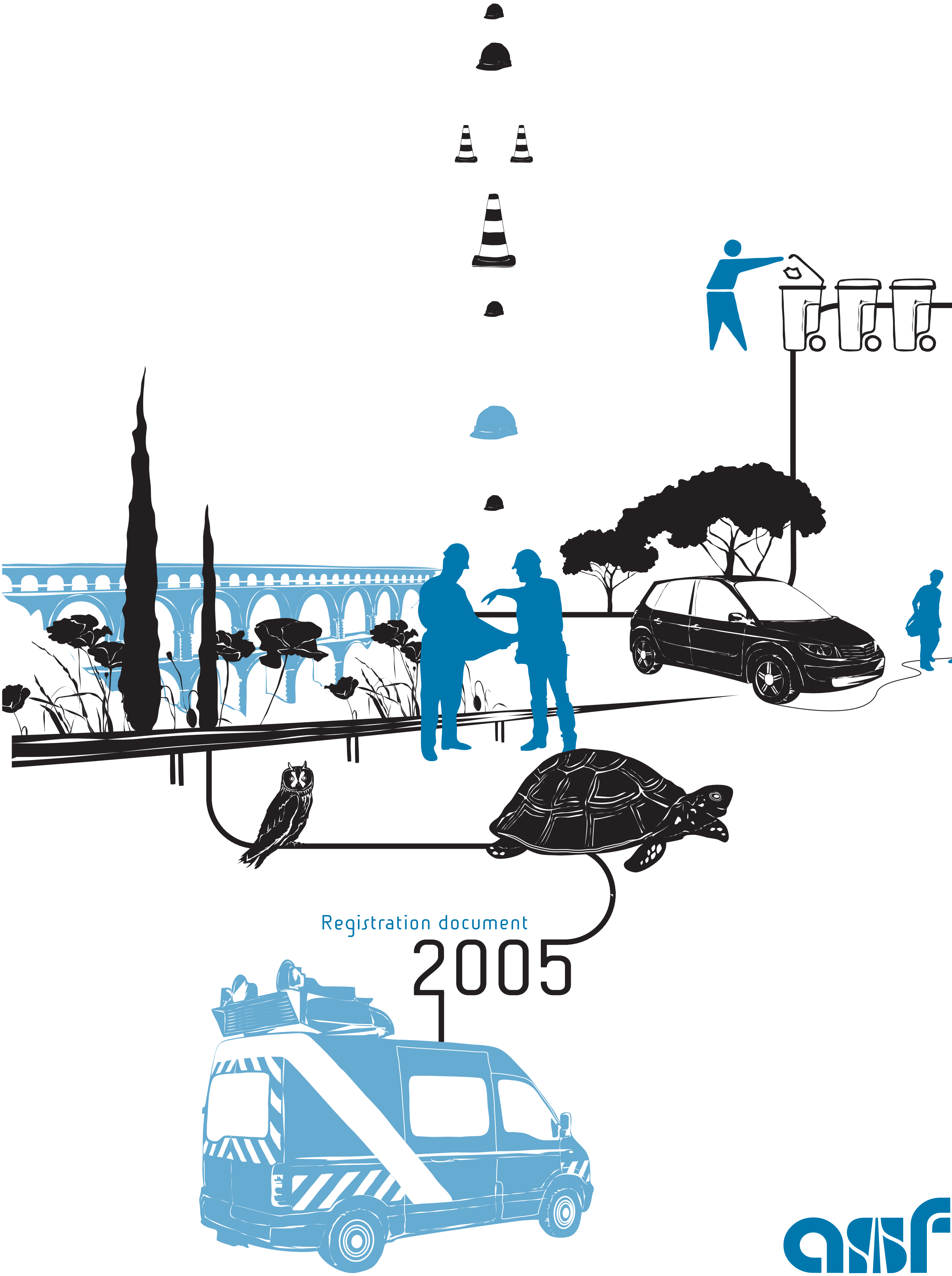
Registration document 2005



Registration document 2005

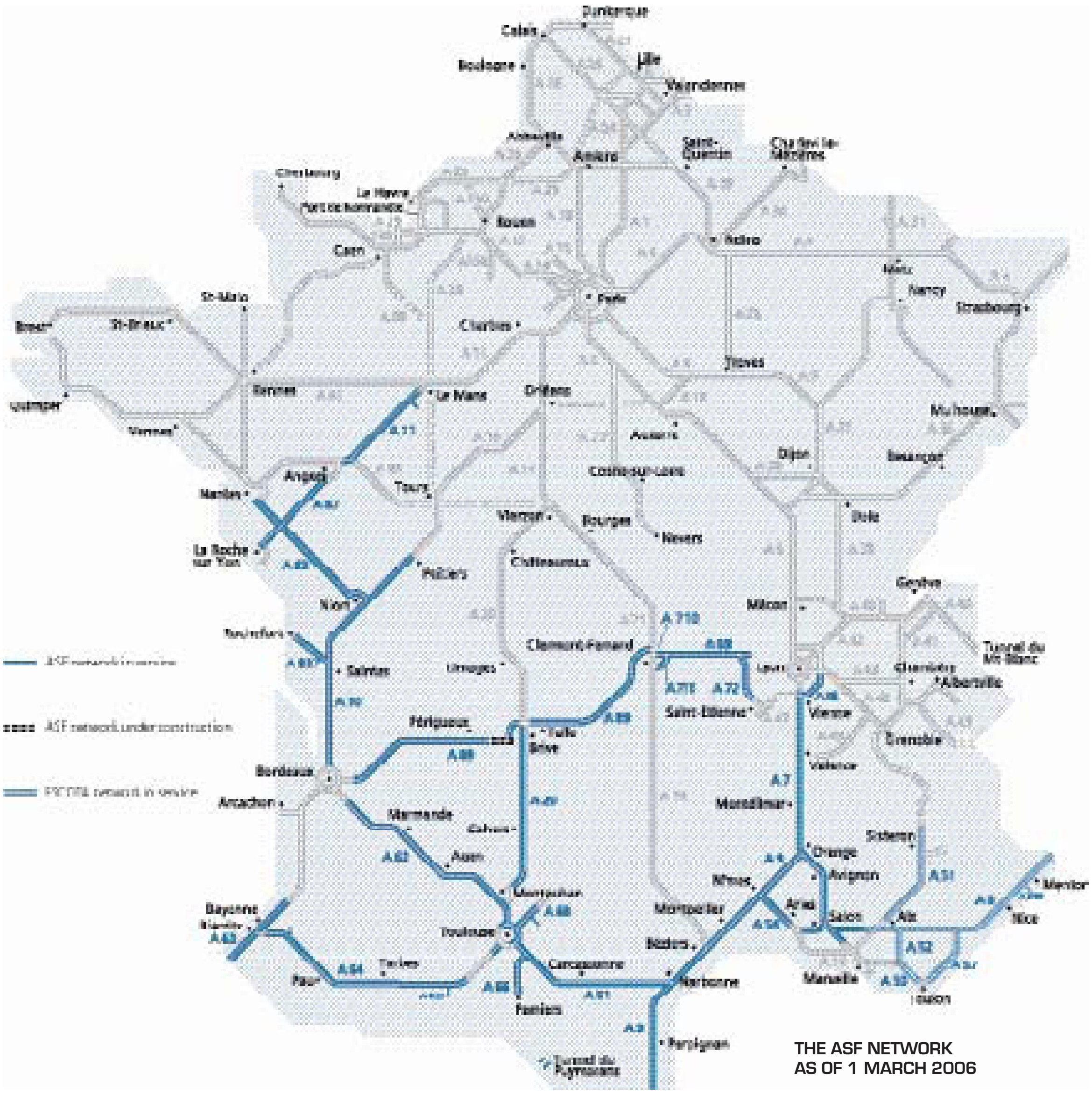
Registration document for the year ended 31 December 2005 filed with the AMF on 10 March 2006

In accordance with the article 212-13 of the General Regulations of the Autorité des marchés financiers (AMF), the document de référence (registration document) in French was registered by the AMF on 10 March 2006. The registration document may not be used in connection with a financial transaction, unless it is accompanied by an information memorandum also approved by the AMF.

The references of the sections containing the information required under European Commission regulation 809/2004, Appendix 1, dated 29 April 2004 are provided in Section 8.

This registration document is available free of charge from ASF's headquarters. It may also be downloaded from the Company's web site (www.asf.fr).

The English language version of this registration document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinion expressed therein the original language version of the document in French takes precedence over the translation.



THE ASF NETWORK
AS OF 1 MARCH 2006

COMPANY PROFILE

In its 50-year history, ASF has become France's leading toll motorway operator with 2,963 kilometres in services as of 31 December 2005. Growth has been built on three core areas of expertise – financing, building and operating transport infrastructure.

We are committed to delivering benefits to all stakeholders, by building safe and robust infrastructure that respects the environment and the quality of life of local populations, promoting essential mobility of goods and people in safe conditions, and serving the public interest by contributing to the development of local economies and tourism.

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

Our sustainable growth strategy is based on the quality of our network, our untapped sources of productivity gains and our ability to innovate and to improve the scope and quality of our customer service.

2005 key figures:

A conceded network totalling 3,160 kilometres
2,963 kilometres of motorway in service, including 20 kilometres opened in 2005
7,975 employees
2005 revenue: €2.5 billion

In 2005, we shared our talent and expertise…

On 14 January 2005, we opened the Les Essarts-La Roche-sur-Yon section of the A87, creating a continuous motorway link from Angers to La Roche-sur-Yon also serving Cholet and Les Essarts. With its 112 kilometres, the A87 now represents the safest, most direct route to the Vendée coast.

On 11 November 2005, we were awarded the contract to operate the ring-road circumventing Lyon by the north. The Greater Lyon local authorities chose our Company in recognition of our skill and experience in operating road infrastructure and managing *télépéage* electronic collection, as well as of ESCOTA's expertise in urban road tunnels.

Work to renovate the Chasse and Rhône viaducts on the A7 began on 12 September. The projects will last nine months and will have a significant impact on traffic flows.

ESCOTA continued to upgrade the tunnels on the section of the A8 bypassing Nice, to comply with the latest safety standards. Work on this large-scale project is being carried out at night, to limit disruption to traffic flows.

In 2005, we shared our commitment to stakeholders…

During the year, we pursued trials of real-time speed regulation on the A7. The initiative concerned 250 kilometres of motorway and delivered very encouraging results, with improved traffic flows and a reduction in the number of accidents.

In May, we introduced *Temps Libre*, a customized automatic toll-paying solution for occasional motorway users. With this product, customers pay monthly management fees only for the months when the *télépéage* badge is used.

ASF and ESCOTA renewed 34 contracts with operators of service stations, shops and food-service outlets in the service areas. The competitive bidding process ensured that the contracts were awarded to operators offering the highest quality services at the lowest price for consumers.

In 2005, we shared our concern for nature and the environment…

In 2005, we extended our waste-sorting program. Recycling bins have been installed at eight rest areas, to help customers do their bit for the environment, while operating units in eight of our districts have been equipped with selective sorting systems both for their own waste and for the rubber, metal, plastic and other waste collected on the highway.

The Forum on the A20 and A89 data collection centres held in Brive on 20 October was an outstanding success. Attracting members of the academic community, elected government officials, entrepreneurs and public sector representatives, the forum provided an opportunity for a wide-ranging discussion of the motorway's local socioeconomic and environmental impact.

ASF and the Sancy-Volcans tourist offices have also joined forces to promote the Sancy hills and the volcanoes in the Auvergne region as a tourist destination, and to encourage visitors to use the A89.

In 2005, we shared the fruits of our success…

In 2005, we shared the benefits of our growth with our employees and shareholders. In addition to the growth in the share price, we increased the dividend payout rate to 63% of consolidated net profit, from 49% in 2004, and set up a new proactive share-save system for Company employees.

After extended negotiations with the trade unions, an agreement was signed in June introducing a new organisation of working hours at toll plazas and new employment conditions for employees with fixed and variable working hours. The agreement will enable us to more effectively tailor the number of employees on duty at toll plazas to traffic volumes as from 2006. In addition, the agreement's inherent flexibility will lead to a significant reduction in the use of non-permanent staff.

Coup de pouce à l'innovation is a competition organized within the Company to boost our employees' innovation capabilities. In 2005, five prizes were awarded for projects in the areas of toll collection, routine motorway maintenance and technical structures.

In October 2005, ASF won the prize for Best Shareholder Service (SBF 120 category) at the Fils d'Or awards organized by *La Vie financière*, a financial newspaper, and SynerFil, a firm of customer relationship management consultants. The awards are given to the best-performing investor relations teams in terms of timely, reliable and user-friendly information. This is our third shareholder service award since our Company was first listed in March 2002.

HISTORY AND SIGNIFICANT EVENTS

ASF was created in 1957 under the name "Société de l'Autoroute de la Vallée du Rhône" (SAVR) to build and operate the A7 motorway from Vienne. It changed its name to ASF in 1973, to reflect the extension of its geographic reach.

In 1966, 1967 and 1973, ASF was successively awarded the concessions for the Nîmes-Montpellier, Orange-Nîmes, Béziers-Narbonne and Montpellier-Béziers sections of the A9, representing the starting point for the extension of the network towards Southwest France.

Construction of the Vienne-Berre section of the A7 was completed in 1970, followed by the A9 from Orange-Le Perthus in 1978, and the A61 between Toulouse and Narbonne in 1979. The one-thousandth kilometre of motorway was opened in 1981. The same year, the Poitiers - Saint-André-de-Cubzac section of the A10 was opened, providing an uninterrupted motorway link between Paris and Bordeaux. The A62 between Toulouse and Bordeaux was completed in 1982.

In 1984, ASF acquired Société des Autoroutes de la Côte Basque (ACOBA). ACOBA was merged into ASF in 1991, adding the A63 motorway to the network.

In 1985, the A72 between Clermont-Ferrand and Saint-Étienne was completed, followed in 1990 by the A11 between Angers and Le Mans. In 1991, the ASF network in service topped 1,500 kilometres.

In 1994, ASF opened the Puymorens tunnel at the end of a four-year construction project. Nineteen-ninety-four was also the year of toll motorway sector reform, leading to the creation of three financially-integrated and independent toll motorway networks around three companies, ASF, Sanef and SAPRR, as from 1 January 1995.

As part of the reform, at the end of 1994 ESCOTA became an 83.72%-owned subsidiary of ASF, with ASF's interest subsequently being raised to 95% in 1995, 96.15% in 2000 and 98.97% in 2002. ESCOTA was set up in 1956 under the name "Société des Autoroutes Estérel, Côte d'Azur" to build France's first conceded motorway, the A8, with the original purpose of creating a safer route across the Estérel hills to facilitate access to the Côte d'Azur. The A8 now provides a continuous motorway link between Aix-en-Provence and Italy.

To reflect the geographic extension of the business, with the phased opening between 1985 and 1990 of the A51 between Aix-en-Provence and Sisteron, in 1991 ESCOTA adopted its current name "Société des Autoroutes Estérel, Côte d'Azur, Provence, Alpes".

In 1995, ASF began work on the A20 between Brive and Montauban, opening the first section in July 1998.

In June 1999, ESCOTA opened the final conceded section of the A51, the 30-kilometre stretch between Sisteron and La Saulce, extending its network to 459 kilometres.

In 2000, the first section of the A89 between Bordeaux and Clermont-Ferrand was opened, extending ASF's network to 2,000 kilometres.

In 2001, the ASF concession was extended until 2032 and the ESCOTA concession until 2026. During the same year, ASF opened a total of 166 kilometres on the A10, A20, A83 and A89 motorways, extending our total network to 2,194 kilometres as of 31 December 2001.

The highlight of **2002** was the Company's Initial Public Offering on the *Premier Marché* of Euronext Paris. From the listing date, ASF was Europe's second largest motorway company in terms of market capitalization. 2002 also saw the first milestone in our Company's international development, with the signature of a partnership agreement with Bouygues Construction for the Highway 2000 project in Jamaica. Under the terms of the agreement, we acquired 34% of the concessionaire, TransJamaican Highway, and 51% of the operating company, Jamaican Infrastructure Operator. On 28 November, ASF underwrote a €97.6 million share issue by ESCOTA, raising its interest to 98.97%.

Between January 2002 and February 2003, we opened 157 kilometres on the A66, A87 and A89 motorways, extending the combined ASF and ESCOTA network in service to 2,811 kilometres as of 1 March 2003.

2003 saw the completion of the A20, creating a continuous motorway link between Paris and Toulouse. In September, our subsidiary Jamaican Infrastructure Operator began operating the first section of the TransJamaican Highway.

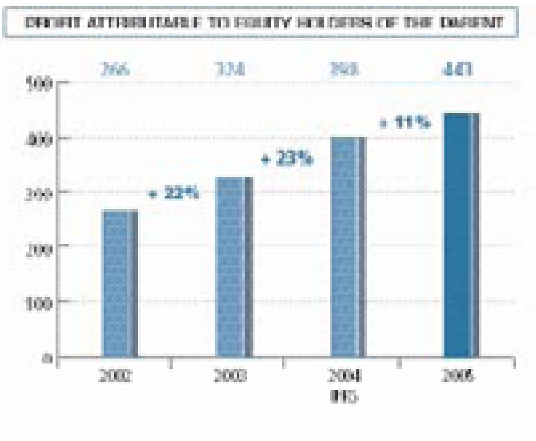
In 2004, the A89 motorway linking Bordeaux to Clermont-Ferrand was extended by 70 kilometres. This major cross-country highway is now two-thirds complete. In the same year, we opened our first secure heavy goods vehicle parking lots at the Communay service area on the A46, and launched trials of a real-time speed regulation system on the A7.

In 2005, the business continued to expand. ASF was awarded the contract to operate the ring-road circumventing Lyon by the north and set up a new operating company, Openly, for this purpose. We joined forces with Caisse des dépôts, the French railway operator SNCF, Modalhor and the Luxembourg railway operator Chemins de Fer Luxembourgeois, to launch construction of Europe's first major road-rail link between Perpignan and Luxembourg.

ASF SHARE PERFORMANCE

Quoted on the Paris stock exchange since 28 March 2002, ASF shares have performed extremely well over the past four years. Our dividend policy reflects this performance. We pass on to shareholders the benefits of the Company's steady revenue and earnings growth. Today, ASF represents the largest market capitalisation in the CAC Next 20 index.

(in millions of euros)



(in euros/share)

(1) 2002 dividend paid in June 2003, 40% of EPS
(2) 2003 dividend paid in May 2004, 49% of EPS
(3) 2004 dividend paid in May 2005, 60% of EPS
(4) Recommended 2005 dividend payable in 2006, 63% of EPS

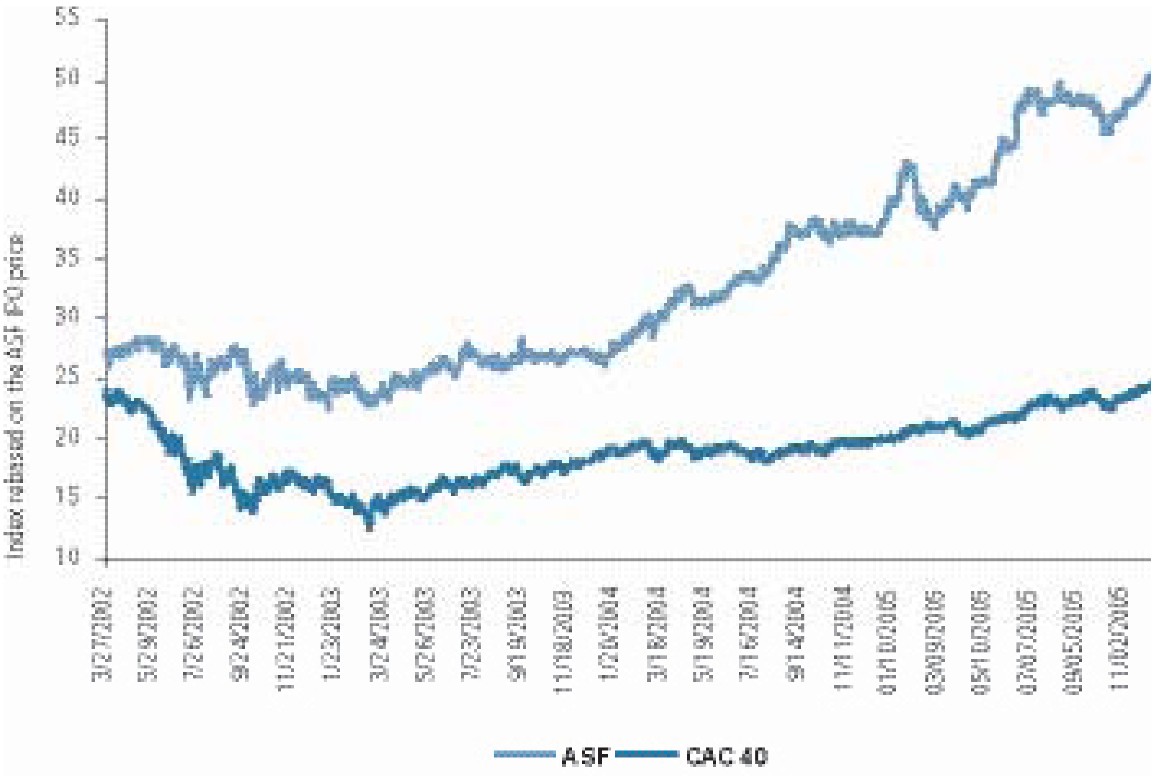
(In euros)

(High in the period to 1 March 2006: €50.8 on 27 February 2006.)

ASF LISTING DETAILS

ISIN code: FR0005512555
Reuters code: ASF.PA
Bloomberg code: ASF FP
Listed on: Euronext Paris
Market: Eurolist Compartment A
Listing date: 28 March 2002
Eligible for inclusion in PEA personal equity plans and for the SRD deferred settlement service
Number of shares: 230,978,001
Indices: Euronext 100, SBF 80, SBF 120 and CAC Next 20

ASF SHARE PERFORMANCE COMPARED WITH THE CAC 40 SINCE THE IPO (28 MARCH 2002), BASED ON THE RETAIL OFFERING PRICE OF €24

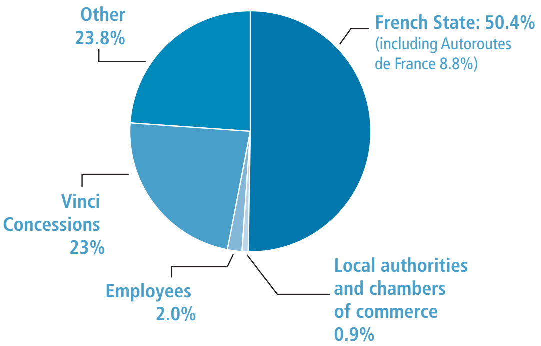


ASF outperformed the CAC 40 by 107% over the period from 28 March 2002 – based on the IPO price (retail offering) of €24 – to 31 December 2005.

In 2005 alone, the stock gained 35% and outperformed the CAC 40 by 12%.

OWNERSHIP STRUCTURE

At 31 December 2005



Dividend policy

The first dividend paid out to shareholders – for the year ended 31 December 2000 – was for an amount of FRF 448.70 (€68.40) per share. No dividend was paid for 2001.

The 2002 dividend was set at €0.46 per share, representing a payout rate of 40%.

In 2003, the dividend was increased by 50% to €0.69 per share, representing a 49% payout rate.

2004 saw a further 50% increase in the dividend to €1.04 per share, representing a 60% payout rate.

For 2005, we are recommending a 15% increase in the dividend to €1.20 per share, payable as from 24 May 2006.

2005: ASF wins the prize for Best Shareholder Service at the Fils d'Or awards

In October 2005, ASF won the prize for Best Shareholder Service (SBF 120 category) at the Fils d'Or awards organized by La Vie financière, a financial newspaper, and SynerFil, a firm of customer relationship management consultants. The awards are given to the best-performing investor relations teams in terms of timely, reliable and user-friendly information. This is our third shareholder service award since our Company was first listed in March 2002.

We won the first prize in both 2002 and 2005 and the second prize in 2004 (as the 2002 winner, we were not eligible to compete in 2003).

ASF, an SRI stock

- In March 2004, ASF joined the Vigeo ASPI Eurozone® (Advanced Sustainable Performance Indices) which tracks the performance of 120 leading Eurozone sustainability performers including thirteen motorway operators. In 2005, Vigeo increased its overall rating of ASF to 51% from 43% the previous year, with increases ranging from 12 to 80% according to the criterion. We were rated best in class or among the best in human resources, environment, customers and community, and average in corporate governance and human rights, reflecting a significant improvement in these latter two areas compared with 2004.
- In February 2005, ASF was added to the Ethibel Pioneer investment register of 259 companies (including eight French companies) used by a growing number of European banks, fund managers and institutional investors to select stocks for their SRI portfolios. *"The Ethibel Pioneer investment register contains companies that have outperformed their peers under the Ethibel rating process"* which includes positive screens for the two critical aspects of corporate social responsibility, sustainable development and stakeholder involvement.
- In March 2005, ASF jointed the FTSE4Good index of 900 companies, including 33 French companies.
- In May 2005, the Company joined the ECPI Ethical Index Euro comprising Europe's 150 most socially-responsible companies.

ASF's credit rating since the IPO

On 14 December 2005, the day that the French government announced the privatisation of the motorway companies, Standard & Poor's – which is responsible for assessing the credit risk represented by borrowers based on an analysis of their financial data – downgraded ASF's long-term rating from A+ to BBB+ and its short-term rating from A-1 to A-2, with a negative credit watch. This decision reflected the alignment of ASF's rating with that of its future parent company, Vinci. The negative credit watch should be withdrawn and the outlook changed to stable once Vinci has completed the planned share issue to finance the ASF acquisition.

Standard & Poor's	Long-term rating	Outlook	Short-term rating
February 2002	AA-	Stable	A1+
1 April 2003	A+	Stable	A1+
4 July 2005	A+	Negative	A-1
15 December 2005	BBB+	Negative	A-2

Meeting private shareholders

Information documents

- **Financial press releases;**
- **Annual Report;**
- **Shareholder Guide;**
- **Letter to shareholders,** sent three times a year to shareholders identified during the TPI surveys carried out in July 2002 and August 2005;

available on the web site (www.asf.fr) or by calling 0800 015 025 (calls originating in France only)

- **2005 financial highlights;**
- **ASF web site**, www.asf.fr, providing information about the Company, financial highlights, the latest share price, marketing offers, sustainable development and a wealth of other details;
- **Financial announcements** published in the French press;
- **Notices of shareholder meetings,** published in France in the BALO *(Bulletin d'annonces légales obligatoires)* and mailed to individual holders of registered shares on request.

Shareholders' Club

Set up in May 2003, the Shareholders' Club had 740 members by the end of 2003 and nearly 2,000 at end-2005. The Club is open to shareholders who hold at least 60 bearer shares or 30 registered shares (as identified by ASF's registrar, CACEIS (formerly Euro Émetteurs Finance).

Member benefits include:

- Special offers on a range of products and services in a variety of areas, such as cars, stock market and financial information and leisure;
- Site visits, to enable shareholders to find out more about our business and motorways. Circuit tours for nature lovers, allowing them to discover how the motorways are integrated into the landscape and contribute to the local economy, and guided tours of our construction projects, its impressive Traffic Control Centre, Radio Trafic FM and the regional units;
- Inclusion on the mailing list for our financial press releases, the Shareholder Guide and the Shareholders' Newsletter;
- An invitation to the Actionaria shareholder fair in Paris.

2006 Financial Calendar

- 15 May: Annual General Meeting;
- 24 May: payment of the 2005 dividend.

Contacts

Shareholder relations: Elisa Pascal	Investor relations: Solène Zammito
Toll-free number (calls originating from a land line in France only): 0 800 015 025	Phone: +33 (0) 1 47 16 33 97
E-mail: relations.actionnaires@asf.fr	E-mail: relations.investisseurs@asf.fr
Fax: +33 (0) 1 72 71 90 80	Fax: +33 (0) 1 72 71 90 80

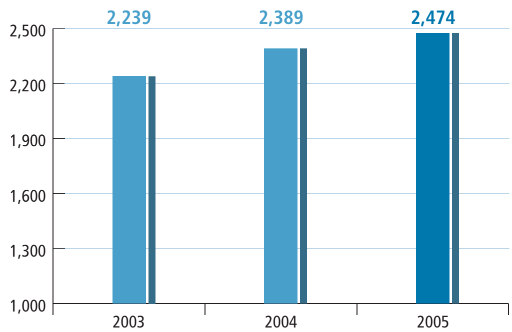
Mail address: ASF/Shareholder Relations or Investor Relations -100 avenue de Suffren, BP 533, 75725 Paris Cedex 15, France.

FINANCIAL HIGHLIGHTS

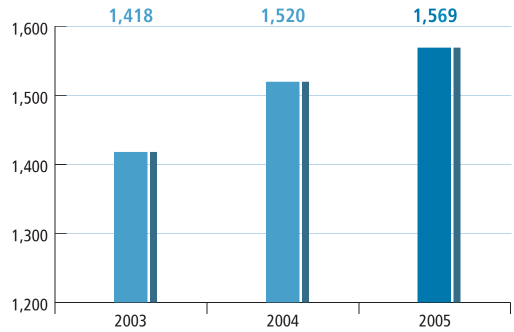
Profitability indicators

(in millions of euros)

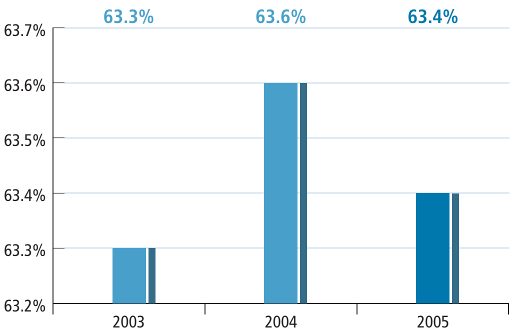
REVENUE



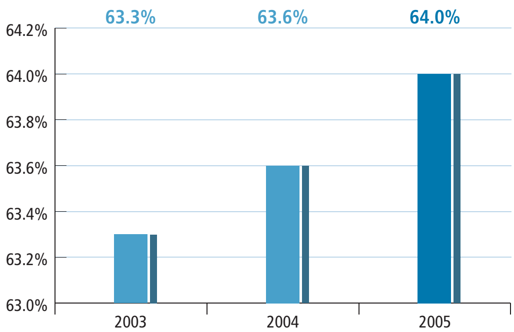
EBITDA (EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION)



EBITDA MARGIN (EBITDA AS A % OF REVENUE)



EBITDA MARGIN EXCLUDING NON-RECURRING ITEMS

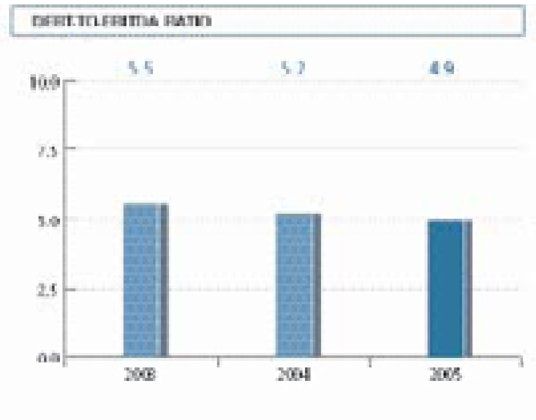


Ebitda margin stood at 63.4% in 2005, compared with 63.6% the previous year.

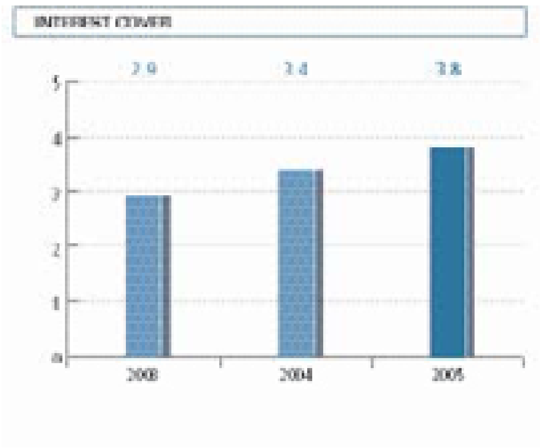
Excluding non-recurring items (fees related to the privatisation process, redundancy costs arising from the GIE Autoroutes restructuring), Ebitda margin would have come to 64% in 2005.

Balance sheet indicators

When the Board of Directors approved the amendment of the 1996 technical agreement with Caisse Nationale des Autoroutes, the body responsible for raising financing for the toll motorway operations, it agreed to comply with the following ratios:



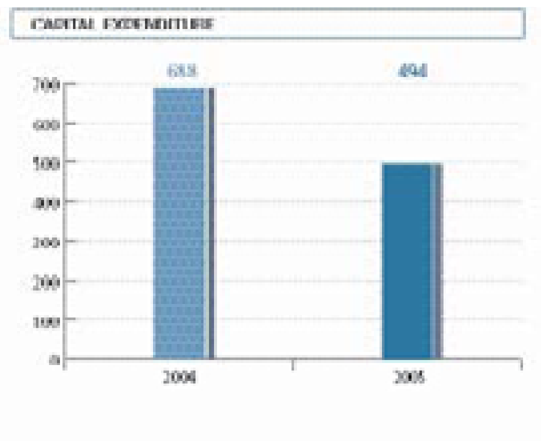
- Debt-to-Ebitda ratio not exceeding 7x. This ratio has continued to improve, falling to 4.9x at 31 December 2005 from 5.2x at the previous year-end.

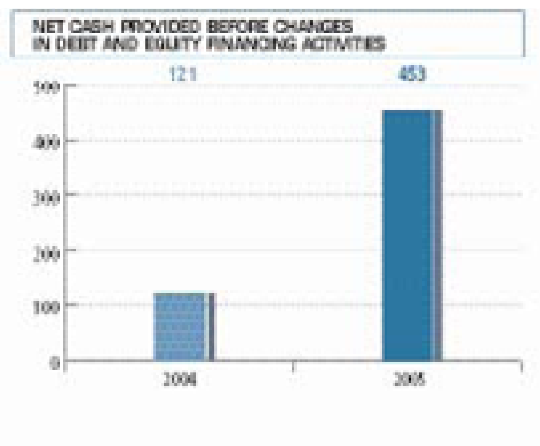


- Interest cover of not less than 2.2x. This ratio (corresponding to the ratio of Ebitda to finance costs excluding capitalized interest) improved to 3.8x in 2005 from 3.4x the previous year.

Use of net cash from operating activities

(in millions of euros)

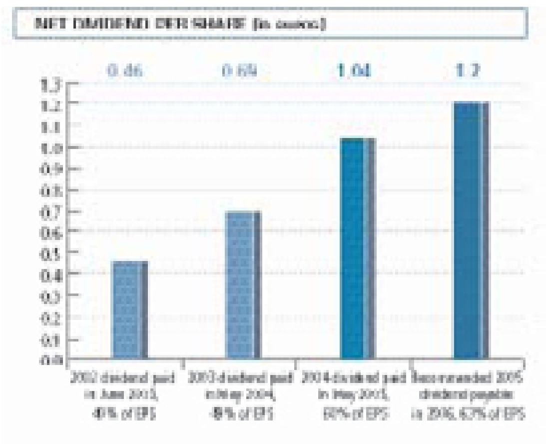




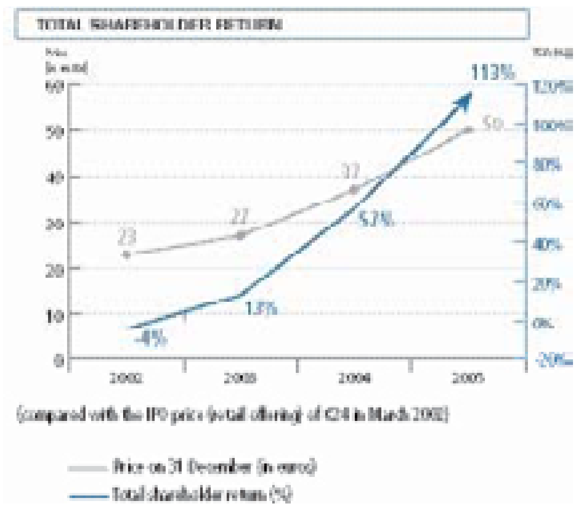
(in millions of euros)	2004	2005
Cash flow before net finance cost and tax	**1,519**	**1,569**
+ Change in working capital	(132)	(16)
+ Income tax paid	(139)	(207)
+ Interest paid, net	(487)	(437)
+ Net cash used in investing activities	(688)	(494)
= Free cash flow	**72**	**415**
+ Other cash flows from financing activities	49	37
= Net cash provided before changes in debt and equity financing activities	**121**	**453**

The steady growth in net cash provided by ASF and ESCOTA's operating activities has gone hand-in-hand with a decline in cash used in investing activities, due to the gradual completion of construction work on the conceded networks. The resulting increase in free cash flow combined with the Company's ability to take on new debt thanks to the steady growth in Ebitda underpins our scope to raise the dividend.

Dividend policy



The dividend policy followed since the IPO has translated into a very sharp 161% rise in the dividend between 2002 and 2005.



Total shareholder return, measured as the increase in the share price since the March 2002 IPO (capital appreciation) plus dividends paid over the period (yield), stood at 113% at end-2005.

Financing policy

The European Investment Bank (EIB) is now participating directly in the financing of our motorway construction and widening projects, with a commitment to providing €250 million worth of lines of credit in the period to 2025.

On 21 July 2005, we obtained a €1 billion seven-year finance facility from a syndicate of nine French and foreign banks, on very attractive terms (Euribor plus 12.5 bps in the first five years and Euribor plus 1.5 bps in the last two years).

This facility replaces 364-day bilateral facilities at a lower rate; it also paves the way for future debt issues on better terms and has enabled us to identify financial institutions committed to partnering our Company over the long term.

On 14 December 2005, the day that the French government announced the privatisation of the motorway companies, Standard & Poor's downgraded ASF's long-term rating from A+ to BBB+ and its short-term rating from A-1 to A-2, with a negative credit watch. This decision reflected the alignment of ASF's rating with that of its future parent company, Vinci. The negative credit watch should be withdrawn and the outlook changed to stable once Vinci has completed the planned share issue to finance the ASF acquisition.

1 BUSINESS REVIEW

STRATEGY

A socially-responsible strategy to drive profitable growth

In 2005, we continued to grow the business and prepare the future according to a two-pronged strategy designed to deliver revenue and earnings growth while keeping constantly in mind our long-term objectives.

In an unfavourable economic environment, shaped by spiralling fuel prices and slower traffic growth, 2005 provided confirmation of the quality of the strategic goals set by the Company at the time of the IPO. These include improving network operating efficiency, containing motorway construction costs, instilling a genuine customer service culture and acquiring new concessions without taking on undue risks.

This clearly-defined strategy is supported by three growth drivers:

- ongoing extension and maintenance of the network, with a constant commitment to optimising costs, improving quality and enhancing the network's integration in the social and the natural environment. When the construction program is completed, we will have a dense network serving the large towns and cities in the southern half of France, allowing us to reap the full benefits of these regions' economic momentum and demographic growth;
- optimisation of network operations, putting people at the centre of our priorities through new technologies, innovation and the development of services that anticipate the operating needs of the future. In 2005, we consolidated the system that will deliver further productivity gains in the coming years. Major organizational projects (concerning the Vallée du Rhône unit and the Infrastructure department in particular), projects to improve operating methods (through formal descriptions of skill-sets, quality standards, etc.) and technical and marketing development projects were identified and targets were set for each project;
- steady extension of our business as an infrastructure concessionaire, based on thorough risk-benefit analyses and the leveraging of our operating expertise, notably with the local government and urban infrastructure markets,. Our successful bid for the contract to operate the ring-road circumventing Lyon by the north attests to our ability to win positions in a fast-growing market.

In implementing this strategy, we never lose sight of our accountability to all stakeholders. Our ambitious sustainable development policy serves as a constant reminder that determines our course of action. Our participation in the Perpignan-Bettembourg (Luxembourg) road-rail project is a prime example of this strategy.

In 2006, we will continue our efforts in a new environment, as a privately-owned company. The outlook is very promising.

On completion of the privatization process, the new Vinci-ASF Group will be Europe's leading transport infrastructure concessionaire and the world's largest integrated concession-construction group.

It will be underpinned by an ambitious development plan drawn up jointly by the ASF and Vinci management teams following the signature of a cooperation agreement between our two groups in June 2004.

Leveraging its core strengths – which include wide-ranging, complementary skill – sets, an extended network and a robust balance sheet – the new group will pursue its development in a market where the shortage of public funds and the magnitude of infrastructure needs push national and local governments in France and Europe to increasingly resort to public-private partnerships.

The Vinci-ASF business plan is based on three main strategic goals:

- to pool the respective strengths of Vinci and ASF in order to support international development of the business in the buoyant PPP and concession market;
- to leverage ASF and Vinci's complementary skill-sets and networks in France in order to enhance the service offer, foster innovation and unleash synergies among the new group's subsidiaries;
- to reinforce our position in France and then in Europe as the public authorities' partner of choice for regional development and public infrastructure projects.

We are in excellent shape to join Vinci and play a major role in implementing this ambitious, shared strategy.

NETWORK CONSTRUCTION AND MANAGEMENT

Ongoing construction momentum

Construction of the new motorway links included in our Company's specifications is proceeding smoothly. In 2005, twenty kilometres were opened, following by a further 62 kilometres in January of this year.

Of the 3,160 kilometres conceded to our Company, 3,026 kilometres were in service as of 1 March 2006.

Thirty-four kilometres are currently under construction, leaving 47 kilometres still to be built under the current concession agreement.

