3**	**7,422.6**
Purchases in the period	69.4	106.5	175.8
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**
Purchases in the period	62.3	67.1	129.4
Other movements	897.6	–790.9	106.6
	7,633.8	**82.3**	**7,716.0**
Grants received	–1.9	0.0	–1.9
At 31/12/2011	**7,631.9**	**82.3**	**7,714.2**
Amortisation			
At 01/01/2010	**–2,037.4**		**–2,037.4**
Amortisation for the period	–181.2		–181.2
Other movements	–0.9		–0.9
At 31/12/2010	**–2,219.5**		**–2,219.5**
Amortisation for the period	–196.1		–196.1
Other movements	0.0		0.0
At 31/12/2011	**–2,415.5**		**–2,415.5**
Net			
At 01/01/2010	**4,667.0**	**718.3**	**5,385.3**
At 31/12/2010	**4,454.4**	**806.1**	**5,260.5**
At 31/12/2011	**5,216.4**	**82.3**	**5,298.6**

(*) After deduction of grants.

Intangible assets grew by €129.4 million (as opposed to €175.8 million in 2010), following investments made by Cofiroute under its concession contracts, in addition to €106.6 million of transfers.
The opening, in early 2011, of the last stretch of the A86 (the second section of the tunnel), brought the inclusion of borrowing costs in the cost of concession intangible assets to an end (€33.5 million in 2010).
Acquisitions of concession intangible assets included acquisitions of fixed assets in progress that totalled €67.1 million at 31 December 2011, including €2.5 million relating to the A86.

9. Property, plant and equipment

(in millions of euros)	Concession property, plant and equipment	Land	Fixtures and fittings	Plant, equipment and other	Total
Gross					
At 01/01/2010	**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**
Purchases in the period	53.8	0.0	0.0	1.0	54.8
Disposals in the period	–5.4	–0.0	0.0	–0.1	–5.5
Other movements	–107.5	0.3	0.1	–0.4	–107.5
At 31/12/2011	**704.0**	**1.2**	**7.1**	**28.2**	**740.5**
Depreciation					
At 01/01/2010	**–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**
Depreciation for the period	–51.5		–0.5	–1.0	–53.0
Disposals in the period	4.4		0.0	0.0	4.5
Other movements	0.0		0.0	0.0	0.0
At 31/12/2011	**–294.9**		**–6.0**	**–22.3**	**–323.2**
Net					
At 01/01/2010	**493.1**	**1.0**	**0.3**	**7.6**	**502.1**
At 31/12/2010	**515.2**	**1.0**	**1.4**	**6.3**	**524.0**
At 31/12/2011	**409.1**	**1.232**	**1.055**	**5.854**	**417.3**

10. Investments in associates

The carrying amount of associates at 31 December 2011 stood at €0.1 million, unchanged from 31 December 2010. These amounts correspond exclusively to the value of shareholdings in Crossing Limited Company, over which the Group exercises significant influence.

The main financial data relating to this company at 31 December 2011 were as follows (based on a 43% stake):

(in millions of euros)	**Crossing Company Limited**
Income statement information	
Revenue	0.031
Operating profit	–0.001
NET PROFIT	**0.001**
Other balance sheet information	
EQUITY AT 31/12/2011	**0.108**
Current assets	0.222
Current liabilities	0.114
Value of investments in associates	0.103

These financial statements do not include any business transaction between the Group and this company, which is accounted for by the equity method.

11. Other non-current financial assets

(in millions of euros)	**31/12/11**	**31/12/10**
Available-for-sale assets	0.3	0.4
Other non-current financial assets	0.1	0.1
Fair value of non-current derivative assets (*)	74.8	28.5
OTHER NON-CURRENT FINANCIAL ASSETS	**75.2**	**28.9**

(*) See Note D.17 "Financial risk management".

Available-for-sale assets totalled €0.3 million at 31 December 2011. The €0.1 million decline stems from the fact that SERA joined the Group's consolidation scope. This sum includes unlisted equity loans in subsidiaries whose financial data are lower than the consolidation thresholds set by Cofiroute.
Available-for-sale assets break down as follows at 31 December 2011:

(in millions of euros)	**31/12/11**	**31/12/10**
Société d'Exploitation de Radiodiffusion Autoroutière (SERA)	–	0.062
Médiamobile	0.060	0.060
Cofiroute Services	–	0.018
Société de Prestations et de Transactions Foncières (SPTF)	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	**0.292**	**0.372**

The €47 million equity stake in Toll Collect remained fully provisioned, in an amount of €47.0 million, at 31 December 2011.

12. Equity

12.1. Shares

The Company's share capital is comprised of 4,058,516 shares, unchanged from 2010. 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 2011 and in 2010 is 4,058,516.

12.2. Distributable reserves

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

(in millions of euros)	**31/12/11**	**31/12/10**
Free of corporate income tax liabilities	1,433.4	1,423.2
DISTRIBUTABLE RESERVES	**1,433.4**	**1,423.2**

Cofiroute's legal reserve stood at €15.8 million at 31 December 2011, unchanged over the period.

12.3. Items recognised directly in equity

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

(in millions of euros)	**31/12/11**	**31/12/10**
Cash flow hedges		
Reserve at beginning of period	–7.7	–7.6
Changes in fair value in the period	5.2	0.1
Changes in fair value recognised in profit or loss on disposal	–0.2	–0.2
GROSS RESERVES BEFORE TAX EFFECT AT BALANCE SHEET DATE	**–2.7**	**–7.7**
Total of items recognised directly in equity		
Gross reserves before tax effect at balance sheet date	–2.7	–7.7
Associated tax effect	0.9	2.7
RESERVE NET OF TAX	**–1.8**	**–5.1**

Changes in fair value recognised in the income statement for the period mainly concern the hedging of floating-rate bonds through the setting up of 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 2011 and 2010 break down as follows:

	2011	**2010**
Dividend per share (in euros)		
Interim dividend	33.44	35.00
Final dividend	39.06	41.78
TOTAL NET DIVIDEND	**72.50**	**76.78**
Amount of dividend (in millions of euros)		
Interim dividend	135.7	142.0
Final dividend	158.5	169.6
TOTAL NET DIVIDEND	**294.2**	**311.6**

Cofiroute paid the remaining amount due on the 2010 dividend on 15 April 2011.
An interim dividend of €33.44 per share for 2011 was paid on 14 October 2011 (amounting to €135.7 million) against €35.0 paid in 2010 (in an amount of €142.0 million).
The total amount of the dividend that will be paid out for 2011 will be submitted for approval at the General Shareholders' Meeting (see Note E.25 "Appropriation of 2011 earnings").

12.5. Minority interests

At 31 December 2011, the subsidiaries over which the Group exercises 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 2011.

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 2011 increased to €2.1 million, including €0.5 million for the Group Savings Plan, from €1.6 million at 31 December 2010, including €0.6 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 to 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 measured in accordance with IFRS 2 on the basis of the following assumptions:
➔ length of subscription period: 4 months;
➔ lock-up period: 5 years from the end of the subscription period.

The 2009 performance share plan resulted in 27,968 shares being allocated to beneficiaries within the Group on 15 September 2011. As the plan's maximum performance threshold (average ROCE of at least 6% in 2009 and 2010) was met, all performance shares vested.

14. Non-current provisions

(in millions of euros)	**Note**	**31/12/11**	**31/12/10**
Provisions for retirement benefits	14.1	4.1	3.2
Other non-current provisions	14.2	8.4	19.0
NON-CURRENT PROVISIONS		**12.5**	**22.1**

14.1. Provisions for retirement benefits

At 31 December 2011, provisions for retirement benefits rose to €4.4 million (including €4.1 million in non-current provisions), up from €3.3 million at 31 December 2010 (including €3.2 million in non-current provisions).
Cofiroute's retirement benefit obligations for defined-benefit plans break down 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 on the basis of the following assumptions:

Plan	**2011**	**2010**
Discount rate	5.00%	5.00%
Inflation rate	2.20%	2.10%
Rate of salary increases	1.00%	1.00%
Rate of pension increases	1.00%	1.00%
Probable average remaining working life of employees	10 - 15 years	10 - 15 years

The discount rate was determined on the basis of the yields of blue chip corporate bonds (AA rating or higher) whose maturities correspond to the plans' expected cash flows. The discount rate finally adopted is a single rate equivalent to the application of the various rates depending on maturities.