Motorway sections opened in the last three years

173 kilometres of motorway opened in the last three years			
Section	**Motorway**	**Number of kilometres**	**Estimated total investment (in millions of euros before tax, 2001 values)**
Cahors South - Cahors North	A20	23 kilometres, two lanes	218
Mussidan - Périgueux East - Thenon Saint-Germain-les-Vergnes - Tulle East	A89	88 kilometres, two lanes	726
Val d'Aran link	A645	5 kilometres, one lane	25
Cholet South - Les Essarts - La Roche-sur-Yon	A87	57 kilometres, two lanes	291
Sections opened on 11 January 2006			
Terrasson - Brive North Le Sancy - A71	A89	62 kilometres, two lanes	566

Planned new sections

New construction provided for in the ASF concession agreement and 2002-2006 program contract

Motorway	Kilometres	Scheduled opening date	2002-2006 capital budget (in millions of euros before tax, 2001 values)
ADDENDUM 7			
A89			
Thenon - Terrasson	18	Mid-2008	135
A71 - A72	7	DUP* + 5 years	
Brive North - Saint-Germain-les-Vergnes	16	By order of the French Roads and Highways Department	5
A87			
Angers - Murs-Érigné	7	DUP* + 5 years	3.2
A75			
Béziers East bypass (A9)	6	2009	7
A9			
Doubling of the A9 to the right of Montpellier		DUP* + 6 years	—(1)
A64			
Briscous - A63	11	Administrative approval + 5 years	0
Total, Addendum 7	**65**		**150**
ADDENDUM 8 (signed on 16 July 2003), amended by Addendum 10 (signed on 5 November 2004)			
A87			
La Roche-sur-Yon southern bypass	16	end-2008	40
Total	**81**		**190**

** DUP: Déclaration d'utilité publique (declaration of public interest).*

(1) The cost of the Montpellier bypass is included in the separate 2002-2006 capital expenditure budget for motorways already in service (ICAS).

The construction schedules and budgets provided for in the program contracts were agreed between ASF and the French State for planning purposes. With our ISO 9001-certified construction team, we make every effort to complete each section on time and on budget but we cannot provide any guarantees in this respect. Completion dates may have to be put back or budgets may be exceeded due to unexpected events or for reasons beyond our control, such as a rise in the cost of materials or labour, unforeseen technical problems, severe weather conditions or regulatory changes.

One of the central issues of multimodal passenger and freight service plans in France is the development of a strategy to deal with the saturation of motorways in the Rhone Valley and the Languedoc corridor. The government is currently considering several solutions, including widening the A7 motorway. If this solution is chosen, we will be called on to make significant additional investments.

New sections opened in 2005 and early 2006

In 2005, we opened 20 kilometres, followed by 62 kilometres on 11 January 2006. We remain committed to building long-lasting infrastructure that blends harmoniously with the social and natural environment.

A87: completing the link between Angers and La Roche-sur-Yon

The Les Essarts-La Roche-sur-Yon section of the A87 was opened on 14 January, 2005, providing a continuous motorway link from Angers. Last autumn, work began on the La Roche-sur-Yon southern bypass, whose scheduled opening in 2008 will make access to the Vendée coast even easier.

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

With the 11 January 2006 opening of the Thenon-Terrasson and Le Sancy-A72 sections of the A89, representing a total of 62 kilometres, we came a step closer to providing motorway all the way from Bordeaux to Clermont-Ferrand We've now built and opened 306 kilometres of the 340 kilometre motorway between the two cities. Two sections remain:

- Thenon - Terrasson (18 kilometres): the declaration of public interest, which represents the essential first step before work can begin, was obtained on 13 July and earthmoving on the entire stretch started in the autumn. We are now planning to open the section in the first half of 2008;
- Brive North - Saint-Germain-les-Vergnes (16 kilometres): studies are underway to determine the best route for this section.

MOTORWAYS IN SERVICE AS OF 31 DECEMBER 2005

ASF network	Total	Of which 3-lanes or more (in kilometres)
A46 South/A7/A8 Lyon - Orange - Aix-en-Provence (Autoroute du Soleil)	**303.4**	
A7 Vienne - Berre	263.4	255.8
A7/A8 Coudoux - Aix-en-Provence	18.1	16.8
A46 South (Lyon southern bypass)	21.9	4.1
A9 Orange - Le Perthus (Spanish border) (La Languedocienne/La Catalane)	**280.4**	**219.9**
A9/A7 Orange - A9/A61 Narbonne	193.6	
A9 Narbonne - Le Perthus	86.8	
A10 Poitiers - Bordeaux (L'Aquitaine)	**231.9**	**16.8**
A11 Le Mans - Angers (L'Océane)	**81.3**	
A20 Brive - Montauban	**127.8**	**5.8**
A54 Nîmes - Salon-de-Provence	**49.0**	
A54 Nîmes - Arles	24.0	
A54 Saint-Martin-de-Crau - Salon-de-Provence	25.0	
A61 Narbonne - junction with A68 (including A620 south)	**150.6**	**38.3**
A62 junction with A68 - Bordeaux (including A620 north)	**221.5**	**39.4**
A63 Saint-Géours-de-Maremne - Biriatou (Basque coast)	**66.5**	**3.8**
A64 Bayonne - Toulouse (La Pyrénéenne)	**236.9**	**16.2**
A64 Briscous - Martres Tolosane	223.1	
A64 North Toulouse - Muret	13.8	
A66 Toulouse - Pamiers	**39.0**	
A68 Toulouse - Gémil	**17.7**	**2.9**
A72/A89 East Saint-Étienne - Clermont-Ferrand + Balbigny spur	**121.0**	**9.6**
A83 Nantes - Niort (A10)	**146.7**	
A837 Saintes - Rochefort	**36.5**	
A87 Angers - La Roche-sur-Yon	**111.3**	**0.6**
A89 West Bordeaux - Clermont-Ferrand	**242.7**	**5.5**
A89 Libourne - Thenon	138.9	
A89 Saint-Germain-les-Vergnes - Tulle East	103.8	
Other sections	**34.6**	
(A680 Verfeil link, A641 Peyrehorade, A710 Lussat, A711 Aulnat, A645 Val d'Aran link)		
Total ASF network	**2,498.8**	**635.5**
ESCOTA network		
A8 Aix-en-Provence - Côte d'Azur - Italian border (La Provençale)	205.8	160.8
A51 Aix-en-Provence - Gap	129.7	1.4
A52/A50 Aix-en-Provence - Aubagne - Toulon	74.7	33.7
A57 Toulon - A8	45.9	
A500 A8 - Monaco	3.0	
Total ESCOTA network	**459.1**	**195.9**
Puymorens tunnel	**5.5**	
Total ASF Group network in service	**2,963.4**	**831.4**

Investments in existing motorways

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

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

In 2005, we spent a total of €186 million on existing motorways. The main projects are described in the report of the Board of Directors (page 71).

Investing in infrastructure maintenance

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

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

In 2005, €73.5 million was spent on infrastructure maintenance. Details of infrastructure maintenance costs are provided in the report of the Board of Directors (page 76).

Traffic management and road safety

Offering customers the best possible traffic conditions

We are committed to doing everything we can to improve our customers' safety and comfort. That's why we're constantly shortening the time that elapses between detecting an incident and warning motorway users. To monitor traffic 24/7, respond immediately to accidents and provide motorway users with real time information about traffic conditions, we have developed highly efficient traffic information collection, processing and broadcasting systems. New-generation variable message panels and pull-over signs linked to this system have been installed on the busiest motorway sections, so that warnings are displayed automatically in perfect coordination.

ASF road safety systems at end-2005:

- 398 variable message signs;
- 653 traffic counting stations;
- 182 weather stations;
- 790 CCTV cameras;
- 112 automatic incident detectors (including 96 on the ESCOTA network);
- 3,000 kilometres covered by Radio Trafic FM (107.7);
- an emergency telephone every 2 kilometres;
- 285 motorway patrol, assistance and surveillance employees.

Radio Trafic FM, serving over 3,000 kilometres of the network

In 2005, the ASF and ESCOTA traffic radio stations were merged, and preparations were made for the 2006 launch of a common broadcasting system.

Broadcast on 3,000 kilometres of network, with five regional news programs and an audience share of over 50%, Radio Trafic FM has joined the ranks of France's leading radio stations and ranks first on the 107.7 wave-length in France and Europe.

Less than 8,000 accidents in 2005

2004 was a landmark year, with the number of deaths on our motorways reaching a 20-year low, and 2005 saw a further reduction in the accident rate to less than 8,000.

While the number of fatal accidents and deaths was slightly up on 2004, the 2005 figures were nevertheless among the lowest in recent years. The increase in casualty accidents, moreover, was largely due to a higher number of minor injuries.

ACCIDENTS ON THE ASF GROUP NETWORK IN 2005

	2003	2004	2005	% change 2004/2003	% change 2005/2004	% change 2005/2003
Total number of accidents	**8,355**	**8,118**	**7,962**	**-2.84**	**-1.92**	**-4.70**
Number of casualty accidents (including fatal accidents)	1,180	1,257	1,394	6.53	10.90	18.14
Number of fatal accidents	79	60	71	-24.05	18.33	-10.13
Number of deaths	101	71	80	-29.70	12.68	-20.79
Number of accidents without casualties	7,175	6,861	6,568	-4.38	-4.27	-8.46

Sécurité Routière statistics, provisional figures published December 2005.

Safety program: new equipment in 2005

In 2005, we continued to implement the major program provided for in our 2002/2006 commitment to install and upgrade road safety equipment with the aim of preventing accidents and limiting their consequences. Equipment installed in 2005 included:

- shock absorbers covering the pointed end of crash barriers installed between toll lanes;
- deflecting crash barriers to protect motorcyclists;
- improved signage on interchange slip roads to prevent wrong-way driving;
- concrete restraining walls on central reservations to prevent vegetation, mud and stones from falling onto the highway;
- new video surveillance cameras on the highway.

Real-time speed regulation on the A7, the first trial in Europe over a distance of 250 kilometres

In order to improve traffic conditions on the A7, during the summer of 2004 we tested real-time speed regulation trials on a 90-kilometre stretch of the motorway between Orange and Valence. Valance, marking the first time that this type of system had been tested in Europe on such a large scale.

Captors installed beneath the highway sent data to the command post and, when traffic reached a certain level, speed limits were displayed automatically on the variable message signs (110 or 90 kilometres per hour compared with the normal limit of 130). Speed regulation limits congestion by raising the motorway's flowthrough capacity and improves safety by narrowing speed differentials between vehicles and avoiding accordion effects, thereby reducing driver stress and fatigue.

The results of the trial were very encouraging. During speed regulation periods, bottlenecks were reduced by 16%, and 75% of drivers interviewed considered that the system had made their trip easier. In light of these findings, we decided to extend the trial, during the summer of 2005, to a 160-kilometre stretch on the north-south side of the motorway between Vienne and Orange, increasing to over 250 kilometres the total distance subject to speed regulation.

The initial results of the 2005 trial were also very promising.

Speed regulation on the north-south side of the motorway led to a considerable improvement in safety, high levels of compliance with the variable speed limits, less congestion and improved flowthrough in peak periods. Customers generally accepted and understood the measures. The positive effects were similar and in many cases better than those observed during the initial trial on the south-north side in 2004.

We therefore plan to propose to the Ministry of Transport that the system be permanently installed in 2006, moving from the trial phase to implementation.

THE CONCESSIONAIRE BUSINESS

Motorway concessions in France and Europe

Motorway concessions cover both construction of the infrastructure and operation of the public service. They are awarded by the government. The concession agreement is backed by a set of specifications, approved under an order issued by the Council of State, setting out the detailed terms and conditions governing the construction, operation and maintenance of the designated motorways by the concessionaire.

The French system of motorway concessions and toll motorways was established by the Motorways Act of 18 April 1955 (Act No. 55-435), now called the Roads and Highways Code *(Code de la voirie routière)*. All roads are built on public land and cannot be privately owned. Under article L. 122-4 of the Roads and Highways Code, the government may assign responsibility for building and operating motorways and the related infrastructure under a concession agreement and authorize the concessionaire to collect tolls from motorway users. Initially, concessions could only be granted to public and semi-public companies but, since 1970, private-sector companies are also invited to submit bids.

The motorway concession system has undergone a number of major changes, including in 1994 when the six main semi-public motorway operators were reorganized to create three regional operators, each comprising a parent company and a subsidiary. The Southern region is served by ASF and its subsidiary ESCOTA, the Northern region by Sanef (Société des Autoroutes du North et de l'Est de la France) and its subsidiary SAPN (Société Autoroutes Paris-Normandie), and the Rhine-Rhone and Rhone-Alps region by SAPRR (Société des Autoroutes Rhône Paris-Rhin-Rhône) and its subsidiary, AREA (Société des Autoroutes Rhône-Alpes). The 1994 reform also led to the establishment of long-term contracts setting out the concessionaires' financial and pricing commitments.

The current contracts signed by ASF and ESCOTA (in March 2002) cover the period 2002-2006. These contracts govern the terms of the relationship between the government and the concessionaire over the 5 year period, in the areas of pricing policy, capital expenditure, development strategy, marketing and customer service policies, financial targets, and social and environmental policies.

Another major reform, introduced in 2001 based on European Commission guidelines dated 24 October 2000, extended the duration of the concession agreements of the six semi-public companies mentioned above (to 2032 for ASF and 2026 for ESCOTA) in exchange for abolishing the government's obligation to assume the companies' liabilities at the end of the concession, and terminating the system of deferring recognition of structural costs.

French motorway concessions are currently held by eight semi-public companies in which the State is directly or indirectly the majority shareholder, and by three private companies, Cofiroute, Alis and Eiffage.

On 18 July 2005, the government launched a call for candidates to purchase its interests in the motorway operators and on 14 December, it announced that the Vinci Group had been selected to acquire its 50.37% direct and indirect interest in ASF. The price has been initially set at €50 per share, to be increased to €51 upon confirmation of the inclusion in the concession of the Lyon-Balbigny section of the A89.

The business plan presented by the Vinci Group is consistent with the terms of existing agreements between ASF and Vinci. It will raise the Vinci-ASF group to a position as the world's leading concessionaire and public works contractor, with considerable potential for growth in the infrastructure market both in France and internationally. Vinci will assume all of our commitments towards our employees, while the concession specifications and addenda guarantee that customer service levels will be maintained.

The concession agreements

The motorway concession agreements

General

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

Scope of the concessions

The concession agreements cover the motorways or motorway sections described on page 20 of this Registration Document, as well as all land, structures and installations necessary for the construction, maintenance and operation of each motorway, such as parking, service and rest areas, service stations, restaurants, motels and hotels (the "Concession Assets").

The Concession Assets fall into three categories:

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

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

Duration of concessions and recovery of assets on expiry of concessions

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

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

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

Motorway construction

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

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

Motorway operation

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

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

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

Financial terms and conditions

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

Construction of the Company's existing network was financed mainly by long-term loans from Caisse Nationale des Autoroutes (CNA). CNA is the subsidiary of Caisse des dépôts et consignations responsible for raising funds on the financial markets to finance the construction and extension of toll motorways.

Tariffs

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

Operation of service area outlets and other commercial installations

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

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

Technical regulations

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

Taxation

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

State buyback option

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

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

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

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

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

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

Penalties and sanctions

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

In particular, a penalty will be levied in the case of any motorway construction delays or any partial or total interruption of traffic through the fault of the concessionaire.

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

Disqualification

The concessionaire may be disqualified from operating the concession, by decision of the State made by decree of the Council of State, if any of the following breaches are not remedied within 30 days of receiving an execution order:

- the concessionaire (i) interrupts operations repeatedly or for a lengthy period, without authorization or in breach of tariff obligations or (ii) commits a serious breach of any other contractual obligations, other than as a result of circumstances beyond the concessionaire's control;

- the concessionaire transfers the concession without prior and express authorization of the State;
- the concessionaire fails to obtain on a timely basis the funds required to finance the design, construction, operation and maintenance of a motorway.

In the event of disqualification, the concession agreement will be reassigned, in compliance with applicable laws and regulations, through a competitive bidding process. In this case, the bid price will be paid by the new concessionaire to the disqualified company, immediately following publication of the Council of State decree approving the new concession agreement and related specifications.

The Puymorens tunnel concession agreement

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

ASF is entitled to request a tariff increase if this is necessary to preserve the financial viability of the concession. In addition, variable tariffs may be applied according to the season and tunnel-users may be offered cut-price subscriptions. These tariffs must be submitted for the approval of the Infrastructure Minister one month before they are introduced.

ASF is entitled to outsource the operation of tunnel-related facilities, subject to the restrictions described above. The related fees are included in concession revenues.

Regulatory environment

In the normal course of business, ASF is subject to various regulations, including public law regulations governing the authorization and construction of motorways (related mainly to Declaration of Public Interest and expropriation procedures), public contract regulations governing the contracts entered into by ASF and ESCOTA, and environmental regulations.

Public contracts

The concession agreements between the State, on the one hand, and ASF and ESCOTA on the other hand, for the construction, maintenance and operation of the ASF Group motorway networks, represent public works and public service contracts. ASF and ESCOTA also enter into numerous contracts with construction companies, consulting engineers, architects, suppliers and other businesses or professionals, for the execution of work, the supply of services, equipment or materials, or the operation of commercial installations.

The concession agreements and most of the above contracts are governed by public law and are subject to detailed publication and competitive bidding rules and procedures.

Public works and public service concession agreements

The ASF Group's motorway concessions are subject to the rules governing public works and public service contracts.

The conditions under which the government assigns the construction, operation and maintenance of motorways and related infrastructure, are described in the concession agreements signed between the State and the concessionaire, as well as in detailed specifications appended to these contracts. The concession agreements and the corresponding specifications must be approved by a decree of the Council of State.

In the past, the construction of new motorway sections in France was generally assigned to the concessionaire already operating a motorway network adjacent to the proposed section, without being put out to tender. The new section was incorporated into the existing concession agreement, and the terms of the entire agreement – particularly the duration and tariffs – were renegotiated. Since 1 January 1998, new motorway sections are put out to tender on a European scale, in compliance with European Union law on awarding public contracts (Act of 29 January 1993 and European Directives 93/37/EEC of 14 June 1993 and 92/50/EEC of 18 June 1992).

These directives were repealed in Directive 2004/18/EC of the European Parliament and Council dated 31 March 2004, which was partly transposed into French law by Government Order No. 2005-649 of 6 June 2005, published in the *Journal officiel de la République française* on 7 June 2005, which came into effect on 1 September 2005, and the related enabling legislation (Decree No. 2005-1742 dated 30 December 2005, published in the *Journal officiel* on 31 December 2005).

Public works and services contracts

Until 1 September 2005, contracts awarded by the ASF Group to sub-contractors and suppliers for the construction, operation and maintenance of motorways and the purchase of assets required to operate the service were publicly announced and put out to tender in accordance with the Act of 29 January 1993 on the prevention of corruption and the transparency of public procedures (public works, civil engineering and project management), European Directives 92/50/EEC of 18 June 1992 (public service contracts), 93/36/EEC of 14 June 1993 (public supply contracts) and 93/37/EEC of 14 June 1993 (public works contracts), and the texts transposing these directives into French law.

These three directives have been replaced by Directive 2004/18/EC of the European Parliament and Council dated 31 March 2004, since it was partly transposed into French law by Government Order No. 2005-649 of 6 June 2005, which came into effect on 1 September 2005, and the related enabling legislation (Decree No. 2005-1742 dated 30 December 2005). Government Order 2005-649 also repealed article 48-I of the Act of 29 January 1993 and, consequently, also repealed the enabling legislation.

ASF program contracts are generally awarded under a competitive bidding process. Invitations to tender are published in certain French newspapers and, depending on the contract amount, in the Official Journal of the European Communities. The Company may decide to call for either open or sealed bids.

Sealed bids for contracts in excess of €5 million, excluding tax, are opened by a Group commission, while bids for less than this amount are opened by commissions set up within the operating and corporate departments. For contracts exceeding specified thresholds, ASF and ESCOTA have each established a Consultation Committee for Company Contracts, which must give its opinion before the contract is awarded.

Public law contracts for construction work, supplies or services assigned to co-contractors include a series of administrative and technical clauses setting out the co-contractor’s obligations. Compliance with these clauses is monitored by ASF personnel.

Commercial Installations

ASF and ESCOTA sign contracts with third parties for the construction and operation of commercial installations (service stations, restaurants, motels, etc.) built on the public land assigned to the ASF Group under the concession agreements. These service area operators pay a fee to ASF, generally based on revenues.

Agreements concerning the operation of commercial installations are subject to prior approval under the legal rules governing the occupation of public land. In addition, the co-contractor and the proposed contract must be approved by the Infrastructure Minister. These contracts are also awarded through a competitive bidding process.

Growth in traffic and toll receipts

Between 2002 and 2005, traffic on the ASF Group network, measured by the number of kilometres travelled, grew by 8.6%, or an average of roughly 2.8% a year.

In 2005, ASF Group network traffic volume (expressed in millions of kilometres travelled) broke down as follows:

Light vehicles	27,763	representing 85.1%
Heavy goods vehicles:	4,857	representing 14.9%
Total	**32,620**	

Growth in toll revenues in the period 2002-2005 was attributable to the opening of 309 kilometres of new motorway – including in 2005 the La Roche-sur-Yon – A87/A83 fork near Les Essarts opened on 14 January – underlying traffic growth and tariff increases authorized under the concession agreements.

Toll receipts, which account for 98% of ASF Group revenues, depend to a large extent on the volume of traffic using the network. This varies by season, with peaks during the summer, school vacations and holiday weekends (mainly Easter, All Saints, Christmas and long weekends in spring).

In 2005, 46.3% of the Group’s toll receipts were collected in the first half of the year, and 53.7% in the second half.

The months of July and August alone accounted for almost 23.1% of the year’s total.

TRAFFIC VOLUMES ON THE ASF GROUP NETWORK (IN MILLIONS OF KILOMETRES TRAVELLED)

	Light vehicles		Heavy goods vehicles		Total	
	Kilometres	growth	Kilometres	growth	Kilometres	growth
	(millions)	%	*(millions)*	%	*(millions)*	%
ASF[(1)]						
2002	20,192	7.5	3,884	4.2	24,076	7.0
2003	20,951	3.8	4,025	3.6	24,976	3.7
2004	21,768	3.9	4,244	5.4	26,012	4.2
2005	**22,105**	**1.5**	**4,244**	**-**	**26,350**	**1.3**
ESCOTA						
2002	5,388	4.0	569	4.2	5,957	4.0
2003	5,529	2.6	589	3.5	6,118	2.7
2004	5,632	1.9	607	3.1	6,239	2.0
2005	**5,658**	**0.5**	**613**	**0.9**	**6,271**	**0.5**
Total ASF Group						
2002	25,580	6.8	4,453	4.2	30,033	6.4
2003	26,480	3.5	4,614	3.6	31,094	3.5
2004	27,400	3.5	4,851	5.1	32,251	3.7
2005	**27,764**	**1.3**	**4,857**	**0.1**	**32,620**	**1.1**

(1) Including the Puymorens tunnel.

TRAFFIC VOLUMES ON THE ASF GROUP NETWORK BY MOTORWAY AND MAIN SECTION
(IN MILLIONS OF KILOMETRES TRAVELLED)

ASF network

Year ended 31 December	2002	2003	2004	2005
A46 South-A7-A8: Lyon - Orange - Aix-en-Provence	**6,972**	**7,020**	**7,051**	**7,014**
A46 South-A7: Vienne - Orange	5,044	5,051	5,042	4,989
A7 Orange - Coudoux	1,517	1,549	1,575	1,582
A7 Coudoux - Berre	78	83	87	90
A8 Coudoux-Aix	333	337	347	352
A9 Orange - Le Perthus (Spanish border) (La Languedocienne/La Catalane)	**5,167**	**5,256**	**5,400**	**5,410**
A9 Orange - Narbonne	4,070	4,135	4,219	4,200
A9 Narbonne - Le Perthus	1,097	1,121	1,181	1,209
A10/A83/A837 Nantes - Poitiers - Rochefort - Bordeaux	**3,095**	**3,191**	**3,336**	**3,327**
A10 Poitiers - Bordeaux	2,198	2,233	2,313	2,278
A83 Nantes - A10 Niort	790	848	916	938
A837 Rochefort - A10 Saintes	107	110	107	111
A11 Le Mans - Angers	**579**	**605**	**625**	**645**
A20 Brive - Montauban	**431**	**567**	**686**	**692**
A20 Brive - Cahors North	251	302	345	348
A20 Cahors North - Cahors South		56	104	106
A20 Cahors South - Montauban	180	209	237	238
A54 - Nîmes - Salon-de-Provence	**493**	**509**	**542**	**559**
A54 Nîmes - Arles	275	280	299	303
A54 Saint-Martin-de-Crau - Salon-de-Provence	218	229	243	256
A61 Narbonne - Toulouse	**1,741**	**1,825**	**1,891**	**1,891**
A62 Bordeaux - Toulouse	**2,004**	**2,077**	**2,155**	**2,192**
A63 Basque Coast	**683**	**712**	**768**	**797**
A64 Bayonne - Toulouse	**1,421**	**1,486**	**1,564**	**1,609**
A64 Briscous - Martres Tolosane + A645 Val d'Aran*	1,287	1,343	1,409	1,447
A64 N Toulouse - Muret	134	143	155	162
A66 Pamiers - A61-A66 fork	**75**	**105**	**118**	**119**
A68 Toulouse - Gémil	**175**	**187**	**201**	**212**
A87 Angers - La Roche-sur-Yon*	**125**	**206**	**285**	**360**
A72/A89 Saint-Étienne - Clermont-Ferrand	**829**	**857**	**874**	**884**
A89 West Bordeaux - Clermont-Ferrand	**283**	**370**	**513**	**636**
A89 Libourne - Thenon*	167	183	293	400
A89 Saint-Germain-les-Vergnes - Tulle East - Le Sancy	116	187	220	236
Total ASF network	**24,073**	**24,973**	**26,009**	**26,346**

** Périgueux East-Thénon section of the A89 opened on 9 January 2004. Val d'Aran link on the A645 opened on 20 September 2004. Mussidan-Périgueux section of the A89 opened on 29 October 2004.*

Section from La Roche-sur-Yon to the A83-A87 fork opened on 14 January 2005.

Since 27 October 2005, the ASF network has been linked to the network operated by Alis, with the opening of the A28 between Rouen and Alençon, leading to increased traffic flows on the A11.

ESCOTA network

	2002	2003	2004	2005
A8 Aix-en-Provence - Italian border	4,065	4,136	4,209	4,216
A51 Aix-en-Provence - Gap	592	629	648	657
A52/A50 Aix-en-Provence - Aubagne - Toulon	1,090	1,136	1,157	1,169
A57 Toulon - A8	194	201	209	213
A500 A8 - Monaco	16	16	16	16
Total ESCOTA network	**5,957**	**6,118**	**6,239**	**6,271**
Puymorens tunnel	3	3	3	3
Total ASF Group	**30,033**	**31,094**	**32,251**	**32,620**

ANNUAL AVERAGE DAILY TRAFFIC* ON THE ASF GROUP NETWORK

Year ended 31 December	2002	2003	2004	% change 2004/2003	2005	% change 2005/2004
ASF network						
A46South - A7 towards Saint-Priest - A43 - A46 fork - Orange	69,890	69,992	69,663	-0.5	69,092	-0.8
A7 Orange-Coudoux	52,268	53,354	54,117	+1.4	54,655	+1.0
A9 Orange - Narbonne South	57,595	58,507	59,534	+1.8	59,527	-0.01
A9 Narbonne South - Le Perthus	34,599	35,378	37,154	+5.0	38,157	+2.7
A10 Poitiers South - Bordeaux	25,963	26,378	27,253	+3.3	26,908	-1.3
A83 Nantes - A10-A83 fork	14,797	15,884	17,116	+7.8	17,530	+2.4
A837 A10-A837 fork Rochefort	8,066	8,233	8,016	-2.6	8,339	+4.0
A11 Le Mans - Angers	19,494	20,364	20,987	+3.1	21,720	+3.5
A20 Montauban - Brive	11,226	13,263	14,648	+10.5	14,837	+1.3
A54 Nîmes - Arles	31,505	32,052	34,166	+6.6	34,629	+1.4
A54 Saint-Martin-de-Crau - Salon-de-Provence	23,912	25,111	26,567	+5.8	28,176	+6.1
A61 Narbonne South - Toulouse South	32,871	34,456	35,621	+3.4	35,714	+0.3
A62 La Brède - Toulouse North	24,588	25,494	26,372	+3.4	26,895	+2.0
A63 Basque Coast (Saint-Géours-de-Maremne - Biriatou)	28,142	29,348	31,571	+7.6	32,861	+4.1
A64 Briscous - Martres Tolosane, A645 Val d'Aran link**	15,322	15,996	16,636	+4.0	16,851	+1.3
A64 N Toulouse - Muret	26,983	28,763	31,153	+8.3	32,214	+3.4
A66 Pamiers - A61-A66 fork (Toulouse)	6,264	7,414	8,245	+11.2	8,396	+1.8
A68 Toulouse - Gémil	26,969	28,856	31,033	+7.5	32,102	+3.4
A87 Angers - La Roche-sur-Yon**	6,556	7,547	8,497	+12.6	8,926	+5.1
A72/A89 Saint-Étienne - Clermont-Ferrand	17,897	18,503	18,834	+1.8	19,092	+1.4
A89 Libourne - Thenon**	6,611	7,217	7,178	-,0.5	7,893	+10.0
A89 Saint-Germain-les-Vergnes - Le Sancy	4,179	5,105	5,818	+14.0	6,239	+7.2
Puymorens tunnel	1,620	1,650	1,606	-2.7	1,579	-1.7
Average ASF network	**28,765**	**29,023**	**29,232**	**+0.7**	**29,082**	**-0.5**
ESCOTA network						
A8 Aix-en-Provence - Italian border	54,089	55,036	55,848	+1.5	56,096	+0.4
A51 Aix-en-Provence - Gap	12,509	13,273	13,637	+2.7	13,873	+1.7
A52/A50 Aix-en-Provence - Aubagne - Toulon	39,913	41,612	42,286	+1.6	42,822	+1.3
A57 Toulon - A8	11,589	11,972	12,425	+3.8	12,674	+2.0
A500 A8 - Monaco	14,519	14,729	14,523	-1.4	14,960	+3.0
Average ESCOTA network	**35,528**	**36,483**	**37,105**	**+1.7**	**37,398**	**+0.8**

** Annual average daily traffic corresponds to the average of daily traffic recorded during the year on each motorway section, expressed as kilometres travelled, divided by the number of kilometres in operation.*

*** Périgueux East - Thenon section of the A89 opened on 9 January 2004.*

Val d'Aran link on the A645 opened on 20 September 2004.

Mussidan-Périgueux section of the A89 opened on 29 October 2004.

Section from La Roche-sur-Yon to the A83-A87 fork opened on 14 January 2005.

ASF GROUP TOLL RECEIPTS*

Year ended 31 December (in millions of euros excluding tax)	2002	2003	2004	% change 2004/2003	2005	% change 2005/2004
ASF network						
A7 Vienne - Berre; A8 Coudoux - Aix-en-Provence; A9 Orange - Montpellier; A46 South of Lyon	596.3	622.3	651.5	+4.7	662.8	+1.7
A54 Nîmes - Salon de Provence						
A9 Montpellier - Le Perthus; A61 Narbonne - Toulouse; A66 Toulouse - Pamiers**	352.3	376.0	401.6	+6.8	413.3	+2.9
A10 Poitiers - Bordeaux; A83 Nantes A10 Niort; A837 Rochefort - A10 Saintes	204.3	216.3	235.1	+8.7	241.0	+2.5
A11 Le Mans - Angers	41.5	44.5	46.9	+5.4	51.6	+10.0
A87 Angers - La Roche-sur-Yon**	7.8	13.0	18.3	+40.8	24.5	+33.6
A20 Brive - Montauban**	32.2	43.0	54.0	+25.6	56.3	+4.2
A62 Bordeaux - Toulouse	129.4	137.7	145.9	+6.0	150.1	+2.9
A63 - Saint-Géours-de-Maremne - Biriatou	71.6	76.7	82.4	+7.4	87.5	+6.1
A64 Briscous - Martres Tolosane A64 N Toulouse - Muret, A645 Val d'Aran**	82.6	88.1	95.7	+8.6	99.4	+3.9
A68 Toulouse - Gémil	10.8	11.5	12.9	+12.2	12.8	-0.9
A72/A89 East Clermont-Ferrand - Saint-Étienne	55.2	58.6	61.3	+4.6	63.5	+3.6
A89 West Bordeaux - Clermont-Ferrand**	21.8	29.1	40.5	+39.2	50.9	+25.6
Total ASF network*	**1,605.8**	**1,716.8**	**1,846.1**	**+7.5**	**1,913.6**	**+3.7**
ESCOTA network						
A8 Aix-en-Provence - Italian border	306.1	329.6	347.1	+5.3	357.5	+3.0
A51 Aix-en-Provence - Gap	39.7	42.8	45.0	+5.1	47.2	+4.9
A52/A50 Aix-en-Provence - Aubagne - Toulon	71.7	74.6	77.5	+3.9	80.4	+3.7
A57 Toulon - A8	18.6	13.9	14.8	+6.5	15.5	+4.7
A500 A8 - Monaco	8.7	9.0	9.3	+3.3	9.7	+4.3
Total ESCOTA network	**444.8**	**469.9**	**493.7**	**+5.1**	**510.3**	**+3.4**
Puymorens tunnel	2.9	3.2	3.0	-6.3	3.4	+11.7
Total ASF Group	**2,053.5**	**2,189.9**	**2,342.8**	**+7.0**	**2,427.3**	**+3.6**

** Subscription revenues included in toll receipts shown in the above table include "statistical" revenues, which take into account estimated discounts granted to heavy goods vehicle drivers and the estimated cost of administering subscriber accounts.*

These "statistical" revenues are aligned with the toll receipts reported in the Company's income statement, which reflects actual discounts and the actual cost of administering subscriber accounts.

Discounts and subscriber account administration costs are allocated to the various motorway sections prorata to toll receipts for each section.

*** Including the following motorway sections opened during the period: A20 - Cahors North - Cahors South in June 2003, A66 - Pamiers - A66 - A61 fork (near Toulouse) in February 2002, A87 - Angers - Cholet South in January 2002, A87 - Cholet South - A87-A83 fork (near Les Essarts) in June 2003, A89 - Tulle East - Ussel in February 2002, A89 - Saint-Germain-les-Vergnes - Tulle East in February 2003, A89 - Périgueux East - Thenon in January 2004, A89 - Mussidan - Périgueux East in October 2004, A645 - Val d'Aran link in September 2004. A87 - La Roche-sur-Yon - A83-A87 fork, on 14 January 2005.*

Since 27 October 2005, the ASF network has been linked to the network operated by Alis, with the opening of the A28 between Rouen and Alençon, leading to increased traffic flows on the A11.

ASF GROUP TOLL RECEIPTS BY VEHICLE CATEGORY

(in millions of euros excluding tax)	2002	2003	2004	2005
ASF*				
Category 1	1,055.4	1,121.6	1,197.3	1,236.3
Category 2	80.5	83.7	90.1	94.2
Category 3	51.9	55.0	58.7	62.6
Category 4	418.0	456.6	500.0	520.8
Category 5	2.9	3.1	3.0	3.1
Total ASF	**1,608.7**	**1,720.0**	**1,849.1**	**1,917.0**
ESCOTA				
Category 1	332.0	348.6	363.0	372.8
Category 2	19.2	20.0	21.5	22.4
Category 3	19.8	20.9	22.3	23.3
Category 4	72.0	78.5	84.9	89.6
Category 5	1.8	1.9	2.0	2.2
Total ESCOTA	**444.8**	**469.9**	**493.7**	**510.3**
Total ASF Group	**2,053.5**	**2,189.9**	**2,342.8**	**2,427.3**

** Including Puymorens tunnel toll receipts.*

TRAFFIC ON THE ASF GROUP NETWORK BY VEHICLE CATEGORY

(in million kilometres travelled)	2002	2003	2004	2005
ASF				
Category 1	19,157	19,899	20,676	20,987
Category 2	940	957	1,003	1,026
Category 3	536	540	555	549
Category 4	3,348	3,485	3,689	3,695
Category 5	92	92	86	89
Total ASF	**24,073**	**24,973**	**26,009**	**26,346**
ESCOTA				
Category 1	5,150	5,283	5,376	5,395
Category 2	196	200	210	214
Category 3	154	156	158	159
Category 4	415	433	449	454
Category 5	42	46	46	49
Total ESCOTA	**5,957**	**6,118**	**6,239**	**6,271**
Puymorens tunnel	3	3	3	3
Total ASF Group	**30,033**	**31,094**	**32,251**	**32,620**

RISK FACTORS

Operating risks

Changes in traffic and toll receipts

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

A certain number of factors can affect traffic volumes, including the quality, convenience and travel time on toll-free roads or toll motorways that are not part of our network, the quality and state of repair of our networks, the economic climate and fuel prices in France, environmental legislation (including measures to restrict motor vehicle use in order to reduce air pollution) and the existence of alternative modes of transport.

Tariffs and tariff increases are determined by our concession agreements. We can give no assurance that the tariffs we are authorized to charge will be sufficient to guarantee an adequate level of profitability.

Regulatory environment

We operate in a highly regulated environment and our results are influenced by government roads policies.

As in all highly regulated industries, regulatory changes could affect our business. However, in the event of a change in technical regulations related directly to the concession or a substantial change in the taxation system or the introduction of new taxes levied on motorway operators that could seriously impair the financial viability of concession operations, the concession agreement stipulates that we and the government will mutually agree on compensatory measures to guarantee the continued provision of the public service.

Increased competition

We are exposed to competition from other motorway operators and alternative road networks, and also from alternative modes of transport.

We are the sole operator of the motorway network covered by our concession agreement. New concessions are granted following a competitive bidding process that is open to a large number of candidates. We are therefore exposed to competition from French and foreign companies. However, in the areas served by our existing network, we believe that our knowledge of the area and our solid local infrastructure give us a significant competitive advantage.

Competition from alternative road networks is currently low. For North/South traffic, the A75 from Clermont-Ferrand to Montpellier has generated increased competition for our own motorways (A7/A9 and A20/A26/A61) since the Millau viaduct was opened at the end of 2004. Traffic data for the first summer vacation period shows that the A20/A62/A61 motorways are the most affected by this new source of competition.

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

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

However, we believe that there are strategic benefits to be derived from participating in this competitive network, by creating LorryRail to enable us to control the creation of the Perpignan-Luxembourg road-rail link.

All new concessions, including those that will compete with our network, are awarded on the basis of a competitive bidding process open to all European operators. We may therefore have difficulty in winning concessions in the areas we already serve, and we may have to accept new concessions on less favourable terms than those we have enjoyed in the past. Although other modes of transport, such as the new high-speed train links, do not currently pose a threat to our business, the situation may change in the future. In addition, government transport policy designed to increase the proportion of rail freight may ultimately lead to a reduction in heavy goods vehicle traffic on our network. Lastly, we are faced with competition along our entire network from toll-free roads. The level of this competition depends directly on government roads policy.

Traffic saturation on certain motorways

Some of our motorways, including the A7 and certain urban sections of other motorways, are saturated and become over-saturated at certain periods of the year. We are working with the government and the local authorities concerned to identify solutions to reduce traffic to acceptable levels. However, we can give no assurance that the saturation problems will be resolved at an acceptable cost to our Company, or that the problems will not lead to new concessions being awarded to competitors.

Road-user resistance to tolls

To date, we have not experienced any major road-user resistance to tolls. However, in urban areas we have had to bow to pressure from users and the authorities by selling to the government the toll plaza located on the four-lane Roques expressway, which was originally toll free. In addition, like other toll motorway operators, we are exposed from time to time to user protests, mainly on the urban sections of the network.

Expiry of concession agreements, return of assets to the state and restrictions on assets

Substantially all of our revenues are derived from operations under three concession agreements with the State. When the concessions expire, we will be required to surrender substantially all of the related assets to the State, without compensation. In addition, a significant proportion of assets, including the motorways, are public property and although we manage them they cannot be sold, pledged as collateral or otherwise encumbered.

Government termination and buy-out option

Under public law, the French government may unilaterally terminate the concession agreements in the public interest, subject to judicial supervision. The agreements also include a clause giving the government a buy-out option exercisable as from 1 January 2012. If the government exercises its option to terminate or buy out the agreements, we will be paid statutory or contractual compensation, in an amount that should cover our forecast profits for the remaining concession period. In addition, the government may terminate the concession agreement due to a serious breach of our contractual obligations and in certain other circumstances. In this case, the concession would be awarded to a new operator under a competitive bidding process and we would receive the amount paid by the successful bidder; however, if no new operator were found, we would not be entitled to any compensation.

Other risk factors

Like all motorway operators, we are faced with potential risks from strike action, natural disasters such as earthquakes or floods, the collapse or accidental destruction of certain sections of the motorway, or the spillage of hazardous substances transported on the network. The occurrence of any of these events could lead to a sharp fall in our toll receipts or a significant increase in the costs of operating, maintaining or repairing the network.

At the end of 2005, Group companies were asked by the State to cooperate with the authorities by deploying preventive measures to restrict the spread of bird flu and, if a pandemic were to break out, to maintain minimum operating capacity on the network. If a pandemic were to break out, this could lead to an interruption of business or a loss of revenue for our Company.

Construction and development risks

Our large-scale construction projects expose us to the risk of shortages of materials or labour, higher materials or labour costs, general factors affecting economic activity and the credit market, business failures by contractors or sub-contractors, and work stoppages due to bad weather or unforeseen engineering or environmental problems. If we fail to complete the construction of a motorway on schedule, we may face penalties under our concession agreement.

International operations

On 19 September 2002, ASF signed a partnership agreement with Bouygues Travaux Publics, a subsidiary of Bouygues Construction, concerning the Highway 2000 project for the construction and operation of Jamaica's first toll motorway. The partnership led to the formation of the TransJamaican Highway joint venture, which is 66%-owned by Bouygues and 34% by ASF, and holds the motorway concession awarded by the Jamaican government.

Our commitment is currently limited to the initial 44-kilometre phase of the project, including 33 kilometres between Kingston and Sandy Bay, and 11 kilometres between Portmore and Causeway. This phase represents a total investment of $10.2 million, including $5.1 million for the 33-kilometre section – which had been paid in full as of 31 December 2004 – $1.7 million for the 11-kilometre section – of which $1.0 million had been paid as of 31 December 2005 – and $3.4 million which has not yet been called.

The operating company, Jamaican Infrastructure Operator, which is 51%-owned by ASF alongside Bouygues, will operate the motorway for 35 years. ASF is installing and will continue to install toll collection equipment on the various sections of the motorway. Under the terms of the contract with Bouygues Travaux Publics, ASF owns all the equipment (design, supply and installation) for the Old Harbour and Spanish Town toll plazas.

Uncertainty concerning the Company's development and diversification initiatives

Our business strategy is based on the goal of slowly but surely winning new motorway concessions in France and abroad. At the same time, we are planning to branch out into related concession operations.

We intend to submit joint bids with partners for value creation projects that comprise clearly defined investment criteria.

We are currently building expertise in this area and have recently submitted bids for the A41, A65, A88 motorways and the Lyon North ring-road in France, the Thessalonica tunnel in Greece and the Mexico City northern bypass in Mexico. We have also examined the Ypsilon project in Austria, the D1 motorway project in Slovakia, the M25 project in the United Kingdom and the Indiana Toll Road project in the USA. In addition, we have set up market watch systems covering Canada, China and Algeria (for the East-West motorway project).

Our new concessions won in connection with this expansion strategy may be subject to construction, operating, financial and legal risks.

By applying strict approval processes and setting clearly-defined growth targets, we ensure that our Company's profile is not adversely affected by these investments.

Environmental risks

We incur and will continue to incur costs to comply with environmental, health and safety laws and regulations.

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

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

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

Market risks

Liquidity risks

The bulk of financing is provided by Caisse Nationale des Autoroutes, a public body that provides funds for motorway construction in France, in the forme of bullet loans. In connection with our Company's privatisation, a draft addendum to the CNA contract has been drawn up, to include acceleration clauses based on financial ratios. Based on our Company's 2005 accounts, we should have no difficulty in complying with these ratios.

Since 2002, we have been phasing out CNA financing for new concessions, with the aim of eliminating all borrowing from CNA by 2006. This source of funds is being replaced by bank borrowings, bond issues and project finance. However, we can give no assurance about the availability of such financing or the terms on which it may be raised. At 31 December 2005, we had cash reserves of €817.1 million and on 21 July 2005 we obtained a €1,000 million 7-year bank line of credit.

In February 2002, our Company was rated AA- by Standard & Poor's. In April 2003, following a reduction in the analysis period from ten to five years, Standard & Poor's adjusted the ratings of all European toll motorway operators, including that of ASF which was adjusted to A+. Lastly, following the announcement of the sale by the State of its ASF shares to Vinci, Standard & Poor's lowered our rating to BBB+ with a negative outlook, to align it with that of Vinci.

Interest rate risk

Based on our debt structure at 31 December 2005, a 100 bps increase across the yield curve would have the effect of increasing our average borrowing costs by some 6 bps.

As of 31 December 2005, ASF had several contracts on financial instruments, as follows:

- nine fixed rate lender/3-month Euribor borrower swaps on a total notional amount of €1,032.9 million. The notional amounts and expiry dates of the swaps match those of fixed rate borrowings from CNA. At 31 December 2005, these swaps had a positive fair value of €90.7 million excluding accrued interest;
- two swaps linked to the transactions described in a) on a total notional amount of €100 million, where ASF pays the 12-month Euribor, set quarterly in arrears, and received the 3-month Euribor. At 31 December 2005, these swaps had a negative fair value of €0.5 million excluding accrued interest;
- caps and floors linked to the transactions referred to in a) above, but with shorter terms. At 31 December 2005, these instruments had a positive fair value of €3.5 million.

At 31 December 2005, these instruments had a combined net positive fair value of €93.7 million excluding accrued interest.

DERIVATIVE INSTRUMENTS BY TYPE AND MATURITY AT 31 DECEMBER 2005

(in millions of euros)	Less than 1 year	1 to 5 years	More than 5 years	Total
Fixed-to-floating rate swaps	0.0	335.4	697.5	**1,032.9**
Floating-to-fixed rate swaps	0.0	0.0	0.0	**0.0**
Floating-to-floating rate swaps	0.0	0.0	100.0	**100.0**
Purchased caps	932.9	2,496.8	0.0	**3,429.7**
Sold caps	0.0	0.0	0.0	**0.0**
Purchased floors	0.0	0.0	0.0	**0.0**
Sold floors	0.0	376.2	0.0	**376.2**

In addition to the derivative instruments held directly by ASF, CNA holds interest rate swaps on behalf of our Group on a notional amount of €311.4 million (expiring in more than five years) with a positive fair value of €53.9 million at 31 December 2005, and cross-currency swaps (GBP and CHF swapped for euros) on a notional amount of €307.3 million (expiring in one to five years), with a positive fair value of €2.1 million at 31 December 2005.

EXPOSURE TO INTEREST RATE RISKS AT 31 DECEMBER 2005

	Less than 1 year	1 to 5 years	More than 5 years	Total
Assets	-785.3*	0.0	0.0	-785.3
Debt(1)	537.8	2,519.7	5,114.6	8,172.1
Net position before hedging	**-247.5**	**2,519.7**	**5,114.6**	**7,386.87**
Fixed-to-floating rate swaps	1,344.3	-335.4	-1,008.9	0.0
Floating to fixed rate swaps	0.0	0.0	0.0	0.0
Options	-376.2	376.2	0.0	0.0
Net position after hedging	**720.6**	**2,560.5**	**4,105.7**	**7,386.8**

(1) The amounts reported here correspond to the nominal amounts of borrowings; in the consolidated financial statements, borrowings are stated at amortized cost.

** The marketable securities portfolio, in the amount of €785.3 million at 31 December 2005, is sensitive to changes in short-term interest rates. The portfolio is invested in money market funds paying interest at rates close to the EONIA.*

Currency risk

Our exposure to currency risks is very limited. We have two foreign currency loans (one in pounds sterling obtained in 1996 and the other in Swiss francs obtained in 1998) that have been hedged by cross-currency swaps, converting their combined nominal amount into €307.3 million. We have also given a commitment to TransJamaican Highway to contribute capital of $6.8 million in several instalments. At 31 December 2005, the balance payable amounted to $0.3 million. These commitments were hedged in full through forward purchases of dollars.

Equity risk

On 10 June 2005, we increased our interest in Marseillaise du Tunnel du Prado-Carénage to 3.11%. The carrying amount of this interest was €3,3 million at 31 December 2005 and €0.2 million at 31 December 2004 (corresponding to the original stake acquired on 9 July 2004).

Legal risks

As a motorway concessionaire, we are authorized to act as an adjudicator of contract bids. We have set up internal procedures to comply with the provisions of the "Sapin" Act of 29 January 1993 on public contracts and with the various European directives. These procedures are based on the rules set out in the French Public Contracts Code.

Insurance – Risk coverage

We consider that our insurance policies provide adequate coverage of material potential risks. Cover for losses arising from liability claims for accidental environmental damage amounts to €7.6 million per claim and for total claims per insurance year at ASF and €15 million at ESCOTA. Companies that participate in the construction of motorways are required to carry insurance covering their own liability.

Although we carry property and casualty and liability insurance, we can give no assurance that these policies will cover the total amount of claims related to the construction, maintenance or operation of the motorways, bridges and tunnels, or the incremental costs resulting from damage to the network. We do not carry business interruption or specific risk insurance related to the use of tunnels and bridges. Furthermore, we do not carry business interruption insurance covering the loss of toll receipts as a result of strike action or blockages of toll booths by protestors.

SIGNIFICANT CONTRACTS

€1 billion finance facility

On 21 July 2005, we obtained a €1 billion seven-year finance facility from a syndicate of banks, at Euribor plus 12.5 bps in the first five years and Euribor plus 1.5 bps in the last two years.

Although the facility was oversubscribed, we decided not to increase the initial size and the participation of the various banks was therefore reduced as follows:

Banks	Final allocations (in euros)
Mandated arrangers and bookrunners	
Crédit Agricole Group:	
Calyon	91,250,000
Crédit Lyonnais	91,250,000
HSBC CCF	182,500,000
Arrangers	
Barclays Bank PLC	115,000,000
Dresdner Kleinwort Wasserstein	115,000,000
JP Morgan	115,000,000
Société Générale	115,000,000
Co-Arrangers	
BNP Paribas	75,000,000
Crédit Mutuel-CIC	50,000,000
Morgan Stanley	50,000,000
Total	**1,000,000,000**

This facility replaces 364-day bilateral facilities at a lower rate; it also paves the way for future debt issues on better terms and has enabled us to identify financial institutions committed to partnering our Company over the long term.

The minimum drawdown is €10 million. Each drawdown is repayable in full on the last day of the interest period, i.e. at the end of 1, 2, 3 or 6 months (or any other period agreed between ASF and Calyon as credit agent).

The facility agreement includes several customary default clauses allowing the lenders to terminate the facility or to require immediate repayment of all or part of the amounts borrowed. ASF can decide to terminate the undrawn facility and to repay any drawdowns in advance.

Interest on drawdowns will be determined based on the applicable Euribor spread (12.5 bps in the first five years and Euribor plus 1.5 bps in the last two years) and additional costs may be payable, as determined by the credit agent in accordance with the stipulations of the facility agreement. Late interest may also be levied.

We have also made the customary representations about our bylaws, the enforceable nature of our obligations, powers and abilities, and the customary warranties to make the required disclosures, and not to sell a significant proportion of its assets or to carry out restructuring operations.

Lastly, an addendum was signed on 3 February of this year, deleting the credit rating requirement from the change of control clause. In exchange, the lenders have the right to terminate the facility and require immediate settlement of the outstanding balance if certain financial ratios are not met (based on the draft addendum to the CNA/ASF/ESCOTA agreement) or if the construction and/or operation of transport and parking infrastructure no longer represents around 85% of our consolidated assets or at least 80% of our consolidated revenue.

Addendum to the CNA/ASF/ESCOTA agreement

At its meeting on 19 October 2005, the Board of Directors of ASF, chaired by Bernard Val, approved the terms and conditions of the addendum to the 1996 technical agreement with CNA (Caisse Nationale des Autoroutes, the National Motorways Fund).

Role of the CNA

CNA, an institution managed by Caisse des dépôts et consignations is responsible for "issue debt securities on the market to finance the construction and extension of toll motorways and to allocate the proceeds among the holders of the concessions to build or operate these motorways" (article R. 122-7 of the National Roads and Highways Code).

CNA lends to the concessionaires at the rate it obtains on the bond markets as a Triple-A issuer.

Up to now, the CNA loans were governed by a technical agreement signed on 2 September 1996. The negotiated term sheet amends the technical agreement, by clarifying or modifying certain stipulations that were made in consideration of the fact that ASF was a State-controlled enterprise.

The main proposed amendments

The proposed amendments clarify and describe in detail the limits set on the borrower's commitments without affecting the underlying economics of the technical agreement. In particular:

Financial covenants

ASF is required to comply with two new financial ratios:

- the net debt/Ebitda ratio must not exceed 7x;
- interest cover (Ebitda/finance costs) must at all times be greater than 2.2x.

Although these ratios represent new obligations, they serve to clarify the acceleration clause that was written in very vague terms. We do not expect to have any difficulty in complying with these covenants – at the end of 2005, our Net debt/Ebitda ratio stood at 4.9x and our interest cover (excluding capitalised interest) at 3.8x.

Moreover, the net debt used to calculate the ratios does not include any possible future limited recourse debt.

Restriction on the scope of ASF's business

Under the terms of the addendum, we are required to maintain our current focus on the construction and operation of transport and parking infrastructure, in France and other OECD countries unless otherwise authorized by the CNA. These businesses must represent at all times over 85% of our consolidated assets and over 80% of our consolidated revenue. This restriction should not have any impact on our strategy.

Prior approval of mergers

Mergers must be approved in advance by the CNA, except when they involve two Group companies.

Early repayment option

The proposed addendum allows concessionaires to retire CNA debt early, providing them with increased flexibility.

The other proposed changes concern representations and warranties, and the types of commitments that are customary in this type of financing agreement. The addendum will be signed in connection with the privatisation

Openly (Lyon northern ring-road)

After a competitive bidding process, the Greater Lyon local authorities awarded to ASF the contract to operate the ring-road circumventing Lyon by the north, under a public service delegation that includes large-scale maintenance and repair work.

The 8-year contract came into effect on 4 January of this year. We have set up a new wholly-owned subsidiary, Openly, to operate the ring-road and carry out infrastructure repairs.

The 10-kilometre ring-road stretches from Porte de Valvert to Porte de Croix-Luizet. It comprises three tunnels, a covered section and a viaduct. Only the middle section, from Porte de Vaise to Porte de la Pape, is toll-paying. Traffic volumes currently stand at around 130,000 vehicles per day on the free section and 45,000 on the toll-paying section, and are growing steadily.

This new contract consolidates our positioning in the local government market and expands our presence in the Lyon area.

Under the terms of the contract, we will receive a fixed fee of €1,413,020 to cover our overheads and a variable fee representing a positive or negative incentive based on our performance in relation to the operating targets.

The contract includes a penalty clause for failure to fulfil our contractual obligations. We have set up a €3 million guarantee to cover these penalties and any amounts that may be due to the Greater Lyon local authorities.

The contract will be terminated *ipso jure* in the event that our Company is wound up or placed in liquidation. It may also be terminated without any compensation being due to the Greater Lyon local authorities in the following cases:

- a serious breach of contract, except as a result of *force majeure* or where ASF is relieved of any responsibility;
- mismanagement by ASF.

When the contract expires, we will be required to deal with the situation of the employees working on the contract, unless another company is appointed to operate the ring-road, in which case article L. 122-12 of the Labour Code dealing with the transfer of employees to a new company will apply.

Lyon-Balbigny section of the A89

This 53-kilometre motorway, which was declared in the public interest on 17 April 2003, comprises seven interchanges or exits, seven viaducts and three tunnels together totalling six kilometres. It will provide direct access from the major A89 Bordeaux - Clermont-Ferrand transversal motorway to the Lyon area and will help to boost the economies of the Loire and Rhône *départements* by providing improved road links.

The cost of building this 53-kilometre motorway is estimated at €1.2 million excluding tax in today's money. It will be built, operated and financed by ASF, through an adjustment of our pricing rules. On the ASF network, toll rates (before VAT) applicable to category 1 vehicles (light vehicles) will be increased by 0.58% in 2007 and 0.625% per year from 2008 to 2017.

Pursuant to the 1 March 2006 decree including this section in the concession agreement, we will start detailed engineering work and begin the process of land purchases. The aim is to open the new motorway at the end of 2012.

2 CORPORATE GOVERNANCE

SENIOR MANAGEMENT

We have drawn up corporate governance guidelines in accordance with the standards applicable in France to ensure that the business is managed responsibly and efficiently, that risks are effectively controlled, and that transparent disclosure policies are applied.

SENIOR MANAGEMENT TEAM

Name	Age	Function	Date appointed	Other main positions and directorships
Jacques Tavernier	56	Chief Executive Officer	02/1998	Director of ESCOTA
Philippe-Emmanuel Daussy	52	Senior Executive Officer - Operations	01/2002	Director of ESCOTA, TransJamaican Highway (TJH) and Jamaican Infrastructure Operator (JIO) until 7 October 2005
Jean-Marc Denizon	62	Senior Executive Officer	12/2003	Chief Executive Officer of ESCOTA
Alain Robillard	60	Senior Executive Officer - Development and Construction	03/2002	Director of TransJamaican Highway (TJH) and Jamaican Infrastructure Operator (JIO), Chairman of JIO until 7 October 2005
Jean-Jacques Bancel	37	Chief Financial Officer	07/2003	Director of ESCOTA and TransJamaican Highway (TJH) until 25 February 2005
Yann Charron	46	Legal Director and Human Resources Director	01/2005	-
Doris Chevalier	43	Development Director	09/2004	-
Bernard Gardelle	46	Communications Director	08/2002	-

Executive Biographies

Bernard Val (aged 63) has been Chairman of the ASF Board of Directors since 1997. Prior to that, he was Chairman of Autoroutes Rhône-Alpes (AREA). He is also a Director of ESCOTA, Penauille Polyservices and ADF and a member of the Supervisory Board of Ginger. From 2001 to 2002, he was Chairman of the Association des Sociétés Françaises d'Autoroutes (ASFA), and non-voting Director of Société Marseillaise du Tunnel Prado-Carénage (SMTPC). Bernard Val is a graduate of École des Ingénieurs de la Ville de Paris.

Jacques Tavernier (aged 56) has been Chief Executive Officer of ASF since 1998. Prior to that, he was Director of the Hauts-de-Seine Infrastructure Department. Jacques Tavernier is a graduate of École Polytechnique and of École Nationale des Ponts et Chaussées. He is also a Director of ESCOTA.

Philippe-Emmanuel Daussy (aged 52) has been Senior Executive Officer- Operations since January 2002. Previously, he was Deputy Director Operations within the infrastructure concession department of Vinci Concessions. Philippe-Emmanuel Daussy is a graduate of École Polytechnique, École Nationale Supérieure du Pétrole et des Moteurs and INSEAD.

Jean-Marc Denizon (aged 62) has been a Senior Executive Officer of ASF since 10 December 2003, and, at the same time, since 9 December 2003, Chief Executive Officer of ESCOTA. Appointed Senior Executive Officer Operations at ASF in June 1993, he then served as Senior Executive Officer of ESCOTA from 17 December 2001 to 11 March 2002, becoming Chief Executive Officer of ESCOTA on 12 March 2002. He was a Director of ISIS, a subsidiary of the EGIS group, from 1993 to 1998. Jean-Marc Denizon is a graduate of École Polytechnique and École Nationale des Ponts et Chaussées.

He is also President of the Syndicat Professionnel des Sociétés Concessionnaires ou Exploitantes d'Autoroutes ou d'Ouvrages Routiers, a professional organisation representing the toll motorway sector, and a member of the Board of Directors of ASFA (the association of French motorway operators).

Alain Robillard (aged 60) joined ASF in 1987 as Construction Director. He has held the position of Senior Executive Officer Development and Construction since March 2002. Previously, he was Director of General Engineering and Safety responsible for coordinating engineering work for the Eurotunnel. He is a graduate of École Spéciale des Travaux Publics and of IAE Grenoble. Alain Robillard is a member of IBTTA (International Bridge, Tunnel and Turnpike Association) and was appointed International Vice Chairman of the IBTTA Engineering and Design Committee for 2002.

Jean-Jacques Bancel (aged 37) has been the Chief Financial Officer of ASF since July 2003. He joined the ASF Group in January 2002 to lead the IPO project. Since the IPO, he has been in charge of Investor Relations. Jean-Jacques Bancel is a graduate of ESSEC (École Supérieure des Sciences Économiques et Commerciales). Since he began his career in 1993, he has worked as a management consultant with Mars & Co., and M&A and business disposal consultant with HSBC CCF Corporate Finance.

Yann Charron (aged 46) has been Legal Director of ASF since 1 January 2005 and Human Resources Director since 1997. Previously, he was Human Resources and Communications Director with Thomson-DASA Armements. Yann Charron is a graduate of Institut d'Études Politiques de Strasbourg. He is a member of ANDCP (the French Association of Human Resources Directors).

Doris Chevalier (aged 43) has been Development Director since September 2004. She is a graduate of École des Ponts et Chaussées and holds a post-graduate degree in digital analysis. Prior to joining ASF, she was Deputy Director, Development and Financial Engineering, with Bouygues Construction.

Bernard Gardelle (aged 46) has been Communications Director with ASF since August 2003. He is also a member of the editorial committee of Radio Trafic FM. Between 20 June 2000 and August 2003, he was Deputy Director, External Communications. A graduate in public law and holder of a master's degree in political sociology, Bernard Gardelle worked successively for Bernard Krief Communication, Hintzy Heymann and DDB & Co.

Corporate governance principles and Group Committees

Group Committees assist the Chief Executive Officer in decision-making and also serve as an antechamber for analysis, discussion and preparation of the work of the Committees of the Board.

Executive Committee

Meetings of the Executive Committee are led by the Chief Executive Officer. The meetings - which are held twice a month - are attended by the Chairman so that he can keep abreast of the issues under discussion.

The Executive Committee discusses and prepares decisions on strategic and cross-functional issues, assisting the Chief Executive Officer in making major decisions.

The five specialist Group Committees (development, finance, operations, employee relations and capital expenditure) deal with specific issues that concern only certain members of the Executive Committee. Each Committee reports to full sessions of the Executive Committee on the matters discussed and the decisions made during its meetings.

Development Committee

This Committee examines matters relating to the Company's development.

It comprises the Chief Executive Officer, the Senior Executive Officer - Development & Construction, the Development Director, the Finance Director and the Legal Director.

It examines questions referred to the Strategy and Contracts Committee, one of the Committees of the Board.

Finance Committee

The Finance Committee reviews budgets, results and forecasts, and analyzes operating data such as traffic volumes and toll receipts. It also tracks spending on construction projects.

It comprises the Chief Executive Officer, the Chief Financial Officer and the line manager concerned.

The Committee prepares the information reviewed by the Audit Committee, one of the Committees of the Board.

Operations Committee

This Committee examines marketing policy, operating issues, and road safety and traffic-flow policy.

It comprises the Chief Executive Officer, the Senior Executive Officer Operations, the Chief Executive Officer of ESCOTA and a representative of the ASF and ESCOTA operations departments.

Employee Relations Committee

This Committee deals with all matters related to the Company's human resources policy, employee relations and employee safety.

It comprises the Chief Executive Officer, the Senior Executive Officer - Operations, the Chief Executive Officer of ESCOTA, the Senior Executive Officer Development & Construction, and the Legal Director.

Capital Expenditure Committee

This Committee oversees compliance with the concession agreements, and monitors capital expenditure programs.

It comprises the Chief Executive Officer, the Senior Executive Officer - Operations, the Chief Executive Officer of ESCOTA, the Senior Executive Officer Development & Construction, and the Legal Director.

All of these Committees report to the Executive Committee.

Procedures and processes

Clear rules have been established to ensure that corporate departments operate efficiently and genuinely add value to the operating units and subsidiaries.

All of these departments report directly to the Chief Executive Officer.

Their activities include:

- support functions, which consist of ensuring that the operating units and subsidiaries comply with Company principles, and contribute to implementing the Company's strategic vision;
- service functions, which consist of providing in-house expertise to the operating units and subsidiaries.

There are seven corporate departments:

- Finance;
- Legal and Human Resources;
- Communications;
- Development;
- Environment and Sustainable Development;
- Real-Estate Development;
- Internal Audit.

Guidelines have been issued describing the support provided by these corporate departments to the line units.

BOARD OF DIRECTORS

The ASF Group applies the recommendations of the Bouton corporate governance report. Our corporate governance structures comply with the latest recommendations in this area.

The Board of Directors

The current composition of the Board of Directors reflects the majority stake in our capital held by the French State and our status as a listed company, following the March 2002 IPO.

At the time this Annual Report was filed, the Board of Directors had sixteen members:

- *BERNARD VAL* - Chairman
- *MICHEL CHARASSE*
- *PHILIPPE DUMAS,* permanent representative of Autoroutes de France
- *ANTOINE ZACHARIAS,* permanent representative of Vinci
- *HUBERT DU MESNIL**
- *BERNARD MAUREL**
- *GÉRARD PAYEN**
- *MICHEL DAVY DE VIRVILLE*
- *PIERRE-HENRI GOURGEON**
- *ALAIN BARKATS,* representing employee shareholders
- *JACQUES THOUMAZEAU,* representing employee shareholders
- *JEAN-LOUIS GIRODOLLE,* representing the French State
- *HUGUES BIED-CHARRETON,* representing the French State
- *CHANTAL LECOMTE,* representing the French State
- *ANDRÉ CROCHERIE,* representing the French State
- *MAGALI DEBATTE,* representing the French State

Secretary to the Board: *BENOITE DE FONVIELLE*

PATRICE PARISÉ, Director of the Roads and Highways Department and Government commissioner, or *PIERRE DENIS COUX*, deputy Government commissioner, and *ÉLISABETH KAHN*, State auditor, also attend Board meetings in a consultative capacity.

* *Independent Directors, defined as Directors who have no relationship of any kind whatsoever with the Company, its shareholders or management that would be such as to colour their judgment.*

Internal rules of the Board of Directors - Directors' Charter - Board performance assessments

The Board of Directors has adopted internal rules that include a Directors' Charter describing the rights and obligations of Board members.

The Board has decided to appoint an outside consultant to assess its performance, under the guidance of an independent Director. The assessment was carried out between December 2004 and February 2005, and the results were presented to the Board in May 2005 (see Chairman's report, page 54).

In accordance with the law and the Company's bylaws, each Director must own at least one ASF share throughout his or her term of office, with the exception of Directors representing the French State and Directors representing employee-shareholders.

At the time this Registration Document was filed, Directors held 2,799 shares in the Company, as follows:

Name	Number of shares held at 31 December 2004	Number of shares held as of the registration date of the 2005 Registration Document January 2006
Bernard Val	233(1)	233(1)
Philippe Dumas (2)	0	0
Antoine Zacharias (3)	0	0
Pierre Henri Gourgeon	1	1
Michel Davy de Virville	51	51
Bernard Maurel	401	1026
Gérard Payen	1486	1486
Alain Barkats	0	0
Jacques Thoumazeau	0	0
Michel Charasse	1	1
Hubert du Mesnil (appointed on 10 March 2005 to replace Jacques Oudin)	1	1
Hugues Bied-Charreton	0	0
André Crocherie	0	0
Magali Debatte	0	0
Chantal Lecomte	0	0
Jean Louis Girodolle	0	0

(1) Number of shares held by the Director's spouse: nil.
(2) Representative of Autoroutes de France, which holds 20,427,000 ASF shares.
(3) Representative of Vinci, which holds 1 ASF share since January 2005. A Vinci Group company, Vinci Concessions, holds 53,094,835 ASF shares.

Segregation of the positions of Chairman and Chief Executive Officer

The Board of Directors elects a Chairman from among its individual members.

In accordance with the "NRE" corporate governance act of 15 May 2001, at the Meeting held on 13 March 2002 the Board decided to segregate the positions of Chairman of the Board of Directors and Chief Executive Officer.

The Board's procedures and activities during 2005 are described in the Chairman's report (pages 52 to 54). The Board of Directors met six times in 2004, with an average attendance rate of around 79%.

The Chief Executive Officer is appointed by the Board, which also sets the period of his appointment, his compensation and any restrictions on his powers. The Chief Executive Officer is not a Director and may be dismissed at any time by decision of the Board.

On the recommendation of the Chief Executive Officer, the Chairman may ask the board to appoint between one and five Senior Executive Officers, who have the same powers as the Chief Executive Officer vis-a-vis third parties.

The scope and duration of the Senior Executive Officers' internal powers and their compensation are determined by the Board, at the request of the Chief Executive Officer.

During 2005, Jacques Tavernier ran the Company with the assistance of three Senior Executive Officers, Philippe-Emmanuel Daussy, Alain Robillard and Jean-Marc Denizon, under the supervision of the Board of Directors.

Jacques Tavernier holds 507 ASF shares and his spouse holds 108. None of the three Senior Executive Officers hold any shares.

Committees of the Board

At its meeting on 13 March 2002, the Board of Directors set up three Committees of the Board.

- The Audit Committee, comprising Philippe Dumas (Chairman), Chantal Lecomte, Bernard Maurel, Jean-Louis Girodolle and Jacques Thoumazeau, which met five times in 2005 with an average attendance rate of 88%.

- The Compensation Committee, comprising Michel Davy de Virville (Chairman), Hubert du Mesnil, Gérard Payen and Hugues Bied-Charreton (since 10 March 2005), which met twice with a 57% attendance rate.
- The Strategy and Contracts Committee, comprising Bernard Val (Chairman), Gérard Payen, Pierre-Henri Gourgeon, Jean-Louis Girodolle and Alain Barkats, which met four times with an average attendance rate of 85%.

Activities of the Committees of the Board

The Committees prepare the ground for Board decisions by making recommendations to the Board of Directors. Their purpose is to help ensure that the Board makes informed decisions by improving the quality of information given to the Directors. However, in no circumstances do they make decisions on behalf of the Board. The chairmen of the Committees provide the Board with a detailed report on discussions, outlining the views expressed by each member.

The principles and rules governing the composition, procedures and terms of reference of the three Committees are set out in charters adopted by the Board of Directors.

The Committees' activities in 2005 are described in the Chairman's report (pages 54 to 56).

Directors' fees

At the Annual Meeting on 12 May 2005, shareholders voted to award the Board of Directors total fees of €240,000 for 2005. By decision of the Board, each Director is paid a fixed fee of €6,000, plus a variable fee of up to €6,000 based on his or her attendance rate at Board meetings. Members of the Committees of the Board are paid an additional variable fee of up to €6,000 based on their attendance rate at Committee meetings. The maximum fee paid to a single Director (including Directors who are members of more than one Committee) is capped at €18,000. (For further information, see page 103).

The internal rules of the Board of Directors and Committees' Charters can be downloaded from our website (www.asf.fr).

Conflicts of interest involving members of the administrative, management or supervisory bodies

To the best of our knowledge, there are no conflicts of interest between the corporate duties of the members of the Board and senior management and their private interests and/or other duties.

Information about members of the administrative, management or supervisory bodies' service contracts

None of the members of the Board or senior management have service contracts with the Company or any of its subsidiaries.

REPORT OF THE CHAIRMAN ON INTERNAL CONTROL

Under the provisions of article 117 of the Loi de Sécurité Financière of 1 August 2003, the Chairman of the Board of Directors is required to report to shareholders on:

- the organization of the Board of Directors and the preparation of Board Meetings;
- the internal control procedures implemented by the Company.

Organization of the Board of Directors and preparation of Board Meetings.

The Board of Directors of ASF represents all shareholders. The Board is under the obligation to act in all circumstances in the interests of the Company and is accountable to shareholders for its actions.

The Board of Directors elects a Chairman from among its individual members.

The Chairman of the Board of Directors organizes and manages the work of the Board and reports thereon to Annual Shareholders' Meetings. He ensures that the Company's corporate governance structures function effectively and obtains assurance that Directors are in a position to fulfil their responsibilities.

In accordance with the recommendations of the Corporate Governance Act of 15 May 2001, concerning the transparency of management decisions, at its meeting on 13 March 2002, the Board of Directors decided to segregate the functions of Chairman and Chief Executive Officer.

The Chief Executive Officer has the authority to act in all circumstances in the Company's name.

The restrictions on the Chief Executive Officer's powers decided by the Board on 15 December 2004 were renewed at the Board meeting of 16 December 2005. In accordance with these restrictions, the Chief Executive Officer may sign bids related to motorway concessions and public-private partnerships that are in line with the development strategy and budget defined annually by the Board of Directors, provided that the related contracts do not represent investments in excess of €500 million individually and €1,500 million in the aggregate (in equity and debt). In addition, The Board of Directors must be consulted for any diversification operations that exceed €50 million, and any project that does not comply with the business development and financial criteria set by the Board.

The Chief Executive Officer represents the Company in its dealings with third parties. He reports to the Board of Directors on his management of the business. He is assisted by three Senior Executive Officers (see Appendix I) whose authority is restricted by decision of the Board of Directors dated 24 June 2003 to €5 million, excluding tax, for work contracts and €0.5 million for contracts for supplies and services.

The Board of Directors

Membership of the Board of Directors as of 28 February 2006

The Board of Directors has 16 members: Bernard Val, who is the Chairman of Autoroutes du Sud de la France; five Directors representing the French State (Jean-Louis Girodolle, Hugues Bied-Charreton, Chantal Lecomte, André Crocherie and Magali Debatte), two of whom are designated by the Finance Ministry (Treasury and Budget departments), two by the Infrastructure Ministry and one by the Interior Ministry; Autoroutes de France, a public enterprise represented by its Chairman, Philippe Dumas; Vinci, represented by Antoine Zacharias; two Directors designated by the Supervisory Board of the corporate mutual fund set up in connection with the ASF employee share ownership plan, representing employee-shareholders (Alain Barkats and Jacques Thoumazeau); and six other Directors - Michel Charasse, Hubert du Mesnil, Michel Davy de Virville, Pierre Henri Gourgeon, Bernard Maurel and Gérard Payen.

Five of them are independent Directors, defined as Directors who have no relationship of any kind whatsoever with the Company, its shareholders or management that would be such as to colour their judgment: MM. Hubert du Mesnil, Michel Davy de Virville, Pierre-Henri Gourgeon, Bernard Maurel and Gérard Payen.

A Government Representative (the Director of the Roads and Highways Department) and a Government Auditor also attend Board Meetings in a consultative capacity.

Activities of the Board of Directors

The Board's procedures and processes are described in internal rules adopted in December 2002 and amended in December 2004. These rules, which can be viewed on the ASF website, define the powers of the Board, the information to be received by Directors so that they may fulfil their duties, the role of the Committees of the Board, and the content of the Directors' Charter.

The Chairman calls meetings of the Board as often as he considers appropriate. The Board meets at least four times a year, and more often if circumstances so require. In particular, meetings are called to approve the interim and annual financial statements, and to call the Annual Shareholders' Meeting.

The Board of Directors determines the Company's strategy and oversees its implementation. It oversees the management of the Company and the quality of the information provided to shareholders and financial markets. To this end, the Board also performs all controls and verifications that it considers necessary.

Each year, the Board decides on the Company's main organic and external growth strategies and defines the guidelines for senior management to implement them. In particular, it sets the framework for the financial terms and conditions of bids and approves the maximum amounts that the Chief Executive Officer may authorize.

Once a year, the Board assesses the effectiveness of its own procedures and, if necessary, proposes amendments to its internal rules. Once every three years, the Board obtains an independent assessment of its efficiency. The assessment is performed by outside consultants, under the direction of an independent Director.

The Directors' Charter provided for by the Board's internal rules sets out the rights and duties of each Board member. In particular, Directors are prohibited from carrying out any transactions in the Company's shares, directly or indirectly, on the basis of insider information.

Board members are elected by the Annual Shareholders' Meeting for a six-year term and may stand for re-election. They may be removed from office at any time by decision of an Ordinary Shareholders' Meeting.

Work conducted by the Board of Directors in 2005

The only change in the membership of the Board in 2005 was the appointment of Hubert du Mesnil in March, to replace Jacques Oudin.

The Board met six times in 2005, with an average attendance rate of around 79%. The majority of the meetings were prepared by the Committees of the Board, which made recommendations concerning agenda items.

In 2005, the main activities of the Board of Directors were as follows:

- approval of the financial statements of the Company and the Group for the year ended 31 December 2004, as well as the 2005 interim financial statements;
- review of ASF's financial strategy, including cash and debt management and financing policies, and approval of the 2006 budget;
- authorisation given to the Chief Executive Officer to sign an addendum to the concession agreement, to include the Balbigny-Lyon section of the A89 (addendum 11) and a regulated agreement with SAS RTFM, the Company created through the merger of the ASF and ESCOTA radio stations;
- authorisation given to the Chief Executive Officer to invest up to €12 million in the Perpignan-Bettembourg road-rail project;
- review of bids submitted by the Company, including for the Thessalonica tunnel, the concession for the design, construction, maintenance, operation and upkeep of the Langon-Pau section of the A65 and for the Lyon North ring-road, leading to the formation in December 2005 of a dedicated subsidiary, Openly;
- review of progress reports on projects in Algeria (project sponsor assistance), Austria (Vienna ring-road) and Mexico (Mexico City northern ring-road);
- appointment of a new Director and a new member of the Committee of the Board;
- determination of the fixed compensation to be paid to corporate officers, as well as performance bonuses and targets, and decision concerning the allocation of attendance fees among the Board members;
- drafting of a recommendation to the General Meeting to introduce a program of share grants (this recommendation was approved by the shareholders);

- review of construction and operating activities carried out under the concession agreement and program contract;
- renewal, for 2006, of the Company's overall development strategy and of the procedure for approving development projects, decided in December 2004;
- in 2004, the Board decided to appoint an outside consultant to assess its performance, under the guidance of an independent Director. The assessment was carried out between December 2004 and February 2005, and the results were presented at the May 2005 Board meeting. From his one-to-one interviews with Directors, the consultant concluded that Directors were satisfied with many aspects of the Board's procedures and with the value-added provided by the Committees of the Board. He also noted that Directors supported the ongoing drive to define and clarify medium and long-term strategies, contain costs and enhance productivity, maintain service quality and preserve the Company's good reputation. Areas for improvement concerned the form and organisation of Board meetings, and the quality and relevance of information provided to Directors to help them to better understand the business. The consultant made certain recommendations to improve the Board's procedures. This led, in particular, to a special Board meeting being held in October to review the risk analysis summary prepared by the internal auditors (see section II of this report), as well as the content of the concession agreement between the French State and ASF (including the related specifications) and of the 2002-2006 program contract.

Committees of the Board

Members of the Committees

At its meeting on 13 March 2002, the Board of Directors set up three Committees of the Board:

- the Audit Committee, comprising five Directors in 2005 appointed by the Board for a renewable three-year term: Philippe Dumas (Committee Chairman), Chantal Lecomte, Bernard Maurel, Jean-Louis Girodolle and Jacques Thoumazeau;
- the Compensation Committee, comprising five Directors in 2005 (versus four in 2004) appointed by the Board for a renewable three-year term: Michel Davy de Virville (Committee Chairman), Hubert du Mesnil, Gérard Payen and Hugues Bied-Charreton who was appointed to the Committee in 2005;
- the Strategy and Contracts Committee, comprising five Directors in 2005 appointed by the Board for a renewable three-year term: Bernard Val (Committee Chairman), Gérard Payen, Pierre-Henri Gourgeon, Jean-Louis Girodolle and Alain Barkats.

Activities of the Committees of the Board

The Committees prepare the ground for Board decisions by making recommendations to the Board of Directors. Their purpose is to help ensure that the Board makes informed decisions by improving the quality of information given to the Directors. However, in no circumstances do they make decisions on behalf of the Board. The Chairmen of the Committees provide the Board with a detailed report on discussions, outlining the views expressed by each member. The procedures, processes and terms of reference of the Audit Committee, the Strategy and Contracts Committee and the Compensation Committee are described in Operating Charters approved by the Board of Directors. These charters can be viewed on the ASF website.

Audit Committee

The Audit Committee is responsible mainly for examining the financial statements of the Company and the Group. It reports each year to the Board of Directors on the procedures and processes used for the preparation of the financial statements, commenting in particular on the relevance and consistency of accounting methods and the effectiveness of internal procedures for the collection and control of financial and accounting information. It also makes recommendations to the Board of Directors on the choice of accounting policies for the preparation of the consolidated financial statements, on the appointment or reappointment of the statutory auditors and the quality of their audits. Lastly, the Committee examines major financial transactions that may involve a conflict of interests.

The Audit Committee meets as often as it deems necessary, and at least twice a year. Meetings are called by the Committee Chairman or the Chairman of the Board of Directors. In particular, it meets prior to the Board meetings held to approve the annual and interim financial statements, or to review the management of the Company. The statutory auditors may ask the Chairman of the Board to call a meeting of the Audit Committee, if considered appropriate.

The Audit Committee may hold a meeting with the statutory auditors to discuss the annual or interim accounts closing process.

The Committee may invite to its meetings the statutory auditors or any person employed by the Company, notably the Chief Executive Officer, Chief Financial Officer and Internal Audit Director.

Work conducted by the Audit Committee in 2005

The Audit Committee examined financial and accounting matters prior to their presentation to the Board of Directors.

The Audit Committee met five times in 2005. There were no changes in the Committee's membership during 2005.

At its meetings, the Committee reviewed the financial statements of the Company and the Group for the year ended 31 December 2004, the 2005 interim financial statements, and the accounting policies applied.

The Committee was kept informed of progress concerning the transition to International Financial Reporting Standards and of the launch of the procedure for the appointment or reappointment of the Auditors. Also in 2005, the Internal Audit Department made a presentation to the Audit Committee on the Internal Audit Charter, provided an overview of internal audits carried out in 2004 and 2005 and follow-up actions, and presented the audit plan for 2006. Lastly, it gave the Committee a summarized risk analysis for each department and gave an overview of the risk analysis and internal control procedures implemented within the Company.

Compensation Committee

The Compensation Committee is responsible for making proposals concerning Directors' fees and senior management compensation.

The Compensation Committee met twice in 2005. At the first meeting, only the Committee Chairman, Michel Davy de Virville, was present. Three members were present at the second meeting, which was chaired by Gérard Payen in the absence of Michel Davy de Virville who was unable to attend.

Work conducted by the Compensation Committee in 2005

The Compensation Committee examined issues related to Directors' fees and senior management compensation.

It made recommendations concerning the criteria and amount of senior management performance bonuses and proposed a minor change to the allocation of attendance fees, with Directors being paid a flat fee of €6,000, plus a fee of €6,000 for their membership of a Committee of the Board and a fee of up to €6,000 based on their attendance rate at Board meetings, for a total of no more than €18,000 per Director. The Committee also issued a favourable opinion on the proposal to set up a program of share grants for employees.

Strategy and Contracts Committee

The role of the Strategy and Contracts Committee is to make recommendations on Company strategy. It is also tasked with verifying that senior management respects the strategic guidelines and financial framework established by the Board of Directors, notably the financial terms and conditions relating to bids and maximum authorizations granted to the Chief Executive Officer.

The Committee meets whenever necessary, at the request of the Chief Executive Officer or the Committee chairman, who decides on the agenda. At least two meetings are held each year, and the Committee also meets to prepare meetings of the Board called to approve contracts related to business development projects. The Committee may invite to its meetings members of senior management or any person employed by the Company concerned by an item on the agenda.

Work conducted by the Strategy and Contracts Committee in 2005

The Strategy and Contracts Committee met four times in 2005.

There were no changes in the Committee's membership during 2005.

The Committee was kept informed of several bids submitted by the Company for motorway concessions in France and abroad. These included the Thessalonica tunnel concession, the concession for the design, construction, maintenance, operation and upkeep of the Langon-Pau section of the A65 and for the Lyon North ring-road, leading to the formation in December 2005 of a dedicated subsidiary, Openly. It issued an opinion to the Board on the bids' economic and financial terms. It was also given progress reports on projects in Algeria (project sponsor assistance), Austria (Vienna ring-road) and Mexico (Mexico City northern ring-road).

Lastly, it examined and supported the renewal of the Company's overall development strategy and of the procedure for approving development projects, decided in December 2004, as recommended by senior management.

Information given to Directors and the Directors' Charter

Information given to Directors

For Directors to be able to fulfil their duties, it is essential that they receive full information prior to each Board meeting and at regular intervals during the year. Directors are therefore given unrestricted access to detailed strategic and financial information throughout the year to allow them to exercise their judgment. Directors may also ask for any explanations of the information received or any additional information that they consider useful. The Directors undertake to treat such information as strictly confidential. They may meet with members of senior management at any time, in which case they give the Chairman of the Board of Directors prior notice of such meetings.

When a new Director is elected, he or she is given all necessary documents, including copies of the bylaws, legal and regulatory texts, the Board of Directors' internal rules and the latest annual report.