The preferred method used to determine the expected return on plan assets is the building block method, which breaks the expected return down into the main asset classes: money market investments, investments in bonds and investments in equities. The target allocation of funds is then applied to calculate a weighted average return on assets. In the specific case of funds invested in an insurance company's "general account" funds, the expected yield has been determined by also taking account of the specific features of each contract, in particular regarding past and forecast net yields.
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:

	31/12/11		31/12/10	
	Euro zone	**Weighted average**	**Euro zone**	**Weighted average**
Breakdown of financial assets				
Shares	8%	8%	7%	7%
Bonds	84%	84%	84%	84%
Property	9%	9%	9%	9%
Total	**100%**	**100%**	**100%**	**100%**
ASSUMED AVERAGE RATE OF RETURN	**5%**	**5%**	**4%**	**4%**

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

Reconciliation of obligations and provisions in the balance sheet

(in millions of euros)	**31/12/11**	**31/12/10**
Present value of retirement benefit obligations	–14.6	–13.3
Fair value of financial assets	6.0	5.9
SURPLUS (OR DEFICIT)	**–8.5**	**–7.5**
PROVISIONS RECOGNISED IN BALANCE SHEET	**–4.4**	**–3.3**
Assets recognised in balance sheet	0.0	0.0
Items not recognised in balance sheet	4.1	4.2
Actuarial gains and losses	*1.6*	*1.5*
Past service cost	*2.5*	*2.7*

Changes in the period

(in millions of euros)	31/12/11	31/12/10
Present value of retirement benefit obligations		
AT 1 JANUARY	**13.3**	**12.3**
o/w obligations covered by plan assets	***5.9***	***5.7***
Additional entitlements vested	0.7	0.7
Discount for the year	0.7	0.7
Benefits paid during the year	–0.2	–0.2
Actuarial gains and losses	0.0	–0.1
Past service cost	0.0	0.0
Effect of plan curtailments and settlements	0.0	0.0
AT 31 DECEMBER	**14.6**	**13.3**
o/w obligations covered by plan assets	***6.0***	***5.9***
Plan assets		
AT 1 JANUARY	**5.9**	**5.7**
Expected return on plan assets	0.2	0.2
Contributions paid to funds	0.4	0.3
Benefits paid during the year	–0.4	–0.2
AT 31 DECEMBER	**6.0**	**5.9**
Items not recognised in balance sheet		
AT 1 JANUARY	**4.2**	**4.4**
Effect of changes in assumptions	0.2	0.0
% of retirement benefit obligations	1.3%	0.3%
Effect of experience adjustments under retirement benefit obligations	–0.1	–0.1
% of retirement benefit obligations	–0.4%	–0.9%
Effect of experience adjustments under plan assets	0.0	0.0
% of plan assets	0.0	0.0
Effect of plan curtailments and settlements	–0.2	–0.2
AT 31 DECEMBER	**4.1**	**4.2**
o/w actuarial gains and losses	*1.6*	*1.5*
o/w past service cost	*2.5*	*2.7*
Actuarial gains and losses/obligations (as %)	11.1%	11.2%

The Group estimates the payments to be made for retirement benefit obligations in 2012 at €0.8 million, including €0.4 million relating to benefits paid to retired employees and €0.4 million in fees paid to fund managers..

Past performance in terms of obligations, the fair value of financial assets and the effects of gains and losses arising from experience adjustments

(in millions of euros)	**31/12/11**	**31/12/10**	**31/12/09**	**31/12/08**	**31/12/07**
Value of plan assets and liabilities					
Present value of retirement benefit obligations	–14.6	–13.3	–12.3	–13.9	–6.8
Fair value of financial assets	6.0	5.9	5.7	5.5	5.3
Surplus (or deficit)	**–8.5**	**–7.5**	**–6.6**	**–8.3**	**–1.5**
Experience adjustments	**–0.1**	**–0.1**	**–0.1**	**–0.2**	**0.0**
Effect of experience adjustments with respect to retirement benefit obligations	–0.1	–0.1	–0.1	–0.2	0.0
% of retirement benefit obligations	0.4%	0.9%	0,5%	1.6%	0.6%
Effect of experience adjustments with respect to 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 of euros)	**2011**	**2010**
Entitlements vested by employees during the period	0.7	0.7
Discount of vested entitlements	0.7	0.7
Expected return on plan assets	–0.2	–0.2
Amortisation of actuarial gains and losses	0.2	0.2
Amortisation of past service cost - unvested entitlements	0.0	0.0
Amortisation of past service cost - vested entitlements	0.0	0.0
Other	–0.2	–0.2
TOTAL	**1.2**	**1.1**

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) rose to €5.2 million at 31 December 2011 from €5.1 million at 31 December 2010. This sum comprises the contributions paid to the CRICA and ANEP providence funds.

14.2. Other non-current provisions

Changes in non-current provisions reported under liabilities on the balance sheet break down as follows for 2011 and 2010:

(in millions of euros)	Opening balances	Additions	Provisions used	Other provisions reversed unused	Changes in scope and other	Change in current portion of non-current provisions	Closing balances
01/01/10	**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
31/12/10	**22.6**	**11.3**	**– 13.5**	**– 0.3**	**0.0**	**– 1.0**	**19.0**
Other employee benefits (*)	12.5	0.0	–2.1	–0.1			10.3
Financial risks	0.0						0.0
Other risks	10.8	2.0	–10.8	–0.4			1.6
Discounted non-current provisions	–0.1	0.1					0,0
Reclassification of current portion of non-current provisions	–4.1					0.7	–3.5
31/12/11	**19.0**	**2.1**	**–12.9**	**–0.5**	**0.0**	**0.7**	**8.4**

(*) Mainly provisions relating to early retirement compensation under the "CATS" agreement (see details in Note C.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 on the basis of the following actuarial assumptions:

	2011	**2010**
Discount rate	2.90%	2.51%
Inflation rate	2.20%	2.10%
Rate of salary increases	2.20%	2.20%

At 31 December 2011, the provision amounted to €8.5 million (including €2.4 million for the non-current proportion).

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 154,490 hours at 31 December 2011.

14.2.2. Provisions for financial and other liabilities

These provisions totalled €1.6 million at 31 December 2011.

To the Company's knowledge, there is no exceptional event or dispute likely to have a substantial impact on the Group's business, earnings, net assets or financial position. The Company has booked provisions, when relevant, which it deems adequate for ongoing disputes and investigations given the current state of affairs with respect to these cases.

15. Working capital requirement and current provisions

15.1. Change in working capital requirement

			Changes 2011 - 2010	
(in millions of euros)	**31/12/2011**	**31/12/2010**	**Related to operations**	**Other changes**
Inventories and work in progress (net)	1.0	1.7	–0.8	
Trade receivables	76.9	71.4	5.6	
Trade and other operating receivables	37.1	43.5	–6.8	0.4
INVENTORIES AND OPERATING RECEIVABLES (I)	**115.0**	**116.6**	**–2.0**	**0.4**
Trade payables	–27.0	–28.9	1.9	
Other current operating liabilities	–90.9	–82.1	–7.9	–0.9
TRADE AND OTHER OPERATING PAYABLES (II)	**–117.9**	**–110.9**	**–6.1**	**–0.9**
Working capital requirements (before current provisions) (I+II)	**–2.9**	**5.7**	**–8.0**	**–0.5**
CURRENT PROVISIONS	**–196.0**	**–196.0**	**1.7**	**–2.3**
o/w current portion of non-current provisions	*1.2*	*2.0*	*–1.6*	0.8
Working capital requirements (after current provisions)	**–199.5**	**–190.3**	**–6.4**	**–2.8**

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 working capital requirement break down as follows:

(in millions of euros)	31/12/11	< 1 year			From 1 to 5 years	> 5 years
		1 to 3 months	3 to 6 months	6 to 12 months		
Inventories and work in progress (net)	1.0	1.0				
Trade receivables	76.9	76.9				
Trade and other operating receivables	37.1	30.5	6.6			
INVENTORIES AND OPERATING RECEIVABLES (I)	**115.0**	**108.4**	**6.6**	**0.0**	**0.0**	**0.0**
Trade payables	−27.0	−27.0				
Other current operating liabilities	−90.9	−59.3	−1.5	−3.0	−22.9	−4.1
TRADE AND OTHER OPERATING PAYABLES (II)	**−117.9**	**−86.3**	**−1.5**	**−3.0**	**−22.9**	**−4.1**
Working capital requirements (before current provisions) (I+II)	**−2.9**	**22.2**	**5.0**	**−3.0**	**−22.9**	**−4.1**

(in millions of euros)	31/12/10	< 1 year			From 1 to 5 years	> 5 years
		1 to 3 months	3 to 6 months	6 to 12 months		
Inventories and work in progress (net)	1.7	1.7				
Trade receivables	71.4	71.4				
Trade and other operating receivables	43.5	37.1	6.5			
INVENTORIES AND OPERATING RECEIVABLES (I)	**116.6**	**110.1**	**6.5**	**0.0**	**0.0**	**0.0**
Trade payables	−28.9	−28.9				
Other current operating liabilities	−82.1	−75.8	−0.2	−0.3	−2.6	−3.2
TRADE AND OTHER OPERATING PAYABLES (II)	**−110.9**	**−104.6**	**−0.2**	**−0.3**	**−2.6**	**−3.2**
Working capital requirements (before current provisions) (I+II)	**5.7**	**5.5**	**6.3**	**−0.3**	**−2.6**	**−3.2**

15.2. Trade receivables

The following table presents trade receivables and any amortisation:

(in millions of euros)	31/12/11	31/12/10
Trade receivables - invoiced	25.5	68.8
Provisions - trade receivables	−2.3	−2.2
NET TRADE RECEIVABLES	**23.2**	**66.7**

At 31 December 2011, trade receivables past due break down as follows:

(in millions of euros)	31/12/11	< 1 year			From 1 to 5 years
		1 to 3 months	3 to 6 months	6 to 12 months	
Trade receivables invoiced	25.5	22.7	0.1	0.1	2.6
Provisions - trade receivables	–2.3	0.0	–0.1	–0.1	–2.2

15.3. Breakdown of current provisions

In 2011 and 2010, current provisions recognised under liabilities in the balance sheet break down as follows:

(in millions of euros)	Opening balances	Additions	Provisions used	Other provisions reversed unused	Change in current portion of non-current provisions	Closing balances
01/01/10	**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 assets 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
31/12/10	**178.3**	**45.4**	**–28.6**	**–0.1**	**1.0**	**196.0**
Renovation work	1.1	1.4	–0.6	0.0	0.0	1.9
Maintenance of concession intangible assets in good condition	192.9	41.3	–36.3	–4.3	0.0	193.6
Reclassification of current portion of non-current provisions	2.0	0.0	0.0	0.0	–0.8	1.2
31/12/11	**196.0**	**42.7**	**–36.9**	**–4.3**	**–0.8**	**196.6**

Current provisions directly linked to the operating cycle increased to €196.6 million at 31 December 2011 (including the current portion of non-current provisions) from €196.0 million at 31 December 2010. They mostly consist of provisions for the obligation to maintain infrastructure assets under concession in good condition.