Prior to each meeting of the Board of Directors or of the Committees of the Board, the Directors concerned are given all the information required to prepare for the meeting at least eight days in advance (six days for Audit Committee meetings), apart from in exceptional circumstances or where an emergency meeting has to be called.

Each Director may also request training to better understand the specific characteristics of the Company, its businesses and its sector.

Directors' Charter

The charter lists Directors' rights and duties, as follows:

1.Each Director must be familiar with his or her general and specific obligations as a member of the Board as set out in legal or regulatory texts, the bylaws and the Director's Charter (copies of which are given to each Director when he or she joins the Board).

2.Ownership of ASF shares: with the exception of Directors representing the French State and employee-shareholders elected pursuant to article 12 of the bylaws, each Director is required to hold at least one share of the Company. All Directors are required to disclose to the Company transactions in ASF shares.

3.Representation of shareholders: each Director must act in all circumstances in ASF's interests and represent all shareholders.

4.Duty of loyalty: each Director is required to disclose to the Board any conflict of interest or potential conflict of interest in relation to ASF or any Group company, and to abstain from taking part in the discussion and vote on the matter(s) in question.

5.Duty of diligence: each Director is required to devote the necessary time and attention to the business of the Board. Individual Directors and permanent representatives of corporate Directors must comply with the legal and regulatory provisions concerning multiple directorships.

6.Each Director must make every effort to attend all meetings of the Board and of any Committees of which he or she is a member. To encourage regular attendance, the fee paid to each Director is determined in part by reference to his or her attendance rate at meetings of the Board and Committees.

7.Each Director has an absolute obligation to obtain all necessary information for the exercise of his or her judgment. To this end, each Director must ask for the information needed to actively take part in the discussion of matters put before the Board, sufficiently in advance of each meeting.

8.Obligation of secrecy: each Director has an absolute obligation to preserve the secrecy of all information received in his or her capacity as a member of the Board that is not in the public domain. This requirement is stricter than the obligation of discretion provided for in article L. 225-37, paragraph 6, of the French Commercial Code, concerning privileged information presented as such by the Chairman of the Board.

9.Insider information: each Director is prohibited from carrying out any transactions in the Company's shares, directly or indirectly, on the basis of insider information.

Internal control procedures implemented by the Company

Internal control objectives and limitations

The core aims of the system of internal control are to:

- ensure that all transactions fall within the framework of the strategy decided by the Board of Directors and comply with the applicable laws and regulations and the Company's internal rules;
- provide assurance that the accounting and financial information submitted to the Board of Directors presents fairly the Company's results of operations and financial position.

We have chosen to apply the COSO integrated framework for internal control, which is designed to provide reasonable assurance that the following objectives are met:

- effectiveness and efficiency of operations;
- reliability of financial reporting;
- compliance with applicable laws and regulations.

Internal control procedures form part of a system designed to manage the accounting, financial and other risks including the risks of error and fraud - associated with the Company's business. However, no control system can provide absolute assurance that all risks have been completely eliminated.

Overall organization of internal control

Under ASF's overall organization structure (see organization chart in the Appendix), each central operating or corporate department is responsible for establishing and implementing within ASF and its subsidiaries the internal control procedures defined at Group level.

In addition, each Group company has its own internal control procedures, tailored to its organization.

Risk management process

To meet the COSO internal control objectives, over the last five years management has developed a risk management process culminating in the drafting of an internal control procedure manual.

This risk-based approach was initially implemented by the Executive Committee, before being rolled down to all departments of ASF and ESCOTA with the aim of drawing up a risk map.

Under this approach, each department:

- identifies significant risks by area or by process;
- identifies the internal control procedures addressing these risks;
- assesses the current and future residual risk;
- defines an action plan to strengthen internal control.

In addition, initiatives have been launched within the Company to raise awareness of internal control issues and the risk-based approach.

Risk analysis summary

In order to have a consistent and relevant overview of all Group risks and internal controls, management has defined and implemented a risk management system built around a description and a summary table of risks drawn up by each manager.

This system facilitates communications between unit managers, the Chief Executive Officer, the internal auditors, the Audit Committee and the Board of Directors.

Internal audit coordination

With his detailed knowledge of internal control and his direct reporting relationship with the Chief Executive Officer, the head of Internal Audit participates in defining methods and implementing and monitoring the risk management system. He coordinates the various risk management tasks.

In accordance with the internal audit charter, during the audits carried out under the annual internal audit plan, the internal auditors review and assess existing internal control procedures and check that the procedures are properly implemented. Their recommendations contribute to improving internal control.

Executive Committee oversight

The Executive Committee leads the risk management-based internal control process by discussing risks and the action to be taken to improve internal control. It draws up an overview of the main risks.

Information given to the Audit Committee and the Board of Directors

The Audit Committee regularly reviews the updated risk analysis summary and makes enquiries of the various corporate and line units as to the reliability of the internal control assessment.

The Audit Committee's conclusions and the Executive Committee's risk overview are presented to the Board of Directors.

The Audit Committee is also informed of the annual internal audit plan and the results of the audits.

The Chairman's report on internal control procedures is drawn up on the basis of the risk analysis summary, with input from the various department heads. It is presented to the Executive Committee, the Audit Committee and the Board of Directors.

Overview of internal control procedures by department

Finance Department

The Finance Department comprises several units, each headed by a manager:

- Accounting;
- Consolidation;
- Management accounting;
- Cash management and financing;
- Investor and shareholder relations.

In 2005, a new quality control unit was set up to improve Finance Department internal control procedures.

Accounting

The Accounting departments of each entity report to the Group Accounting department.

ASF, ESCOTA and several other Group entities use integrated accounting software.

The Accounting department ensures that internal control procedures are correctly applied.

Periodic tax and accounting checks are performed, particularly at the period-end, and are formally documented in audit files.

Consolidation

The consolidated financial statements are produced using consolidation software. The accounts of consolidated subsidiaries are reviewed at regular intervals by the Consolidation department.

Management Accounting

This department is responsible for leading a network of management accountants based in the Company's regional operating units. It performs a monthly analysis of budget variances and draws up a management reporting package.

Expense and investment items are analysed in accordance with cost accounting principles, enabling the department to track transactions by both business and cost centre.

Cash Management and Financing

The Cash Management and Financing department produces cash forecasts and daily cash positions, proposes regular adjustments to authorized overdraft and financing facilities, and issues monthly cash reports.

Written procedures have been drawn up setting out authorized exposure limits and maximum volatility levels for investment products.

The security of payment transactions is assured by the use of encryption techniques and electronic signatures of banking instructions.

Investor and Shareholder Relations

This department comprises two units, responsible for investor relations and for shareholder relations.

Specific internal procedures have been established which have to be applied prior to disclosing any information outside the Company.

In 2005, Finance department internal control was strengthened by installing an integrated management system, leading to the upgrading of all commitment authorization rights, the centralization of account management processes and changes in signature circuits. In addition, measures were taken to speed up the accounts closing process and fixed asset management procedures were updated.

Operations Department

Internal control procedures within the Operations Department are underpinned by a quality-based management approach built around:

- an Operations Management Committee which defines overall strategies and issues an annual "Operations Management and Business Plan";
- an Operations quality manual, which is in the process of being drawn up on the basis of a detailed description of business processes and required service levels;
- "performance", a service level-based management system;
- operational reviews carried out by the Operations Director at each line and support unit on a quarterly basis, and also by entity;
- standard management reporting schedules, rolled down to meet the districts' information needs;
- specific management systems for strategic projects.

The Operations Department is supported by the Finance Department's management accounting team.

An Operational Safety and Planning Department (DSEP) leads consideration of risk management issues, oversees the implementation of corresponding preventive and corrective measures, and provides technical support to the Development Department.

To address information and computer risks, a function-based organization structure has been set up, as well as anti-hacking procedures and physical protections of data and hardware.

Specific equipment has been installed at toll plazas to limit the risk of fraud and online authorizations are obtained for certain bank cards.

In 2005, improvements to internal control mainly concerned:

- drafting of a detailed description of business processes and required service levels;
- creation of the Vallée du Rhône unit;
- issue of a safety masterplan;
- development of action plans to address issues identified during "Water Act" and video surveillance audits.

Construction Department

Internal control in the Construction Department is based on an organization structure and a quality management system designed to guarantee proper control over the Company's ISO 9001-certified motorway design and construction operations.

Operations management processes and the related internal procedures include the performance of controls at each stage of a project.

Internal procedures are described in a document base comprising a quality manual, a processes manual, an internal procedures manual, construction standards and an administrative procedures guide.

The main controls are as follows:

- constant oversight by the Operations Director, through regular contacts with the prime contractor, during planning meetings, meetings of the project monitoring Committees, and periodic meetings on specific project-related issues;
- monitoring of construction costs by the Cost Controller;
- controls over compliance with concession specifications;
- checks of purchasing processes to verify compliance with regulations governing the awarding of contracts for work, supplies and services;
- controls carried out by the prime contractor during the construction phase to verify the technical quality of the work performed by contractors and compliance with the contract performance guarantee;
- periodic internal controls performed by the Construction Department and contract management audits carried out by independent experts.

In 2005, the Construction Department ensured that existing controls continued to be implemented efficiently and effectively.

Development Department

The Development Department is responsible for ASF's development projects in France and abroad.

The projects are submitted by the Development Department to the Development Committee, in line with the strategic guidelines and procedures set by the Board of Directors.

Internal control procedures are applied at each project phase, as follows:

- during the preliminary phase, controls are performed over the choice of working assumptions in consultation with the various departments concerned by the project (Finance Department, Legal Department, etc.) and with external experts. In addition, the Development Committee approves the various steps carried out in the preliminary phase;
- during the bidding phase and the project development phase, each step is approved by the Development Committee, then by the Chief Executive Officer or the Board of Directors, based on recommendations provided by the Strategy and Contracts Committee. When a consortium bid is submitted with other partners, specific approval procedures apply and regular and specialized controls are performed - covering all consortium members - by the structures set up to manage and present the bid.

In 2005, the drive to improve internal control led to the drafting and approval of a Development Department operations manual.

Human Resources Department

The Human Resources Department has established internal control procedures in the following areas:

- executive career management;
- management of human resources teams and skill-sets;
- training;
- compensation;
- employee relations.

In 2005, improvement in internal control concerned jobs management and absenteeism.

Legal Department

The Legal Department worked with the other departments to set up internal control procedures in the following areas:

- centralized file management (significant contracts, claims and litigation and studies which are handled by specialist);
- introduction of a requirement for lawyers to keep their managers and the plaintiffs regularly informed of all developments and of all major decisions to be made;
- regular oversight of legal cases, ensuring that legal deadlines are met, and monitoring the handling of each case;
- systematic reporting to the plaintiff and the Legal Director;
- insurance policies and claims management.

Improvements in 2005 concerned the optimization of insurance cover and costs.

Communications Department

The Communications Department worked with the other departments to set up internal control procedures in the following areas:

- planned events;
- unforeseen events;
- radio Trafic broadcasts;
- institutional communications.

In 2005, the department focused on organizing training programs to improve communications within the various operating units. It also pursued the action plan to improve information reporting to reduce event response times.

Environment and Sustainable Development Department

The Environment and Sustainable Development department contributes to affirming and implementing our Company's sustainable development policies. It is also the "Environmental Functional Resource" for the entire Group.

It provides each entity with manuals describing the environmental regulations and standards applicable to Group operations. Upon request it also offers assistance to the Development, Construction and Operations departments with their projects.

In 2005, internal control improvements mainly concerned the introduction of a system of environmental files submitted for review by the various departments and the creation of closer ties with the Finance and Human Resources departments, with the primary aim of putting the annual reporting of environmental data on a more formal footing.

Land Management Department

The Land Management department was set up to help enhance the value of our land assets and bring together within a single unit all of the Company's experience and skills in the areas of land management and urban planning. To this end, the department develops land management policies based on Company standards in this area, implements active land management strategies, monitors regulatory developments and leads the team of land experts.

It is responsible for purchasing land for road-widening schemes.

In the areas of land management and urban planning, it assists and advises the regional departments and operating units of both ASF and ESCOTA.

In 2005, the approval of overall land management policies by management contributed to improving internal control in this area. The policies were presented to the operating and corporate units concerned during special "awareness-raising" days, and also to all Group employees through information campaigns in our internal media.

Contracts

The processes for awarding contracts include built-in controls to ensure that all contracts are awarded through a competitive bidding process and prevent corruption:

- the Legal Department is responsible for monitoring compliance with competition rules and has established procedures for the awarding of contracts that apply to all departments within the Company;
- the Construction Department, which is responsible for awarding the largest contracts in terms of cost has set up a special bids unit which manages and centralizes all procedures for the awarding of block contracts and agreements related to new motorway sections;
- the Quality and Infrastructure department is responsible for controls over supply, service and work contracts related to existing motorway sections;
- the Consultation Committee for Company Contracts, which reports directly to the Chief Executive Officer, is responsible for ensuring that the procedure for the placing and awarding of contracts is properly applied for the contracts submitted for its review.

Ongoing improvements to internal control

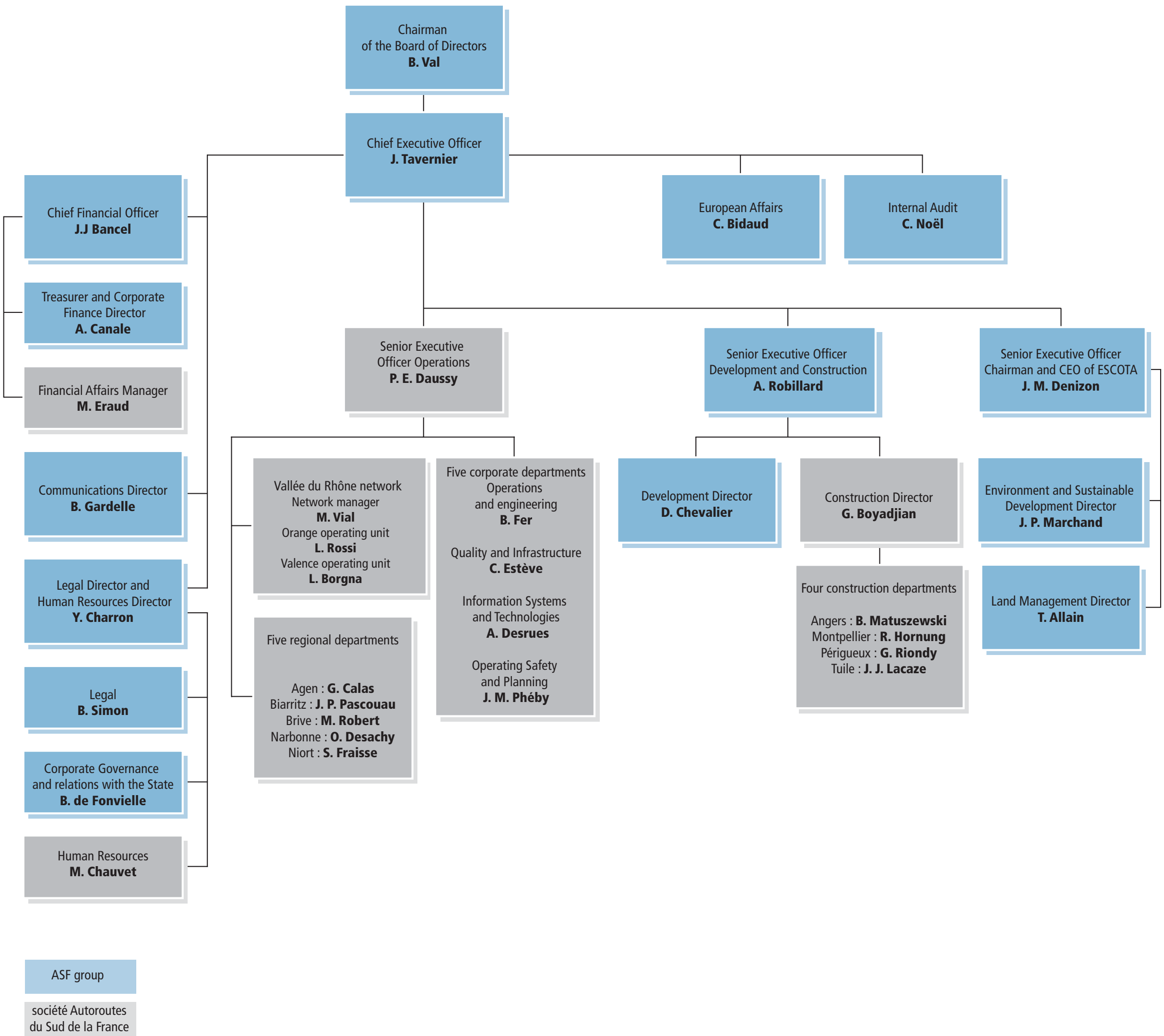
We are committed to continuously improving internal control by:

- rolling out the risk analysis approach across the entire Company;
- implementing an awareness-building and training program in the area of internal control;
- standardizing internal control procedures within the Company;
- implementing the action plans proposed following the Executive Committee's risk analysis.

Our objective is to build up an effective system for assessing whether the Company's internal control procedures are appropriate and effective, in order to be able to strictly monitor the quality of these procedures over the long term.

BERNARD VAL

Chairman of the Board of Directors



STATUTORY AUDITORS' REPORT ON INTERNAL CONTROL

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Report of the Statutory Auditors,prepared in application of article L. 225-235, final paragraph, of the Commercial Code, on the report of the Chairman of the Board of Directors of Société des Autoroutes du Sud de la France on internal control procedures related to the preparation and processing of accounting and financial information

To the shareholders

In our capacity as Statutory Auditors of Société des Autoroutes du Sud de la France and in application of article L. 225-235, final paragraph, of the Commercial Code, we present below our report on the report prepared by the Chairman of Société des Autoroutes du Sud de la France in application of article L. 225-37 of the Commercial Code for the year ended 31 December 2005.

The Chairman of the Board of Directors is required to report on the conditions applicable for the preparation and organization of the work carried out by the Board of Directors and the internal control procedures implemented within the Company. Our responsibility is to report to shareholders our comments on the information contained in the Chairman's report concerning the internal control procedures related to the preparation and processing of accounting and financial information.

We conducted our work in accordance with the professional guidelines applicable in France. Those guidelines require that we perform procedures to assess the fairness of the information given in the Chairman's report about internal control procedures related to the preparation and processing of accounting and financial information. These procedures included:

- reviewing the internal control objectives, general organization and procedures related to the preparation and processing of accounting and financial information, as described in the Chairman's report;
- reviewing the work underpinning the information given in the Chairman's report.

Based on our procedures, we have no matters to report concerning the information about the Company's internal control procedures related to the preparation and processing of accounting and financial information, as contained in the report of the Chairman of the Board of Directors prepared in accordance with article L. 225-37, final paragraph, of the Commercial Code.

Paris and Neuilly-sur-Seine, 28 February 2006

The Statutory Auditors

PricewaterhouseCoopers Audit	**J P A**
FLORENCE PESTIE	*JACQUES POTDEVIN*

3 MANAGEMENT REPORT

BUSINESS REVIEW

Significant events of the year

In 2005, we opened a new section of the A87, between Les Essarts and La Roche-sur-Yon.

With the addition of this 20-kilometre stretch, as of 31 December 2005, 2,963 kilometres were in service, out of the 3,107 kilometres provided for in the concession agreement.

Toll-paying traffic increased by 1.1% over the year, representing a slower rate of growth than had been observed in previous years. Organic growth - corresponding to the increase in kilometres travelled excluding network extensions - stood at 0.8%.

Toll receipts climbed 3.6% to €2,427.3 million from €2,342.9 million in 2005.

We continued to invest in safety equipment in 2005, installing a new electronic display of the entire A7 motorway which helps to optimise our preventive and corrective operations, and pursuing our speed regulation trials on the A7 on peak traffic days.

Unfortunately, although the number of accidents on our network declined slightly to 7,981 from 8,118 in 2004, they included some serious accidents which resulted in a significant increase in casualty accidents and deaths (to 80 in 2005 from 72 in 2004).

At the beginning of the year, the ASF and ESCOTA networks were hit by heavy snowfall. Considerable resources were deployed to keep the highway clear and assist motorists in difficulty, ensuring that the network remained open and avoiding significant disruption to users. This naturally led to higher winter maintenance costs, which were offset through tight control of toll collection and routine maintenance costs.

During the year, sections of the network were closed for several hours due to exceptional events and incidents. Traffic on the ESCOTA network was disrupted by the funeral of Prince Rainier of Monaco, the NATO summit and a rock fall on the A8, while the ASF network was affected by floods on the A9 and several accidents involving heavy goods vehicles.

ASF and ESCOTA continued to leverage synergies, with a project to combine information systems in such areas as subscriber billing and equipment maintenance management.

With the agreement of the other toll motorway operators, we decided to wind up the SCA shared services entity, after taking the majority of the services in-house.

An agreement was signed with employee representatives covering a new organisation of toll collection operations, designed to improve the employment conditions of employees working variable shifts and generally adapt to changes in toll payment methods.

Following an appeal lodged by various road haulage companies, on 29 June 2005, the Council of State handed down a ruling cancelling the letter of 15 January 2003 in which the Director of the Tax Legislation Department informed the Chairman of the Committee of Semi-Public Toll Motorway Concessionaires that these companies were not required to issue amended invoices showing the VAT paid by users in the period from 1 January 1996 to 31 December 2000.

On 29 December 2005, the Constitutional Council overturned a provision of the amended 2005 Finance Act which deprived road hauliers of the right to recover VAT on motorway tolls paid prior to 1 January 2001.

ASF and ESCOTA, along with the other toll motorway operators, are awaiting clarification by the Ministry of the Economy, Finance and Industry on how the matter should be dealt with in practice.

ASF and ESCOTA, along with the other toll motorway operators, have contested the Council of State's ruling. ASF and ESCOTA have also received a letter from the Minister of the Economy, Finance and Industry dated 19 October 2005 in which the Minister confirms that "the settlement of this matter will not lead to any new costs for the toll motorway concessionaires". In addition, in a letter to the Chief Executive Officers of ASF and ESCOTA dated 2 February 2006, the Junior Minister for the Budget and State Reform has confirmed, with respect to VAT on tolls for the period 1996-20000, that "under no circumstances will the toll motorway concessionaires be required to pay the VAT mentioned on the amended invoices to be issued to customers in respect of tolls paid between 1 January 1996 and 31 December 2000".

At its meeting on 23 June 2005, the Board of Directors decided to set up a programme of share grants for Group employees. Under the terms of the programme, employees will be awarded shares pro rata to their statutory and discretionary profit shares used to acquire units in the mutual fund invested in ASF shares, provided that they do not withdraw their funds for at least two years. The maximum number of shares granted per employee will be capped at ten.

On 6 July 2005, the European Commission decided not to take any action in respect of complaints concerning the concession for the Montpellier South bypass and the section of the A89 between Balbigny and Lyon. The public enquiry concerning the Montpellier South bypass began in the autumn. As regards the A89, on Tuesday, 7 February 2006, the Senate voted a bill approving the addendum to the ASF concession agreement signed on 31 January 2006 with the French State, incorporating into the agreement the construction and operation of the section between Lyon and Balbigny. Once the bill is voted by the National Assembly, we will start detailed engineering work and begin the process of land purchases. The aim is to open the new motorway in December 2012.

On 21 July 2005, we obtained a €1 billion seven-year finance facility for a syndicate of nine French and foreign banks, on very attractive terms (Euribor plus 12.5 bps in the first five years and Euribor plus 1.5 bps in the last two years).

This facility replaces 364-day bilateral facilities at a lower rate it also paves the way for future debt issues on better terms and has enabled us to identify financial institutions committed to partnering our Group over the long term.

During 2005, we obtained loans of €150 million and €100 million from EIB (European Investment Bank) in May and December respectively, and a €300 million loan from CNA (Caisse Nationale des Autoroutes) in June.

At its meeting on 19 October 2005, the Board of Directors approved the terms and conditions of the addendum to the 1996 technical agreement with CNA.

The proposed amendments clarify and describe in detail the limits set on ASF's commitments as borrower without affecting the underlying economics of the technical agreement. In particular:

- Financial covenants

  ASF is required to comply with two new financial ratios:

  – the net debt/Ebitda ratio must not exceed 7x;
  – interest cover (Ebitda/finance costs) must at all times be greater than 2.2x.

Our 2005 ratios were comfortably within these limits and the covenants therefore leave us with considerable flexibility, while also serving to clarify the acceleration clause. Moreover, the net debt used to calculate the ratios does not include any possible future limited recourse debt.

- Limits on the scope of ASF's business

Under the terms of the addendum, we are required to maintain our current focus on the construction and operation of transport and parking infrastructure, in France and other OECD countries. These businesses must represent at all times over 85% of our consolidated assets and over 80% of our consolidated revenue. This restriction should not have any impact on our strategy.

- Prior approval of mergers

Mergers must be approved in advance by the CNA, except when they involve two Group companies.

- Early repayment option

The proposed addendum allows concessionaires to retire CNA debt early, proving them with increased flexibility.

After a competitive bidding process, the Greater Lyon local authorities awarded to ASF the contract to operate the ring-road circumventing Lyon by the north, under a public service delegation. The 10-kilometre ring-road comprises three tunnels, a covered section and a viaduct. Traffic volumes currently stand at around 130,000 vehicles per day on the free section and 45,000 on the toll-paying section, and are growing steadily. Under the terms of the contract, we will receive a fixed fee of €1,413,020 to cover our overheads and a variable fee representing a positive or negative incentive based on our performance in relation to the operating targets.

Operations, which began on 4 January of this year, are managed by a new wholly-owned subsidiary, Openly, which is organised as a simplified joint stock corporation ("SAS") with share capital of €500,000.

ASF and ESCOTA have joined forces with five other toll motorway operators – APRR, AREA, ATMB, SITAF and SFTRF – and the Crédit Mutuel bank to set up a joint subsidiary, Axxès SAS, with share capital of €5 million, to manage a new electronic toll collection system for heavy goods vehicles which is interoperable with other European systems. Axxès, which is 35.5%-owned by our Group, will also be responsible for billing and collecting heavy goods vehicle tolls paid via the new system on our network.

On 18 July 2005, the French government began looking for candidates to purchase its interests in the toll motorway operators and on 14 December, it announced that the Vinci group had been selected to acquire its 50.37% direct and indirect interest in ASF. The price has been initially set at €50 per share, to be increased to €51 upon confirmation of the inclusion in the concession of the Lyon-Balbigny section of the A89.

The business plan presented by the Vinci group is consistent with the terms of existing agreements between ASF and Vinci. It will raise the Vinci-ASF group to a position as the world's leading concessionaire and public works contractor, with considerable potential for growth in the infrastructure market both in France and internationally. Vinci will assume all of ASF's commitments towards its employees, while the concession specifications and addenda guarantee that customer service levels will be maintained.

The privatisation process has been launched and the project is currently being examined by the antitrust authorities.

Traffic

Excluding new sections, total traffic grew 0.8% in 2005, including a 0.9% increase in light vehicle traffic and a 0.1% decline in heavy goods vehicle traffic.

The number of kilometres travelled totalled 32,620 million versus 32,250 million in 2004, representing an increase of 1.1%, including the additional traffic generated by the opening of new sections.

Including new sections, heavy goods vehicle traffic rose 0.1% while light vehicle traffic was up 1.3%.

Annual average daily traffic (AADT) on the entire network came to 30,380 vehicles per day in 2005, down 0.3% compared with 30,483 vehicles per day in 2004.

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

	AADT 2004	AADT 2005	% change
ASF NETWORK			
A46 South - A7 towards Saint-Priest - Junction A43-A46 - Orange	69,663	69,092	(0.8)
A7 Orange - Coudoux	54,117	54,655	1.0
A9 Orange - Narbonne South	59,534	59,527	0.0
A9 Narbonne South - Le Perthus	37,154	38,157	2.7
A10 Poitiers South - Bordeaux	27,253	26,908	(1.3)
A83 Nantes - junction A10-A83	17,116	17,530	2.4
A837: Junction A10 - A837 Rochefort	8,016	8,339	4.0
A11 Le Mans - Angers	20,987	21,720	3.5
A20 Montauban/Cahors South	16,555	16,661	0.6
A20 Cahors North - Cahors South	12,549	12,774	1.8
A20 Cahors North - Brive	14,241	14,465	1.6
A54 Nîmes - Arles	34,166	34,629	1.4
A54 Saint-Martin-de-Crau - Salon-de-Provence	26,567	28,176	6.1
A61 Narbonne South - Toulouse South	35,621	35,714	0.3
A62 La Brède - Toulouse North	26,372	26,895	2.0
A63 Basque Coast (Saint-Géours-de-Maremne - Biriatou)	31,571	32,861	4.1
A64 Briscous - Martres Tolosane, A645	16,636	16,851	1.3
A64 Toulouse North - Muret	31,153	32,214	3.4
A66 Pamiers - junction A61-A66 (Toulouse)	8,245	8,396	1.8
A68 Toulouse - Gémil	31,033	32,102	3.4
A87 Angers - junction A87-A83 (Les Essarts)	8,497	8,926	5.1
A72/A89 Saint-Étienne - Clermont-Ferrand	18,834	19,092	1.4
A89 Libourne - Thenon	7,178	7,893	10.0
A89 Saint-Germain-les-Vergnes - Le Sancy	5,818	6,239	7.2
Puymorens tunnel	1,606	1,579	(1.7)
Average ASF network	**29,232**	**29,082**	**(0.5)**
ESCOTA NETWORK			
A8 Aix-en-Provence - Italian border	55,848	56,096	0.4
A51 Aix-en-Provence - Gap	13,637	13,873	1.7
A52/A50 Aix-en-Provence - Aubagne - Toulon	42,286	42,822	1.3
A57 Toulon - A8	12,425	12,674	2.0
A500 / A8	14,523	14,960	3.0
Average ESCOTA network	**37,105**	**37,398**	**0.8**
Average total network	**30,483**	**30,380**	**(0.3)**

Tariffs

In accordance with the pricing provisions of the program contract, we raised our tariffs for categories 1, 2 and 5 vehicles by 2.040% on 1 February 2005.

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

In 2005, category 3 tariffs were increased from €2.09 to €2.13 on the ASF network and from €2.06 to €2.09 on the ESCOTA network, while category 4 tariffs were raised from €2.80 to €2.83 and from €2.82 to €2.86 respectively.

Toll collection

Total toll receipts increased 3.6% in 2005 to €2,427.3 million from €2,342.9 million in 2004. The breakdown between ASF and ESCOTA is as follows:

	2004			2005			
Income	**ASF**	**ESCOTA**	**Group**	**ASF**	**ESCOTA**	**Group**	**Change**
Toll receipts	1,849.1	493.7	2,342.9	1,917.0	510.3	2,427.3	3.6%

The following table compares gross tolls with net toll receipts:

	ASF				ESCOTA				Group			
	Gross tolls	**Discounts**	**Toll receipts**	**%**	**Gross tolls**	**Discounts**	**Toll receipts**	**%**	**Gross tolls**	**Discounts**	**Toll receipts**	**%**
Light vehicles	1,339.5	5.81	1,333.7	0.4%	409.1	11.75	397.4	2.9%	1,748.6	17.6	1,731.0	1.0%
Heavy goods vehicles	709.9	126.6	583.3	17.8%	132.4	19.39	113.0	14.7%	842.2	146.0	696.3	17.3%
TOTAL	**2,049.4**	**132.4**	**1,917.0**	**6.5%**	**541.5**	**31.1**	**510.3**	**5.8%**	**2,590.8**	**163.5**	**2,427.3**	**6.3%**

Toll receipts break down as follows by payment method:

	2004			2005				
Payment method	**ASF**	**ESCOTA**	**Group**	**ASF**	**ESCOTA**	**Group**	**% change**	**% of 2005 total**
Cash	434.7	157.0	591.8	423.0	150.6	573.6	(3.1%)	23.6%
Subscriptions	419.6	76.8	496.5	444.7	81.6	526.3	6.0%	21.7%
Electronic payments	158.7	91.6	250.3	191.9	101.9	293.8	17.4%	12.1%
Bank cards	649.0	132.4	781.4	667.8	138.9	806.7	3.2%	33.2%
Corporate cards	186.2	35.6	221.8	188.7	37.2	225.8	1.8%	9.3%
Rebillings	0.8	0.3	1.1	0.9	0.2	1.2	12.2%	0.0%
TOTAL	**1,849.1**	**493.7**	**2,342.8**	**1,917.0**	**510.3**	**2,427.3**	**3.6%**	

The total number of transactions rose 2.1% to 605 million from 592 million in 2004.

We comfortably exceeded our target of 60% automated toll collection by the end of 2005, with 62.7% of all tolls collected on the network paid by electronically or by bank or corporate card.

As of 31 December 2005, we had 395,535 *télépéage* subscribers, corresponding to some 500,000 electronic badges in use.

Breakdown of transactions by collection method:

Group transactions *(in millions)*	2004	2005	% change	% of 2005 total
Manual toll lanes	242.6	225.6	(7.0%)	37.3%
Automatic toll lanes	232.4	248.5	6.9%	41.1%
Télépéage electronic toll lanes	117.4	131.0	11.6%	21.6%
TOTAL	**592.4**	**605.1**	**2.1%**	

The French toll motorway operators have decided to offer *télépéage* electronic payment solutions for heavy goods vehicle drivers throughout the country, as from 2006.

This year, we will stop marketing CAPLIS magnetic card-based subscriptions and replace them with specific *télépéage* formulas tailored to the needs of heavy vehicle drivers. The method of marketing the new formulas is currently under review.

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

Capital expenditure

Capital expenditure for 2005 totalled €514.6 million, down 21.7% from €657.4 million in 2004. The decline concerned the construction of new motorway sections investment in existing motorways and operating assets increased over the year, as shown in the following table:

Description	2004 Group	2005 ASF	2005 ESCOTA	2005 Group
New sections	409.4	228.8	7.1	235.9
Investments in existing motorways	172.8	119.8	66.4	186.2
Operating assets	39.9	34.2	20.0	54.2
Own work capitalized	19.2	16.5	4.4	20.9
Capitalized interest	16.2	17.4		17.4
Total Capital Expenditure *(in € millions)*	**657.4**	**416.7**	**97.9**	**514.6**

The main capital projects carried out in 2005 were as follows, by category:

Construction of new sections

On 14 January 2005, we opened a new 20-kilometre section of the A87 between Les Essarts and La Roche-sur-Yon.

During the year, we also completed construction work on two new sections of the A89 which were opened to traffic on 11 January 2006:

- Saint-Julien - Sancy - Combronde (52 kilometres);
- Terrasson - Brive North (10 kilometres).

The main construction projects carried out in 2005, including work on the above sections, were as follows:

Preliminary phase

A75 A75/A9 link

- Engineering studies;
- Land acquisitions and preparation (including obtaining archaeological clearance).

A87 Sorges - Murs-Érigné

- Ongoing preliminary engineering studies (topography, geotechnical tests, etc.).

La Roche-sur-Yon southern bypass

- Engineering studies;
- Land acquisitions and preparation (including obtaining archaeological clearance and moving utilities networks);
- Invitations for bids for earth-moving contracts.

A89 Brive North - Saint-Germain-les-Vergnes

- Engineering studies for various routes to circumvent the town of Brive.

Other projects

- Construction costs not analysed by motorway section (including Construction and Infrastructure Department operating costs, data collection centres, "LOTI" reviews carried out five years after a completed motorway has been opened to traffic, etc.).

Construction phase

Work in progress

A89 Thenon - Terrasson

- Earth-moving work launched in mid-July 2005 on the Thenon - Combemenue section (Declaration of Public Interest obtained on 13 July 2005). Continuation of work on the next section.

A89 Terrasson - Brive North

- Completion of earth-moving work on the Terrasson - Brive North section, construction of the Vézère - Corrrèze and RD901 viaducts;
- Installation of highway equipment, for a scheduled opening in early 2006 (date opened: 11 January 2006).

A89 Le Sancy - A71

- Completion of road surfacing work, installation of highway equipment and operating superstructures, for a scheduled opening in early 2006 (date opened: 11 January 2006).

Completion phase

A20 Cahors North - Souillac

- Completion of landscaping work and expenditure in settlement of the 1% landscaping and development levy.

A66 Toulouse - Pamiers

- Land reparcelling work;
- Expenditure in settlement of the 1% landscaping and development levy.

A83 Oulmes - A10

- Land reparcelling work;
- Expenditure in settlement of the 1% landscaping and development levy.

A87 Angers - Mortagne-sur-Sèvre

- Expenditure in settlement of the 1% landscaping and development levy;
- Land reparcelling work.

Mortagne-sur-Sèvre - Les Essarts

- Completion of landscaping work;
- Land reparcelling work;
- Bocage interchange: Completion of work and opening of the interchange in June 2005 (with an €8.7 million financial contribution from the Conseil Général regional authority).

Les Essarts - La Roche-sur-Yon

- Section opened on 14 January 2005;
- Completion work;
- Close-out of earth-moving and civil engineering contracts.

A89 Libourne - Coutras - Montpon - Mussidan

- Completing work on the Mussidan South and Mussidan East interchanges opened in October and December 2004.

Mussidan - Périgueux West - Périgueux East

- Completion work close-out of earth-moving and civil engineering contracts.

Périgueux East - Thenon

- Completion work;
- Completion of landscaping work and expenditure in settlement of the 1% landscaping and development levy.

Saint Germain-les Vergnes - Tulle East (including A20 link)

- Completion work, including for the Brive regional infrastructure authority offices;
- Landscaping work and expenditure in settlement of the 1% landscaping and development levy;
- Close-out of civil engineering contracts.

Tulle East - Ussel West

- Expenditure in settlement of the 1% landscaping and development levy.

Ussel West - Le Sancy

- Expenditure in settlement of the 1% landscaping and development levy.

A645 Val d'Aran link road

- Completion work and landscaping work.

A51 Sisteron - La Saulce and A57 Toulon - Hyères

- Final structural layers and landscaping work.

Work on existing motorways

Capital expenditure on existing motorways totalled €186.2 million in 2005, as follows:

Description	ASF	ESCOTA	Group
Lane extensions	30.8	5.4	36.2
Toll plazas and interchanges:	23.4	3.6	27.0
Rest and service areas	17.4	0.9	18.3
Operating systems	13.8	13.8	27.6
Tunnels	0.0	27.1	27.1
Environment and other	34.5	15.6	50.1
TOTAL *(in € millions)*	**119.8**	**66.4**	**186.2**

The main projects carried out by **ASF** were as follows:

Lane extensions

- A61 Toulouse - Villefranche: Noise barrier in the process of being completed;
- A62 Saint-Jory - Montauban: Opening of three-lane section, off-highway work (basins) and landscaping work;
- A62 Croix-Daurade - La Roseraie: Road-widening scheme opened on both sides of the highway, landscaping work;
- A63 Biriatou - Ondres: Engineering work in the process of being approved.

Toll plazas

Extension and upgrading of toll plazas:

Tain-l'Hermitage (A7);
Avignon North (A7);
Thiers West (A72);
Béziers West (A9);
Toulouse North (A62);
Montauban (A62).

Rest and service areas

Extension and restructuring of the Rouillé-Pamproux North and Poitou-Charente rest areas on the A10 and restructuring of all rest and service areas on the A62, in connection with the rollover of sub-concessions.

Environment

Construction of hydraulic structures on the A9 and A54, in connection with the Nîmes flood protection plan, and construction of noise barriers on the A7 and A8.

Buildings

Ongoing extension of central services buildings at Vedène.

The main projects carried out by **ESCOTA** were as follows:

Lane extensions

A8 Châteauneuf-le-Rouge - Saint-Maximin and A8 Saint-Augustin - Saint-Isidore: preparatory work.

Toll plazas and interchanges

Opening of the Laghet semi-directional interchange (A500) and extension of the Pas-de-Trêts toll plaza (A52).

Operating support system and related highway equipment

To cope with increasingly dense traffic and recurring congestion on certain sections of the network, ESCOTA continued to develop its operating support system, deploy new highway equipment and extend the Radio FM's broadcasting reach on the A51. In addition, 52 new toll booths were equipped with electronic toll collection systems. Lastly, work continued on the joint ASF/ESCOTA "Mimosa" project to improve customer relations.

Tunnels

Work on the project to upgrade the tunnels to comply with new safety standards included:

- installation of construction site equipment and protections on the Nice bypass;
- completion, in June 2005, of drilling work on the inter-tube inspection gallery in the Las Planas tunnel;
- ongoing civil engineering work (casing banks, cleaning of fire-breaks) in three tunnels on the Nice bypass;
- ongoing installation of operating equipment on the Nice bypass;
- multi-service radio coverage in the Monaco tunnel;
- construction of antipollution basins in the Mirabeau and La Baume tunnels (A51) and installation of all external equipment at the La Baume tunnel.

Operating assets

Capital expenditure on operating assets amounted to €54.2 million. The main projects were as follows:

At ASF:

toll collection equipment	€9.2 million
safety and service quality	€4.4 million
transportation and public works equipment	€9.4 million
office and computer equipment	€4.5 million
electrical installations	€1.8 million
other	€4.9 million

At ESCOTA:

routine replacements	€5.1 million
central system and information system upgrades	€4.7 million
chanellization casings	€2.7 million
resurfacing programme	€1.7 million
CIGALE project	€1.6 million
TIS badges	€1.0 million
office systems	€0.6 million

Assets under construction

Following the January 2006 opening of two new sections, from Saint-Julien to Combronde and from Terrasson to Brive, 34 kilometres are currently under construction, leaving 47 kilometres still to be built under the current concession agreement.

During the year, we kept up our drive to adapt and modernise safety and maintenance systems, as well as upgrading toll collection and information systems. We installed an intercompany electronic toll system ("TIS") for heavy goods vehicles and new-generation toll lanes. We also upgraded various software applications, including the billing system and computer-aided maintenance management system, leveraging synergies between ASF and ESCOTA.

Our future plans include extending certain toll plazas, service and rest areas to cope with traffic growth, converting certain motorway sections from two to three lanes, and improving safety in all the tunnels on the A8 as well as in the Puymorens tunnel.

Main financial indicators

Ebitda*/revenues

The Ebitda margin dipped to 63.4% in 2005 from 63.6% the previous year. Excluding non-recurring items - mainly the cost of employee lay-offs and transfers following the winding up of the GIE SCA intercompany partnership and privatisation-related fees – Ebitda margin came to 64%.

Net debt/Ebitda

Net debt represented 4.9 times Ebitda in 2005 versus 5.2 times the previous year.

Interest cover**

Interest cover (excluding capitalised interest) stood at 3.8x at 31 December 2005 compared with 3.4x at end-2004.

** Ebitda = Earnings before interest, taxes, depreciation and amortisation.*
*** Ebitda expressed as a multiple of finance costs, excluding capitalised interest.*

Outlook for 2006

In 2005 we intend to pursue our efforts to grow the business and cut costs, in line with our targets.

These efforts will be focused mainly the following areas:

Construction

We will finish the 34 kilometres currently under construction and will build the remaining 47 kilometres covered by our concession agreement (excluding the Balbigny - La Tour-de-Salvagny section which was added to the ASF concession in the Act of 1 March 2006), with our usual strong commitment to safety and environmental protection. As with all previous construction projects, we intend to finish this work on time, within budget and in accordance with the highest standards of quality.

Safety

We will seek out and implement initiatives to improve safety on our network and offer our customers the highest standards of service.

Service areas

We are using the renewal of the 34 contracts to operate commercial outlets on the network to launch new concepts in partnership with the outlet operators. These include the creation service areas accessible from both sides of the motorway and layout changes which should lead to higher revenues for both the operator and for ASF at a lower initial cost.

Toll equipment

At the beginning of this year, we signed a partnership agreement with Thales concerning electronic toll equipment.

The agreement provides for the development of a demonstration free flow electronic toll system using DSRC technology at a dedicated test site. ASF and Thales will also adopt a common marketing position for the next call for bids for the deployment and operation of a free flow electronic toll system in Eastern Europe. This partnership with one of the world leaders in transport electronics fits perfectly with our strategy to improve our customer service offer and it also creates a new opportunity for synergies.

Rail-road transport

We have joined forces with four partners (CDC, Modalhor, SNCF and Chemins de Fer Luxembourgeois) to set up a company named Lorry Rail for the development of Europe's first major rail-road link. The project, which has the backing of the Grand Duchy of Luxembourg and the French State, supports the international commitments given in the Kyoto agreement. It will cover nearly 1,000 kilometres from Le Boulou, close to Perpignan, to Bettembourg, with an initial capacity of 30,000 trailers per year. The objective is to ultimately create an interwoven network of rail-road links.

Synergies

We have converted an abandoned building in the former Saint-Martin-de-Crau district into a subscription management and support centre. The centre will be responsible for collecting receivables and will also specialise in processing electronic toll supports. It will serve ASF and ESCOTA and also Axxès, the company in charge of the new heavy goods vehicle electronic toll system, and will also offer its services to companies outside the Group.

ASF's privatisation and its integration in the Vinci group will create a world leader in motorway construction and toll motorway operation.

The merger will enable us to pool our strengths with those of Vinci to support a strategy of international growth in the Public-Private Partnerships market, leveraging our portfolio of concessions, the expertise of our teams and the backing of a major public works group. We will have the opportunity to assert our position in France and then in Europe as the public authorities' partner of choice for regional development and public infrastructure projects.

We will also be able to extend our search for synergies beyond ASF and ESCOTA to include the companies in the Vinci group.

Financial instruments

We use financial instruments to manage our debt. Our hedging programmes consist mainly of fixed rate lender/3-month Euribor borrower swaps, whose notional amounts and expiry dates match those of fixed rate borrowings from CNA. We also use caps and floors linked to hedging instruments, but with shorter terms.

Subsequent events

Tariffs were increased on 1 February 2006 in accordance with the terms of the programme contract signed with the State, as follows:

ASF : 2.25 % increase in light vehicle tariffs (categories 1, 2 and 5).

Increase in the category 3 coefficient from 2.13 to 2.17.

Increase in the category 4 coefficient from 2.83 to 2.84.

ESCOTA : 2.24 % increase in light vehicle tariffs (categories 1, 2 and 5).

Increase in the category 3 coefficient from 2.09 to 2.11;

Increase in the category 4 coefficient from 2.86 to 2.90.

RESULTS AND THE GROUP'S FINANCIAL POSITION

Accounting standards

As required by European Commission regulation 1606-2002, the 2005 consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) and related interpretations formulated by the IASB and IFRIC, adopted by the European Commission as of 30 June 2005.

IFRIC interpretations of the standards dealing with concession agreements have not yet been published and we have therefore decided to continue applying the property model on a transitional basis. Under IAS 16, application of this model would require the significant parts of each asset, including road surfaces, to be accounted for and depreciated separately over their respective useful lives (an approach known as the components method).

However, the impact of this adjustment on consolidated equity would not be material (€45.3 million at 1 January 2004, €36.7 million at 31 December 2004 and €28.9 million at 31 December 2005, on equity of €3,657.4 million at that date). We have therefore decided not to apply the components method in the 2005 accounts and to continue to use the accounting treatment applied in the 2004 French Gaap accounts.

Transition to International Financial Reporting Standards (IFRSs)

The notes to the 2005 consolidated financial statements include a detailed description of the accounting policies applied, together with reconciliations of French Gaap and IFRS data and disclosure of the effects of applying IFRS.

The following discussion of the main changes observed over the year is based on the IFRS financial statements.

Revenues

Revenues increased 3.6% to €2,474.2 million from €2,389.2 million in 2004.

	2004			2005			Change
Revenues	**ASF**	**ESCOTA**	**Group**	**ASF**	**ESCOTA**	**Group**	
Toll revenues	1,849.1	493.7	2,342.9	1,917.0	510.3	2,427.3	3.6%
Fees from service stations and other service area operators	28.1	3.8	31.9	27.5	3.7	31.3	(2.0%)
Fibre optics and telecommunications fees and other revenues	12.8	1.6	14.4	13.4	2.2	15.6	8.0%
TOTAL REVENUES *(in € million)*	**1,890.0**	**499.1**	**2,389.2**	**1,957.9**	**516.2**	**2,474.2**	**3.6%**

The increase is primarily attributable to the 3.61% growth in toll receipts, to €2,427.3 million from €2,342.9 million.

Growth factors

Increased traffic	**1.14%**
Increased traffic, excluding new sections	1.27%
New sections	0.38%
Leap year effect in 2004	(0.22%)
Effect of exceptional events*	(0.29%)
Higher tariffs	**2.47%**

** Strikes, snow and bad weather, network closures due to accidents, demonstrations, etc.*

Fees from service stations and other service area operators

Fees from service stations and other service area operators contracted by 2% to €31.3 million from €31.9 million in 2004.

The decline was due to the lower number of vehicles using the network's service stations, probably as a result of the sharp rise in fuel prices and limited traffic growth.

Fibre optics and telecommunications fees

The 8% increase in fibre optics and telecommunications fees reflected the signature of new agreements, non-recurring work and annual fee increases.

Operating profit

Operating profit came to €1,075.7 million in 2005 versus €1,044.6 million the previous year, an increase of 3%. This was attributable to the combined effects of higher revenues and a 4% increase in operating expenses to €1,398.5 million from €1,344.6 million.

Changes in operating expenses were as follows:

Consumables used and changes in inventories rose 2.2% to €36.9 million from €36.1 million. This limited increase was mainly due to purchases of fuel and snow-clearing supplies.

Employee benefits expense amounted to €336.1 million versus €321.1 million, up 4.7%.

Several factors explain this increase:

- Income deducted from employee benefits expense amounted to €22.4 million compared with €16.2 million, an increase of €6.2 million or 38.3%. This income consists mainly of:
  - salary costs included in the cost of investments recorded in the balance sheet for €15.7 million versus €12.4 million in 2004;
  - salary costs of employees called on to deal with accidents, which were billed to insurance companies in the amount of €2.5 million versus €1.9 million;
  - salary costs billed to other companies (for the secondment of staff, etc.) and other neutralisations (government grants, etc.) for a total of €4.2 million versus €1.9 million.
- Employee profit-sharing rose to €21 million from €17.6 million, reflecting the growth in profit for the year.
- The total payroll increased 3% to €210.5 million from €204.5 million, as follows:
  - 3.9% increase due to pay rises, including 1.8 points attributable to across-the-board pay rises on 1 January 2005 and 2.1 points reflecting seniority-based increases,
  - 0.2% increase due to the Noria effect*;
  - 0.1% increase due to accruals and accounting adjustments (holiday pay accruals, time-savings accounts, etc.);
  - -1.2% decline due to a reduction in employee numbers to 7,255 full-time equivalents (FTEs) at 31 December 2005 from 7,341 at end-2004, a decrease of 86. The decrease was mainly due to our policy of automating toll collection operations, which reduced the need to hire staff under short-term contracts to deal with peaks in traffic at the toll plazas, natural attrition among toll collection employees, and increased use of staff from temporary employment agencies. The average number of temporary staff rose in parallel by 40 FTEs between 2004 and 2005.
- Gross payroll taxes rose 5.3% to €98.3 million from €93.4 million. Payroll taxes grew faster than salaries because of the increase in payroll taxes due to the cancellation of a bank holiday, a higher "CSG" rate and reduced payroll tax relief on low salaries. Mutual health insurance costs and management pension contributions were also higher;
- Payroll-based taxes increased 17.9% to €4.6 million from €3.9 million. The sharp rise concerned apprenticeship tax and was due to the introduction of a higher rate combined with new tax rules whereby contributions to chambers of commerce and industry are no longer deductible from business tax;
- Temporary staff costs climbed 32.1% to €3.7 million from €2.8 million, reflecting increased use of temporary staff to cope with seasonal peaks in traffic;
- Deferred employee benefit provisions and costs contracted by 3.4% to €8.5 million from €8.8 million;

** The Noria effect calculated on the difference between average salaries of all new hires and all leavers, is positive because the employees leaving the Group had lower salaries than the new hires.*

- Provisions for incentive bonuses and employer matching contributions to the corporate savings plan were 54.7% higher, at €9.9 million versus €6.4 million.

This item includes:

- A €0.7 million provision for employee share grants;
- Payment of an exceptional incentive bonus of €200 to all employees on the payroll at 31 December 2004 who had at least three months' service in 2005, plus an equivalent matching contribution by the Group on bonuses invested in the corporate savings plan;
- A significant increase in provisions for matching contributions in respect of 2005 incentive bonuses, based on the terms of the Vinci group corporate savings plan. The basis was unchanged compared with 2004, at 2% of the total payroll;

External charges increased by 11.8% to €181.3 million from €162.2 million.

The overall increase breaks down as follows:

- Infrastructure maintenance and highway resurfacing costs rose 3.19% to €73.5 million from €71.3 million. Costs incurred in 2005 break down as follows for ASF and ESCOTA:

Nature	ASF	ESCOTA	Group
Highway[1]	30.0	3.6	33.6
Bridges and tunnels	12.9	3.2	16.1
Drainage and water treatment	6.6	0.4	7.0
Rest and service areas	1.9	0.1	2.1
Restraining structures	0.1	0.0	0.1
Signs	0.7	0.5	1.2
Road markings	2.5	0.0	2.5
Lighting	0.0	0.3	0.3
Fencing	1.5	0.0	1.6
Planting	1.2	0.9	2.0
Buildings	1.8	0.7	2.5
Toll stations and plazas	1.6	1.0	2.6
Operating systems	0.5	0.6	1.1
Other	0.1	0.6	0.7
	61.5	**12.0**	**73.5**
(1) Of which, resurfacing work.	*23.2*	*1.9*	*25.1*

- Routine maintenance costs, net of recoveries (insurance settlements) and other revenues, declined by 5.1% to €22.3 million from €23.5 million in 2004, due mainly to higher insurance recoveries (€8.1 million in 2005 versus €5.7 million in 2004);
- Other external charges, net of own work capitalised and other income, amounted to €85.5 million compared with €67.4 million, an increase of 18.1 million. The main items underlying this strong year-on-year increase were as follows:
  - Assistance costs were €4.2 million higher, reflecting a €1.5 million rise in expenditure on general winter maintenance assistance and technical assistance, as well as €4.7 million in costs related to the winding up of the SCA intercompany partnership;
  - Property rentals were up by €0.5 million;
  - Engineering and research costs, mainly in relation to development operations, rose by €0.9 million;
  - Service fees were €2.8 million higher, reflecting charges made by the fire and emergency services;
  - Professional fees increased by €7.4 million. The total included investment banking and legal advisory fees related to the privatisation for an amount of €11 million;
  - Travel expenses rose by €0.5 million.

Taxes other than income tax, net – including publicly-owned land tax – amounted to €355.8 million in 2005 compared with €341.7 million in 2004. The year-on-year increase of 4.1%

primarily concerned publicly-owned land tax, at €58.2 million versus €55.8 million, and business tax, at €79.7 million versus €71.9 million. Regional development tax, which is levied at the rate of €0.0686 per kilometre travelled on toll sections, rose by 1.1% to €209.4 million from €207.1 million, reflecting traffic growth;

Depreciation and amortisation expense, net came to €492.3 million in 2005 versus €472.1 million the previous year, an increase of 4.3%. The bulk of this amount corresponds to financial depreciation, which rose 4.6% to €418.7 million from €400.2 million, reflecting depreciation of assets commissioned during the year;

Provision expense, net fell to €1 million from €3.2 million in 2004, which represented a high basis of comparison due to the recording of a provision for tax risks;

Other operating income and expense represented net income of €4.9 million in 2005 as opposed to net expense of €8.2 million the previous year. The favourable swing was attributable to higher other income, including a €2 million abnormal load fee, €0.9 million from sales of goods outside France, €1.2 million in bonuses for taking stolen bank cards out of circulation, a €4.8 million penalty received on early termination of a fibre optics contract, and various other smaller items.

Ebitda increased by 3.2% to €1,569 million in 2005 from €1,519.9 million the previous year.

Finance cost, net and other financial income and expense

Finance cost, net declined by 3.9% to €406.9 million from €423.5 million, reflecting lower interest on borrowings and increased income from the short-term investment of available cash;

Other financial income and expense - corresponding to income and expense on financial instruments and trading transactions - represented net income of €10.2 million as opposed to net expense of €11.6 million in 2004.

Income tax expense

Income tax expense amounted to €235.5 million in 2005, representing an increase of 11.9% compared with €210.4 million the previous year.

Profit for the period

Profit for the period rose by 11.1% to €443.5 million in 2005 from €399.1 million in 2004. After deducting minority interests of €1 million, profit attributable to equity holders of the parent came in at €442.5 million.

Diluted earnings per share amounted to €1.916 versus €1.724.

Amounts added back to taxable income and corporate income tax

Income tax expense reported in the consolidated income statement amounted to €233.9 million. The income tax deficiency recognised on the reassessment of financial depreciation resulting from the 2001-2002 tax audit came to €2.1 million.

The tax due by the companies in the ASF tax group (ASF, ESCOTA and RTFM) totalled €231.8 million in 2005.

Non-deductible amortization and other expenses amounted to €33.2 thousand for ASF and €46.4 thousand for the Group as a whole.

Dividends for the last three years

The 2002 dividend amounted to €106.2 million, the 2003 dividend to €159.4 million and the 2004 dividend to €240.2 million.

Consolidated balance sheet

Assets

At 31 December 2005, the Group had non-current assets with a net carrying amount of € 12,037.2 million, up €33.9 million compared with €12,003.3 million at the previous year-end.

This increase reflects:

- capital expenditure for the year, which led to a €465.2 million rise in construction and operating assets and a corresponding €454 million increase in accumulated depreciation;
- non-current financial assets, which were €16.3 million higher at €154.5 million, and available-for-sale investments, which rose to €13 million from €7.2 million.

Current assets rose €410 million to €1,143 million. Cash and cash equivalents amounted to €817.1 million compared with €432.1 million, and current financial assets surged to €16.2 million from €1.1 million.

Equity and Liabilities

In 2005, equity grew €203.9 million to €3,657.4 million from €3,453.5 million, corresponding to profit for the year less the 2004 dividend paid in 2005. Minority interests in the retained earnings of ESCOTA amounted to €3.9 million.

Non-current assets totalled €8,284.5 million at 31 December 2005 compared with €8,270.4 million at end-2004. The modest increase corresponded mainly to the €5.9 million growth in provisions for pensions and other post-employment benefit obligations to €81.7 million, and the €7.7 million rise in other non-current liabilities to €66.5 million from €58.8 million.

Current liabilities amounted to €1,238.4 million, an increase of €226.3 million over the 2004 year-end. Short-term borrowings rose by €212.9 million, other payables (corresponding mainly to accrued employee benefits expense and deferred income) by €16.3 million and trade payables by €19.1 million, while current tax payable declined by €22 million.

Cash flow statement

The cash flow statement shows cash and cash equivalents of €817.1 million at 31 December 2005, €385 million more than at 1 January. The increase primarily reflected the €550 million in proceeds from debt issues carried out during the year, which were greater than the Group's needs.

Cash flow after net finance cost and tax amounted to €936.4 million versus €873 million in 2004, reflecting the growth in Ebitda.

After adding back finance costs and income tax expense recorded in the income statement, and deducting income tax payments and the change in working capital, net cash from operating activities amounted to €1,345.4 million compared with €1,247.1 million in 2004.

Net cash used in investing activities totalled €493.6 million in 2005 versus €687.8 million in 2004. The decline reflected lower investment in construction programmes and other capital expenditure over the period, to €514.6 million from €657.4 million.

Net cash used in financing activities came to €466.8 million in 2005 compared with €752.2 million the previous year. Repayments of borrowings and finance lease liabilities declined to €377.3 million from €604.3 million. Interest payments for the year amounted to €436.5 million compared with €487.4 million, while cash flows from other financing activities represented €37.4 million versus €49.1 million. Proceeds from new borrowings were €100 million higher, at €550 million versus €450 million, while dividend payments rose by more than 50% to €240.2 million from €159.4 million.

COMPANY ACCOUNTS

Revenues

Revenues for 2005 totalled €1,957.9 million, an increase of 3.6% over €1,890.0 million in 2004.

Growth was driven primarily by higher toll receipts, which accounted for nearly 97.9% of total revenues. The 3.7% increase in toll receipts to €1,917 million from €1,849.1 million breaks down as follows:

Traffic growth (excluding new sections)	1.2%
Traffic on new sections	0.5%
Leap year effect in 2004 and exceptional events	(0.4%)
March 2004 and March 2005 tariff increases	2.4%

In 2005, 369.9 million vehicles used the ASF network, travelling some 26,349 billion kilometres, compared with 359 million vehicles and 26,012 billion kilometres travelled in 2004.

Total traffic growth in 2005, expressed in number of kilometres travelled and including new sections opened during the year, came to 1.3%. Light commercial vehicle traffic was up 1.5% but heavy goods vehicle traffic was unchanged from 2004. Excluding new sections, the overall increase was 0.8%, reflecting a 1% increase for light vehicles and a 0.3% decline for heavy goods vehicles.

In 2005 – also based on number of kilometres travelled – heavy goods vehicles accounted for 16.1% of total traffic, versus 16.3% in 2004.

Revenues from other businesses remained flat, at €40.94 million in 2005 versus €40.91 million in 2004.

This was due to a 2% decline in revenue from service stations and other service area operators, resulting from a sharp drop in sales of fuel and other products. This decline was partly offset by a 4.6% rise in fibre optics and telecommunications fees, driven by the signature of new contracts.

Operating profit

Operating profit grew 2.9% to €856.2 million from €831.8 million in the previous year.

Operating expense rose 4.1% to €1,101.7 million from €1,058.2 million. Changes in the main components of operating expense were the following:

Purchases and external charges amounted to €243.8 million compared with €222.1 million in 2004. The 9.8% rise can be explained as follows:

- purchases were up €1.5 million or 4.8% at €32.7 million compared with €31.2 million. The increase primarily concerned fuel purchases and salt purchases for winter maintenance operations. It also reflected higher oil prices;
- infrastructure maintenance costs amounted to €61.5 million versus €60.3 million:

Description	Amount *(in € million)*
Highway [(1)]	30.0
Bridges and tunnels	12.9
Drainage and water treatment	6.6
Rest and service areas	1.9
Guard rails	0.1
Signs	0.7
Road markings	2.5
Lighting	0.0
Fencing	1.5
Planting	1.2
Buildings	1.8
Toll stations and plazas	1.6
Other operating work	0.5
Other	0.1
Total	**61.5**

(1) Of which, resurfacing work *23.2*

The main infrastructure maintenance operations carried out during the year concerned:

Road surfaces

Repairs to the road surface on around ten motorway sections, including:

- resurfacing of the A7 between kilometres 122 and 142 (Montelimar district) and between Avignon North and South, the Gallargues - Lunel and Vendargues - Montpellier East section of the A9 and on a widened section of the Toulouse ring-road, using very open textured alsphatic concrete. In some cases, crawler-lane surfaces were strengthened at the same time;
- laying of a very thin layer of alsphatic concrete on sections converted to three lanes or as part of a resurfacing operation. This work concerned a section of the A46 South, the Toulouse - Villefranche and Lézignan - Carcassonne section of the A61, the Capvern - Pinas and Peyrehorade - Salies section of the A46 and the Mirambeau - Pons section of the A10;
- laying of a 7-centimeter reinforced surface on the Benesse - Saint-Géours-de-Marennes section of the A63;

In addition, a 7-cm maintenance coating was laid on a section of the A89 (Coutras district) as provided for in the preliminary project. The cost of this work was charged to the investment budget for existing motorways (ICAS).

Bridges and tunnels

In addition to recurring maintenance work on bridges and tunnels, such as replacing joints and upgrading equipment, a major project was launched on the A7 North, to upgrade guardrails, install cross-pins, and resurface the highway on the Chasse viaduct.

Water protection structures

- Work continued during the year to strengthen metal ducts on the A63, A62 and A72.
- Other maintenance expenditure increased by 4.5% to €21.1 million from €20.2 million, including rises of €0.4 million for accident interventions and €0.6 million for building maintenance.
- Publicly-owned land tax was 4.6% higher, at €47.5 million versus €45.4 million, reflecting growth in toll receipts and the commissioning of network extensions.
- Other external charges rose 24.4% to €81 million from €65.1 million, due to several exceptional factors including:
  - Winding up of the SCA intercompany partnership. ASF's contribution to the cost of the related redundancy plan for 2005 was €3.5 million,
  - Bank fees for debt management services, in the amount of €0.9 million,
  - Fees of €7.7 million paid to investment banks and legal advisors in connection with the privatisation,
  - €1.5 million billed by the fire and emergency services for accident interventions,
  - €1 million in additional temporary staff agency costs, for replacements of absent employees and for peak traffic periods. In previous years, employees were hired under fixed-term contracts for these peak periods;

Payroll costs were up 4.9% to €248 million from €236.5 million.

This increase reflects:

- A 2.7% rise in total payroll, as follows:

3.8% increase in the payroll;

0.3% increase due to the Noria effect (salaries of new hires higher than that of employees who left the Group during the year);

-1.4% decrease due to a reduction in the average number of employees, to 5,469 f ull-time equivalents from 5,544 in 2004. This breaks down as:

-2.1% decrease due to productivity gains, mainly in toll collection operations thanks to increased automation and a reduction in short-term absences (impact of an increase in the unpaid period of sick leave and of the policy of not replacing absent employees),

0.3% increase due to network extensions,

1% increase reflecting measures to improve customer service and the effect of business development projects,

-0.6% decrease attributable to the use of temporary staff in peak periods, instead of hiring employees under short-term contracts;

- 5.4% increase in payroll taxes, which were €3.9 million higher. Payroll taxes grew faster than salaries for several reasons. These included reduced payroll tax relief on low salaries, the effect of the cancellation of a bank holiday and a higher "CSG" rate. Mutual health insurance costs and contributions to defined benefit pension plans for management were also higher.
- 50% rise in incentive bonuses to €7.5 million from €5 million. The increase reflected the payment of an exceptional incentive bonus of €200 to all employees, plus an equivalent matching payment by the Group on the 65% of bonuses invested in the corporate savings plan, as well as the recording of a provision for matching payments on

2005 incentive bonuses to align Group practices with those of the Vinci group.

- €0.8 million increase in employee benefit commitments (statutory retirement bonuses, defined-benefit health insurance plans for retired employees and jubilees).

Taxes other than on income rose 3.9% to €245.2 million from €236.1 million. The main increases were as follows:

- business tax rose by €6 million or 10.5% due to the increase in the number of local tax jurisdictions served by the network. Regional taxes were also higher. In addition, capital expenditure for the last two years led to an increase in the basis of assessment of these taxes;
- land tax was up by €0.6 million;
- traffic growth drove up regional development tax by €2.1 million.

Depreciation and amortisation expense climbed 3.8% to €405.8 million from €390.8 million in 2004, reflecting depreciation of new motorway sections and other assets commissioned in 2004 and 2005.

Other income and expenses, net, corresponding mainly to other revenues, own work capitalized and expense transfers (primarily insurance settlements) represented net income of €41 million versus €27.3 million in 2004.

The sharp 50.2% rise was attributable to a €2 million abnormal load fee, €0.9 million from sales of goods outside France, €1.2 million in bonuses for taking stolen bank cards out of circulation, a €4.8 million penalty received on early termination of a fibre optics contract, management fees billed to ESCOTA under a service contract and various other smaller increases.

Net interest expense

Net interest expense amounted to €310.1 million compared with €332.5 million in 2004, representing an improvement of around 6.7%, as follows:

- interest expense and the effect of applying debt indexation clauses totalled €367 million versus €374.5 million. The 2% decrease was partly attributable to a reduction in debt, but it also reflects net income of €17.8 million from transactions on financial instruments;
- dividends received from ESCOTA were 32.5% higher, at €22 million compared with €16.6 million in 2004;
- capitalised interest amounted to €17.4 million compared with €16.2 million in 2004, an increase of 7.4% attributable to an increase in new motorway sections under construction;
- other interest income rose 59.3% to €19.6 million from €12.3 million, reflecting the investment of larger amounts of available cash;
- unrealised hedging gains in the net amount of €88.3 million excluding accrued interest were not recognised in the income statement.

Income from ordinary activities

Income from ordinary activities totalled €546.1 million compared with €499.3 million in 2004, an increase of 9.4%.

Net exceptional expense

Net exceptional expense was €1.6 million compared with €28.9 million in 2004.

Net expense for 2004 included €11 million in employee benefits expense and a provision recorded for a potential adjustment to the deduction period for employee benefit costs following a tax audit.

Net income

Net income for 2005 came to €352 million, up 19.5% over the previous year's €294.5 million. Employee profit sharing amounted to €15.5 million and corporate income tax was €177.1 million.

Balance sheet

Fixed assets totalled €10,772.5 million at 31 December 2005, compared with €10,546.4 million at the previous year-end, representing an increase of €226.1 million or 2.1%.

Property, plant and equipment and intangible assets rose €16.1 million, while investments rose by €210 million to €356.2 million, including a €200 million loan made to ESCOTA during the year.

Current assets were 31.4% higher, at €1,145.6 million versus €872.1 million. Cash and cash equivalents rose by €369.7 million and other receivables declined by the same amount due to a change in the ESCOTA current account balance to a lender position.

Shareholders' equity rose 3.4% to €3,792.9 million from €3,669.1 million, reflecting the inclusion of net income for the year, less 2004 dividends.

Other equity, corresponding to assets received from the State without consideration, remained unchanged at €104.7 million.

At 31 December 2005 provisions for contingencies and charges amounted to €97 million, versus €84.4 million at year-end 2004. This rise primarily stemmed from:

- a €3 million increase in the provision for pensions and other post-retirement benefit obligations;
- a €7 million rise in provisions for conversion losses and other financial expenses;
- a €2.9 million increase in the provision for tax risk.

Liabilities rose by €363.3 million to €7,923.6 million from €7,560.3 million one year earlier.

Borrowings were €248.2 million higher, corresponding to new borrowings for the year of €550 million less repayments of existing debt.

Other liabilities and accruals rose by €101.8 million. The increase was primarily due to the change in the ESCOTA current account balance to a lender position of €89.4 million at the year-end, corresponding ton the unused proceeds from the loan obtained from ASF during the year.

Cash flow statement

Cash and cash equivalents in the cash flow statement amounted to €797.7 million at 31 December 2005 versus €428.6 million at end-2004. The increase stemmed from a combination of the factors set out below.

Cash flow increased 5.8% to €773.5 million from €731.1 million.

Net cash provided by operating activities rose to €1,001.4 million from €661.4 million in 2004. Changes in working capital had a positive effect of €227.9 million versus a negative effect of €69.8 million in 2004.

Net cash used by investing activities contracted 3.2% to €638.6 million from €618.8 million, primarily reflecting the €200 million loan made to ESCOTA during the year, reported in the balance sheet under investments. Additions to property, plant and equipment and intangible assets declined by €173.5 million to €416.7 million from €590.2 million, reflecting lower investment in motorway construction programmes.

Financing activities generated a net cash inflow of €6.3 million as opposed to a net cash outflow of €143.5 million in 2004, representing a €6.3 million favourable swing. Bond issues for the year amounted to €550 million compared with €450 million in 2004. Dividend payments increased to €240.2 million from €159.4 million. Bond redemptions amounted to €314.8 million versus €434.5 million.

All told, cash and cash equivalents increased by €369.1 million in 2005.

Appropriation of income and dividend

In the second resolution of the Annual Shareholders' Meeting, the Board of Directors is inviting shareholders to:

- note that 2005 net income for the Company amounts to €351,981,842.28;
- pay a total dividend of €277,173,601.20, representing an increase of 15% over the 2004 payout. The dividend per share will amount to €1.20. The full amount of the dividend payment will be eligible for the 50% tax allowance provided for in paragraph 3 of Article 158 of the French General Tax Code;
- credit the balance of net income, in the amount of €74,808,241.08, to retained earnings, which will then stand at €2,455,925,039.27.

HUMAN RESOURCES

Number of employees

As of 31 December 2005, ASF and ESCOTA together had 7,975 employees, including 741 under fixed-term contracts:

	Permanent employees	Fixed-term employees	Total
ASF	5,467	533	6,000
ESCOTA	1,767	208	1,975

The total breaks down as follows:

4,337 toll collectors;
1,735 motorway service engineers;
1,903 operations support and administrative employees.

As of 31 December 2005, managers, supervisors, white-collar workers and blue-collar workers represented 8.5%, 32%, 43.8% and 15.7% of the total workforce respectively.

During 2005, ASF and ESCOTA took on 260 permanent employees, including 35 managers and 65 supervisors. No specific hiring problems were encountered during the year.

	Managers	Supervisors	Operatives	Total
ASF	30	52	118	200
ESCOTA	5	13	42	60

A total of 51 ASF and ESCOTA employees were terminated in 2005, including:

2 terminations for gross misconduct;
12 terminations for serious misconduct;
3 terminations for misconduct;
8 terminations for "genuine and serious causes";
26 terminations for medical unfitness.

The number of hours paid overtime increased to 53,155 in 2005 from 44,271 in 2004.

The average number of employees under fixed-term contracts – including seasonal workers – represented 7.8% of weighted average employees. During peak traffic periods, such as the summer months, ASF and ESCOTA took on up to 1,699 seasonal workers, a number which is set to decline.

Until 2002, ASF used temporary staff only for motorway services and administrative positions. In 2003 and 2004, temporary staff were used to man toll booths in the Salon district on a trial basis. From 2005, unit managers throughout the network were authorized to use temporary toll collectors when the need arose.

The monthly average number of temporary staff rose to 92.5 in 2005 from 73.1 the previous year.

Organization of working hours and absenteeism

Following the adoption of the 35-hour week legislation, ASF, ESCOTA and the other companies covered by the collective bargaining agreement applicable to motorway operators launched negotiations with employee representatives, leading to the signature of a framework agreement applicable since 1 January 2000. The reduction in working hours was implemented by giving employees additional days leave.

Three working hours arrangements apply at ASF for non-management employees:

- two 8-hour shifts on a rota basis or three 8-hour continuous shifts, based on a total of 1,820 hours per year, with 25 days paid vacation, bank holidays and rest time (representing an average work week of 35 hours over the cycle, including breaks);
- modular two 8-hour shifts on a rota basis or three 8-hour continuous shifts, based on a total of 1,820 hours per year, with 33 days paid vacation, bank holidays and rest time (representing an average work week of 35 hours over the cycle, including breaks);
- annualized working hours, based on a total of 1,596 hours per year after deducting 25 days paid vacation, bank holidays and at least 19 "RTT" days leave.

Junior and middle managers generally work 207 days per year. Members of senior management do not have fixed working hours.

The overall absenteeism rate for ASF and ESCOTA declined to 5.75% in 2005 from 6.56% the previous year, but nevertheless remained high. The breakdown by cause was as follows:

Sick leave 65.4%;
Authorized leave 14.5%;
Maternity leave 10.5%;
Workplace and commuting accidents 7.6%;
Other causes 1.0%;
Paternity leave 1.0%.

Action to reduce absenteeism is being taken at each unit. In 2004, ASF installed a management system that can monitor the levels of absenteeism, sick leave and workplace and commuting accidents, compared with the objectives set by the Group or unit concerned.

The combined absenteeism rate for sick leave and workplace and commuting accidents improved to 4.05% from 4.22% in 2004.

Wages and salaries, payroll taxes, gender equality

Average salaries increased by 3.93% in 2005.

The average incentive bonus for ASF and ESCOTA employees paid in 2005 on the basis of 2004 results amounted to €627 compared with €1,103 the previous year. In addition, all Group employees received an exceptional €200 incentive bonus in December 2005, also in respect of 2004 results.

Total employee profit-sharing paid in 2005 out of 2004 income amounted to €17,579 thousand. A "PPESV" employee savings plan has been set up under the ASF-ESCOTA group agreement with employee representatives. In 2003, group agreements were also signed covering employee profit-sharing and incentive bonus plans.

Gender equality commissions have been set up at the level of the eight units' Works Councils and the Central Works Council, leading to the publication of nine annual reports which track ASF's contribution to guaranteeing equal pay and opportunities for men and women.

ASF and ESCOTA's total permanent headcount of 7,234 at 31 December 2005 comprised 3,005 women (42%) and 4,229 men. During the year, 115 employees were promoted to a higher category, including:
55 women;
60 men.

In 2005, 4.59% of female employees and 5.08% of male employees move up to a higher pay scale. In 2004, the percentages were 4.18% and 5.09% respectively.

Out of the 353 employees promoted to a new pay scale in 2005, 39.1% were women versus 36.5% in 2004.

In 2005, 864 employees were promoted to a higher grade, including:
392 women;
472 men.

All told:
17.6% of female employees were promoted in 2005, versus 17.6% in 2004;
16.2% of male employees were promoted in 2005, versus 22.4% in 2004.

Employee relations and outcome of collective agreements

To promote good employee relations, we follow a policy of open dialogue and negotiation with trade unions and other employee representatives.

We signalled our commitment to improving social dialogue by signing a corporate agreement on employee representation providing for additional resources to be made available to representative trade unions as from 1 January 2002.

To support the transition to new toll collection methods, two new corporate agreements were signed with employee representatives in 2005. These agreements will allow us to gradually standardise employee working conditions, while taking into account the reduction in the number of toll collectors and the changes in their job profiles brought about by the move towards increased automation. We will also be able to reduce the number of employees on fixed term contracts, as well as containing costs and improving productivity.

All employees are covered by the collective bargaining agreement applicable to semi-public toll motorway operators. In addition, many internal employment and working conditions agreements have been signed with employee representatives.

New pay scales have been set in the collective bargaining agreement, providing for a 50% reduction in seniority-based pay rises in exchange for an increase in pay rises based on merit, and an upward adjustment of the lowest salaries. The new pay scales have been applicable since 1 January 2002.

Since 1 January 2001, managers other than civil servants seconded to the Group have been covered by a money-purchase supplementary pension plan.

A new supplementary health insurance plan was set up for all employees on 1 January 2002.

Health and safety

A specific department (DSEP) dedicated to risk management, operational safety, future planning and development support has been set up.

The measures taken to prevent workplace accidents and improve the health and safety of all employees are based on the general principles listed in Article 6 of European Directive 89/391/CEE which have been transposed in the French Labour Code.

The principles are applied through the work of four "missions":

- research mission: analysis of workplace accidents, monitoring of new developments in accident prevention methods and technologies;
- operational mission: on-site audits to assess risks more accurately, safety training;
- advisory mission: participation in analyzing and developing working methods and processes to build in preventive measures;
- liaison mission: continuous or periodic contacts with the various departments and outside agencies responsible for preventing accidents, providing first aid and performing controls (including occupational health officials), as well as with the health and safety committees, whose members include employee representatives.

These missions are performed by eight people, one at each of the seven Regional Operating Departments and one in the Quality, Safety and Infrastructure Department.

A total of 236 workplace accidents, none fatal, were reported in 2005, compared with 201 in 2004.

Training

In 2005, we kept up our training drive, spending the equivalent of 3.94% of the total payroll. A jobs and skills forecasting system has been set up, focusing mainly on toll collection jobs.

Disabled workers

On 10 December 2004, we signed an agreement concerning the employment of disabled workers. Under the terms of the agreement, we are committed to maintaining a disabled employee rate of 6%. A three-year agreement (2004-2006) between the Group and employee representatives strengthens the provisions of earlier agreements covering the hiring, integration and training of disabled workers, and also aims to improve their practical implementation.

In 2005, the proportion of disabled employees at ASF stood at 7.29% versus 7.11% in 2004. At ESCOTA, the rate was 6.03% compared with 5.87%. The combined rate for ASF and ESCOTA was 6.99% in 2005 versus 6.83% in 2004.

Employee welfare programmes

Employee welfare programmes – covering vacation vouchers and other forms of assistance – are managed by the eight Works Councils. The programme content varies from one unit to another. Works Council funding provided by ASF for welfare programs represents the equivalent of 1.65% of the total payroll.

Use of sub-contractors

Total payments to sub-contractors amounted to €122 million in 2005 compared with €117 million the previous year. Outsourced maintenance and repair work accounts for around 83% of total sub-contracting costs.

Companies are required by law (Act No. 75-1334 dated 31 December 1975) to disclose payments to sub-contractors, who are under the obligation to comply with the provisions of labour law for the execution of the contract.

Prior to awarding a contract, we require sub-contractor to give a sworn undertaking to declare their workers and not to commit any breaches of labour law. All companies that provide services to ASF under contract are also required to ensure that their own sub-contractors comply with labour law.

In the case of any breach of labour laws, we could bring suit against the company concerned, as holder of the contract, on the grounds that sub-contracting represents a triangular relationship with a basic contract (the main service agreement) and a subcontracting contract entered into by the party to the service agreement transferring responsibility for executing all or part of the agreement to another company.

International operations

We adhere to the Global Compact and support its nine principles, which include principles related to the labour standards issued by the ILO.

We adhere to ILO labour standards in our international operations, which are currently marginal. We hold only one concession outside France, the TJH (TransJamaican Highway) concession in Jamaica, in partnership with Bouygues. The operating company, JIO (Jamaican Infrastructure Operator), is not consolidated.

- All JIO employees work a 5-day, 40-hour week.
- Wages are set in accordance with industry agreements and are in excess of the legal minimum.
- All employees are entitled to be members of a trade union, in accordance with Jamaican law.
- No discrimination of any form is practised within the company.
- The company does not employ any form of forced or compulsory labour.
- No reference is made within the company to any individual's sex, race, colour, religion or political opinions. Religious beliefs and customs are respected, particularly as regards employee uniforms.
- No employees of JIO are under 18.
- ASF teams have provided safety training to JIO employees. Motorway service personnel will have regular medical check-ups.

ENVIRONMENTAL INFORMATION

The following information concerns the environmental impact of the activities of ASF and its subsidiary ESCOTA. It illustrates the results of applying responsible environmental policies and practices, from the design of structures that blend into their surroundings, and the organization of construction work to cause the least possible environmental damage and disruption, to the day-to-day management of infrastructure according to practices that respect the ecological balance and the natural environment, in keeping with our core values.

Consumption of resources and pollution

Consumption of resources

In 2005, the Group consumed natural resources, raw materials and energy in the course of its business, including:

- 1,213,854 cubic meters of water;
- 1,355,484 metric tons of coated materials (crushed stone or gravel coated in asphalt), of which 57% for new motorway sections and 43% for resurfacing and lane extensions on existing sections. The waste produced during resurfacing work is re-used. In 2005, 14,826 metric tons of milled fragments were recycled to meet the Group's own needs and 101,665 metric tons were sold to other highway operators;

- 32,311 metric tons of road salt;
- 101,342,631 kWh of electricity and 7,603,533 kWh of natural gas (natural gas is now reported in kWh, the unit used for invoicing);
- 7,416 cubic meters of automotive fuel and 1,299 cubic meters of heavy fuel oil (including for heating facilities).

Overall consumption of electricity and natural gas (in kWh) decreased by 3.7% compared with 2004. The volume of automotive fuel and heavy fuel oil was unchanged, despite increased operations.

As of 31 December 2005, the Group was equipped with the following systems using renewable energy:

- 102 heat pumps with centralized production representing a total installed electrical capacity of around 1,545 kW;
- 1,805 heating units with individual production representing a total installed electrical capacity of around 2,960 kW. Heating units with individual production decommissioned since 2004 have been replaced by pumps with centralized production.

The calorific power generated by all of these systems (individual or centralized) is roughly three times the electrical power consumed.

- 203 square meters of solar panels (corresponding to photovoltaic cells installed the length of the motorways to provide power for 1,764 units that cannot be connected to mains electricity). (In 2005, some of the solar panels were removed and the units were connected to low voltage mains electricity);
- 40 square meters of solar panels for the production of hot water.

Ground utilization

The total surface area managed by the Group represented approximately 32,756 hectares as of 31 December 2005.

The total includes land given over to motorways built before 1992, representing an average area of 10 hectares/kilometre, for which the public land transferred under the concession agreement has been delimited, and motorways built since 1992, representing a larger average area, before delimitation and transfers of land back to local authorities, for restored roads and other purposes.

Surfaced traffic lanes generally represent an average of 30% of the surface area after delimitation – or the equivalent of 3 hectares/kilometre – and technical areas (service areas, drainage ditches, technical installations, operating areas, etc.) also generally represent 30%. The balance corresponds to verges, central reservations and other areas that are planted or uncultivated areas of vegetation (approximately 4 hectares/kilometre).

All told, we maintain some 11,380 hectares of green space, taking care to preserve the biodiversity and ecological balance by applying different management methods depending on the areas' use.

Discharges and releases with a serious adverse impact on the environment

Discharges and releases arising in the course of the Group's business include:

- greenhouse gases generated by our fleet of vehicles and by heating, air-conditioning and other installations: the volume of CO^2 discharged to the atmosphere represents 25,202 metric tons.