Provisions for the obligation to maintain infrastructure assets under concession in good condition mainly relate to spending on road-surface repairs (surfacing, restructuring of slow lanes, etc.), engineering structures and hydraulic structures. These provisions totalled €193.6 million at 31 December 2011, up from €192.9 million at 31 December 2010.

16. Information on net financial debt

Net financial debt breaks down as follows:

(in millions of euros)		31/12/11 Non-Current	Ref.	Current(*)	Ref.	Total	31/12/10 Non-Current	Ref.	Current(*)	Ref.	Total
Financial instruments recognised at amortised cost	Bonds	-2,293.8	(1)	-65.9	(3)	-2,359.8	-2,244.8	(1)	-66.7	(3)	-2,311.5
	Other bank loans and financial liabilities	-1,089.9	(2)	-20.9	(3)	-1,110.8	-1,098.3	(2)	-10.4	(3)	-1,108.7
	LONG-TERM FINANCIAL LIABILITIES	**-3,383.7**		**-86.9**		**-3,470.6**	**-3,343.1**		**-77.1**		**-3,420.2**
	Other current financial liabilities										
	Bank overdrafts										
	I - GROSS FINANCIAL LIABILITIES	**-3,383.7**		**-86.9**		**-3,470.6**	**-3,343.1**		**-77.1**		**-3,420.2**
	o/w impact of fair value hedges	*75.2*				*75.2*	*24.0*				*24.0*
Loans and receivables	Financial current accounts, assets			311.7	(4)	311.7					0.0
Assets at fair value under earnings (fair value option)	Cash management financial assets - not cash equivalents			10.4	(4)	10.4			10.4	(4)	10.4
	Cash			60.1	(5)	60.1			293.6	(5)	293.6
	Cash equivalents			16.4	(5)	16.4			14.1	(5)	14.1
	II - FINANCIAL ASSETS			**398.7**		**398.7**			**318.1**		**318.1**
Derivatives	Derivative financial instruments - liabilities	–	(2)	-99.2	(3)	-99.2	-15.2	(2)	-62.9	(3)	-78.0
	Derivative financial instruments - assets	74.8	(6)	136.8	(7)	211.6	28.5	(6)	107.2	(7)	135.7
	III - DERIVATIVE FINANCIAL INSTRUMENTS	**74.8**		**37.6**		**112.4**	**13.3**		**44.3**		**57.6**
	NET DEBT (I + II + III)	**-3,309.0**		**349.4**		**-2,959.5**	**-3,329.8**		**285.3**		**-3,044.5**

(*) The current portion includes unpaid accrued interest.

At 31 December 2011, the Group's net financial debt totalled €2,959.5 million, down €85 million from 31 December 2010.

Reconciliation of net financial debt with balance sheet items:

(in millions of euros)	Ref.	31/12/11	31/12/10
Bonds (non-current)	(1)	-2,293.8	-2,244.8
Other non-current loans and financial liabilities	(2)	-1,089.9	-1,113.5
Current financial liabilities	(3)	-186.1	-140.0
Cash management financial assets	(4)	322.2	10.4
Cash and cash equivalents	(5)	76.5	307.7
Derivative financial instruments - non-current assets	(6)	74.8	28.5
Derivative financial instruments - current assets	(7)	136.8	107.2
NET FINANCIAL DEBT		**-2,959.5**	**-3,044.5**

Derivative financial instruments (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 financial instruments (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 2011, overall long-term financial liabilities recognised in the balance sheet remained stable year-on-year, at €3,470.6 million.

Apart from movements in liabilities subject to fair-value hedges (with a revaluation difference amounting to €51.2 million between 2010 and 2011), there were no significant changes in this item during 2011.

Long-term financial liabilities at 31 December 2011 had the following characteristics:

	31/12/11						31/12/10	
(in millions of euros)	**Currency**	**Contractual interest rate**	**Maturity**	**Nominal amount out-standing**	**Carrying amount**	**o/w unpaid accrued interest**	**Nominal amount out-standing**	**Carrying amount**
Bonds								
2001 bond	EUR	5.875%	October-16	300.0	328.4	4.0	300.0	324.4
2001 bearer bond issue	EUR	5.875%	October-16	200.0	207.7	2.7	200.0	208.7
2003 bearer bond issue	EUR	5.250%	April-18	600.0	640.5	21.2	600.0	643.2
2006 bond	EUR	5.000%	May-21	750.0	805.0	22.7	750.0	761.1
2006 bearer bond issue	EUR	5.000%	May-21	350.0	344.7	10.6	350.0	343.4
April 2004 Company savings plan	EUR	7.500%	April-11				4.0	4.3
April 2005 Company savings plan	EUR	7.500%	April-12	3.300	3.5	0.2	3.3	3.6
April 2006 Company savings plan	EUR	7.500%	April-13	3.0	3.3	0.2	3.0	3.4
April 2007 Company savings plan	EUR	7.500%	April-14	2.0	2.2	0.1	2.0	2.3
April 2008 Company savings plan	EUR	7.500%	April-15	4.5	5.0	0.2	4.5	5.1
April 2009 Company savings plan	EUR	5.000%	April-14	1.3	1.3	0.0	1.3	1.3
December 2009 Company savings plan	EUR	7.500%	December-16	2.5	2.8	0.0	2.5	2.9
April 2010 Company savings plan	EUR	3.750%	April-15	1.1	1.1	0.0	1.1	1.1
May 2010 Company savings plan	EUR	7.500%	May-17	5.5	6.7	0.3	5.5	6.8
April 2011 Company savings plan	EUR	7.500%	April-18	5.3	6.4	0.3		
May 2011 Company savings plan	EUR	4.500%	May-16	1.1	1.1	0.0		
Other bank loans and financial liabilities								
EIB March 2002	EUR	EIB RATE	March-13 to March-17	75.0	75.1	0.1	75.0	75.0
EIB December 2002	EUR	EUR3M + 0.121%	December-13 to December-27	50.0	50.0	0.0	50.0	50.0
EIB March 2003	EUR	5.080%	March-18	75.0	91.2	2.9	75.0	87.7
EIB December 2004	EUR	EIB RATE	December-19	200.0	200.2	0.2	200.0	200.1
EIB December 2005	EUR	4.115%	December-12 to December-25	190.0	190.7	0.7	190.0	190.7
EIB December 2006	EUR	4.370%	December-13 to December-29	50.0	50.1	0.1	50.0	50.1
EIB June 2007	EUR	4.380%	June-14 to June-29	210.0	214.7	4.7	210.0	214.7
EIB November 2008	EUR	EUR3M + 0.324%	November-13 to November-28	250.0	238.0	0.6	250.0	236.5
Credit facility	EUR	EUR3M + 0.50%	February-16		(1,9)	0.1		
Other	EUR		June-14	3.182	2.9		4.5	3.9
LONG-TERM FINANCIAL LIABILITIES				**3,332.7**	**3,470.6**	**71.9**	**3,331.6**	**3,420.2**

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 duration of its debt.

At 31 December 2011, the Group held €898.7 million in available cash, including €398.7 million in net cash under management and €500 million in confirmed medium-term bank credit lines that have not been drawn down.