The 2005 figure was calculated using the "Bilan Carbone ADEME" version 3.0 dated April 2005 instead of version 2.1 used in prior years. "Bilan Carbone" is the method developed by the French Environment Agency to measure greenhouse gas emissions. If version 3.0 had been applied to 2004 data, the volume of CO^2 discharged to the atmosphere in that year would have represented 25,127 metric tons. Determined on a comparable basis, the year-on-year increase was 0.3%.

Phytosanitary products discharged into the soil:

- insecticides and fungicides used in 2005 (solely alongside the facilities most frequently used by pedestrians) represented an estimated 1.4 litre per kilometre of motorway;
- weedkiller used in 2005 (solely in areas alongside technical installations where grass and weeds cannot be removed mechanically) amounted to 5.2 litres per kilometre of motorway;
- in both cases, the products used have a low persistence and their effect on the soil lasts less than one month (see section 5.2.1 below);
- the increase in the quantities used in 2005 compared with the previous year was due in part to a campaign to control processionary moths. In addition, the 2005 figures include the quantities used by sub-contractors tasked with some of these operations.

Motorway traffic also represents a major source of pollution:

- Concerning atmospheric emissions, based on recognised average ratios for the French vehicle fleet, the total kilometres travelled in 2005 on our network represented fuel consumption of around 4.23 million cubic meters, versus 4.18 million cubic meters in 2004. The increase of 1.1% was the same as the growth in traffic volumes. Of the total, light vehicles accounted for 60% and heavy goods vehicles 40%. The pollution risk in rural areas is low.

- For discharges into the water course and the soil, caused by fuel combustion and wear to vehicles and the road surface, drainage ditches built along the length of the motorways prevent these discharges from seeping into the natural environment. The bulk of this chronic pollution settles, is caught in the holding areas and treated in the water treatment installations. Pollutants carried into the natural environment during heavy rainfall are sufficiently diluted to prevent any serious environmental damage, even in the areas immediately alongside the drainage ditches;

- A risk of serious damage to the environment exists in the case of accidents involving vehicles carrying toxic substances. In 2005, there were eleven such accidents. In each case, the spillage was confined to the road surface and was cleaned up without reaching the natural environment.

The measures taken to manage the risk of accidental pollution by toxic substances are described in section 5.2.2 below.

Noise pollution

The noise pollution experienced by people living alongside the motorways is covered by regulations setting limits on the number of decibels (dB) generated by annual average hourly traffic. The regulations have been periodically updated, mainly since 1992, and different limits now apply according to the age of the motorway and the areas concerned.

- For new motorways, the perceived noise level is capped at 60 dB during the day and 55 dB at night. All the motorways commissioned since 1992 comply with these limits, where necessary through the installation of noise barriers.

- For the 18.9 kilometres of motorway opened in 2005, we installed sound insulation in two houses and purchased one house exposed to excessive noise levels.

- When lane extensions are built, action is taken to lower existing perceived noise levels to a maximum of 65 dB during the day and/or to avoid any rise in the perceived noise level as a result of the increase in traffic. In 2005, earth berms and noise barriers representing a vertical surface area of 6,849 square meters were installed alongside lane extensions on the Montauban - Saint-Jory section of the A62 and the extended Toulouse North toll plaza In addition, sound insulation was installed in 25 homes alongside the above sections and also on the Lormont - Virsac section of the A10. In preparation for a road-widening scheme on the A63, four homes that could not be effectively protected against noise were purchased. In total, an additional 136 homes were protected.

- For older motorways, the perceived noise level in homes built before the motorway opened or before 31 October 1978 may not exceed 70 dB. If the level is higher, the home is classified as a "Noise Black Spot" (NBS).

- In 2001, we identified 1,440 homes that qualify as NBSs based on current traffic or forecast traffic in 2010. A program is underway to install sound insulation in the buildings and, where necessary, install noise barriers. It is scheduled for completion in 2007.

- In 2005, the problem of noise pollution was dealt with for 268 homes classified as NBS. Sound insulation was installed in 251 homes, six houses were purchased by ASF, and noise barriers with a total surface area of 3,557 square meters were installed.

- As of 31 December 2005, 1,165 NBSs had been protected, representing 80% of the program.

In parallel with this program, additional noise protection measures have been taken in partnership with regional authorities.

The noise protection measures taken in 2005 under various partnerships concerned the installation of sound insulation in 167 homes in the Pays d'Aix district (108), on the A8 between Coudoux and Aix (35) and on the A7 between Lyon and Bollène.

Waste

We manage waste generated by our activities and the waste produced by customers on the motorways and in rest and service areas. The waste is treated and sent for recycling where local programmes exist.

In 2005, 9,386 metric tons of waste were produced, including:

- Household-type waste:
  6,917 metric tons of unsorted waste, mainly collected in the rest and service areas.

- Ordinary industrial waste:
  2,343 metric tons (scrap metal, plastic, tyres, paper and cardboard).
- Toxic industrial waste:
  approximately 116 metric tons including small batteries, vehicle batteries, electrical and electronic equipment, engine oil, contaminated packaging, aerosols, and dispersed toxic waste (DTW).

In 2005, 36% of the total waste collected was re-used, either through recycling (20%) or through incineration to generate energy (16%).

As of end-2005, twenty-one districts sorted the waste produced in the course of their activities and collected from the motorways (scrap metal, tyres, plastic and DTW). This waste is delivered to local recycling centres. The programme is scheduled to be rolled out to all 36 districts by the end of 2006.

Waste paper and cardboard recycling systems have been set up at half of ASF administrative centres and all ESCOTA units. A total of 114 metric tons of waste paper and cardboard were recycled in 2005 and additional systems will be installed in 2006.

Concerning household-type waste collected in the rest and service areas, our sustainable development plan includes a programme to install containers to encourage customers to sort their waste. This programme was pursued in 2005 when containers were installed at the Communay North and South (A46) and Cambarette (North, South and Centre) rest and service areas, resulting in the recycling of around 10 metric tons of glass and packaging on the eight areas.

Measures to limit damage to the biological balance

Flora and fauna

Fauna

Our motorways cross the territories and living areas of many animals and it is vital that we prevent them from straying onto the highway, while also allowing them to move from one side of the motorway to the other.

Fences

In many sections, we are increasingly obliged to strengthen the bases of the fences (using webs or rods or by burying the base), to prevent wild boar and other animals from tunnelling beneath them and straying onto the highway. The problem mainly concerns ESCOTA.

In 2005, we strengthened 14 kilometres of fences and installed 116.5 kilometres of new fences, including 72 kilometres more than 1.50 metre high.

As of 31 December 2005, 6,175 kilometres of fences were maintained, including 2,101 kilometres more than 1.50 metre high designed to prevent deer from straying onto the motorway.

Altogether we have strengthened the base of approximately 43% of our fences.

Animal crossings

While preventing animals from straying onto the highway, we also have to provide them with safe passage from one side of the motorway to the other. To this end, we build specific bridges and tunnels or create passages in drainage tunnels or on bridges ("mixed crossings"). The A87 motorway sections opened in 2005 include:

- one specific and one mixed crossing for large animals;
- one specific tunnel for small animals.

In all, as of 31 December 2005, the network was equipped with a total of 120 crossing areas for large animals and 196 for small animals.

In addition, the many motorway bridges crossing roads, rivers and marshland ensure that wild fauna can move around their territory without crossing the highway.

Protection of biodiversity

Maintenance of the land alongside the motorways

Since the early 1980s, we have applied extensive management practices for the planting and maintenance of green areas on and around our motorways (central reservations, green spaces beside the hard shoulder, embankments, areas around technical installations, drainage ditches, ponds, fences, rest and service areas and toll plazas). The policy reconciles two potentially contradictory principles - landscaping and ecology - by reducing the impact of maintenance operations on health and the natural environment. The rules governing the maintenance of green areas can be summarized as follows:

- scything operations are limited, to promote plant growth;

- insecticides, fungicides and weedkillers are used sparingly. We select the products that are the least harmful to users and the environment (where possible, these consist of non-persistent, non-toxic or ecotoxic products, that have low volatility and do not damage the environment) and give preference to mechanical and manual methods to reduce the quantities used. In 2005, we used 4,287 litres of insecticides and fungicides, over 80% of which were biological products (*Bacillus thurengiensis* to treat processionary moth caterpillars and a mixture of copper sulfate, lime, and water to treat olive trees) and 15,100 litres of weedkiller to treat our 11,380 hectares of green areas;
- maintenance operations are performed selectively, allowing vegetation to grow naturally where possible;
- local plant species are selected for planted areas, to limit the need for irrigation and thus cut down on water consumption;
- green waste is converted into compost and re-used on-site.

Compensatory purchases

In 2005, we sold to the Midi-Pyrénées CREN (Regional Conservatory of Natural Areas) 13.26 hectares of dry meadows to compensate for land taken up for the A20. These 13.26 hectares are located in the Cieurac district in the Lot *département* near the A20.

Biodiversity partnership

In 2004, we entered into a 3-year partnership with Fondation Nicolas Hulot pour la Nature et l'Homme to support the programme to save Hermann's tortoise, a rare protected species living in the Maures hills alongside the A8.

This sponsorship initiative supports one of the Foundation's biodiversity programmes and extends many years of cooperation in this area between ESCOTA and two other partners in the project, the Soptom and Ceep associations for the protection of nature.

For example, we have sold to Soptom (Tortoise Observation and Protection Station in the Maures hills) the 4.72-hectare La Pardiguière site which is home to the tortoises.

Many initiatives were carried out in 2005 to support the work launched in 2004. They included a detailed analysis of the challenges faced in protecting the main colonies of Hermann's tortoises and their environment in the Maures plain, to support a strategy to develop the areas managed according to principles that promote growth in tortoise populations and biodiversity.

During the summer, our Radio Trafic FM radio station, two children's comics – *Journal de Mickey* and *Youpi* – and *Paru/Vendu,* a classified ads free-sheet publicised the campaign and special "Protect Hermann's Tortoise" days were organised at the service areas on 22 and 30 July, to inform a large number of our customers.

These various initiatives helped to tighten the cooperation among the various partners in the project and give impetus to the preparation of a structured network project around Hermann's tortoise for the coming years.

Protection of water resources

In connection with our water policy, in 2005 we commissioned 61 new structures to prevent water pollution, including:

- 13 multiple function basins and grass-covered sub-horizontal ditches on the new 19.8-kilometre section of the A87, representing an average of one structure per 1.5 kilometres, for decantation, confinement and flood reduction purposes;
- 45 basins and ditches on recently-widened motorways, including: 25 basins on existing sections, 12 basins built in connection with changes to rest and service area layouts and two basins at toll plazas on the A62, three basins on the A9 and three basins at the A500 and A52 toll plazas on the ESCOTA network;
- 3 basins on the A62 (Montauban interchange) and the A10 (Poitou-Charente North service area) under a programme to improve water protection on existing sections.

At 31 December 2005, the Group had a total of 1,614 water protection structures.

The majority of these structures are located alongside the 1,035 kilometres of motorways built or widened since 1992, and are in full compliance with water laws. In 2005, water protection structures were installed on 18.9 kilometres of new sections and 2.2 kilometres of widened motorway (A61).

On the remaining 1,927 kilometres of existing motorway, we are implementing programmes to improve water protection, either in connection with road-widening schemes or under specific programmes to protect the highest risk areas, particularly drinking water sources.

Vulnerability studies have shown that:

- For ASF, out of 1,537 kilometres 851 do not present any risk. The risk on the remaining 686 kilometres is rated as average, high or – in a limited number of cases – very high. We have therefore decided to launch an assertive programme to improve protection of the highest risk areas, particularly drinking water sources. The programme, which covers 117 kilometres and 47 sites, is scheduled for completion in 2011. As of 31 December 2005, eight kilometres representing four sites had been protected.
- For ESCOTA, out of 390 kilometres 172 do not present any risk. The risk on the remaining 218 kilometres is rated as average, high or – in a limited number of cases – very high. We have therefore decided to launch an assertive programme to improve protection of the highest risk areas, particularly drinking water sources. The programme covers 37 kilometres and is also scheduled for completion in 2011.

In all, as of 31 December 2005 water resources were fully protected against pollution risk on 2,059 kilometres, representing 69% of the total network.

In addition to these preventive measures, we are organized to take appropriate action following any pollution.

Emergency plans have been drawn up in each *département*, with the local *préfectures* and emergency services, describing the action to be taken in the event of an accident. A key aim of these plans is to create optimal conditions of safety for customers, emergency-response services and our own employees.

The 33 plans in place as of 31 December 2005 specify the action to be taken in the case of an accident involving pollutants or hazardous substances, to limit as far as possible the potential impact on the environment, by containing the pollutant. They are updated whenever new sections or lane extensions are opened.

At ESCOTA, duty personnel are equipped with pollutant drainage management software. In 2005, the software was made available on a CD-Rom comprising a multiple criteria search utility (by motorway, by district, etc.) to locate the areas potentially giving rise to the greatest risks, such as water course crossings and drinking water sources, obtain details of drainage systems and identify the basis concerned. The CD-Rom also includes a list of companies that can be called in to perform clean-up operations and a check-list of action to be taken depending on the type of pollutant spilled. Copies have been given to the districts and the emergency services.

Regulatory compliance

We comply strictly with all applicable regulations and standards and have set up a quality control system covering all projects. Formal design and management standards and guidelines have been issued, spanning all aspects of the business.

On 4 June 2003, the Construction Department obtained ISO 9001:2000 certification from Bureau Veritas Quality International for its quality management systems covering motorway design and construction activities.

For all major construction projects, contractors are required to submit and apply an environmental protection plan. The plan, which sets out the contractor's commitments and obligations for the duration of the project, is contractually binding.

Teams in the Construction and Operations Departments are responsible for tracking regulatory changes.

The Environment and Sustainable Development Department is responsible for environmental monitoring (see Organisation and Resources below), by organizing external controls and providing advice on managing procedures and upgrading technical standards, with input from the Legal Department on regulatory aspects.

The internal auditors also review regulatory compliance at the request of the Chief Executive Officer or the Director of any Group entity. An audit was performed to this end in late 2003/early 2004 on the efficiency of the procedures set up by the Operations Department in application of water laws. Following the audit, the list of sites to be reported under the Water Act was drawn up. The decision was also made to require each regional operating department to carry out exercises each year on dealing with spillages of dangerous substances, as from 2006, In addition, annual awareness-raising campaigns will be carried out, to remind duty personnel, motorway patrol crews and maintenance personnel of the operation of water protection structures on the sections under their responsibility.

Clear instructions to this effect were issued in the autumn of 2005.

The French industry association, Association des Sociétés Françaises d'Autoroutes (ASFA), has set up an Environment and Sustainable Development Group, providing a forum for exchanges of experience among motorway operators and legal support.

Expenditure

Expenditure to limit the environmental impact of our operations falls into four broad categories (all amounts concern 2005 and are stated excluding taxes):

New motorway construction projects

Environmental expenditure in connection with new motorway construction projects represents on average 10% of the total construction cost, not including the financial impact of the choice of route or longitudinal section based on environmental considerations. However, as annual expenditure depends on the progress of each project phase, it can fluctuate from one year to the next.

In 2005, this expenditure totalled €28.7 million, including €1.2 million for work to enhance the landscape (under the "1% landscaping levy" scheme) conducted in partnership with local authorities.

Additional investment on existing motorways

This category covers environmental expenditure related to additional investments on existing motorways (lane extensions, expansion of rest and service areas and toll plazas, construction of junctions) that were completed in 2005, as well as work on old motorways to improve water protection and landscaping, eliminate Noise Black Spots, etc. The latter expenditure generally concerns work to comply with new environmental standards, mainly to protect water resources and abate noise pollution.

Environmental expenditure included in the budgets for additional investment on existing motorways totalled €30.9 million in 2005, including €25.8 million for ASF and €5.1 million for ESCOTA. Of the total, 44% concerned water protection, 37% noise pollution, 11% biodiversity, landscaping and the treatment of waste and the balance was for environmental and archeological studies and reviews.

Maintenance of environmental protection installations

Specialized firms deal with the maintenance and repair of environmental protection installations.

In 2005, the related expenditure amounted to €6.1 million, breaking down as follows:

- 48% for green areas (cutting down trees, brush and weed clearance and creation of fire-breaks);
- 52% for protection structures (with almost half of the budget earmarked for basin maintenance and the balance for fence maintenance and other work).

Over two-thirds of the increase in maintenance costs in 2005 concerned weed clearance and the cutting back of trees on the ditches and earth banks on the Montpellier bypass.

Viability

Viability expenditure corresponds to motorway operation, supervision and maintenance. These services are mostly provided by our own teams.

In 2005, viability expenditure totalled €22.6 million, breaking down between:

- approximately 70% for the management of green areas (mainly mowing and scything);
- around 30% for the management of protection structures (mainly water pollution prevention structures and fences).

The amount indicated includes the cost of salaries and outsourcing costs.

Organization and resources

For several years now, we have employed internal experts to draw up design, construction and environmental management standards and guidelines. At the end of 2002, these experts were brought together in the Environment and Sustainable Development Department (ESDD), reporting to Group senior management.

The Department has two roles:

- to draw up and clarify Group policy covering various aspects of sustainable development, promote the policy and report on its application, and represent ASF with the many external agencies responsible for assessing the Group's performance in the areas of corporate social responsibility and citizenship and environmental performance;
- to support the operating units in the area of environmental protection, by offering guidance on environmental regulations, drawing up policies and standards covering the various specialist areas of environmental policy and providing expert assistance to operating units in implementing their environmental programmes.

Each regional operating unit has appointed Nature, Landscape and Environment assistants responsible for dealing with local administrative authorities, monitoring the application of sound environmental practices and overseeing the activities of motorway services personnel in the area of environmental protection.

ESCOTA also has teams of environmental specialists responsible for overseeing implementation of the ESDD's guidelines.

For on-site interventions, people are allocated among the 36 districts, which are responsible for overseeing and maintaining the network.

- In 2005, more than 545,000 hours of work was devoted to managing green areas and operating and maintaining the various environmental protection installations, as follows:
  - maintenance of green areas (mowing, scything and other maintenance work): more than 356,000 hours,
  - management of environmental protection installations (drainage systems, fences): 189,000 hours;
- Specific programmes are organized to train staff involved in environment-related activities and raise their awareness of environmental issues. In 2005, a total of 432 hours training was given;
  - twelve ESCOTA supervisors were given training in pruning olive trees;
  - managers were given environmental and sustainable development awareness training. In 2005, our sustainable development policy and the 21 progress plan measures were presented to department heads and corporate managers during two regional meetings;
  - since the sustainable development policy was first implemented, some 200 managers have taken part in one-to-one meetings lasting two to three hours to explain our sustainable development challenges and commitments.

Coverage of environmental risks

- In 2005, provisions and guarantees for environmental risks amounted to €5 million, and premiums paid under specific environmental insurance policies totalled €242,000;
- Compensation paid in 2005 for repairs to environmental damage came to €68 thousand (noise pollution).

Reporting process

The ESDD is responsible for compiling data on the impact of the Group's operations on the environment, in accordance with the French NRE Act. Part of the information is extracted directly from databases maintained by Group companies which are updated throughout the year, and the remainder is collected via formal procedures and documents.

After preparing the first Group NRE report in 2003, in 2004 the ESDD drew up "NRE data sheets" improving the definition and reporting of environmental indicators, in order to collate data reliably and consistently throughout the Group.

The data sheets are completed by each "source" entity and subsequently approved by "consolidating" entities comprising experts in the field concerned.

The system was tested and finalised in 2004 and was implemented in 2005. To support the process, the ESDD decided – with the Finance Department's agreement – to commission a review of our reporting and consolidation methods by external consultants based on several key indicators. In January and February 2006, some thirty people responsible for entering or consolidating the indicators were interviewed to check that existing procedures were properly applied. The consultants' report and recommendations were issued in March 2006.

External consultants' report on ASF group social and environmental reporting procedures, issued by Ernst & Young Associés

At the request of the ASF group (ASF and ESCOTA), we reviewed the procedures for the reporting of social and environmental information published in the 2005 Annual Report and Registration Document.

These procedures and the social and environmental information published in these reports are the responsibility of ASF group management. Our responsibility, based on our work, is to report our observations and to make recommendations to the departments concerned.

Nature and scope of our work

We performed the following agreed-upon procedures:

- We reviewed the procedures and made enquiries of the persons responsible for environmental and social information at ASF and ESCOTA.
- We interviewed thirty persons involved in the reporting process, representing all reporting levels in each company, in order to test the application of the procedures and the use of the related tools ("shuttle" fact sheets, SAP, human resources applications):
  - Districts: Narbonne and Le Cannet-des-Maures;
  - Narbonne regional operating department;
  - Corporate departments: Group Environment and Sustainable Development Department, ASF Construction Department, ESCOTA Engineering and Infrastructure Department, ESCOTA Operations Department, Finance and Human Resources Departments of both companies;
- We performed random tests on certain data reported by the two companies.

An agreed-upon-procedures engagement is considerably less in scope than a full audit leading to a moderate or high level of assurance concerning the data. However, the procedures performed enabled us to make the following observations.

Observations

- The Group has drawn up appropriate procedures and developed specific environmental reporting tools. Awareness-raising measures among the persons responsible for contributing data entered in SAP (water, gas and electricity consumption, etc.) have helped to improve data reliability.
- ASF has issued formal social reporting procedures.
- ESCOTA has a social reporting system to provide data for its corporate report *(bilan social).* The principles setting the framework for the reporting of these data should be documented, for example by defining indicators, describing control processes and identifying the persons responsible for each process.
- Details of social and environmental data collection procedures and systems have been distributed to the various contributors.
- Reporting principles are correctly applied at all the observed levels for environmental data (ASF and ESCOTA) and social data (ASF).
- As part of the continuous improvement drive, the responsibilities of each contributor to the various reporting phases (collection, control and validation, consolidation) should be better defined. In addition, controls over data collection and consolidation should be strengthened. The nature of these controls and the evidencing method should be formally described. Lastly, the good internal control practices observed at certain entities should be rolled out to the other entities.

Neuilly-sur-Seine, February 28, 2006

ERNST & YOUNG
Environment and Sustainable Development

Eric Duvaud

OWNERSHIP STRUCTURE AND BOARD OF DIRECTORS

Board of Directors

Membership of the Board of Directors

The composition of the Board of Directors is mentioned in the Corporate Governance section of this Registration Document.

Other positions and directorships held by the members of the Board of Directors (as of 28 February 2006)

Name	Age	Function	Date elected/ re-elected	Term expires	Other main positions and directorships (for Corporate Directors, the main positions and directorships relate to their representatives)
Bernard Val	63	Chairman	21 May 1997 13 March 2002	AGM 2007 accounts	Director of ESCOTA, Penauille Polyservices, ADF, Member of the Supervisory Board of Ginger
Autoroutes de France represented by its Chairman, Philippe Dumas	63	Director	25 March 2004	AGM 2007 accounts	Inspecteur général des finances at the French Ministry of Finance, Chairman of ADF, Director of APRR (until 16 February 2006), SANEF (until 3 February 2006), ATMB, SFTRF, Non-voting Director of the LBI SICAV fund (Caisse des Dépôts)
Alain Barkats**	52	Director	29 April 2003	AGM 2008 accounts	ASF manager
Hugues Bied-Charreton*	39	Director	7 August 2002 16 February 2005	16 February 2008	Head of Department, Budget Department (Ministry of Finance), Director of RATP, RFF, ANRU, EPAD, ONP, and the Louvre Museum
Michel Charasse	64	Director	13 March 2002	AGM 2007 accounts	Mayor of Puy-Guillaume (Puy-de-Dôme), Councillor for the Canton of Chateldon, President of the Puy-de-Dôme association of mayors, Senator for Puy-de-Dôme, Member of the Supervisory Board of Agence Française de Développement, General Treasurer of the French association of mayors and of its affiliate, Service Public 2000, founder member and Vice President of the Institut François Mitterrand foundation
André Crocherie*	57	Director	9 September 2003	9 September 2009	Director of the Midi-Pyrénées Regional Infrastructure Department, Director of the Haute-Garonne Infrastructure Department
Michel Davy de Virville	60	Director	13 March 2002	AGM 2007 accounts	Corporate Secretary and Director of Human Resources, Renault Group
Magali Debatte*	36	Director	20 December 2004	20 December 2010	Head of the French Regional Development Agency, Director of ESCOTA, APRR, AREA, CNA and ADF (semi-public toll motorway operators)
Hubert du Mesnil (replaced Jacques Oudin as from 10 March 2005)	55	Director	10 March 2005	AGM 2007 accounts	Chief Executive Officer, Réseau Ferré de France

Name	Age	Function	Date elected/ re-elected	Term expires	Other main positions and directorships (for Corporate Directors, the main positions and directorships relate to their representatives)
Jean-Louis Girodolle*	37	Director	16 September 2003 16 February 2005	16 February 2008	Deputy Director within the French Treasury Department, Director of Air France-KLM, Renault, Aéroports de Paris and RATP
Pierre-Henri Gourgeon	59	Director	13 March 2002	AGM 2007 accounts	Senior Executive Officer of Air France and Air France-KLM, Director of Air France-KLM, Amadeus GTD and Steria
Chantal Lecomte	58	Director	17 May 2004 2 March 2005	2 March 2011	General Inspector of Infrastructure, member of the Conseil National des Transports
Bernard Maurel	74	Director	13 March 2002	AGM 2007 accounts	Chairman of Banque Martin-Maurel and Compagnie Financière Martin Maurel, Vice Chairman of Association Française des Banques, Member of the Supervisory Board of Rothschild & Cie Banque, Director of group SNEF and Euro-Méditerranée, member of the Supervisory Board of Fonds de Garantie des Dépôts
Gérard Payen	53	Director	13 March 2002	AGM 2007 accounts	Chairman of Aquafed, Fédération Internationale des Opérateurs Privés de Services d'Eau
Jacques Thoumazeau**	56	Director	29 April 2003	AGM 2008 accounts	Human Resources Director at ASF, Director of IPSEC (Institut de Prévoyance des Salariés du groupe Caisse des Dépôts)
Vinci, represented by Antoine Zacharias	66	Director	15 December 2004	AGM 2007 accounts	Chairman of Vinci, Chairman of the Board of Directors of Vinci Concessions, Chairman of the Supervisory Board of Vinci Deutschland GMBH, Director of Vinci Energies, Vinci Park, Vinci plc and Cofiroute, permanent representative of Vinci in its role as managing partner of Cagne and Signau, Chairman of the private foundation, Vinci pour la Cité Director of Nexity, member of the Supervisory Board of Veolia Eau-Compagnie Générale des Eaux

** Directors representing the French State.*
*** Directors representing employee-shareholders.*

In accordance with the law and the Company's bylaws, each Director must own at least one ASF share throughout his or her term of office, with the exception of Directors representing the French State and Directors representing employee-shareholders.

The Board of Directors meets as often as required in the interests of the Company. Six meetings were held in 2005.

Chairman of the Board and Chief Executive Officer

The Board of Directors elects a Chairman from among its individual members.

In accordance with the law, at the meeting held on 13 March 2002, the Board decided to segregate the positions of Chairman of the Board of Directors and Chief Executive Officer. The Chief Executive Officer has the authority to act in all circumstances in the Company's name.

Under the bylaws adopted by the Shareholders' Meeting of 13 March 2002, the Board of Directors may, on the recommendation of the Chief Executive Officer, appoint one or more individuals with the title of Senior Executive Officer to assist the Chief Executive Officer.

The names of the members of senior management are provided in the Corporate Governance section of this Registration Document.

Committees of the Board

The Board of Directors is authorized to set up specific Committees of the Board.

At its meeting of 13 March 2002, the Board set up three such Committees:

- the Audit Committee, comprising Chantal Lecomte, Philippe Dumas, Bernard Maurel, Jean-Louis Girodolle and JacquesThoumazeau. The Audit Committee is responsible mainly for examining the financial statements of the Company and the Group. It reports each year to the Board of Directors on the procedures and processes used for the preparation of the financial statements, commenting in particular on the relevance and consistency of accounting policies and the effectiveness of internal procedures for the collection and control of financial and accounting information. It also makes recommendations to the Board of Directors on the choice of accounting standards for the preparation of the consolidated financial statements, on the appointment or reappointment of the statutory auditors and the quality of their audits;

- the Compensation Committee, comprising Hugues Bied-Charreton, Michel Davy de Virville, Hubert du Mesnil and Gérard Payen. The Compensation Committee is responsible for making recommendations concerning the compensation paid to the Chairman, the Chief Executive Officer and the Senior Executive Officers;
- the Strategy and Contracts Committee, comprising Bernard Val, Gérard Payen, Pierre-Henri Gourgeon, Jean-Louis Girodolle and Alain Barkats. The role of the Strategy and Contracts Committee is to make recommendations on Group strategy. In particular, it gives its opinion on the economic and financial context of projects submitted to the Board of Directors as part of the Group's development and diversification strategy. It is also tasked with verifying that senior management respects the strategic guidelines and financial framework established by the Board of Directors.

In addition to the above, the Consultation Committee for Company Contracts (CCMS), created by the Board on 10 May 2001 continued its work. Its six members are the Chief Executive Officer, who chairs the committee, two qualified individuals appointed by the Chairman (including one from outside the Company), the executive submitting the contract to the CCMS, a government auditor, and a representative of the Competition, Consumer Affairs and Fraud Prevention Department of the French Administration (DGCCRF). The committee makes recommendations concerning the contracts presented for its review and monitors compliance with ASF procedures for awarding contracts. All work contracts in excess of €5 million, excluding tax, all supply and service contracts in excess of €0.5 million, excluding tax, and all addenda to these contracts representing over 20% of the original amount must be submitted to the CCMS for review.

A National Contracts Commission For Semi-Public Motorway Concession Companies was established in France by Decree no. 2004-86 of 26 January 2004. Its role is to monitor compliance by these companies with the rules applicable to the awarding and performance of works, services and supplies contracts. The CCMS set up by the various motorway operators are required to submit an annual report to the Commission before 31 January of the following year. The Commission then reviews these reports and issues its own annual report on compliance with the procedures for awarding and performing contracts.

In its report, the Commission may make recommendations concerning the organization of these procedures or the organization and procedures of the CCMS.

The Commission's report is sent to the Infrastructure Minister and the Finance Minister before 31 May, and these ministers may decide on any appropriate follow-up.

Shareholder information

At the Shareholders' Meeting of 13 March 2002, shareholders approved a 120-for-1 share-split, leading to an increase in the number of ordinary shares outstanding from 1,615,809 to 193,897,080. This operation was followed by the issuance of 37,080,921 new ordinary shares. At 31 December 2002, there were 230,978,001 fully paid shares outstanding, representing share capital of €29,343,640.56.

ASF shares have been quoted on the *Premier Marché* of Euronext Paris since 28 March 2002.

The IPO included an open price retail offering priced at €24 per share and a global offering priced at €25.

The shares are included in the Euronext 100 index of European shares, France's SBF 80, SBF 120 and SBF 250 indexes, as well as the CAC Next 20 index created in January 2005 by Euronext.

Ownership structure

(Source Euronext – Multimedia January 2006 – Notification that the 2% disclosure threshold had been crossed received from CIAL (Crédit Industriel d'Alsace et de Lorraine) on 25 January 2006.)

French State	41.5%
Autoroutes de France	8.8%
Local authorities and Chambers of Commerce and Industry	0.9%
Employees	2.0%
Vinci Concessions	23%
Retail and institutional investors	23.8%

ASF does not hold any of its own shares.

Employee share ownership

A programme of share grants has been set up whereby employees will be awarded shares pro rata to their statutory and discretionary profit shares used to acquire units in the mutual fund invested in ASF shares, provided that they do not withdraw their funds for at least two years. The maximum number of shares granted per employee is capped at ten.

Shares held by employees under other plans were managed in 2005 through three mutual funds, one "outlook" fund and two leveraged funds, both with five-year lock-up periods.

As of 31 December 2005, Group employees held 2.0% of the Company's capital.

Acquisitions of equity interests

During the year, ASF acquired a further stake in Transjamaican Highway for €0.5 million, increasing its total investment in the company to €6 million at 31 December 2005. It also increased its interest in Société du Tunnel du Prado-Carénage (SMTPC) by €3.1 million.

Interests held by Directors and senior management

Compensation and benefits paid to Directors and members of senior management

Senior management compensation includes a fixed salary and a variable bonus tied to the achievement of targets set by the Board of Directors (Ebitda margin, net income etc.). All members of senior management have the use of a company car.

At its meeting on 10 December 2003, the Board of Directors decided – on the recommendation of the Compensation Committee – to extend to the Chairman and Chief Executive Officer of ASF the supplementary pension plan set up for all ASF managers on 1 January 2001, with effect from 1 January 2004.

As ASF managers, the three Senior Executive Officers are also covered by this plan.

In 2005, compensation and benefits paid were as follows:

Name	Function	Annual compensation	o/w gross salary	o/w variable portion tied to 2004 results	o/w benefits in kind
Bernard Val	Chairman of ASF	€318,308	€250,000	€65,714	€2,594
Jacques Tavernier	Chief Executive Officer of ASF	€300,880	€240,000	€58,247	€2,633
Jean Marc Denizon	Senior Executive Officer of ASF and Chairman and CEO of ESCOTA	€215,690	€185,000	€28,096	€2,594
Philippe-Emmanuel Daussy	Senior Executive Officer – Operations	€185,037	€154,905	€27,473	€2,659
Alain Robillard	Senior Executive Officer – Development and Construction	€185,801	€155,942	€27,203	€2,657

Total Directors' fees, set at €240,000 by the Annual Shareholders' Meeting of 12 May 2005,were allocated among the members of the Board as follows, in accordance with the rules decided by the Board of Directors on 10 March 2005 based on the recommendation made by the Compensation Committee on 1 March 2005:

- fixed fee of €6,000;
- variable fee based on attendance at Board Meetings, capped at €6,000;
- variable fee based on attendance at meetings of Committees of the Board, capped at €6,000.

The maximum fee per Director, irrespective of the number of Committees of which he or she is a member, is capped at €18,000.

On 24 September 2003 the Board of Directors decided that the Chairman of ASF would not be paid Directors' fees. On the same date, the Board noted that Michel Charasse waived his entitlement to Directors' fees and that the Directors' fees due to Directors representing the French State would be paid directly to the French Treasury.

Directors' fees paid in 2005 were as follows:

Beneficiary	Fees *(in €)*
French State (including ADF)	83,800.00
Alain Barkats	18,000.00
Michel de Virville	13,000.00
Hubert du Mesnil	13,000.00
Pierre-Henri Gourgeon	10,500.00
Bernard Maurel	17,000.00
Gérard Payen	18,000.00
Jacques Thoumazeau	18,000.00
Antoine Zacharias	11,000.00
Total	**202,300.00**

Management stock options

There are currently no management stock option plans.

Transactions between the Company and Directors or senior management

None.

Loans or guarantees granted by the Company to Directors or senior management

None.

Transactions between the Company and companies with common Directors or shareholders holding over 10% of the Company's voting rights

An agreement between RTM, ASF and ESCOTA was approved by the Board of Directors on 16 December 2005 and signed on 20 December. The agreement sets out the services to be provided by ASF to RTM to assist with the latter's expansion, and describes the related conditions.

Assets used by the ASF group, belonging directly or indirectly to senior management or their family members

None.

Real-estate leases or other agreements signed since the end of the year with any company owned by senior management or their family members

None.

4 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Note	2005	2004 Pro forma IFRS
Toll receipts	5-1	2,427.3	2,342.9
Revenues from other businesses	5-2	46.9	46.3
Revenue	**5**	**2,474.2**	**2,389.2**
Consumables used and changes in inventories	6	(36.9)	(36.1)
Employee benefits expense	7	(336.1)	(321.1)
External charges	8	(181.3)	(162.2)
Taxes (other than income tax)	9	(355.8)	(341.7)
Depreciation and amortisation expense	10	(492.3)	(472.1)
Provision expense	11	(1.0)	(3.2)
Other operating income and expense, net	12	4.9	(8.2)
Operating profit		**1,075.7**	**1,044.6**
Finance cost	13	(418.7)	**(434.8)**
Investment income	14	11.8	11.3
Finance cost, net		**(406.9)**	**(423.5)**
Other financial income and expense, net	15	10.2	(11.6)
Income tax expense	16	(235.5)	(210.4)
Profit for the period from continuing operations		**443.5**	**399.1**
Profit for the period		**443.5**	**399.1**
Minority interests	17	(1.0)	(1.0)
Profit attributable to equity holders of the parent		**442.5**	**398.1**
Average number of shares outstanding		230,978,001	230,978,001
Basic earnings per share (in euros)	18	1.916	1.724
Diluted earnings per share (in euros)		1.916	1.724

CONSOLIDATED BALANCE SHEET

ASSETS

(in millions of euros)	Note	31 December 2005	31 December 2004 Pro forma IFRS
Non-current assets			
Goodwill			
Intangible assets	20	23.4	22.8
Property, plant and equipment	21	11,846.3	11,835.1
Cost		17,255.3	16,790.1
Accumulated depreciation		(5,409.0)	(4,955.0)
Available-for-sale investments	23	13.0	7.2
Other non-current financial assets	24	154.5	137.9
Total non-current assets		**12,037.2**	**12,003.0**
Current assets			
Inventories	26	13.2	13.3
Trade receivables	27	139.9	134.1
Other receivables	28	152.8	152.4
Current financial assets	29	16.2	1.1
Cash and cash equivalents	30	820.9	432.1
Total current assets		**1,143.0**	**733.0**
TOTAL ASSETS		**13,180.2**	**12,736.0**

EQUITY AND LIABILITIES

(in millions of euros)	Note	31 December 2005	31 December 2004 Pro forma IFRS
Equity			
Share capital	31	29.3	29.3
Treasury shares			
Share premium account	32	853.5	853.5
Reserves: ASF	32	2,385.5	2,331.3
Retained earnings attributable to equity holders of the parent	32	(57.3)	(161.7)
Profit attributable to equity holders of the parent	32	442.5	398.1
Minority interests	33	3.8	3.0
Retained earnings attributable to minority interests		2.8	2.0
Profit attributable to minority interests		1.0	1.0
Total equity		**3,657.3**	**3,453.5**
Non-current liabilities			
Long-term borrowings	34	7,885.3	7,887.3
Long-term provisions for pensions and other post-employment benefits	36	81.7	75.8
Other long-term provisions	37	12.8	12.0
Other non-current liabilities	38	66.5	58.8
Deferred tax liabilities	39	238.2	236.5
Total non-current liabilities		**8,284.5**	**8,270.4**
Current liabilities			
Short-term borrowings[1]	34	754.0	541.1
Trade payables	40	66.1	57.9
Payables to suppliers of fixed assets	41	185.5	174.6
Current tax payable	39	27.0	49.0
Other payables	42	205.8	189.5
Total current liabilities		**1,238.4**	**1,012.1**
TOTAL EQUITY AND LIABILITIES		**13,180.2**	**12,736.0**

(1) Including current portion of long-term debt and short-term bank loans and overdrafts.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)		Note	2005	2004 Pro forma IFRS
Profit for the period			443.5	399.1
Adjustments for:				
Depreciation and amortisation			492.3	472.1
Provisions (other than on current assets)			0.8	3.2
Other non-cash items:				
Gains and losses on disposals of assets			(0.2)	(1.4)
Cash flow after net finance cost and tax	**1**		**936.4**	**873.0**
Finance cost, net	2		396.7	435.1
Current and deferred taxes	3		235.5	210.4
Cash flow before net finance cost and tax (A)=(1+2+3)	**A**		**1,568.6**	**1,518.5**
Income tax paid	B		(207.0)	(139.2)
Change in operating working capital (including employee benefit plan liabilities)	C	43-1	(16.2)	(132.2)
Net cash from operating activities (D)=(A+B+C)	**D**		**1,345.4**	**1,247.1**
Purchases of intangible assets			(11.5)	(8.0)
Purchases of property, plant and equipment			(503.2)	(649.4)
Government grants received			14.7	13.2
Proceeds on disposal of intangible assets and property, plant and equipment			1.6	3.9
Purchases of available-for-sale investments			(5.8)	(3.5)
Change in loans to related parties			(0.3)	0.0
Other cash flows from investing activities		43-2	10.9	(44.0)
Net cash used in investing activities	**E**		**(493.6)**	**(687.8)**
Dividends paid:				
To equity holders of the parent			(240.2)	(159.4)
To minority interests in subsidiaries			(0.2)	(0.2)
Proceeds from new borrowings			550.0	450.0
Repayments of borrowings and finance lease liabilities			(377.3)	(604.3)
Interest paid, net			(436.5)	(487.4)
Other cash flows from financing activities		43-3	37.4	49.1
Net cash used in financing activities	**F**		**(466.8)**	**(752.2)**
Effect of changes in foreign exchange rates	G			
Effect of changes of accounting methods	H			
Net increase (decrease) in cash and cash equivalents (I) =(D+E+F+G+H)	**I**		**385.0**	**(192.9)**
Cash and cash equivalents at beginning of year			432.1	625.0
Net increase (decrease) in cash and cash equivalents			**385.0**	**(192.9)**
Cash and cash equivalents at end of year (for 2005: €820.9 million less €3.8 million in bank overdrafts)			817.1	432.1

STATEMENT OF CHANGES IN EQUITY

(in millions of euros)	Note	Share capital	Share premium account	Treasury shares	Retained earnings and profit for the period	Profit recognised directly in equity	Equity attributable to equity holders of the parent	Minority interests	Total
Equity at 1 January 2004 – IFRS		**29.3**	**858.0**		**2,324.5**		**3,211.8**	**2.2**	**3,214.0**
Changes of accounting method									0.0
Adjusted equity at 1 January 2004 – IFRS		**29.3**	**858.0**	**0.0**	**2,324.5**	**0.0**	**3,211.8**	**2.2**	**3,214.0**
Dividends					(159.4)		(159.4)	(0.2)	(159.6)
Profit for the period					398.1		398.1	1.0	399.1
Equity at 31 December 2004 – IFRS		**29.3**	**858.0**	**0.0**	**2,563.2**		**3,450.5**	**3.0**	**3,453.5**

(in millions of euros)	Note	Share capital	Share premium account	Treasury shares	Retained earnings and profit for the period	Profit recognised directly in equity	Equity attributable to equity holders of the parent	Minority interests	Total
Equity at 31 December 2004 – IFRS		**29.3**	**858.0**		**2,563.2**		**3,450.5**	**3.0**	**3,453.5**
Changes of accounting method							0.0		0.0
Adjusted equity at 31 December 2004 – IFRS		**29.3**	**858.0**	**0.0**	**2,563.2**	**0.0**	**3,450.5**	**3.0**	**3,453.5**
Dividends					(240.2)		(240.2)	(0.2)	(240.4)
Share-based payments (IFRS 2)						0.7	0.7		0.7
Profit for the period					442.5		442.5	1.0	443.5
Equity at 31 December 2005 – IFRS		**29.3**	**858.0**	**0.0**	**2,765.6**	**0.7**	**3,653.5**	**3.8**	**3,657.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Presentation of the group

Autoroutes du Sud de la France (ASF) and its subsidiary ESCOTA each hold toll motorway concessions, on 2,643 and 459 kilometres respectively. On 28 March 2001, the French government extended the ASF concession to 31 December 2032 and the ESCOTA concession to 31 December 2026. ASF also operates the toll concession for the 5.5-kilometre Puymorens Tunnel until 31 December 2037, and the 53-kilometre section of the A89 between Balbigny and La Tour de Salvagny which was granted to the Group by way of a law dated 1 March 2006.