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 interest rates at 31 December 2010, break down by maturity date as follows:

	31/12/11							
(in millions of euros)	**Carrying amount**	**Capital and interest cash flows**	**< 3 months**	**> 3 months < 6 months**	**> 6 months < 1 year**	**> 1 year < 2 years**	**> 3 years <= 5 years**	**> 5 years**
Bonds								
Capital	–2,359.8	–2,229.5	0.0	–3.3	0.0	–3.0	–512.4	–1,710.8
Interest payment cash flows		–926.7	0.0	–88.6	–29.4	–117.7	–351.7	–339.2
Other bank loans and financial liabilities								
Capital	–1,110.8	–1,103.2	0.0	–0.6	–11.0	–39.0	–155.8	–896.7
Interest payment cash flows		–289.4	–6.1	–11.5	–14.6	–31.7	–88.0	–137.6
SUB-TOTAL: LONG-TERM FINANCIAL LIABILITIES	**–3,470.6**	**–4,548.8**	**–6.1**	**–104.0**	**–55.0**	**–191.5**	**–1,107.9**	**–3,084.2**
Other current financial liabilities	0.0	0.0						
I - FINANCIAL LIABILITIES	**–3,470.6**	**–4,548.8**	**–6.1**	**–104.0**	**–55.0**	**–191.5**	**–1,107.9**	**–3,084.2**
Cash management financial assets	322.2							
Cash equivalents	60.1							
Cash	16.4							
II - FINANCIAL ASSETS	**398.7**							
Derivative financial instruments - liabilities	–99.2	–120.6	1.6	–25.9	3.2	–15.6	–46.8	–37.2
Derivative financial instruments - assets	211.6	285.5	–4.4	48.4	–7.7	36.2	108.7	104.3
III - DERIVATIVE FINANCIAL INSTRUMENTS	**112.4**	**164.9**	**–2.8**	**22.5**	**–4.5**	**20.6**	**61.9**	**67.2**
NET FINANCIAL DEBT (I + II + III)	**–2,959.5**	**–4,383.9**	**–8.9**	**–81.6**	**–59.5**	**–170.8**	**–1,046.0**	**–3,017.0**
Trade payables	70.1	70.1	70.1					

At 31 December 2011, the average maturity of the Group's long-term financial liabilities was 7.8 years, versus 8.8 years at 31 December 2010.

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

16.2.2. Net cash under management

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

(in millions of euros)	31/12/11	31/12/10
CASH EQUIVALENTS	**60.1**	**293.6**
Marketable securities and mutual funds (UCITS)	60.1	293.6
Negotiable debt securities with an original maturity of less than 3 months	0.0	0.0
CASH	**16.4**	**14.1**
NET CASH	**76.5**	**307.7**
CASH MANAGEMENT FINANCIAL ASSETS	**322.2**	**10.4**
Marketable securities and mutual funds (UCITS)	10.4	10.4
Balance of cash management current accounts	311.7	0.0
NET CASH MANAGED	**398.7**	**318.1**

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 ("cash management financial assets" and "cash equivalents") are managed to avoid risks to capital and are monitored through a performance and risk control system.

Most cash is now invested in a current account with VINCI Autoroutes following the signing of a cash pooling agreement in October 2011. Other cash management financial assets consist of marketable securities pledged to the employee savings plan.

At 31 December 2011, the Group had a total of €398.7 million in cash under management.

16.2.3. Revolving credit lines

Since 25 February 2011, Cofiroute has had a medium-term bank credit facility of €500 million, with a 2016 maturity, which replaced the credit facility of €1,020 million due to expire in October 2011.

16.2.4. Commercial paper

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 2011.

16.2.5. 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. The financial terms and conditions of the bank credit line agreement signed in February include a leverage ratio.

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

16.2.6. Credit ratings

At 31 December 2011, the Group was rated by Standard & Poor's as follows:

- ➔ long-term: BBB+ outlook stable;
- ➔ short-term: A-2.

17. Information on financial risk management

Given the high level of its net financial 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 reporting system of the VINCI parent company 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:

		31/12/11				
(in millions of euros)	**Notes**	**Non-current assets**	**Current assets (*)**	**Non-current liabilities**	**Current liabilities(*)**	**Net**
Interest rate derivatives: fair value hedges	17.1.2	74.8	17.3			92.1
Interest rate derivatives: cash hedges	17.1.3				–6.1	–6.1
Interest rate derivatives not designated as hedges	17.1.4		119.5		–93.1	26.4
INTEREST RATE DERIVATIVES		**74.8**	**136.8**	**0.0**	**–99.2**	**112.4**

(*) The current portion includes unpaid accrued interest totalling €19.3 million.

		31/12/10				
(in millions of euros)	**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 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**

(*) The current portion includes unpaid accrued interest totalling €17.9 million.

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 in financial markets.

The long-term management 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 deferrable interest payments to hedge interest-rate risk. These derivatives can be designated as financial hedges, or not, for accounting purposes under IFRSs, but in any event they provide economic hedges.

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:

	Breakdown of fixed and floating rates before hedging										
	Fixed rate			Capped floating rate/ inflation			Fixed rate			Total	
(in millions of euros)	**Debt**	**Proportion**	**Interest rate**	**Debt**	**Proportion**	**Interest rate**	**Debt**	**Proportion**	**Interest rate**	**Debt (*)**	**Interest rate**
Total at 31/12/2011	**2,763.0**	**83%**	**5.09%**				**562.4**	**17%**	**1.65%**	**3,470.6**	**4.51%**
At 31/12/2010	2,763.3	84%	5.09%				561.0	16%	1.16%	3,420.2	4.42%

	Breakdown of fixed and floating rates after hedging										
	Fixed rate			Capped floating rate/ inflation			Fixed rate			Total	
(in millions of euros)	**Debt**	**Proportion**	**Interest rate**	**Debt**	**Proportion**	**Interest rate**	**Debt**	**Proportion**	**Interest rate**	**Debt (*)**	**Interest rate**
Total at 31/12/2011	**2,278.9**	**69%**	**4.81%**				**1,046.6**	**31%**	**2.55%**	**3,470.6**	**4.10%**
At 31/12/2010	2,277.9	69%	4.81%				1,046.4	31%	2.10%	3,420.2	3.96%

(*) 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 by supposing that the amount of financial liabilities and derivatives at 31 December 2011 remains constant over a year.
A fluctuation in interest rates of 50 basis points at the balance sheet date would lead to an increase or a contraction in equity and (pre-tax) profit amounting to the sums shown below. For the purpose of this analysis, all the other variables are assumed to remain constant.

	31/12/11			
	Income		**Equity**	
	Impact of sensitivity calculation		Impact of sensitivity calculation	
(in millions of euros)	+50 bp	–50 bp	+50 bp	–50 bp
Floating-rate liabilities after hedging	–5.2	5.2		
Floating-rate assets after hedging	1.9	–1.9		
Derivatives not designated as hedges	–0.4	0.4		
Derivatives designated as cash flow hedges			0.9	–1.0
Total	**–3.7**	**3.7**	**0.9**	**–1.0**

17.1.2. Description of fair value hedges

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

(in millions of euros)	31/12/11							
	< 1 year	**> 1 year to 2 years**	**> 3 years to 5 years**	**> 5 years**	**Notional**	**Fair value assets**	**Fair value liabil-ities**	**Total**
Fixed receiver/floating payer interest rate swaps	–	–	150	575	725	92.1	–	92.1
Interest rate options *(Cap, Floor, Collar)*	–	–	–	–	–	–	–	–
INTEREST RATE DERIVATIVES: HEDGING OF CASH FLOW	**–**	**–**	**150**	**575**	**725**	**92.1**	**–**	**92.1**

(in millions of euros)	31/12/10							
	< 1 year	**> 1 year to 2 years**	**> 3 years to 5 years**	**> 5 years**	**Notional**	**Fair value assets**	**Fair value liabil-ities**	**Total**
Fixed receiver/floating payer interest rate swaps	–	–	–	725	725	44.5	–4.6	39.9
Interest rate options *(Cap, Floor, Collar)*	–	–	–	–	–	–	–	–
INTEREST RATE DERIVATIVES: HEDGING OF CASH FLOW	**–**	**–**	**–**	**725**	**725**	**44.5**	**–4.6**	**39.9**

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

17.1.3. Description of cash flow hedges

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

(in millions of euros)	31/12/11							
	< 1 year	**> 1 year to 2 years**	**> 3 years to 5 years**	**> 5 years**	**Notional**	**Fair value assets**	**Fair value liabil-ities**	**Total**
Floating receiver/fixed payer interest rate swaps	250	–	–	–	250	–	–6.1	–6.1
Interest rate options *(Cap, Floor, Collar)*	–	–	–	–	–	–	–	–
INTEREST RATE DERIVATIVES: HEDGING OF DEFINITE CASH FLOW	**250**	**–**	**–**	**–**	**250**	**–**	**–6.1**	**–6.1**

(in millions of euros)	31/12/10							
	< 1 year	**> 1 year to 2 years**	**> 3 years to 5 years**	**> 5 years**	**Notional**	**Fair value assets**	**Fair value liabil-ities**	**Total**
Floating receiver/fixed payer interest rate swaps	–	250	–	–	250	–	–11.4	–11.4
Interest rate options *(Cap, Floor, Collar)*	–	–	–	–	–	–	–	–
INTEREST RATE DERIVATIVES: HEDGING OF DEFINITE CASH FLOW	**–**	**250**	**–**	**–**	**250**	**–**	**–11.4**	**–11.4**

The Group's exposure to risks of fluctuation in future interest flows is due to floating-rate debt payments as at 31 December 2011.

The Group has set up interest-rate swaps in order 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.

The following table shows the periods during which the Group expects the amounts recognised in equity at 31 December 2011 with respect to derivatives, in use or unwound and designated as cash flow hedges, will impact the income statement:

(in millions of euros)	**Amount recognised under equity**	**Amount recognised under earnings**			
		< 1 year	**From 1 to 2 years**	**From 2 to 5 years**	**> 5 years**
Unwound interest rate derivatives designated as cash flow hedges	2.7	0.3	0.3	1.0	1.1
Interest rate derivatives designated as hedges of definite cash flow	–5.4	–5.4	0.0	0.0	0.0
Total interest rate derivatives designated as cash flow hedges	**–2.7**	**–5.1**	**0.3**	**1.0**	**1.1**

17.1.4. Derivatives not designated as hedging instruments

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

	31/12/11							
(in millions of euros)	**< 1 year**	**> 1 year to 2 years**	**> 3 years to 5 years**	**> 5 years**	**Notional**	**Fair value assets**	**Fair value liabil-ities**	**Total**
Interest rate swaps	–	–	–	1,200	1,200	119.5	93.1	26.4
Interest rate options *(Cap, Floor, Collar)*	–	–	–	–	–	0.0	0.0	0.0
INTEREST RATE DERIVATIVES NOT DESIGNATED AS HEDGES	**–**	**–**	**–**	**1,200**	**1,200**	**119.5**	**–93.1**	**26.4**

	31/12/10							
(in millions of euros)	**< 1 year**	**> 1 year to 2 years**	**> 3 years to 5 years**	**> 5 years**	**Notional**	**Fair value assets**	**Fair value liabil-ities**	**Total**
Interest rate swaps	–	–	–	1,200	1,200	91.2	62.1	29.1
Interest rate options *(Cap, Floor, Collar)*	–	–	–	–	–	0.0	0.0	0.0
INTEREST RATE DERIVATIVES NOT DESIGNATED AS HEDGES	**–**	**–**	**–**	**1,200**	**1,200**	**91.2**	**–62.1**	**29.1**

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 curb counterparty risk on trade receivables. For instance, there is no concentration of credit with any single customer representing more than 0.5% of revenue (revenue in excess of €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 C.15.2 "Trade receivables".

Financial instruments

Financial instruments are arranged 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 and Moody's. These limits are regularly monitored and updated by the Group at Treasury Committee meetings on the basis of 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 accounting 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:

	31/12/11									
	ACCOUNTING CATEGORIES						JV			
(in millions of euros)	Financial instruments through profit and loss	Derivatives designated as hedges	Assets designated at fair value	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 unobserv-able inputs(*)	Fair value of the class
Unlisted investment securities				0.3		0.3			0.3	0.3
I - Non-current financial assets	**0.0**	**0.0**	**0.0**	**0.3**	**0.0**	**0.3**			**0.3**	**0.3**
II - Derivative financial instruments - assets	**119.5**	**92.1**				**211.6**		**211.6**		**211.6**
III - Trade receivables						**0.0**				**0.0**
Current cash management financial assets - not cash equivalents			10.4			10.4	10.4			10.4
Financial current accounts, assets			311.7			311.7	311.7			311.7
Cash equivalents			60.1			60.1	60.1			60.1
Cash			16.4			16.4		16.4		16.4
IV - Current financial assets	**0.0**	**0.0**	**398.7**	**0.0**	**0.0**	**398.7**	**382.3**	**16.4**		**398.7**
TOTAL ASSETS	**119.5**	**92.1**	**398.7**	**0.3**	**0.0**	**610.6**	**382.3**	**228.0**	**0.3**	**610.6**
Bonds, equity loans and subordinated debt with indefinite maturity					−2,359.8	−2,359.8	−2,403.7	−33.5		−2,437.2
Other bank loans and financial liabilities					−1,110.8	−1,110.8		−1,413.7		−1,413.7
V - Non-current financial liabilities	**0.0**	**0.0**	**0.0**	**0.0**	**−3,470.6**	**−3,470.6**	**−2,403.7**	**−1,447.2**		**−3,850.9**
VI - Derivative financial instruments - liabilities	**−93.1**	**−6.1**				**−99.2**		**−99.2**		**−99.2**
VII - Trade payables					**−70.1**	**−70.1**		**−70.1**		**−70.1**
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	**−93.1**	**−6.1**	**0.0**	**0.0**	**−3,540.7**	**−3,639.9**	**−2,403.7**	**−1,616.5**	**0.0**	**−4,020.2**
Carrying amount of categories	**26.4**	**86.0**	**398.7**	**0.3**	**−3,540.7**	**−3,029.3**	**−2,021.4**	**−1,388.5**	**0.3**	**−3,409.6**

(*) See comments in Note 11.

	31/12/10									
	ACCOUNTING CATEGORIES						**JV**			
(in millions of euros)	**Financial instruments through profit and loss**	**Derivatives designated as hedges**	**Assets designated at fair value**	**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 financial instruments - assets	**91.2**	**44.5**				**135.7**		**135.7**		**135.7**
III - Trade receivables						**0.0**				**0.0**
Current cash management financial assets - not cash equivalents			10.4			10.4	10.4			10.4
Financial current accounts, assets			0.0							
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, equity 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 financial instruments - liabilities	**−62.1**	**−16.0**				**−78.0**		**−78.0**		**−78.0**
VII - Trade payables					**−83.4**	**−83.4**		**−83.4**		**−83.4**
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**	**−3,503.6**	**−3,581.7**	**−2,480.4**	**−1,357.7**	**0.0**	**−3,838.1**
Carrying amount of categories	**29.1**	**28.5**	**318.1**	**0.4**	**−3,503.6**	**−3,127.5**	**−2,176.4**	**−1,208.0**	**0.4**	**−3,383.9**

(*) See comments in Note 11.

In 2011, the criteria used to measure fair value by accounting category were not changed.

D. 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:

2011	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 concession contract. Price increases subject to approval by grantor.	Users	None	Infrastructure facility 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.	Users	None	Infrastructure facility 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 a concession company.

Cofiroute has a well-defined contractual framework of concession contracts and master contracts, and enjoys good visibility.

At 31 December 2011, total investment commitments forecast for the next five years under concession contracts and the 2011-2014 master plan mostly related to the interurban network (€904.0 million) and the A86 (€51.2 million).

E. Other Notes

21. Transactions with related parties

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 2011 and 2010, break down as follows:

	Members of governing bodies and Executive Committee	
(in millions of euros)	**2011**	**2010**
Remuneration	2.3	2.1
Employer's welfare contributions	1.2	1.2
Termination benefits	0.1	0.1
Share-based payments (*)	1.0	0.7

(*) This amount is determined in accordance with IFRS 2 "Share-based payments" and as described in Note 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 14.1 "Provisions for retirement benefits".
Corporate officers benefit from a supplementary retirement plan. Contributions to this plan are made by the parent company VINCI S.A.

21.2. Transactions with the VINCI Group

Transactions in 2011 and 2010 between the Group and the VINCI Group break down as follows:

VINCI		
(in millions of euros)	**2011**	**2010**
Concession assets in service	3.3	4.2
Concession assets in progress	7.5	15.4
Construction costs	–88.2	–106.8
Trade receivables	9.2	5.0
Dividend payments	254.4	153.7
Trade payables	284.1	36.3
Revenue and other ancillary revenue	2.1	0.5
Advance payments to subcontractors	0.0	0.0
Financial income and expenses	0.1	0.0
Other external charges	–17.3	–23.4

21.3. Transactions with the Colas Group

Transactions in 2011 and 2010 between the Group and the Colas Group break down as follows:

COLAS		
(in millions of euros)	**2011**	**2010**
Concession assets in service	0.5	0.6
Concession assets in progress	0.5	0.2
Construction costs	–7.2	–11.3
Trade receivables	0.0	0.0
Dividend payments	50.9	30.7
Trade payables	0.9	2.2
Revenue and other ancillary revenue	0.0	0.0
Advance payments to subcontractors	0.0	0.0
Other external charges	–18.4	–7.8

21.4. Other related parties

Information about companies consolidated under the equity method is found in Note 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 20 with respect to commitments given under concession contracts;

➜ Note 14.1 with respect to unrecognised items on retirement obligations.

23. Workforce

The headcount at 31 December 2011 broke down as follows:

	31/12/11	**31/12/10**
Engineers and managers	314	286
Office, technical and manual staff	1,700	1,697
TOTAL	**2,014**	**1,983**

24. Statutory Auditors' fees

Statutory Auditors' fees totalled €0.20 million in 2011, up from €0.17 million in 2010.

These fees comprised €0.1 million for Deloitte & Associés, including €0.08 million for the statutory audit, and €0.1 million for KPMG, including €0.09 million for the statutory audit.

F. Disputes and arbitration

Cofiroute has been subject to an investigation into its accounts for the 2007, 2008 and 2009 financial years. This has led to notifications being received from the tax authorities, concerning in particular the tax treatment of capitalised borrowing costs.

The Company challenges the position of the tax authorities. Nonetheless, the Group has set aside provisions and recognised expenses payable accordingly.

G. Post-balance sheet events

Increases in toll prices
In application of the interurban network concession contract and the master plan, Cofiroute raised its prices on 1 February 2012 by 2.53% for Class 1 light vehicles and by 3.51% for Class 4 heavy vehicles.

Hedging of debt
On 16 January 2012, in order to maintain the debt-hedging ratio of late 2011, the Group bought an option, setting up a cap with its starting date deferred to 17 November 2012. This replaces a cash flow hedge expiring in November 2012.