Significant events

- On 15 January 2003, France's Director of Tax Legislation issued a letter informing the Chairman of the Toll Motorway Operators Committee that there was no justification for toll motorway operators to issue amended invoices breaking out the VAT paid by users between 1 January 1996 and 31 December 2000. On 29 June 2005, the French Council of State ruled that this letter should be cancelled.

  On 29 December 2005, the French Constitutional Council held that the provision of the Amended Finance Act for 2005 relating to the withdrawal of the right of hauliers to recover VAT on motorway tolls for periods prior to 1 January 2001 was void.

  ASF and ESCOTA, along with all other French motorway operators, are awaiting clarification from the French Ministry of the Economy, Finance and Industry regarding the practical procedures to follow in relation to this issue.

  ASF, ESCOTA and the other French motorway operators have filed a third-party motion to vacate the Council of State's ruling. ASF and ESCOTA received a letter from the Ministry of the Economy, Finance and Industry dated 19 October 2005 confirming that "the outcome of this case will not lead to any additional expense for the motorway operators". In addition, in a letter addressed to the Chief Executive Officers of ASF and ESCOTA on 2 February 2006, the French Minister Delegate for the Budget and State Reform confirmed that regarding the issue of VAT on road tolls for the period between 1996 and 2000, "the operators will not be required to pay for the value-added tax indicated on the amended invoices that they issue to their customers for tolls paid between 1 January 1996 and 31 December 2000".

- In 2005 ASF opened a new 19.9-kilometre section of the A87 motorway between Les Essarts and La Roche-sur-Yon.

- On 23 June 2005, the Board of Directors resolved to set up an employee share grant plan providing for the grant of a maximum of ten shares without consideration. Grants under the plan will be proportionate to the amount of the 2004 profit-sharing and incentive bonuses paid into ASF corporate mutual funds by employees, subject to a minimum two-year investment period.

- On 6 July 2005, the European Commission decided not to instigate proceedings on the complaints concerning the concessions for the south Montpellier bypass and the A89 motorway section between Balbigny and Lyon. Consequently, the public inquiry on the south Montpellier bypass was launched in the autumn.

  On Tuesday 7 February 2006, the French Senate approved the law endorsing the addendum signed on 31 January 2006 between the French State and ASF incorporating into ASF's concession contract the construction and operation of the section of the A89 motorway between Lyon and Balbigny. ASF will now undertake in-depth analyses and purchase the necessary land prior to beginning the related works. The planned opening date for this new section is December 2012.

- On 21 July 2005, a seven-year, €1 billion syndicated credit facility was arranged with nine French and foreign banks under very satisfactory conditions (Euribor +0.125% per year and Euribor +0.15% for the last two years). This facility will enable ASF to meet the threefold objective of (i) taking advantage of very good financial terms to replace its 364-day bilateral credit lines, (ii) preparing upcoming issues under extremely beneficial conditions, and (iii) identifying partners who are committed to forming long-term relations with the ASF Group.

- In 2005, ASF obtained three new loans: a €150 million loan in May from the European Investment Bank (EIB); a €300 million loan in June from Caisse Nationale des Autoroutes (CNA), and a €100 million loan in December from the EIB.

- At its 19 October 2005 meeting, the Board of Directors of the ASF Group approved the terms and conditions of the addendum amending the technical agreement signed in 1996 with CNA.

  The proposed amendments specify and detail the maximum commitments of the borrower, without modifying the general economics of the agreement, including:

  - Financial covenants

    The ASF Group is subject to the following two new commitments regarding financial ratios:

    - the Net debt/Ebitda ratio of the ASF Group must not exceed 7 x;
    - the Group's interest cover ratio must be over 2.2.

These covenants clarify the accelerated repayment clause and provide ASF with wide room for manoeuvre in relation to the ratios reported for 2005. In addition, the net debt used for the calculation of these financial ratios excludes any future borrowings with limited rights of recourse.

  - Restriction on ASF's scope of operations

Under the terms of the addendum, the ASF Group is required – except where expressly authorised by CNA – to ensure that construction and/or operation of transport infrastructures and car parks within France and other OECD countries represents at all times over 85% of its consolidated assets and over 80% of its consolidated annual revenue. This restriction should not impact the Group's strategy.

  - Prior approval of mergers and asset transfers

Mergers and asset transfers may not be carried out without the prior approval of CNA, except for intercompany transactions.

  - Early repayment option

The draft addendum provides for an early repayment option to be granted to the operators concerned.

- Following a bid process, on 18 November 2005, the Greater Lyon local authorities selected ASF to operate the Lyon north ring road (*Boulevard Périphérique Nord de Lyon*) as part of a public service concession agreement. This road stretches 10 kilometres and includes three tunnels, as well as a covered section and a viaduct.

  ASF set up Openly, a wholly-owned simplified joint-stock corporation ("SAS") with a share capital of €500,000 to operate this ring road. Operations began on 4 January 2006.

- During the year, ASF and ESCOTA set up a subsidiary called Axxès SAS in partnership with five other motorway operators (APRR, AREA, ATMB, SITAF and SFTRF) as well as with Crédit Mutuel. This subsidiary, which has a share capital of €5 million, has been tasked with managing the pan-European electronic toll collection system for heavy goods vehicles. Axxès, in which the Group holds a 35.5% interest, will also invoice and collect electronic toll payments for heavy goods vehicles that use ASF's network.

- Following the French State's invitation to tender launched on 18 July 2005 in relation to the sale of its interests in motorway operators, the State announced on 14 December 2005 that it intended to sell to the Vinci Group its 50.37% stake in ASF (held through direct and indirect interests) at a price of €50 per share. This price will be raised to €51 per share once the current process of incorporating the Lyon-Balbigny section of the A89 motorway into ASF's concession base has been completed.

  The privatisation procedure is underway and has been submitted to the relevant competition authorities for approval.

Note 0 – Concessions

On 3 March 2005, the International Financial Reporting Interpretations Committee (IFRIC) published three draft interpretations on the accounting treatment of public service concessions:

- D12, which defines the scope of the interpretations and sets out two accounting models;
- D13, which explains the financial asset model that applies if the grantor of the concession (rather than users) has the primary responsibility to pay the operator for the concession services;
- D14, which explains the intangible asset model that is applicable in all other cases.

These draft interpretations were not approved in the initially planned time frames. At the balance sheet date it was uncertain when the final versions would be issued and from when they would have to be adopted for the first time.

The ASF Group has signed several public service concession agreements in France that are currently in force, primarily for the construction and operation of motorways.

As mentioned above, the specific accounting treatment of service concession arrangements currently being discussed by the IFRIC distinguishes between two accounting models: the financial asset model and the intangible asset model. The choice between these two models depends on the way the operator is remunerated and not on an assessment of the risks inherent in the concession agreement:

- According to the above-mentioned draft interpretations, the intangible asset model applies when the operator is remunerated directly by users:

  this model would therefore apply to public service concession agreements in France, including for toll motorway concession operators,

  the principal currently identified impacts of applying this model are as follows:

  - assets made available to the Group without consideration at the inception of the concession contract – accounted for under assets and liabilities in the French GAAP accounts – would no longer be presented in the balance sheet,
  - organisation expense incurred during the term of a concession agreement would be accounted for as intangible assets, rather than as property, plant and equipment as is currently the case,

- the financial asset model applies when the operator is remunerated directly by the grantor of the concession:

  this model would therefore apply to BOT (Build, Operate and Transfer) contracts, which do not currently concern the ASF Group,

  the principal currently identified impacts of applying this model are as follows:

  - assets made available to the Group without consideration at the inception of the concession contract – accounted for under assets and liabilities in the French GAAP accounts – would no longer be presented in the balance sheet,
  - organisation expense incurred during the term of a concession agreement would be accounted for as financial assets,
  - revenue would exclusively represent the portion of fees paid as consideration for operating the assets concerned, with the balance recognised as the repayment of the financial asset,
  - interest income on the unpaid balance of the financial asset would be recognised in the income statement.

Some uncertainties still remain in relation to the income statement impact of the IFRIC's draft interpretations, particularly concerning the recognition of asset replacement commitments under the two models above.

At this stage of the Group's analysis, and subject to any amendments that may be made to the interpretations currently under discussion, ASF's motorway concession agreements will be accounted for in accordance with the intangible asset method.

Pending publication of the final versions of the IFRIC interpretations, for the IFRS opening balance sheet at 1 January 2004, the balance sheet at 31 December 2004 and the balance sheet at 31 December 2005, the Group has elected to maintain the accounting treatment applied in its French GAAP accounts at 31 December 2004 concerning the assets, liabilities, income and expense relating to concessions and has therefore decided to postpone:

- applying the components method to depreciate highway resurfacing costs (method prescribed by IAS 16 and whose application would not have a material impact on the consolidated financial statements),
- cancelling financial depreciation on replaceable assets.

Assets made available to the Group without consideration at the inception of the concession agreement, which were accounted for under assets and liabilities in the French GAAP accounts, have been eliminated in the IFRS balance sheets at 1 January 2004, 31 December 2004 and 31 December 2005. This change in accounting method had no impact on equity and no material impact on total assets, as the assets concerned represent less than 1% of total property, plant and equipment.

As stated above, the accounting treatment applied by the Group in these consolidated financial statements for 2005 is provisional pending the issuance of the IFRIC's definitive position in relation to service concession arrangements. The Group believes that it may be obliged to apply this provisional accounting treatment beyond 30 June 2006.

The impacts on the Group's accounts of the IFRIC's final interpretations will be published when the interpretations have been issued and analysed by the Group. On the publication of its second set of IFRS financial statements (for the year ended 31 December 2006), the Group may have to amend its opening balance sheet at 1 January 2006 and present pro forma accounts for 2005 in order to take into account the requirements of IFRS relating to the accounting treatment of service concession arrangements.

Note 1 – Summary of significant accounting policies

1.0. Compliance with IFRS

In accordance with European Commission regulation 1606/2002 dated 19 July 2002 on international accounting standards, the Group has prepared its consolidated financial statements for the year ended 31 December 2005 in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) applicable for 2005 as adopted by the European Union. These consolidated financial statements include comparative information for 2004 prepared based on the same standards and interpretations. The 2004 figures have been prepared in accordance with IAS 39 – Financial Instruments: Recognition and Measurement and IAS 32 – Financial Instruments: Disclosure and Presentation, as the Group has elected to apply these two standards as of 1 January 2004 in order to facilitate year-on-year comparisons between 2004 and 2005.

The Group has elected not to use the option provided under IFRS 1 to measure property, plant and equipment and intangible assets at fair value in the opening balance sheet at 1 January 2004.

These consolidated financial statements have been prepared using the accrual basis of accounting.

Note 2 describes the accounting policies applied to prepare the opening IFRS balance sheet at 1 January 2004, as well as the differences identified compared with the main policies applied under French GAAP, and their impact on the opening balance sheet and the 2004 income statement.

The pro forma IFRS data for 2004 has been prepared in accordance with IFRS 1 – First-time Adoption of International Financial Reporting Standards, as used for the preparation of the consolidation financial statements at 31 December 2005.

In its opening balance sheet at 1 January 2004, the ASF Group has retrospectively applied the IFRSs in force at 31 December 2005, as if it had always applied these standards.

The consolidated financial statements of the ASF Group at 31 December 2005 do not include any impacts related to

(i) standards and interpretations published at 31 December 2005 but whose application is only mandatory for accounting periods beginning on or after 1 January 2006, and (ii) IFRIC draft interpretations on accounting for service concession arrangements.

1.1 Consolidation

Subsidiaries

Companies over which ASF directly or indirectly exercises majority control are fully consolidated. Control is deemed to exist where the parent company directly or indirectly has the power to govern the financial and operating policies of a company so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is effectively transferred to the Group. They are de-consolidated from the date on which control ceases. Under the full consolidation method all assets, liabilities, income and expenses of the subsidiary are included in the consolidated financial statements. The portion of the profit or loss and net assets of a subsidiary attributable to minority shareholders is presented on a separate line under "Minority interests" in the consolidated balance sheet and income statement.

The proportionate consolidation method is applied to entities held by ASF where the power to govern the financial and operating policies of the company concerned is exercised jointly under a contract with one or several other parties, none of which alone exercise effective control. Under this method, the Group combines its share of each of the assets, liabilities, income and expenses of a jointly controlled entity on a line-by-line basis with similar items in the Group's financial statements.

Associates

Associates are all entities, other than subsidiaries, over which the Group has significant influence. Significant influence – which is the power to participate in the financial and operating policy decisions of the investee but is not control – is deemed to exist when the Group directly or indirectly holds at least 20% of the entity's voting rights.

Investments in associates are accounted for by the equity method, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of the associate's net assets.

Transactions eliminated on consolidation

Intragroup balances, transactions and unrealised gains on transactions between Group companies are eliminated in the consolidated financial statements. These eliminations reflect the Group's interest in the entity concerned for proportionately consolidated companies.

Materiality thresholds

Only companies that meet three of the following four criteria are consolidated:

- revenue over €10 million;
- profit (absolute value) over €2 million;
- equity (absolute value) over €10 million;
- total debt over €40 million.

Investments in companies that do not meet these criteria are classified as available-for-sale investments. Consolidation of all of these companies would not have a material impact on the consolidated financial statements.

In view of the above, ESCOTA is the only company that is fully consolidated by ASF. No companies are consolidated by the proportionate or equity methods.

Available-for-sale investments are accounted for using the cost model, whereby the Group recognises income from the investment only to the extent that it receives distributions from accumulated profits of the investee arising after the date of acquisition. Distributions received in excess of such profits are treated as a recovery of the original investment and are recognised as a reduction of the cost of the investment.

1.2 Translation of the financial statements of foreign subsidiaries

All of the assets and liabilities of any consolidated foreign companies that have a functional currency different from the euro are translated into euros at the year-end rate. Income and expense are translated at the average exchange rate for the year.

Exchange differences arising from this accounting treatment as well as from the re-translation of opening equity of subsidiaries using period-end rates are recognised as a separate component of equity under "Cumulative translation adjustment". Exchange differences arising from the translation of the net investment in foreign entities are taken to equity on consolidation.

When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

The Group does not currently consolidate any foreign subsidiaries.

1.3 Foreign currency transactions

Foreign currency transactions are recognised and measured in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates. They are translated into the functional currency of the entity concerned using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items measured at fair value are determined using the exchange rate prevailing on the date of remeasurement at fair value. Non-monetary non-financial assets and liabilities denominated in foreign currencies are recognised at historic cost, based on translation at the exchange rates prevailing on the transaction date.

Derivative instruments are recognised and measured in accordance with the principles set out in Note 1.10.C. Therefore, derivatives designated as currency hedges of foreign currency transactions are measured at fair value in the balance sheet at each period end. Changes in fair value are recorded as follows:

- under operating income or expense for commercial transactions;
- under income from loans and investments or finance costs for financial transactions;
- directly in equity for the effective portion of hedges of future cash flows. Amounts recorded in equity are taken to the income statement when the hedged transactions occur. The ineffective portion of the gain or loss on hedges of forecast transactions is recorded in the income statement under "Other operating income and expense, net".

1.4 Use of estimates

The preparation of financial statements in accordance with the IFRS framework requires ASF's management to make estimates and assumptions that affect the amounts reported in the financial statements, particularly in relation to depreciation, amortisation and provisions.

The estimates are based on the going concern assumption and are determined using the information available at the date they are established. They may be revised if the circumstances on which they were based change as a result of new information. Actual results may differ from these estimates.

The principal estimates made by the Group's management primarily concern the assumptions used for calculating pensions and other post-employment benefit obligations, provisions and the amounts recognised or published in relation to certain financial instruments.

When an estimate is revised, the revision does not concern prior periods and therefore does not constitute a correction of an error.

Where any changes in accounting estimates affect the current reporting period or are expected to affect subsequent periods, the nature and amount of these effects is disclosed in the notes. This does not apply to those future periods for which the effect cannot be reliably estimated.

1.5 Revenue

Revenue includes toll receipts, fees from service stations and other service area operators, fibre optics and telecommunications fees and secure car park rental fees.

Revenue is recognised when:

- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the amount of revenue can be measured reliably;
- it is probable at the date of transaction that the consideration for the service provided or goods sold will be collected.

The Group distinguishes between the following types of revenue:

- Toll receipts, which arise from the tolls collected on the operated motorway network. Gross toll receipts are recognised when the related transaction occurs. Traffic volumes on the Group's motorways depend on the number of kilometres in service and the number of users, which in turn depends on geographic factors and the level of economic activity in the areas served. Toll receipts include trade discounts granted to customers.
- Fees from service stations and other service area operators on the motorway network, which are recognised net of trade and other discounts.
- Fibre optics and telecommunications fees and secure car park rental fees, which are paid by third parties using the

Group's fibre optic networks and telecommunications installations and by heavy goods vehicle drivers for the rental of secure car park spaces. These fees are recognised net of trade and other discounts.

1.6 Goodwill

Goodwill represents the excess of the cost of a business combination (the purchase price including transaction expenses of shares in consolidated companies) over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised separately in the balance sheet of the acquiree at the acquisition date.

In accordance with IFRS 3 – Business Combinations, goodwill is not amortised but is tested for impairment at least once a year and more often if there is an indication that it may be impaired. These impairment tests are described in Note 1.9. Where goodwill is impaired, the related impairment loss is recorded as an operating expense.

No goodwill is currently recognised in the ASF Group's consolidated financial statements.

1.7 Intangible assets

The Group has elected to retain the policy of measuring intangible assets in accordance with the historical cost method.

1.7.A Research and development costs

In accordance with IAS 38 – Intangible Assets, research costs are expensed as incurred. Development costs are capitalised when they fulfil the criteria for recognition as an intangible asset, i.e. when the Group can demonstrate the following:

- its intention to complete the intangible asset and the availability of adequate technical and financial resources to complete the development;
- how the intangible asset will generate probable future economic benefits for the Group;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs that do not fulfil these recognition criteria are expensed as incurred. The Group does not currently capitalise any development costs.

1.7.B Other intangible assets

Internal and external costs directly attributable to the development and upgrading of software intended for internal use are capitalised when it is probable that the expenditure concerned will generate future economic benefits.

Intangible assets thus recognised are measured at amortised cost, which is defined as cost less any accumulated amortisation and any accumulated impairment losses. They are amortised on a straight-line basis over the estimated average useful life of the software (three to five years) not to exceed the remaining period of the concession agreement concerned. Other costs for acquiring and developing software that do not fulfil these recognition criteria are expensed as incurred.

Until 2004 in the French GAAP accounts, software was amortised over useful lives that were shorter than the intended period of use. As the amounts involved are not material, the Group has decided to apply longer useful lives only to assets recognised as from 1 January 2005.

Other intangible assets, consisting principally of patents and trademarks, are amortised on a straight-line basis over their expected period of benefit, not to exceed the remaining period of the related concession agreement.

1.8 Property, plant and equipment

The Group has elected to retain the policy of measuring property, plant and equipment in accordance with the historical cost method.

Concession assets include the following:

- Construction assets, which correspond to investments necessary for the design and construction of motorways and subsequent improvements. They include land, plans and construction work and are carried in the balance sheet at cost including capitalised interest and certain allocated costs. The useful life of these assets is longer than the concession period. Consequently, they are depreciated on a straight-line basis over the life of the concession so as to write off the carrying amount of construction assets (considered as returnable assets) by the concession expiry date. Costs incurred to maintain these assets in a good state of repair and highway resurfacing costs are charged directly as operating expenses as they are incurred.
- Operating assets with a useful life shorter than the concession period. These assets include tollbooth equipment, signage, telematics, video surveillance and computer equipment, vehicles, machinery and tools. They are stated at cost and depreciated by the straight-line method over their estimated

useful lives. Operating assets are also subject to financial depreciation, which is calculated based on the carrying amount of the assets over the life of the concession, in order to write off their carrying amount by the concession expiry date.

Specific characteristics of motorway concessions

Concession assets include all land, engineering structures and installations required for the construction, maintenance and operation of each motorway section and related facilities. They include junctions with existing roads, as well as buildings and facilities required to provide services to motorway users and upgrade motorway operations. The assets supplied by the State or purchased or built by the Group fall into three categories:

- Returnable assets, which include land, buildings, engineering structures, facilities and equipment required to operate the concession. Returnable assets made available to ASF remain the property of the French State and those purchased or built by ASF become the property of the State as soon as they are acquired or put in service. At the end of the concession period, these assets will be automatically surrendered to the State without ASF being entitled to any compensation.
- Assets with a buyback option, which include other assets that the State may elect to buy back at the end of the concession period, if they are of use in operating the concession.
- Assets owned outright, which correspond to those assets that are not returnable without compensation and are not subject to a buyback option.

The agreement between the French government and ASF provides for the allocation of concession assets among the above three categories, before the expiry of the concession.

All of the Group's concession assets are currently classified as returnable.

Assets made available to the Group without consideration at the inception of the concession agreement, which were accounted for under assets and liabilities in the French GAAP accounts, have been eliminated in the IFRS balance sheets at 1 January 2004, 31 December 2004 and 31 December 2005. This restatement had no impact on equity.

1.8.A Property, plant and equipment at cost

As permitted under IAS 16 – Property, Plant and Equipment, the Group has opted to apply the cost model rather than the revaluation model for measuring property, plant and equipment. Cost corresponds to either the purchase price or production cost of the asset.

The Group has elected to apply the allowed alternative treatment provided for in IAS 23 – Borrowing Costs, whereby borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. This accounting treatment is consistent with the method applied in the French GAAP accounts.

As specified in IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance, and as previously applied under French GAAP, government grants are recognised as a deduction from the cost of the related assets.

Maintenance and repair costs are expensed as incurred, except where they serve to increase productivity or prolong the useful life of an asset.

As required by IAS 17 – Leases, items of property, plant and equipment acquired under finance leases are recorded as an asset at the lower of their fair value and the present value of the minimum lease payments. The corresponding debt is accounted for as a financial liability. The related assets are measured at cost and depreciated by the method and at the rates indicated below. However, the Group does not currently have any leases that qualify as finance leases.

1.8.B Depreciation of property, plant and equipment

Property, plant and equipment is depreciated using the straight-line method, based on the purchase price or production cost of the asset, less any residual value. Except in rare cases, items of property, plant and equipment held by the Group do not have any residual value.

Depreciable amounts are allocated over the estimated useful lives of each separate class of asset, as follows:

Average useful life, in number of years	From	To
Buildings	(Over the remaining life of the concession)	
Plant and equipment	4	15
Computers	3	5
Furniture and office equipment	3	10
Vehicles and handling equipment	2	10
Fixtures and fittings	5	10

Until 2004, certain operating assets were depreciated in the French GAAP accounts over useful lives that were shorter than the intended period of use. As the amounts involved are not material, the Group has decided to apply longer useful lives only to assets recognised as from 1 January 2005.

The Group has decided to continue to apply financial depreciation to construction and operating assets, pending publication of the final interpretations to be issued by the IFRIC on accounting for service concession arrangements. The purpose of financial depreciation, which is charged to operating expense, is to write off the carrying amount of returnable assets by the concession expiry date.

Financial depreciation of construction assets is calculated by the straight-line method over the period from the date when the assets are commissioned and the end of the concession, based on the cost of the assets net of investment grants.

Financial depreciation of operating assets is calculated on the basis of the assets' cost less accumulated economic depreciation.

1.8.C Disposals

Gains or losses arising on the disposal of an item of property, plant and equipment correspond to the difference between the proceeds of the sale and the carrying amount of the sold asset and are recorded under "Other operating income and expense".

1.9 Impairment of non-current assets

In accordance with IAS 36 – Impairment of Assets, the value in use of property, plant and equipment and intangible assets is tested for impairment at each reporting date, or more often where there is an indication that the asset may be impaired.

Impairment testing consists of comparing the carrying amount of the asset with its recoverable amount, which corresponds to the higher of an asset's fair value and its value in use. For the purposes of determining value in use, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). A cash-generating unit's value in use is established using the discounted future cash flows method, applied as follows:

- pre-tax cash flow projections are established, based on the business plan prepared by the management team of the entity concerned;
- the cash flows obtained are discounted based on the ASF Group's weighted average cost of capital, using a pre-tax discount rate;
- cash flow projections beyond the period covered by the business plan are extrapolated by applying a steady or declining growth rate for subsequent years, followed by a growth rate to perpetuity reflecting the expected long-term growth in the markets in which the entity operates, as well as the entity's competitive positioning in these markets.

The recoverable amount of the cash-generating unit is subsequently compared with the carrying amount of that unit's assets (including goodwill). An impairment loss is recognised for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount, if any. In the balance sheet, impairment is charged in priority against goodwill.

Impairment losses for individual assets and cash-generating units may be reversed in certain cases, such as where there is a change in projections. However, an impairment loss recognised for goodwill may not be reversed in a subsequent period.

ASF is the legal holder of two concessions, one for the entire 2,643-kilometre network (excluding the 53 kilometres added to ASF's concession on 1 March 2006), expiring on 31 December 2032, and the other for the 5.5-kilometre Puymorens Tunnel, expiring on 31 December 2037. Both concessions were awarded before the 2000 reform of the toll motorway sector.

Although the Puymorens Tunnel is covered by a separate concession agreement, it is currently managed by ASF as an integral part of the motorway network. ASF therefore considers that the Puymorens Tunnel concession represents an extension of the main concession agreement and, accordingly, does not constitute a separate cash-generating unit.

The Group considers that major concession agreements awarded by the French State correspond to the definition of a cash-generating unit. The Group therefore has two cash-generating units – one corresponding to ASF and the other to ESCOTA.

1.10 Financial assets and liabilities

The Group has elected to apply IAS 32 – Financial Instruments: Disclosure and Presentation, and IAS 39 – Financial Instruments: Recognition and Measurement as from 1 January 2004.

Financial assets include investments, operating receivables, money market securities, investment securities (including derivatives), and cash and cash equivalents.

Financial liabilities include borrowings and other financing, as well as bank overdrafts, derivatives and operating payables.

1.10.A Recognition and measurement of financial assets

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. They are measured at amortised cost using the effective interest method and are tested for impairment at each reporting date (annual and interim). Any impairment losses are recorded in the income statement.

Transaction costs, discounts and premiums are recognised in the income statement over the holding period of the asset, using the yield-to-maturity method.

At 31 December 2005, no investments were classified as held-to-maturity.

Loans and receivables

Loans and receivables include loans and advances to non-consolidated companies, construction loans, and other loans and receivables (including trade receivables). They also include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are measured at amortised cost in accordance with the effective interest method. They are tested for impairment at each reporting date (annual and interim), or whenever there is an indication that their recoverable amount is lower than their carrying amount. Any impairment losses are recorded in the income statement.

Transaction costs, discounts and premiums are recognised in the income statement over the holding period of the asset, using the yield-to-maturity method.

Non interest-bearing short-term receivables continue to be accounted for at initial billing cost, unless the discounting effect is material.

Available-for-sale financial assets

Available-for-sale financial assets include investments in non-consolidated companies and marketable securities.

Investments in non-consolidated companies are stated at cost, which the Group considers to represent fair value, as no active market exists which would enable the fair value to be measured reliably. Impairment losses are recorded for a prolonged decline in value in use, which is determined based on the most appropriate financial criteria, including the Group's equity in the underlying net assets and the earnings outlook of the company concerned.

Gains or losses arising from a change in the fair value of available-for-sale financial assets are recognised directly in equity and are only taken to profit or loss when the financial assets concerned are sold. Where an impairment test indicates that the fair value of an available-for-sale financial asset is lower than its acquisition cost and this impairment is deemed to be significant and/or other than temporary, an irreversible impairment loss is recorded in the income statement. If fair value cannot be reliably measured, the available-for-sale financial assets are recorded at cost and an impairment loss is recognised in the income statement where there is an objective indication of prolonged impairment.

Marketable securities are classified in three categories: trading securities (securities purchased and held primarily with a view to being sold in the short term); securities held to maturity (securities with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity); and securities available for sale, which include those securities that are not classified in the previous two categories.

At 31 December 2005, the ASF Group only held trading securities. However, it may occasionally own securities held to maturity, such as term deposits and certificates of deposit.

Marketable securities are measured at market value, which the Group considers to represent fair value. Changes in fair value are recognised in the income statement. Interest income, premiums and discounts are amortised over the life of the asset using the yield-to-maturity method.

Measurement of assets in accordance with the fair value option

Fixed-income securities hedged by interest-rate swaps are measured at fair value through profit or loss, offset by the loss or gain from re-measuring the related swaps at fair value.

Cash and cash equivalents

Cash and cash equivalents consist of current account balances, units in money market funds and money-market securities which can be sold at short notice and which do not carry a significant risk of impairment in the event of changes in interest rates.

1.10.B Recognition and measurement of financial liabilities

Borrowings and other financial liabilities – excluding derivatives – are measured at amortised cost using the effective interest method.

Financial liabilities hedged by interest-rate swaps qualify as fair value hedges under IAS 39, leading to the recognition of changes in the fair value of the derivative and of the underlying debt in profit or loss. The gain or loss from re-measuring the hedged financial liability at fair value is recognised in profit or loss and is offset by the effective portion of the loss or gain from re-measuring the swap at fair value.

1.10.C Recognition and measurement of derivative instruments

The Group uses derivative instruments mainly to manage its exposure to currency and interest rate risks arising in the course of its business.

All derivative instruments – including both trading and hedging instruments – are recognised in the balance sheet and measured at fair value. The fair value of listed derivatives corresponds to their market price. The fair value of unlisted derivatives is determined using option pricing models (Black & Scholes), the discounted cash flow method and other appropriate techniques, according to assumptions based on market data.

Derivative instruments consist mainly of interest rate swaps and options; from time to time the Group also uses forward purchases and sales of foreign currencies and cross-currency swaps.

Hedge accounting is applied to instruments included in a hedging relationship defined between the underlying and the hedging instrument.

Fair value hedges only concern existing fixed rate debt.

The hedging instruments used consist of swaps where ASF is the fixed rate lender and the variable rate borrower based on the 3-month Euribor and, in some cases, the 12-month Euribor. The swaps are strictly matched with each hedged debt, with the same notional amount (micro-hedges with a given number of swaps per underlying), the same maturity and the same interest payment dates for the fixed leg.

The relationship created between the swap and the underlying debt corresponds to a fair value hedge.

The only difference concerns the inception date of the swap and the underlying. The hedging strategy was launched only recently – in 2002 – and applies to borrowings that in some cases were set up several years ago, explaining the timing difference and also the respective interest rates. This important consideration dictated the choice of method to test the hedges' effectiveness.

In line with hedge accounting principles applicable to fair value hedges, the hedged portion of debt and the related swaps are measured at fair value through profit (with the amount recognised in profit corresponding to the changes in fair value of both the derivative and the underlying between two reporting dates). The swaps are effective hedges of fixed rate interest streams and changes in their fair value are therefore largely offset by changes in the fair value of the hedged debt. Only the ineffective portion of the hedge affects profit.

The "Dollar Offset Cumulative" method is used to measure hedge effectiveness. The future and actual effectiveness of the hedge is assessed by performing tests prospectively (when the hedging relationship is set up and at each subsequent period-end) and retrospectively at each period-end. The Dollar Offset Cumulative method consists of comparing changes in the value of interest on the debt with changes in the value of the fixed interest leg of the hedging instrument. If the change in the fair value of the hedge covers 80-125% of the change in the fair value of the underlying, the relationship qualifies for hedge accounting.

Fair values are calculated by the discounted cash flows method based on forward rates on the yield curve excluding credit spreads. The yield curve used is that for the balance sheet date, as obtained from a financial database.

For the reasons explained above, the Group adjusts the interest rate on debt for the purpose of testing hedge effectiveness, as allowed under paragraphs AG99A and AG99B of IAS 39. According to paragraph AG99A, if the fixed rate on the debt is higher than the fixed rate leg of the swap, the hedging relationship can be considered as concerning a portion of the debt, up to the amount of the fixed rate leg of the swap. And under AG99B, if the interest rate on the debt is less than that of the fixed rate leg of the swap, the debt may be hedged at a benchmark rate that is higher than the contractual rate; in this case, the rate on the debt is adjusted to the benchmark rate at the inception of the hedging relationship (provided that the benchmark rate is less than the effective interest rate on the debt, calculated on the assumption that the debt was set up on the date when it was first designated as part of the hedging relationship). In this latter case, if the swap is traded on arm's length terms, its fixed rate will be equal to the benchmark rate, which in turn will be lower than the recalculated effective interest rate on the debt (if the debt gave rise to issuing costs) or equal to this rate (if no issuing costs were incurred).

The characteristics of the debt, including the inception date, remain unchanged in the hedging relationship.

The results of retrospective tests are used to determine the effective and ineffective portions of the hedge. The ineffective portion is recognised in profit because it is not offset by a change in the fair value of the underlying.

If the prospective and retrospective tests performed at the balance sheet date show that the results of the hedge are not within the 80-125% range referred to above, the relationship no longer qualifies for hedge accounting. In this case, changes in the fair value of the swap are recognised in profit but the hedged portion of the debt is no longer remeasured at fair value. At the date when hedge accounting no longer applies, the effective interest rate on the adjusted value of the debt is recalculated for application of the amortised cost method.

1.11 Inventories

Inventories are stated at the lower of cost and net realisable value, in accordance with IAS 2 – Inventories.

The cost of inventories comprises all costs of purchase, which include the purchase price (after deducting trade discounts and rebates) and other costs directly attributable to the acquisition of finished goods, materials and services. Invoice discounts are deducted from the purchase price rather than included in financial income. Borrowing costs are excluded from the cost of inventories.

The cost of inventories is determined by the weighted average cost method. Under this method, items that are removed from inventory are valued at their most recent weighted average cost, while the value of each item remaining in inventory is determined from the weighted average of the cost of similar items at the beginning of the period and the cost of similar items purchased or produced during the period.

Inventories are written down to net realisable value if the assets are carried in excess of amounts expected to be realised from their sale or use. Net realisable value corresponds to the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Where a write-down of inventories is reversed as a result of an increase in net realisable value, the amount reversed is recorded as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Taxes

As required by IAS 12 – Income Taxes, deferred taxes are recognised for all temporary differences between the carrying amounts of assets and liabilities and their tax basis, as well as for unused tax losses, by the liability method, when it is probable that the temporary difference will reverse in the foreseeable future. Deferred tax assets and liabilities are not discounted.

A deferred tax liability is recognised for all temporary differences between the carrying amount of available-for-sale investments and their tax base, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

As permitted under IAS 12, ASF offsets deferred tax assets and liabilities when they relate to income taxes levied by the same taxation authority and where ASF has a legally enforceable right to set off the recognised amounts.

1.13 Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, provisions are booked when an obligation exists towards a third party that is probable or certain of giving rise to an outflow of resources, and no economic benefit of equivalent value is expected in return.

Where the effect of the time value of money is material, the amount of a provision corresponds to the present value of the expenditures expected to be required to settle the obligation. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur.

Profits receivable from the disposal of assets are recognised in assets and not deducted from the provision, in accordance with the general principle under IFRS that netting assets and liabilities is only allowed under specific circumstances.

1.14 Pensions and other post-employment benefits

In addition to a statutory pension, Group employees receive retirement bonuses, supplementary pension benefits, post-employment medical benefits and long-service awards (see Note 36). These benefits are available under defined contribution and defined benefit plans.

The Group's obligation under defined contribution plans is limited to the payment of contributions, which are expensed as incurred.

In accordance with IAS 19 – Employee Benefits, defined benefit obligations are measured using the projected unit credit method. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation, which is subsequently discounted. Actuarial valuations are based on:

- retirement age assumptions, generally set at the age of 60 for non-managerial employees and 63 for managerial staff, or after that age in the case of employees who have not paid pension contributions over the minimum period required to qualify for a full pension under the government-sponsored scheme;
- a discount rate determined by reference to market yields at the balance sheet date on high quality corporate bonds (or when there is no deep market in such bonds, government bonds) of a currency and term consistent with the currency and term of the post-employment benefit obligations;
- an inflation rate;
- expected staff turnover rates and rate of future salary increases.

Actuarial valuations are performed every year.

Actuarial gains and losses arise as a result of changes in actuarial assumptions and experience adjustments (the effects of differences between the previous actuarial assumption and what has actually occurred). Actuarial gains and losses are recognised by the corridor method, which consists of amortising over the estimated remaining average service lives of employees the portion of net cumulative actuarial gains and losses that exceeds the greater of 10% of either the projected benefit obligation or the fair value of the plan assets.

Obligations towards active and retired employees that are not funded under insured plans are covered by provisions, except for unrecognised actuarial gains and losses, which are disclosed as off-balance sheet commitments.

1.15 Minority interests

Where appropriate, the net assets and results of consolidated subsidiaries are prorated on the basis of minority and majority holdings, except in cases where minority shareholders' interests in the losses of a consolidated subsidiary exceed the amount of their equity in the subsidiary's net assets.

In these cases, the excess, together with minority interests in any subsequent losses, are deducted from retained earnings unless the minority shareholders are liable for the subsidiary's losses.

1.16 Stock options and share grant plans

No employee stock option plans were in place at 31 December 2005. However, pursuant to the authorisation granted by shareholders at the Extraordinary General Meeting of 12 May 2005, the Board of Directors decided on 23 June 2005 to set up a share grant plan.

The characteristics of this plan are as follows:

1. The beneficiaries are employees of ASF, ESCOTA and Radio Trafic FM who invested their 2004 incentive and profit-sharing bonuses in ASF's corporate mutual funds. In order to receive the shares, beneficiaries must be in employment with one of the said companies at the end of the vesting period (22 June 2007). In addition, they must not have released their 2004 incentive and profit-sharing bonuses during said period, except in circumstances provided for under the company savings plans currently in force.
2. The number of shares to be granted to each employee is determined prorata to the amount of their 2004 incentive and profit-sharing bonuses invested in the mutual funds, subject to an overall ceiling of ten shares.
3. The vesting period has been set at two years as from the date of the Board Meeting, expiring on 22 June 2007.
4. The holding period has been set at two years after the end of the vesting period, expiring on 22 June 2009.

In accordance with IFRS 2 – Share-based Payment, services received in connection with share-based payments are recognised at fair value, determined at the grant date, with a corresponding increase in equity. The compensation expense is recognised under "Employee benefits expense" as the services are consumed by the Group.

A €0.7 million share-based payment expense was recorded under employee benefits expense for 2005, with a corresponding adjustment to equity. The remaining related liability at the balance sheet date amounted to €2 million.

1.17 Treasury shares

Treasury shares are stated at cost, as a deduction from equity. The proceeds from sales of treasury shares are credited directly to equity and any disposal gains or losses therefore have no impact on the income statement.

There were no treasury shares outstanding at 31 December 2005.

1.18 Key financial indicators

The Group uses the following key financial indicators:

- Revenue.
- EBITDA.
- EBITDA margin, corresponding to EBITDA expressed as a percentage of revenue.
- Net debt, corresponding to total long-term and short-term borrowings less cash and cash equivalents.
- Net debt to EBITDA ratio.
- Interest cover, corresponding to the ratio between EBITDA and the sum of the Group's net finance cost and other financial income and expense.

1.19 Post-balance sheet events

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue by the Board of Directors.

The Group's results are published once they are approved by the Board of Directors.

Consequently, the Group has to measure and recognise any event after the balance sheet date that gives rise to adjustments, such as the settlement of a legal action/procedure that confirms that the Group had a present obligation at the balance sheet date.

Note 2 – Impacts of the first-time adoption of IFRS

Note 2 describes the accounting policies applied to prepare the opening IFRS balance sheet at 1 January 2004, as well as the differences identified compared with the main policies applied under French GAAP, together with their impact on the opening and closing balance sheet and income statement for 2004.

2.1 Methods used for the first-time adoption of IFRS

General principles

As required by IFRS 1, the Group has used the same accounting policies in its opening IFRS balance sheet and throughout all periods presented in its first IFRS financial statements. The accounting policies used comply with each IFRS effective at the reporting date for its first IFRS financial statements. Therefore, the opening IFRS balance sheet at 1 January 2004 contains the following differences compared with the balance sheet at 31 December 2003, presented in accordance with French GAAP (standard CRC 99-02):

- assets and liabilities recognised under French GAAP have been eliminated in the balance sheet where they do not meet the recognition criteria under IFRS;
- all assets and liabilities that meet the definition and criteria for recognition under IFRS have been recognised and measured in accordance with IFRS, including those which were not recognised under French GAAP;
- certain balance sheet items have been reclassified in accordance with IFRS.

The impact of these adjustments has been recognised in opening equity.