Statutory Auditors' report
on the consolidated financial statements

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

Year ended on 31 December 2011

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 2011, 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 A.3.1.4 and A.3.24 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, on 17 February 2012
The Statutory Auditors

Salustro Reydel, Member of KPMG International — Deloitte & Associés

Philippe Bourhis, Partner — Mansour Belhiba, Partner

Parent-company financial statements

Balance sheet - Assets

(in euros)	31/12/2011			31/12/2010
ASSETS	**Gross**	**Depreciation, amortisation and provisions**	**Net**	
INTANGIBLE ASSETS	**76,072**	**0**	**76,072**	**76,072**
OWNED NON-CURRENT ASSETS				
Land	1,212,052		1,212,052	995,816
Fixtures and fittings	5,258,733	5,258,733	0	260,082
Other property, plant and equipment	29,752,573	22,975,154	6,777,419	6,553,579
	36,223,358	**28,233,887**	**7,989,471**	**7,809,477**
PROPERTY, PLANT AND EQUIPMENT UNDER LICENCE AGREEMENTS				
Non-renewable assets in service	7,565,269,877	2,327,756,796	5,237,513,082	4,470,116,752
Renewable assets in service	768,608,070	491,203,634	277,404,435	247,684,991
Non-renewable assets in progress	82,923,946	0	82,923,946	806,782,891
Renewable assets in progress	55,586,889	0	55,586,889	194,727,782
	8,472,388,782	**2,818,960,430**	**5,653,428,352**	**5,719,312,415**
FINANCIAL ASSETS				
Investments in associates and related receivables	49,121,297	47,005,000	2,116,297	2,134,797
Deposits and guarantees	76,437		76,437	76,437
	49,197,734	**47,005,000**	**2,192,734**	**2,211,234**
INVENTORIES	**964,361**	**0**	**964,361**	**1,723,368**
RECEIVABLES				
Trade receivables	78,679,322	2,283,951	76,395,371	71,305,885
Employees	138,065		138,065	178,218
Government	17,892,580		17,892,580	39,778,322
Advances and progress payments	0		0	0
Other receivables	316,392,672	0	316,392,672	9,910,318
	413,102,639	**2,283,951**	**410,818,688**	**121,172,743**
PREPAID EXPENSES	**29,404,492**		**29,404,492**	**32,664,206**
CASH AND CASH EQUIVALENTS	**83,765,265**		**83,765,265**	**313,089,837**
UNREALISED TRANSLATION LOSSES	**0**		**0**	**0**
TOTAL	**9,085,122,703**	**2,896,483,268**	**6,188,639,435**	**6,198,059,351**

Balance sheet - Liabilities and equity

(in euros)	31/12/2011	31/12/2010
LIABILITIES AND EQUITY		
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	1,564,891,132	1,561,001,074
NET PROFIT TO BE APPROPRIATED	**0**	**0**
NET PROFIT FOR THE PERIOD	**290,373,402**	**315,502,916**
INTERIM DIVIDEND	**–135,716,775**	**–142,048,061**
GRANTS RELATED TO ASSETS	**218,204,962**	**216,116,830**
TAX-REGULATED PROVISIONS	**41,364,716**	**41,146,338**
	2,157,437,527	**2,170,039,188**
CONTINGENCIES AND LOSS PROVISIONS		
Provisions for losses and liabilities	232,643,758	237,477,536
FINANCIAL LIABILITIES		
Other borrowings	3,382,080,189	3,381,094,241
Debts to central and local government	3,182,373	4,455,322
	3,385,262,562	**3,385,549,563**
LIABILITIES		
Trade payables	69,789,349	83,593,117
Customer guarantee deposits	7,802,290	7,688,421
Employees	21,162,590	20,282,054
Tax and social liabilities	268,201,799	242,893,302
Other liabilities	12,796,432	11,242,653
	379,752,459	**365,699,546**
DEFERRED INCOME	**33,543,128**	**39,293,518**
UNREALISED TRANSLATION GAINS	**0**	**0**
TOTAL	**6,188,639,435**	**6,198,059,351**

Income statement

(in euros)	**31/12/2011**	**31/12/2010**
Operating income		
REVENUE		
Toll revenue	1,180,224,558	1,128,898,798
Ancillary revenue	13,890,973	13,944,122
NET REVENUE	1,194,115,531	1,142,842,920
Reversal of provisions	44,293,072	31,765,818
Other income	15,078,201	14,144,446
TOTAL I	**1,253,486,804**	**1,188,753,184**
Operating expenses		
Purchases of consumables	12,555,616	13,171,744
External costs related to investments	39,770,353	38,283,286
Major repairs	36,478,973	29,410,377
External costs related to operations	33,407,560	31,592,739
Transfer of insurance claim settlement income	–5,755,926	–5,286,355
Taxes	140,850,133	130,627,121
Employment costs	101,043,288	99,030,315
Statutory profit-sharing	6,747,867	5,972,659
Other ordinary management expenses	254,576	258,956
Depreciation and amortisation of owned non-current assets	1,440,331	1,588,633
Depreciation and amortisation of renewable assets	54,783,516	44,385,824
Special concession depreciation and amortisation	192,506,842	177,756,055
Provisions for operating expenses	48,416,986	43,736,427
TOTAL II	**662,500,115**	**610,527,781**
1. NET OPERATING PROFIT (I-II)	**590,986,689**	**578,225,403**
Financial income		
Capitalised borrowing costs	0	33,477,284
Other financial income	26,227,835	23,974,017
TOTAL III	**26,227,835**	**57,451,301**
Financial expenses		
Finance costs	154,876,049	151,795,408
Other financial expenses	16,545	72,626
TOTAL IV	**154,892,594**	**151,868,034**
2. NET FINANCIAL INCOME/EXPENSE (III - IV)	**–128,664,759**	**–94,416,733**
3. PROFIT FROM ORDINARY ACTIVITIES (1 + 2)	**462,321,930**	**483,808,670**
Exceptional income V	17,675,020	17,179,563
Exceptional expenses VI	20,173,789	22,410,642
NET EXCEPTIONAL INCOME/EXPENSE (V - VI)	**–2,498,769**	**–5,231,079**
Income tax, deferred tax	169,449,760	163,074,672
AND OTHER TAXES VII		
TOTAL INCOME (I + III + V)	**1,297,389,659**	**1,263,384,048**
TOTAL EXPENSES (II + IV + VI + VII)	**1,007,016,258**	**947,881,129**
NET PROFIT	**290,373,402**	**315,502,916**

Cash flow statement

(in millions of euros)	31/12/11	31/12/10
Operating activities		
Cash flow from/(used in) operating activities, excluding expense transfers	535	523
Change in working capital requirement (*)	–279	–77
A. CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**256**	**446**
Investing activities		
Non-current assets	–184	–208
Grants related to assets	2	120
Disposals	0	0
B. CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**–182**	**–87**
Financing activities		
Dividends	–305	–184
Borrowings and advances	6	11
Repayment of borrowings and advances	–5	–161
C. CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**–304**	**–335**
CHANGE IN CASH POSITION (A + B + C)	**–229**	**23**
CASH POSITION AT 1 JANUARY	**313**	**290**
CASH POSITION AT 31 DECEMBER	**84**	**313**
CASH POSITION AT 31 DECEMBER INCLUDING VINCI AUTOROUTES CURRENT ACCOUNT	**396**	**313**

(*) Including a -€311.7 million change in the VINCI Autoroutes current account following the signature of the cash management agreement in October 2011.

Notes to the parent-company financial statements
Year ended 31 December 2011

1. Highlights

1.1. Concession contracts

Two riders to the interurban concession contract were published in 2011.
➔ the 15th rider, which relates to toll increases in order to compensate for the increase in infrastructure tax (7.32 cents versus 6.86 cents per 1,000km) introduced in the 2011 budget;
➔ the 16th rider, which relates to the third master contract for 2011-2014, under which the Company undertakes to carry out €213 million of investment (in constant currency terms, 2008 base) in exchange for increasing the inflation link by 15 points (from 70% of inflation to 85% of inflation) plus 0.48%.

1.2. Other highlights

On 9 January 2011, the A86 Duplex came fully into service after the second section between the A13 and Vélizy (VL2) was opened.

The tax investigation that began in September 2010 ended in 2011, following notifications relating to the 2008 and 2009 financial years.

An agreement relating to an employee incentive plan was signed on 28 June 2011 by union representatives and management. The plan, which came into force in 2011, features a total sum of €1.5 million that can be allocated to staff subject to the fulfilment of safety, performance and quality criteria.

Since 25 February 2011, Cofiroute has had a €500 million medium-term bank credit facility, replacing the €1,020 million facility expiring October 2011.

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

Non-current 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 include plant and equipment needed to ensure safety, maintain usable road surfaces and collect tolls.

Capitalised borrowing costs

This item 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 39A of the French Tax Code. The difference between depreciation for accounting and for tax purposes is booked under “Tax-regulated provisions”, under liabilities.

Depreciation 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. between 3 and 10 years for software, fittings, 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 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. Contingencies and loss provisions

Contingencies and loss 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. Share-based payment

The measurement and recognition methods for share subscription and purchase plans, the VINCI Group Savings Schemes and performance share plans are those defined by the VINCI Group. The granting of performance shares and offers to subscribe to the Group Savings Scheme, pursuant to the decision by VINCI SA's Board of Directors after approval by the General Shareholders' Meeting, represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration. Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding charge payable. Benefits are measured on the basis of the fair value at the grant date of the equity instruments granted. Adjustments may be made at each closing date in relation to any items whose definitive grant is subject to the attainment of financial criteria.

VINCI's Board of Directors defines the conditions for subscribing to the Group Savings Scheme in accordance with the authorisations granted to it by the Shareholders' General 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 measured using the following assumptions:
➔ vesting period: 4 months;
➔ lock-up period: 5 years from the end of the subscription period.

2.10. 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.

2.11. Consolidation

Cofiroute has drawn up consolidated statements under IFRSs 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, a French société anonyme with share capital of €1,412,467,802.5 as of 31 December 2011, headquartered at 1, cours Ferdinand-de-Lesseps, 92851 Rueil Malmaison Cedex, France.

3. Notes to the financial statements

3.1. Assets

3.1.1. Non-current assets - gross

(in millions of euros)	At 1 January 2011	Change during the period: Increases	Decreases	Transfers	At 31 December 2011
Intangible assets	0.1	–	–	–	0.1
Owned non-current assets	34.7	0.8	0.1	0.8	36.2
Non-current concession assets	8,295.4	183.2	5.4	−0.8	8,472.4
· of which in service	*7,293.9*	*77.6*	*5.4*	*967.8*	*8,333.9*
· of which in progress	*1,001.5*	*105.6*	*–*	*−968.6*	*138.5*
Financial assets	49.2	–	–	–	49.2
TOTAL	**8,379.3**	**184.0**	**5.5**	**–**	**8,557.8**

Non-current assets in progress mainly comprise the cost of works related to the Green Motorway Package and the third master contract, along with investment related to the renewal and upgrading of IT hardware and software.

3.1.2. Depreciation and amortisation

(in millions of euros)	At 1 January 2011	Change during the period: Additions	Change during the period: Reversals	At 31 December 2011
Intangible assets	0.0	–	–	0.0
Owned non-current assets	26.8	1.5	0.1	28.2
Non-current concession assets				
· *special concession depreciation/amortisation*	*2,135.3*	*192.5*	*–*	*2,327.8*
· *depreciation/amortisation of renewable assets*	*440.8*	*54.8*	*4.4*	*491.2*
TOTAL	**2,602.9**	**248.8**	**4.5**	**2,847.2**

The interurban concession for the A10, A11, A28, A71, A81, A85 and A821 motorways, which was due to terminate on 31 December 2030 under the 8th rider to the concession agreement, was extended by one year by the 14th rider to the concession agreement approved in 2010. As a result, the concession is now due to end on 31 December 2031, and special concession depreciation and amortisation are calculated on this basis.
The concession period for the A86 was initially for 70 years from the day the entire tunnel opened. However, the first rider, published on 4 September 2010, extended the concession period by five years, and so the concession is now due to terminate on 31 December 2086. Special concession depreciation and amortisation are calculated on this basis.

3.1.3. Subsidiaries

(in millions of euros)	**Subsidiaries (*) Cofiroute Participations** 6 à 10, rue Troyon 92316 Sèvres Cedex Siret No.: 352 579 353 00025
Share capital	2.2
Reserves (**)	0.7
Share of capital owned (as %)	99.99%
Carrying value of investments held:	
· *gross*	*1.5*
· *net*	*1.5*
Outstanding loans and advances made by the Company	–
Guarantees given by the Company	–
Ex-VAT revenue (***) for the past financial year	–
Earnings (profit or loss) for the past financial year	0.4
Dividends received by the Company during the period (***)	1.1
Comments	–

* Figures at 31 December 2011.
** Includes net profit for the period.
*** Received by the parent company (Cofiroute Participations).

3.1.4. Maturity of receivables

Operating receivables totalled €413.1 million:

(in millions of euros)	Gross	Due within 1 year	Due in 1 to 5 years	Due after 5 years
Trade receivables	78.7	76.3	2.4	–
Government	17.9	17.9	–	–
Employees	0.1	0.1	–	–
Advances and progress payments	–	–	–	–
Other receivables	316.4	316.4	–	–
TOTAL	**413.1**	**410.7**	**2.4**	**–**

The "Other receivables" item increased sharply, by €306.5 million, following a cash management agreement in October 2011 with VINCI Autoroutes allowing the investment of available cash (€311.7 million at 31 December 2011).

3.1.5. Impairment provisions

Provisions for impairment break down as follows:

		Change during the period		
(in millions of euros)	At 1 January 2011	Increases	Decreases	At 31 December 2011
Renewable assets	–	–	–	–
Investments in associates(*)	47.0	–	–	47.0
Trade receivables	2.1	0.4	0.2	2.3
TOTAL	**49.1**	**0.4**	**0.2**	**49.3**

(*) Provision for impairment of shares in Toll Collect.

3.1.6. Prepaid expenses

Prepaid expenses amounted to €29.4 million, including €16.2 million in compensation related to financial operations.

3.1.7. Cash and cash equivalents

Cash and cash equivalents break down into €70.5 million in marketable securities and €13.2 million in cash balances. A substantial portion of the Company's cash now appears under "Other receivables", since it is held in a current account with VINCI Autoroutes under the October 2011 cash management agreement.

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 of the allocation of unappropriated retained earnings for 2010.

(in millions of euros)	At 1 January 2011	Change during the period Increases	Decreases	At 31 December 2011
Share capital	158.3	–	–	158.3
Legal reserve	15.8	–	–	15.8
Other reserves	4.2	–	–	4.2
Retained earnings	1,561.0	3.9	–	1,564.9
Net profit	315.5	290.4	315.5	290.4
Interim dividend	–142.0	–135.7	–142.0	–135.7
Grants related to assets	216.1	2.1	–	218.2
Tax-regulated provisions	41.1	0.2	–	41.3
TOTAL	**2,170.0**	**160.9**	**173.5**	**2,157.4**

3.2.3. Contingencies and loss provisions

Contingencies and loss provisions break down as follows over the period:

(in millions of euros)	At 1 January 2011	Change during the period Increases	Decreases	At 31 December 2011
Provisions for major repairs	214.9	46.4	40.7	220.6
Provisions for obligations under CATS (early retirement) agreement	10.7	–	2.2	8.5
Provisions for renovation work	1.1	1.4	0.6	1.9
Provisions for other liabilities	2.8	0.2	1.5	1.6
Provisions relating to a tax investigation	8.0	1.8	9.8	–
TOTAL	**237.5**	**49.8**	**54.8**	**232.6**

The provision for major repairs covers future expenses for maintaining road surfaces, engineering structures and hydraulic structures, based on a schedule that reflects the frequency with which each item is renovated.

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).

After bad weather damaged some toll-gate canopies, a repair provision of €0.4 million was set aside in 2011. A further €1 million of repair provisions were set aside for the head office in Sèvres.

Provisions relating to a tax investigation: Cofiroute has undergone an investigation into its accounts for 2007, 2008 and 2009. In 2010, the tax authorities issued a notification relating to the investigation into capitalised borrowing costs recorded in 2007. In December 2011, the tax authorities issued a notification relating to the investigation into capitalised borrowing costs recorded in 2008 and 2009.
Although the Company disputed the position of the authorities, it had assessed these risks and booked provisions accordingly.

After the notification received in 2011, the provisions relating to these risks were released and the actual charge was recognised.
As with the notification relating to 2007, a proposal to raise the 2008 and 2009 rental values of property forming the basis of French business tax was also submitted in 2011. The Company has noted the consequences of this proposal and has set aside provisions accordingly.

3.2.4. Maturity of payables

Operating payables include €116.4 million of deferred tax, most of which relates to deferred tax on capitalised borrowing costs. This item fell significantly in 2011 taking into account the notification relating to the tax investigation.

(in millions of euros)	**Gross**	**Due within 1 year**	**Due in 1 to 5 years**	**Due after 5 years**
Financial liabilities	3,385.3	67.5	710.2	2,607.6
Trade and other operating payables	379.8	372.0	7.8	–
Deferred income	33.5	6.5	22.9	4.1
TOTAL	**3,798.6**	**446.0**	**740.9**	**2,611.7**

3.2.5. Borrowings

At 31 December 2011, borrowings and accrued interest on the balance sheet amounted to €3,382.1 million, breaking down as follows:

		Change during the period		
(in millions of euros)	**At 1 January 2011**	**Increases**	**Decreases**	**At 31 December 2011**
Bonds	2,227.1	6.4	4.0	2,229.5
Other borrowings (EIB)	1,100.0	–	–	1,100.0
Accrued interest	54.0	–	1.4	52.6
TOTAL	**3,381.1**	**6.4**	**5.4**	**3,382.1**

Cofiroute did not carry out any significant bond issues or redemptions over the year.

After hedging transactions, net debt broke down into 78% at fixed rate and 22% at 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. The financial terms of the bank credit facility arranged in February 2011 include a leverage ratio covenant.

(in millions of euros)	**Gross**	**Due within 1 year**	**Due in 1 to 5 years**	**Due after 5 years**
Bonds	2,229.5	3.3	515.4	1,710.8
Other borrowings (EIB)	1,100.0	10.4	192.9	896.7
Accrued interest	52.6	52.6	–	–
TOTAL	**3,382.1**	**66.3**	**708.3**	**2,607.5**

3.2.6. Deferred income

Deferred income mainly comprises:

➔ rights of use in the amount of €6.4 million paid by telecommunications operators under medium- to long-term agreements, which 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:

– €2.9 million corresponding to the remaining compensation received on the unwinding of pre-hedging transactions for the bond issues in April 2003, May 2006 and July 2007,

– €8.2 million corresponds to the remaining compensation for the cancellation of fixed-to-floating swaps: €3.4 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,

– €16.1 million corresponding 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

Accrued expenses relate to:

(in millions of euros)	**2011**	**2010**
Trade payables	52.4	26.0
Employees	18.2	20.8
Taxes	25.6	15.6
Other payables	10.9	8.3
Unpaid accrued interest	52.6	54.0
Accrued expenses	**159.6**	**124.7**

The increase in trade payables arose from the new closing timetable.

3.2.8. Accrued income

Accrued income breaks down as follows:

(in millions of euros)	**2011**	**2010**
Trade invoices to be issued	53.7	4.7
Other receivables and accrued income	–	0.8
Government, accrued income	–	20.0
Accrued income	**53.7**	**25.5**

3.3. Income statement

3.3.1. Revenue

Revenue breaks down as follows:

(in millions of euros)	**2011**	**2010**
Revenue	**1,194.1**	**1,142.8**
Toll revenue	1,180.2	1,128.9
Ancillary revenue	13.9	13.9

The change in toll revenue between 2010 and 2011 breaks down as follows:

(in millions of euros)	**2010-11 change**
Toll revenue	4.5%
Increase in traffic on a stable network basis	+0.8%
Traffic on new sections	–
A86 Duplex	+1.7%
Changes in prices and in mix between light and heavy vehicles	+2.0%

3.3.2. Purchases and external expenses

Purchases and external expenses break down as follows:

(in millions of euros)	**2011**	**2010**
Purchases and external expenses	**122.1**	**112.4**
Purchases of consumables	12.5	13.2
External costs related to investments	39.7	38.3
External costs related to operations	33.4	31.6
Major repairs	36.5	29.4

3.3.3. Gross operating profit

Gross operating profit is the difference between operating income and operating expenses, excluding additions to and reversals from depreciation, amortisation and provisions.

(in millions of euros)	**2011**	**2010**
Operating income excluding reversals of provisions	**1,209.2**	**1,156.9**
Revenue	1,194.1	1,142.8
Other operating income	15.1	14.1
Operating expenses excluding depreciation, amortisation and provisions	**365.2**	**343.0**
Purchases and external expenses	122.1	112.4
Insurance claim settlements	–5.8	–5.2
Employment costs including statutory profit-sharing	107.8	105.0
Taxes	140.9	130.6
Other ordinary management expenses	0.3	0.2
GROSS OPERATING PROFIT	**843.9**	**813.9**

In 2011, the ratio of gross operating profit to revenue was 70.7% versus 71.2% in 2010, due to the second section of the A86 Duplex coming into service on 9 January 2011, along with a larger major repairs programme and higher taxation.

3.3.4. Operating profit

(in millions of euros)	2011	2010
Gross operating profit	**843.9**	**813.9**
Operating provisions	–4.1	–11.9
Depreciation and amortisation	–248.8	–223.8
NET OPERATING PROFIT	**591.0**	**578.2**

3.3.5. Net financial income/expense

Net financial expense was €128.6 million. The apparent deterioration in this item was mainly because the capitalisation of some borrowing costs came to an end after the opening of the A86 Duplex.

(in millions of euros)	2011	2010
Financial income	**26.2**	**57.4**
Capitalised borrowing costs	–	33.5
Other financial income	26.2	24.0
Financial expenses	**–154.9**	**–151.9**
Finance costs	–154.9	–151.9
Other financial expenses	–	–
NET FINANCIAL INCOME/EXPENSE	**–128.6**	**–94.4**

3.3.6. Exceptional items

Exceptional items include:

(in millions of euros)	2011	2010
Exceptional income	**17.7**	**17.2**
From operating transactions	0.3	0.2
From capital transactions	–	–
Reversals of provisions	17.4	16.9
Exceptional expenses	**20.2**	**22.4**
From operating transactions	11.4	0.5
From capital transactions	–	–
Depreciation, amortisation and provisions	8.8	21.9
NET EXCEPTIONAL INCOME/EXPENSE	**-2.5**	**-5.2**

3.3.7. Income tax

The tax expense of €169.5 million comprises:

➔ €155.9 million of corporate income tax arising on ordinary operations;
➔ €0.3 million of income relating to corporate income tax arising on exceptional items;
➔ €5.1 million relating to the 3.3% social surtax;
➔ €7.8 million relating to the exceptional 5% contribution;
➔ €87 million of corporate income tax and social security contributions resulting from the restatement of capitalised borrowing costs from 2007 to 2009 following tax investigations, offset by a €86 million fall in deferred tax.

3.3.8. Deferred tax position

The Company has provisions amounting to €41.4 million at 31 December 2011 relating to excess tax depreciation over normal depreciation, resulting in a deferred tax liability of €13.8 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: €11.9 million.
➔ Commitments received in the form of guarantees issued by banks on behalf of toll subscribers in favour of Cofiroute: €0.6 million.
➔ Investment commitments: under the terms of its concession contracts, the Company is committed to investing €955 million over the next five years.

3.4.2. Average workforce and staff training rights

(number)	**Employees**
Management	277
Supervisory	359
Office, technical and manual	1,169
TOTAL	**1,805**

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 under this individual right to training is considered as an expense for the period and does not give rise to the recognition of a provision, except in exceptional cases. The Group's employees had acquired rights to 154,490 hours of such training at 31 December 2011.

4. Other information

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

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

Aggregate remuneration and similar benefits granted to the members of the Group's governing bodies and Executive Committee, recognised as expenses in 2010 and 2011, break down as follows:

	Members of governing bodies and the Executive Committee	
(in millions of euros)	**2011**	**2010**
Remuneration	2.6	2.1
Employer's welfare contributions	1.2	1.2
Post-employment benefits	0.1	0.1
Share-based payments (*)	1.0	0.7

(*) This amount is determined in accordance with IFRS 2 Share-based Payment and as described in Note 13 "Share-based payment".

4.2. Transactions with the VINCI Group

Transactions in 2010 and 2011 between the Group and the VINCI Group break down as follows:

(in millions of euros)	**2011**	**2010**
Concession assets in service	3.3	4.2
Concession assets in progress	7.5	15.4
Construction expenses	–88.2	–106.8
Trade receivables	9.2	5.0
Dividend payments	254.4	153.7
Trade payables	284.1	36.3
Revenue and other ancillary revenue	2.1	0.5
Advance payments to subcontractors	0.0	0.0
Financial income and expenses	0.1	0.0
Other external expenses	–17.3	–23.4

4.3. Transactions with the Colas Group

Transactions in 2010 and 2011 between the Group and the Colas Group break down as follows:

(in millions of euros)	**2011**	**2010**
Concession assets in service	0.5	0.6
Concession assets in progress	0.5	0.2
Construction expenses	–7.2	–11.3
Trade receivables	0.0	0.0
Dividend payments	50.9	30.7
Trade payables	0.9	2.2
Revenue and other ancillary revenue	0.0	0.0
Advance payments to subcontractors	0.0	0.0
Other external expenses	–18.4	–7.8

5. Post-balance sheet events

5.1. Increases in toll prices

In application of the interurban network concession contract and the master contract, Cofiroute raised its prices on 1 February 2012 by 2.53% for Class 1 light vehicles and by 3.51% for Class 4 heavy vehicles.

5.2. Hedging of debt

On 16 January 2012, in order to maintain the debt-hedging ratio of late 2011, the Group bought an option, setting up a cap with its starting date deferred to 17 November 2012. This replaces a cash flow hedge expiring in November 2012.

Statutory Auditors' report
on the financial statements

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

Year ended on 31 December 2011

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 2011, on:

➔ the audit of the accompanying financial statements of Cofiroute;
➔ the justification of our assessments; and
➔ the specific verifications and information required by law.

These 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 2011 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. 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, on 17 February 2012

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

Persons responsible for the document

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

Primary 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 end of the AGM
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 end of the AGM
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 end of the AGM
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 end of the AGM
held to approve the 2012 financial statements.

3. Statutory Auditors' fees

Statutory Auditors' fees amounted to €0.2 million for 2011, including €0.16 million for the statutory audit and €0.04 million for other services. These fees showed no material change relative to 2010.

4. Persons responsible for financial information

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

5. Documents available for consultation by the public

The following documents are available on the Company's website (www.cofiroute.fr):
- ➔ the 2011 financial report filed with the Autorité des Marchés Financiers;
- ➔ the 2011 interim financial report filed with the Autorité des Marchés Financiers;
- ➔ the 2010 annual and interim financial reports 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: 6-10, rue Troyon · 92316 Sèvres Cedex · France
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