2.2 Impact of first-time adoption of IFRS on the balance sheet

BALANCE SHEET AT 1 JANUARY 2004

ASSETS

(in millions of euros)	At 1 Jan. 2004 French GAAP	Reclassifi-cations	Restate-ments	At 1 Jan. 2004 IFRS	
Fixed assets					**Non-current assets**
Intangible assets	23.5			23.5	Intangible assets
Property, plant and equipment	11,770.2			11,665.5	Property, plant and equipment
Cost	16,284.0		(104.7)	16,179.3	Cost
Accumulated depreciation	(4,513.8)			(4,513.8)	Accumulated depreciation
Investments	16.0	(16.0)		0.0	
		5.3		5.3	Available-for-sale investments
		9.4	65.8	75.2	Other non-current financial assets
Total fixed assets	**11,809.7**	**(1.3)**	**(38.9)**	**11,769.5**	**Total non-current assets**
Current assets					**Current assets**
Inventories and work in progress	13.1			13.1	Inventories
Trade accounts receivable	117.9			117.9	Trade receivables
Other accounts receivable and accruals	160.9	(51.0)	16.0	125.9	Other receivables
		1.3		1.3	Current financial assets
Cash and short-term investments	629.3		(4.3)	625.0	Cash and cash equivalents
Total current assets	**921.2**	**(49.7)**	**11.7**	**883.2**	**Total current assets**
TOTAL ASSETS	**12,730.9**	**(51.0)**	**(27.2)**	**12,652.7**	**TOTAL ASSETS**

BALANCE SHEET AT 1 JANUARY 2004

EQUITY AND LIABILITIES

(in millions of euros)	At 1 Jan. 2004 French GAAP	Reclassifi-cations	Restate-ments	At 1 Jan. 2004 IFRS	*(in millions of euros)*
Shareholders' equity					**Equity**
Capital stock	29.3			29.3	Share capital
Additional paid-in capital and retained earnings	2,876.2	(2,022.7)		853.5	Share premium account
		2,240.4		2,240.4	Reserves: ASF
					Retained earnings and profit attributable to equity holders of the parent:
Net income for the year	324.4	(217.7)	(18.0)	88.7	Retained earnings attributable to equity holders of the parent
				0.0	Profit attributable to equity holders of the parent
					Minority interests:
		1.6	(0.1)	1.5	Retained earnings attributable to minority interests
		0.7		0.7	Profit attributable to minority interests
Shareholders' equity	**3,229.9**	**2.3**	**(18.1)**	**3,214.1**	**Total equity**
Minority interests	**2.3**	**(2.3)**		**0.0**	
Other equity	**104.7**		**(104.7)**	**0.0**	
Provisions for contingencies and charges	**60.7**	**(60.7)**		**0.0**	
					Non-current liabilities
		7,869.7	67.9	7,937.6	Long-term borrowings
		53.7	20.7	74.4	Long-term provisions for pensions and other post-employment benefits
		7.0		7.0	Other long-term provisions
		24.6	16.7	41.3	Other non-current liabilities
		245.8	(9.7)	236.1	Deferred tax liabilities
				8,296.4	**Total non-current liabilities**
Liabilities					
Borrowings	8,487.7	(8,487.7)		0.0	
Trade accounts payable	49.9	(49.9)		(0.0)	
Other liabilities and accruals	795.8	(795.8)		(0.0)	
					Current liabilities
		604.3		604.3	Short-term borrowings
		49.9		49.9	Trade payables
		219.0		219.0	Payables to suppliers of fixed assets
		71.5		71.5	Current tax payable
		197.6		197.6	Other payables
Total liabilities	**9,333.3**	**(53.3)**	**(9.1)**	**1,142.2**	**Total current liabilities**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**12,730.9**	**(51.0)**	**(27.2)**	**12,652.7**	**TOTAL EQUITY AND LIABILITIES**

BALANCE SHEET AT 31 DECEMBER 2004

ASSETS

(in millions of euros)	At 31 Dec. 2004 French GAAP	Reclassifications	Restatements	At 31 Dec. 2004 IFRS	
Fixed assets					**Non-current assets**
					Goodwill
Intangible assets	22.8			22.8	Intangible assets
Property, plant and equipment	11,939.8			11,835.1	Property, plant and equipment
Cost	16,894.8		(104.7)	16,790.1	Cost
Accumulated depreciation	(4,955.0)			(4,955.0)	Accumulated depreciation
Investments	18.4	(18.4)		0.0	
		7.2		7.2	Available-for-sale investments
		10.1	127.8	137.9	Other non-current financial assets
Total fixed assets	**11,981.0**	**(1.1)**	**23.1**	**12,003.0**	**Total non-current assets**
Current assets					**Current assets**
Inventories and work in progress	13.3			13.3	Inventories
Trade accounts receivable	134.0	0.1		134.1	Trade receivables
Other accounts receivable and accruals	186.8	(50.3)	15.9	152.4	Other receivables
		1.3	(0.2)	1.1	Current financial assets
Cash and short-term investments	437.2		(5.1)	432.1	Cash and cash equivalents
Total current assets	**771.3**	**(48.9)**	**10.6**	**733.0**	**Total current assets**
TOTAL ASSETS	**12,752.3**	**(50.0)**	**33.7**	**12,736.0**	**Total assets**

BALANCE SHEET AT 31 DECEMBER 2004

EQUITY AND LIABILITIES

(in millions of euros)	At 31 Dec. 2004 French GAAP	Reclassi-fications	Restate-ments	31 Dec. 2004 IFRS	*(in millions of euros)*
Shareholders' equity					**Equity**
Capital stock	29.3			29.3	Share capital
Additional paid-in capital and retained earnings	3,027.9	(2,174.4)		853.5	Share premium account
		2,331.3		2,331.3	Reserves: ASF
					Retained earnings and profit attributable to equity holders of the parent:
		(156.8)	(4.9)	(161.7)	Retained earnings attributable to equity holders of the parent
Net income for the year	402.1		(4.0)	398.1	Profit attributable to equity holders of the parent
					Minority interests:
		2.0		2.0	Retained earnings attributable to minority interests
		1.0		1.0	Profit attributable to minority interests
Shareholders' equity	**3,459.3**	**3.1**	**(8.9)**	**3,453.5**	**Total equity**
Minority interests	**3.0**	**(3.0)**		**0.0**	
Other equity	**104.7**		**(104.7)**	**0.0**	
Provisions for contingencies and charges	**87.9**	**(87.9)**		**0.0**	
					Non-current liabilities
		7,714.2	135.0	7,849.2	Long-term borrowings
		75.8		75.8	Long-term provisions for pensions and other post-employment benefits
		12.0		12.0	Other long-term provisions
		41.9	16.9	58.8	Other non-current liabilities
		241.1	(4.6)	236.5	Deferred tax liabilities
				8,232.3	**Total non-current liabilities**
Liabilities					
Borrowings	8,310.5	(8,310.5)		0.0	
Trade accounts payable	57.9	(57.9)		0.0	
Other liabilities and accruals	729.0	(729.0)		0.0	
					Current liabilities
		579.2		579.2	Short-term borrowings
		57.9		57.9	Trade payables
		174.6		174.6	Payables to suppliers of fixed assets
		49.0		49.0	Current tax payable
		189.5		189.5	Other payables
Total liabilities	**9,097.4**	**(53.1)**	**42.6**	**1,050.2**	**Total current liabilities**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**12,752.3**	**(50.0)**	**33.7**	**12,736.0**	**TOTAL EQUITY AND LIABILITIES**

2.2.A Principal balance sheet reclassifications

2.2.A.1 current/non-current distinction for assets and liabilities

Under IAS 1, assets and liabilities must be broken down between current and non-current items. The tables set out above show the reclassifications applied to the French GAAP balance sheet to comply with this requirement.

These IAS 1 presentation rules have been applied to the Group's main balance sheet items as follows:

- Assets and liabilities that circulate as working capital as part of the Group's normal operating cycle are classified as current.

  Other assets and liabilities are classified as current when an entity expects to recover or settle the amounts concerned no more than twelve months after the balance sheet date. Conversely, assets and liabilities are classified as non-current where recovery or settlement is expected more than twelve months after the balance sheet date.

- Fixed assets under French GAAP have been classified as non-current, apart from financial assets, which are broken down into both current and non-current items. Current financial assets primarily comprise financial assets that the Group plans to sell or realise within twelve months and the short-term portion of long-term financial receivables.

- Provisions for contingencies and charges which form part of the Group's normal operating cycle have been classified under current items, as has the short-term portion of other provisions for contingencies and charges. Provisions that do not fall within these two categories are classified as non-current liabilities.

  The long-term portion of provisions for pensions and other post-employment benefits has been recorded as a non-current liability and the short-term portion as a current liability. This current portion corresponds to the amounts that the Group estimates it will have to pay within twelve months of the balance sheet date, both in relation to funded and unfunded plans.

- Borrowings that the Group will have to repay within twelve months of the balance sheet date are classified as current. Conversely, those that mature in over twelve months are classified as non-current liabilities.

  As an exception to this general principle, if the Group expects to refinance an obligation for at least twelve months after the balance sheet date under an existing loan facility, the obligation is classified as non-current even if it would otherwise be due within a shorter period.

- All deferred tax assets and liabilities are presented as non-current.

2.2.A.2 Presentation of debt call premiums and bond redemption premiums

Debt call premiums and bond redemption premiums have been reclassified as deductions from borrowings. These reclassifications represented €13 million and €38 million respectively at 1 January 2004, and €11.5 million and €38.8 million at 31 December 2004.

2.2.A.3 Presentation of deferred income in relation to borrowings

Under French GAAP, for debt securities issued at a price in excess of their redemption price, the premium was recorded under deferred income. Under IFRS these amounts – totalling €37.2 million at 1 January 2004 and €33.1 million at 31 December 2004 - have been reclassified as an increase in borrowings.

2.2.A.4 Concessions: elimination of assets made available to the Group without consideration

Certain assets made available to the Group without consideration (motorway sections and on and off- ramps) for use in connection with the concessions were recognised in the French GAAP balance sheet under "Property, plant and equipment" and "Other equity" at their estimated value on the transfer date (€104.7 million). These assets, which were not depreciated in the French GAAP accounts, will be returned to the State at the end of the concession. As IFRS does not prescribe the recognition of assets made available without consideration, the related amounts recorded under property, plant and equipment have therefore been eliminated in the opening IFRS balance sheet at 1 January 2004 and in the IFRS balance sheets at 31 December 2004 and 31 December 2005.

2.2.B Principal balance sheet restatements

2.2.B.1 Property, plant and equipment

As stated in Note 0 above, pending publication of the final interpretations on service concession arrangements to be issued by the IFRIC, the Group has decided not to apply the components method concerning the depreciation of property, plant and equipment. Therefore, in the IFRS balance sheet, no material components have been identified or recognised separately from their related principal assets.

2.2.B.2 Concessions: financial depreciation (amortissements de caducite) on replaceable concession assets

As stated in Note 0 above, pending publication of the final interpretations on service concession arrangements to be issued by the IFRIC, the Group has decided to continue to apply financial depreciation to replaceable concession assets.

2.2.B.3 Accounting treatment of certain long-term loans

Under IFRS, interest-free loans (corresponding to loans under the 1% government housing scheme) have been measured at amortised cost by applying the effective interest method. The related restatements led to the following pre-tax decreases in the value of assets and equity:

- €3.6 million in the opening balance sheet at 1 January 2004;
- €3.7 million in the balance sheet at 31 December 2004.

(in millions of euros)	At 1 Jan. 2004	At 31 Dec. 2004
Investments (French GAAP)	**16.0**	**18.4**
o/w 20-year housing loans (1% construction)	9.1	9.6
o/w Other loans	1.3	1.3
o/w Investments in non-consolidated companies and related receivables	5.3	7.2
o/w Other investments	0.3	0.3
IFRS reclassifications		
Available-for-sale investments	5.3	7.2
Other non-current financial assets	9.4	9.9
Other current financial assets	1.3	1.3
IFRS restatements		
Measurement of 20-year housing loans at amortised cost	(3.6)	(3.7)
Non-current derivatives	69.4	131.7
Available-for-sale investments (IFRS)	**5.3**	**7.2**
Other non-current financial assets (IFRS)	**75.2**	**138.1**
Current financial assets (IFRS)	**1.3**	**1.1**

2.2.B.4 Accounting treatment of financial liabilities

(in millions of euros)	At 1 Jan. 2004	At 31 Dec. 2004
Borrowings (French GAAP)	**8,487.7**	**8,310.5**
o/w Fixed-rate CNA loans	7,407.8	7,253.5
o/w Variable-rate CNA loans	746.0	746.0
o/w Regional authority advances	55.6	43.5
o/w Other	28.2	37.7
o/w Accrued interest	250.1	229.9
IFRS reclassifications:		
Bond redemption premiums	(38.0)	(38.8)
Debt call premiums	(13.0)	(11.5)
Deferred income relating to borrowings	37.2	33.1
IFRS restatements:		
Measurement of debt by the amortised cost method	1.9	2.0
Re-measurement of hedged debt and the related hedges	63.9	127.2
Fair value of derivative instruments that do not qualify for hedge accounting	2.6	3.8
Restatement of CNA loans in foreign currencies	(0.4)	2.1
Borrowings (IFRS)	**8,541.9**	**8,428.4**
o/w long term	**7,937.6**	**7,849.2**
o/w short-term	**604.3**	**579.2**

2.2.B.5 Accounting treatment of debt measured at amortised cost

The impact of measuring debt issuance costs and call premiums at amortised cost by applying the effective interest method (as opposed to the straight-line method) led to a reduction in equity and an increase in financial liabilities in the following pre-tax amounts:

- €1.9 million in the opening balance sheet at 1 January 2004;
- €2 million in the balance sheet at 31 December 2004.

2.2.B.6 Accounting treatment of interest rate hedges

The following have been re-measured at fair value under IFRS, leading to a reduction in equity and a corresponding increase in financial liabilities:

- derivative instruments which do not qualify for hedge accounting under IAS 39;
- the portion of outstanding loans hedged by interest-rate swaps;
- fixed income securities accounted for using the fair value option, which are economically hedged by interest-rate swaps;
- the portion of borrowings hedged by interest-rate swaps.

The pre-tax impacts of these restatements were as follows:

- €63.9 million in the opening balance sheet at 1 January 2004;
- €127.2 million in the balance sheet at 31 December 2004.

2.2.B.7 Accounting treatment of currency hedges

Currency risks on two foreign currency loans obtained from Caisse Nationale des Autoroutes, in 1981 for GBP 5 million and in 1998 for CHF 475 million, are hedged by cross-currency swaps.

According to IAS 21 – The Effects of Changes in Foreign Exchange Rates, foreign currency debt must be re-measured at the period-end exchange rate, with changes recorded in profit or loss. At the same time, the cross-currency swaps – which are qualified as trading instruments under IAS 39 – are measured in the balance sheet at fair value, with changes in fair value recognised in profit or loss. The recognised changes in fair value only partly offset the exchange difference on the foreign currency debt, which is only one component of the fair value of the cross-currency swaps. The corresponding reduction in equity and increase in financial liabilities represent the following pre-tax amounts:

- €0.3 million in the opening balance sheet at 1 January 2004;
- €0.3 million in the balance sheet at 31 December 2004.

2.2.B.8 Accounting treatment of deferred taxes

The restatements required as a result of the first-time adoption of IFRS led to a reduction in deferred tax liabilities and a corresponding increase in equity in the following amounts:

- €9.7 million in the opening balance sheet at 1 January 2004;
- €4.6 million in the balance sheet at 31 December 2004.

(in millions of euros)	At 1 Jan. 2004	At 31 Dec. 2004
Consolidated deferred tax liabilities (French GAAP)	**245.8**	**241.1**
IFRS restatements:		
Measurement of 20-year housing loans at amortised cost	(1.2)	(1.3)
Restatement of provisions for post-employment healthcare benefits	(7.3)	
Restatement of derivatives	(1.2)	(3.3)
Deferred tax liabilities (IFRS)	**236.1**	**236.5**

2.3 Impact of first-time adoption of IFRS on the income statement

Income statement for the year ended 31 December 2004

		IFRS				
	2004 (French GAAP)	Reclassi-fications	Restate-ments	Total reclas-sifica-tions and restate-ments	2004 (IFRS)	
(in million of euros)		(A)	(B)	(C)=(A)+(B)		
Toll receipts	2,342.8	0.1	0.0	0.1	2,342.9	Toll receipts
Revenues from other businesses	46.3	0.0	0.0	0.0	46.3	Revenues from other businesses
Revenues	**2,389.1**	**0.1**	**0.0**	**0.1**	**2,389.2**	**Revenue**
Purchases and external charges	(275.1)	275.1	0.0	275.1	0.0	
		(36.1)		(36.1)	(36.1)	Consumables used and changes in inventories
Payroll costs	(330.6)	9.5	0.0	9.5	(321.1)	Employee benefits expense
Other operating income and expense, net	29.3	(29.3)	0.0	(29.3)	0.0	
		(162.2)	0.0	(162.2)	(162.2)	External charges
Taxes (other than income tax)	(291.4)	(50.3)	0.0	(50.3)	(341.7)	Taxes (other than income tax)
Depreciation, amortisation and provisions	(475.9)	3.8	0.0	3.8	(472.1)	Depreciation and amortisation expense
		(3.2)	0.0	(3.2)	(3.2)	Provision expense
		(8.2)	0.0	(8.2)	(8.2)	Other operating income and expense, net
Operating income	**1,045.4**	**(0.8)**	**0.0**	**(0.8)**	**1,044.6**	**Operating profit**
Net interest expense	(428.9)	428.9	0.0	428.9	(0.1)	
		(434.8)	0.0	(434.8)	(434.8)	Finance cost
		11.3	0.0	11.3	11.3	Investment income
Income from ordinary activities	**616.5**					
		5.4	**0.0**	**5.4**	**(423.5)**	**Finance cost, net**
		(5.4)	(6.2)	(11.6)	(11.6)	**Other financial income and expense, net**
Exceptional items	(0.9)	0.9	0.0	0.9	(0.0)	
Income tax	(212.5)	0.0	2.2	2.2	(210.4)	Income tax expense
Net income before minority interests	**403.1**	**0.0**	**(4.1)**	**(4.1)**	**399.1**	**Profit for the period from continuing operations**
Net income before minority interests	**403.1**	**0.0**	**(4.1)**	**(4.1)**	**399.1**	**profit for the period**
Minority interests	(1.0)	0.0	0.0	0.0	(1.0)	Minority interests
Net income	**402.1**	**0.0**	**(4.1)**	**(4.1)**	**398.1**	**Profit attributable to equity holders of the parent**

2.3.A Principal income statement reclassifications

Income statement for the year ended 31 December 2004

(in millions of euros)	2004 (French GAAP)	Own work capitalised	Expense transfers	Other income	Consumables used	External charges	Publicly-owned land tax	Payroll-based taxes	Exceptional items	Other	Total reclassi-fications	
Toll receipts	2,342.9										0.0	Toll receipts
Revenues from other businesses	46.3										0.0	Revenues from other businesses
Revenues	**2,389.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**Revenue**
Purchases and external charges	(275.1)				38.9	180.4	55.8				275.1	
		1.7	0.6	0.5	(38.9)				0.0		(36.1)	Consumables used and changes in inventories
Payroll costs	(330.6)	12.4	3.5	(0.1)		(2.8)		(3.9)	0.4		9.5	Employee benefits expense
Other operating income and expense, net	29.3	(19.2)	(12.3)	2.2							(29.3)	
		5.3	8.2	1.8		(177.6)			0.1		(162.2)	External charges
Taxes (other than income tax)	(291.4)	0.0	0.0	1.6			(55.8)	3.9			(50.3)	Taxes (other than income tax)
Depreciation, amortisation and provisions	(475.9)	0.2	0.4							3.2	3.8	Depreciation and amortisation expense
										(3.2)	(3.2)	Provision expense
		(0.4)	(0.4)	(6.0)					(1.4)		(8.2)	Other operating income and expense, net
EBITDA	**1,054.4**	**0.0**	**(0.0)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(0.9)**	**0.0**	**(0.9)**	**EBITDA**
												Other income and expense from non-recurring operations
Operating income	**1,045.4**	**0.0**	**(0.0)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(0.9)**	**0.0**	**(0.9)**	**Operating profit**
Net interest expense	(428.9)									428.9	428.9	
										(434.8)	(434.8)	Finance cost
										11.3	11.3	Investment income
Income from ordinary activities	**616.6**											
										5.4	**5.4**	**Finance cost, net**
										(5.4)	(5.4)	**Other financial income and expense, net**
Exceptional items	(0.9)								0.9		0.9	
Income tax	(212.5)										0.0	Income tax expense
Net income before minority interests	403.1	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.0)	Profit for the period from continuing operations
Net income before minority interests	**403.1**	**0.0**	**(0.0)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(0.0)**	**(0.0)**	**Profit for the period**
Minority interests	(1.0)										0.0	Minority interests
Net income	**402.1**	**0.0**	**(0.0)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(0.0)**	**(0.0)**	**Profit attributable to equity holders of the parent**

2.3.A.1 Income statement presentation

The Group has elected to continue to present the income statement by nature.

2.3.A.2 Income statement reclassifications: consumables used and changes in inventories

In its IFRS financial statements, the Group has presented "Consumables used and changes in inventories" separately from "Purchase and external charges" which were recognised in aggregate under French GAAP. "Consumables used and changes in inventories" is presented net of own work capitalised, expense transfers relating to insurance settlements, other expense transfers, and other income impacting this item.

(in millions of euros)	**2004**
Consumables used and changes in inventories (French GAAP)	**0.0**
IFRS reclassifications:	
Energy, supplies and spare parts	38.9
Own work capitalised	(1.7)
Expense transfers: Insurance settlements	(0.6)
Other income, net	(0.5)
Consumables used and changes in inventories (IFRS)	**36.1**

2.3.A.3 Income statement reclassifications: purchases and external charges

In its IFRS financial statements the Group has broken down "Purchases and external charges" as formerly presented under French GAAP into "Consumables used and changes in inventories" and "External charges". Publicly-owned land tax has been reclassified and recorded under "Taxes (other than income tax" and temporary and seconded personnel costs have been included in "Employee benefits expense".

(in millions of euros)	**2004**
Purchases and external charges (French GAAP)	**275.1**
o/w Energy, supplies and spare parts	38.9
o/w Infrastructure maintenance costs	71.3
o/w Other maintenance costs	29.4
o/w Publicly-owned land tax	55.8
o/w Other external charges	79.7
IFRS reclassifications	
Energy, supplies and spare parts	(38.9)
Employee benefits expense	(2.8)
Infrastructure maintenance costs	(71.3)
Other maintenance costs	(29.4)
Publicly-owned land tax	(55.8)
Other external charges	(76.9)
Purchases and external charges (IFRS)	**0.0**

2.3.A.4 Income statement reclassifications: employee benefits expense

The following reclassifications have been made in relation to employee benefits expense:

- payroll-based taxes, which were included in "Taxes (other than income tax)" in the French GAAP accounts have been recorded under "Employee benefits expense" in the IFRS financial statements;
- temporary and seconded personnel costs, which were recorded as external charges in the French GAAP accounts have been included in "Employee benefits expense" in the IFRS financial statements;
- "Employee benefits expense" is presented net of own work capitalised, expense transfers relating to insurance settlements, other expense transfers, and other income impacting this item.

(in millions of euros)	2004
Payroll costs (French GAAP)	**330.6**
IFRS reclassifications	
Payroll-based taxes	3.9
External charges: temporary personnel costs	2.8
Own work capitalised	(12.4)
Expense transfers: Insurance settlements	(3.2)
Expense transfers: Other	(0.3)
Other income, net	0.1
Exceptional items	(0.4)
Employee benefits expense (IFRS)	**321.1**

2.3.A.5 Income statement reclassifications: external charges

Publicly-owned land tax, which was classified under "Purchases and external charges" in the French GAAP accounts has been included in "Taxes (other than income tax)" in the IFRS financial statements. At the same time, "External charges" are now presented net of own work capitalised, expense transfers relating to insurance settlements, other expense transfers, and other income impacting this item.

(in millions of euros)	2004
External charges (French GAAP)	**0.0**
IFRS reclassifications	
External charges: temporary personnel costs	(2.8)
Infrastructure maintenance costs	71.3
Other maintenance costs	29.4
Other external charges	79.7
Own work capitalised	(5.3)
Expense transfers: Insurance settlements	(7.1)
Expense transfers: Other	(1.1)
Other income, net	(1.8)
Exceptional items	(0.1)
External charges (IFRS)	**162.2**

2.3.A.6 income statement reclassifications: taxes (other than income tax)

Payroll-based taxes, which were included in "Taxes (other than income tax)" in the French GAAP accounts have been recorded under "Employee benefits expense" in the IFRS financial statements.

Publicly-owned land tax, which was included in "Purchases and external charges" in the French GAAP accounts has been recorded under "Taxes (other than income tax)" in the IFRS financial statements.

"Taxes (other than income tax)" is now presented net of own work capitalised, expense transfers relating to insurance settlements, other expense transfers, and other income impacting this item.

(in millions of euros)	2004
Taxes other than income tax (French GAAP)	**291.4**
o/w Regional development tax	207.1
o/w Business tax and other local taxes	74.4
o/w Payroll-based taxes	3.9
o/w Other taxes	6.0
IFRS reclassifications	
Publicly-owned land tax	55.8
Payroll-based taxes	(3.9)
Other income, net	(1.6)
Taxes (other than income tax) – IFRS	**341.7**

2.3.A.7 Income statement reclassifications: other operating income

(in millions of euros)	2004
Other income, net (French GAAP)	**(29.3)**
o/w Own work capitalised	(19.2)
o/w Insurance settlements	(10.8)
o/w Other	0.6
"Other" can be broken down into:	
Expense transfers excluding insurance settlements	(1.5)
Other operating income and expense	*2.1*
IFRS reclassifications relating to Other operating income and expense, net:	
Operating profit	**(8.2)**
Consumables used	(0.5)
Employee benefits expense	0.1
External charges	(1.8)
Other operating income and expense, net	(5.2)
Own work capitalised	0.4
Expense transfers: Insurance settlements	0.5
Expense transfers: Other	(0.1)
Taxes (other than income tax)	(1.6)
Other operating income and expense, net (IFRS)	**(8.2)**

In the French GAAP accounts, other operating income primarily included own work capitalised, expense transfers and other income from ordinary activities. In the IFRS financial statements, these income items are deducted from the corresponding operating expenses.

Own-work capitalised

Certain production costs are capitalised and included in the cost of assets, including the cost of construction work carried out on the Group's own behalf and internally developed software.

As these capitalised costs do not give rise to a net increase in consolidated assets, they do not meet the definition of income within the meaning of paragraph 70 (a) of the IAS/IFRS Framework for the Preparation and Presentation of Financial Statements.

(in millions of euros)	**2004**
Own work capitalised (French GAAP)	**19.2**
IFRS reclassifications	
Operating profit	**(19.2)**
Consumables used	(1.7)
Employee benefits expense	(12.4)
External charges	(5.3)
Taxes (other than income tax)	
Depreciation and amortisation expense	(0.2)
Other operating income and expense, net	0.4
Total reclassifications	**(19.2)**

Expense transfers

Expense transfers are used for the following purposes:

- in order to carry out transfers from one expense category to another. Under IAS/IFRS, these expense transfers do not give rise to any income and they are therefore recorded as an addition/reduction in the expense category concerned;
- in order to allocate amounts received as repayments of expenses incurred by the Group on behalf of third parties, such as insurance settlements. Although these amounts meet the definition of income under the IFRS framework, they offset expenses that would not have been incurred if the Group had not suffered the loss concerned. The amounts received are therefore wholly offset against the corresponding expenses, to enable the Group to present its net actual expenses by nature.

(in millions of euros)	**2004**
Expense transfers: insurance settlements (French GAAP)	**10.8**
IFRS reclassifications	
Operating profit	**(10.8)**
Consumables used	(0.6)
Employee benefits expense	(3.2)
External charges	(7.1)
Taxes (other than income tax)	
Depreciation and amortisation expense	(0.4)
Other operating income and expense, net	0.5
Total reclassifications	**(10.8)**

(in millions of euros)	2004
Expense transfers, excluding insurance settlements, and other income and expense from ordinary activities (French GAAP)	**1.5**
IFRS reclassifications	
Operating profit	**(1.5)**
Employee benefits expense	(0.3)
External charges	(1.1)
Other operating income and expense, net	(0.1)
Total reclassifications	**(1.5)**

Provision reversals

In the French GAAP accounts, when a loss and the corresponding expense are incurred, the related provision was reversed and recognised as income, with the expense recorded in the related expense account. Under IFRS, the reversal must be recorded as a deduction from the corresponding expense, as it does not lead to a net increase in assets and cannot therefore be classified as income. However, where the actual expense is less than the provision booked, and where the remaining provision is no longer required, the surplus can be classified as income and is recognised in the same line as the original addition to the provision.

No provision reversals were recorded in 2004, and therefore no restatements were required in the IFRS accounts.

2.3.A.8 Income statement reclassifications: exceptional items

In compliance with IAS 1, which prohibits the use of exceptional items, exceptional income and expense previously recorded in the French GAAP accounts have been reclassified under operating profit and/or as financial income or expense.

Exceptional items included in the French GAAP accounts and classified in operating profit in the IFRS financial statements comprise the following:

- gains and losses on the disposal of non-current intangible assets and property, plant and equipment;
- other expenses analysed by nature.

(in millions of euros)	2004
Exceptional items (French GAAP)	**(0.9)**
IFRS reclassifications	
Operating profit	
Employee benefits expense	(0.4)
External charges	(0.1)
Other operating income and expense	**(0.4)**
Gains and losses on disposals of non-current intangible assets and property, plant and equipment	1.4
Other operating income and expense, net	(1.8)
Exceptional items (IFRS)	**0.0**

2.3.A.9 Depreciation, amortisation and provisions

In its IFRS accounts, the Group has elected to break down "Depreciation, amortisation and provisions" as classified in the French GAAP accounts into "Depreciation and amortisation expense" and "Provision expense". In addition, "Depreciation and amortisation expense" is now presented net of own work capitalised, expense transfers relating to insurance settlements, other expense transfers and other income impacting this item.

(in millions of euros)	2004
Depreciation, amortisation and provisions (French GAAP)	**475.9**
o/w Depreciation and amortisation expense	472.7
o/w Provision expense	3.2
IFRS reclassifications	
Operating profit	**(3.8)**
Provision expense	(3.2)
Own work capitalised	(0.2)
Expense transfers: insurance settlements	(0.4)
Depreciation and amortisation expense (IFRS)	**472.1**

(in millions of euros)	2004
Provision expense (French GAAP)	**0.0**
IFRS reclassifications	
Operating profit	**3.2**
Provision expense	3.2
Provision expense (IFRS)	**3.2**

2.3.A.10 Financial income and expense

In the IFRS accounts, net financial income and expense is broken down into "Finance cost, net" and "Other financial income and expense, net". "Finance cost, net" primarily includes interest expense on borrowings, foreign exchange gains and losses, gains and losses on currency and interest-rate hedges on borrowings, as well as investment income on marketable securities and cash and cash equivalents.

(in millions of euros)	2004
Interest income and expense (French GAAP)	**(428.9)**
IFRS reclassifications	
Finance cost	(434.8)
Investment income	11.3
Other financial income and expense, net	(5.4)
Financial income and expense, net (IFRS)	**(428.9)**

2.3.B Principal income statement restatements

Income statement for the year ended 31 December 2004

		Restatements						
(in millions of euros)	2004 (French GAAP)	IAS 39 Certain loans	IAS 39 Hedged debt	IAS 39 Trading	IAS 39 Debt carried at amortised cost	Other	Total restatements	
Toll receipts	2,342.9						0.0	Toll receipts
Revenues from other businesses	46.3						0.0	Revenues from other businesses
Revenues	**2,389.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**Revenue**
Purchases and external charges	(275.1)						0.0	
							0.0	Consumables used and changes in inventories
Payroll costs	(330.6)						0.0	Employee benefits expense
Other operating income and expense, net	29.3						0.0	
							0.0	External charges
Taxes (other than income tax)	(291.4)						0.0	Taxes (other than income tax)
Depreciation, amortisation and provisions	(475.9)						0.0	Depreciation and amortisation expense
							0.0	**Provision expense**
							0.0	Other operating income and expense, net
EBITDA	**1,045.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**EBITDA**
							0.0	Other operating income and expense, net
Operating income	**1,045.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**Operating profit**
Net interest expense	(428.9)						0.0	
							0.0	Finance cost
							0.0	Investment income
Income from ordinary activities	616.6							
							0.0	**Finance cost, net**
		(0.1)	(0.7)	(2.9)	(2.5)		(6.2)	Other financial income and expense, net
Exceptional items	(0.9)						0.0	
Income tax expense	(212.5)					2.2	2.2	Income tax expense
Net income before minority interests	**403.1**	**(0.1)**	**(0.7)**	**(2.9)**	**(2.5)**	**2.2**	**(4.1)**	**Profit for the period from continuing operations**
Net income before minority interests	**403.1**	**(0.1)**	**(0.7)**	**(2.9)**	**(2.5)**	**2.2**	**(4.1)**	**Profit for the period**
Minority interests	(1.0)						0.0	Minority interests
Net income	**402.1**	**(0.1)**	**(0.7)**	**(2.9)**	**(2.5)**	**2.2**	**(4.1)**	**Profit attributable to equity holders of the parent**

2.3.B.1 Restatement of financial income and expense

(in millions of euros)	2004
Interest income and expense, net (French GAAP)	**(428.9)**
IFRS reclassifications	
Finance cost	(434.8)
Investment income	11.3
Other financial income and expense, net	(5.4)
IFRS restatements	
Income generated by discounting 20-year housing loans (1% construction)	
Expense generated by discounting 20-year housing loans (1% construction)	(0.1)
Measurement of debt by the amortised cost method	(2.5)
Re-measurement of hedged debt and the related hedges	(0.7)
Fair value of derivative instruments that do not qualify for hedge accounting	(2.9)
Financial income and expense, net (IFRS)	**(435.1)**
o/w Finance cost	**(434.8)**
o/w Investment income	**11.3**
o/w Other financial income and expense, net	**(11.6)**

2.3.B.2 Restatement of deferred taxes

(in millions of euros)	2004
Deferred taxes (French GAAP)	**(2.7)**
IFRS restatements	
Income and expense generated by discounting 20-year housing loans (1% construction)	0.1
Restatement of borrowings in accordance with IAS 39	2.1
Deferred taxes (IFRS)	**(0.5)**

2.4 Impact of first-time adoption of IFRS on equity

Equity at 1 January 2004 and 31 December 2004

(in millions of euros)	Equity at 1 Jan. 2004	2004 net profit	Equity at 31 Dec. 2004
Shareholders' equity (French GAAP)	**3,229.9**	**402.1**	**3,459.4**
IFRS restatements:			
Investments	**(3.6)**	**(0.1)**	**(3.7)**
Measurement of certain loans by the amortised cost method	(3.6)	(0.1)	(3.7)
Long-term provisions for pensions and other post-employment benefits	**(20.7)**	**7.4**	**0.0**
Provisions for post-employment healthcare benefits	(20.7)	7.4	
Borrowings	**(3.5)**	**(6.2)**	**(9.8)**
Measurement of debt by the amortised cost method	2.3	(0.1)	2.2
Re-measurement of hedged debt and the related hedges	0.0	(0.7)	(0.7)
Fair value of derivative instruments that do not qualify for hedge accounting	(2.4)	(6.9)	(9.4)
Restatement of CNA loans in foreign currencies	(3.4)	1.5	(1.9)
Deferred taxes	**9.7**	**(5.1)**	**4.6**
Equity attributable to equity holders of the parent (IFRS)	**3,211.8**	**398.1**	**3,450.5**
Minority interests	**2.3**	**1.0**	**3.0**
Total equity (IFRS)	**3,214.1**	**399.1**	**3,453.5**

The main changes arising on reconciliation of equity at 1 January 2004 and 31 December 2004 are as follows:

Accounting treatment of certain long-term loans

Under IFRS, interest-free loans (corresponding to loans under the 1% government housing scheme) have been measured at amortised cost by applying the effective interest method. The related restatements led to the following pre-tax decrease in equity:

- €3.6 million in the opening balance sheet at 1 January 2004;
- €3.7 million in the balance sheet at 31 December 2004.

Accounting treatment of borrowings carried at amortised cost

The difference in cumulative costs arising from application of the effective interest method (as opposed to the straight-line method) to debt issuance costs and call premiums led to pre-tax increases in equity of €2.3 million and €2.2 million at 1 January 2004 and 31 December 2004 respectively.

Accounting treatment of interest rate hedges

The following have been re-measured at fair value under IFRS leading to a corresponding reduction in equity:

- derivative instruments which do not qualify for hedge accounting under IAS 39;
- the portion of outstanding loans hedged by interest-rate swaps;
- fixed income securities accounted for using the fair value option, which are economically hedged by interest-rate swaps;
- the portion of borrowings hedged by interest-rate swaps.

The pre-tax impact of these restatements was the following deductions from equity:

- €2.4 million in the opening balance sheet at 1 January 2004;
- €9.4 million in the balance sheet at 31 December 2004.

Accounting treatment of currency hedges

Currency risks on two foreign currency loans obtained from Caisse Nationale des Autoroutes, in 1981 for GBP 5 million and in 1998 for CHF 475 million, are hedged by cross-currency swaps.

According to IAS 21 – The Effects of Changes in Foreign Exchange Rates, foreign currency debt must be re-measured at the period-end exchange rate, with changes recorded in profit or loss. At the same time, the cross-currency swaps – which are qualified as trading instruments under IAS 39 – are measured in the balance sheet at fair value, with changes in fair value recognised in profit or loss. The recognised changes in fair value only partly offset the exchange difference on the foreign currency debt, which is only one component of the fair value of the cross-currency swaps. The pre-tax impact of these restatements was the following reductions in equity:

- €3.4 million in the opening balance sheet at 1 January 2004;
- €1.9 million in the balance sheet at 31 December 2004.

Accounting treatment of deferred taxes

The restatements required as a result of the first-time adoption of IFRS led to a reduction in deferred tax liabilities and a corresponding increase in equity in the following amounts:

- €9.7 million in the opening balance sheet at 1 January 2004;
- €4.6 million in the balance sheet at 31 December 2004.

2.5 Changes arising from the reconciliation of equity under french gaap and IFRS

ESTIMATED DATA AT 31 DECEMBER 2004

Summary of adjustments		Equity at 1 Jan. 2004	2004 profit attributable to equity holders of the parent	Equity at 31 Dec. 2004
(in millions of euros)				
Total – French GAAP		**3,057.2**	**402.1**	**3,459.3**
1.1.	Cancellation of financial depreciation on replaceable assets	168.2	3.0	171.2
1.2.	Use of the components method to depreciate highway resurfacing costs (IAS 16 and 38)	45.3	(8.6)	36.7
1.3.	Application of IAS 39	(14.8)	(7.5)	(22.3)
	Gross adjustments	**198.7**	**(13.1)**	**185.6**
	Tax effect	(68.4)	4.5	(63.9)
	Net adjustments	**130.3**	**(8.6)**	**121.7**
Total – IFRS		**3,187.5**	**393.5**	**3,581.0**

ACTUAL DATA AT 31 DECEMBER 2005

Summary of adjustments (in millions of euros)		Equity attributable to equity holders of the parent at 1 Jan. 2004	2004 profit attributable to equity holders of the parent	Equity attributable to equity holders of the parent at 31 Dec. 2004
Total – French GAAP		**3,054.3**	**402.1**	**3,456.4**
1.1.	Cancellation of financial depreciation on replaceable assets			
1.2.	Use of the components method to depreciate highway resurfacing costs (IAS 16 and 38)			
1.3.	Application of IAS 39	(7.1)	(6.2)	(13.3)
1.4.	Provisions for post-employment healthcare benefits	(20.7)		0.0
	Gross adjustments	**(27.8)**	**(6.2)**	**(13.3)**
	Tax effect	5.2	2.2	7.4
	Net adjustments	**(22.6)**	**(4.0)**	**(5.9)**
Total – IFRS		**3,031.7**	**398.1**	**3,450.5**

Breakdown of the impacts of IAS 39 and IAS 21

ESTIMATED DATA AT 31 DECEMBER 2004

Impact of IAS 39 and IAS 21 (in millions of euros)		Gross impact		
		Equity at 1 Jan. 2004	2004 profit attributable to equity holders of the parent	Equity at 31 Dec. 2004
a)	Measurement of certain loans by the amortised cost method	(3.6)	(0.2)	(3.8)
b)	Measurement of debt by the amortised cost method	(2.3)	(1.2)	(3.5)
c)	Re-measurement of hedged debt and the related hedges	0.0	(0.1)	(0.1)
d)	Fair value of derivative instruments that do not qualify for hedge accounting under IAS 39	(4.9)	(3.8)	(8.7)
e)	Effect of IAS 39/IAS 21 on CNA loans in foreign currencies	(4.0)	(2.2)	(6.2)
Gross impact		**(14.8)**	**(7.5)**	**(22.3)**

ACTUAL DATA AT 31 DECEMBER 2005

Impact of IAS 39 and IAS 21 (in millions of euros)		Gross impact		
		Equity at 1 Jan. 2004	2004 net profit attributable to equity holders of the parent	Equity at 31 Dec. 2004
a)	Measurement of certain loans by the amortised cost method	(3.6)	(0.1)	(3.7)
b)	Measurement of debt by the amortised cost method	(1.1)	(2.5)	(3.6)
c)	Re-measurement of hedged debt and the related hedges	0.0	(0.7)	(0.7)
d)	Fair value of derivative instruments that do not qualify for hedge accounting under IAS 39	(2.4)	(2.9)	(5.3)
e)	Effect of IAS 39/IAS 21 on CNA loans in foreign currencies	0.0	0.0	0.0
Gross impact		**(7.1)**	**(6.2)**	**(13.3)**

DIFFERENCES BETWEEN ACTUAL DATA AT 31 DECEMBER 2005 AND ESTIMATED DATA AT 31 DECEMBER 2004

		Gross impact		
Impact of IAS 39 and IAS 21 *(in millions of euros)*		**Equity at 1 January 2004**	**2004 profit attributable to equity holders of the parent**	**Equity at 31 Dec. 2004**
a)	Measurement of certain loans by the amortised cost method	0.0	0.1	0.1
b)	Measurement of debt by the amortised cost method	1.2	(1.3)	(0.1)
c)	Re-measurement of hedged debt and the related hedges	0.0	(0.6)	(0.6)
d)	Fair value of derivative instruments that do not qualify for hedge accounting under IAS 39	2.5	0.9	3.4
e)	Effect of IAS 39/IAS 21 on CNA loans in foreign currencies	4.0	0.0	0.0
Gross impact		**7.7**	**(0.9)**	**2.8**

The main differences stem from the following:

- the fact that, pending publication of the final interpretations to be issued by the IFRIC on accounting for service concession arrangements, the Group has decided to continue to apply financial depreciation to renewable assets and to postpone application of the components method;
- the impact on the accounting treatment of financial instruments as a result of applying IAS 39.

The differences between actual and estimated data relating to the impact of IAS 39 and IAS 21 are attributable to the use of a fine-tuned procedure for calculating amortised cost, as well as to differences in the methods used by internal teams and the Group's banks to measure the value of floors.

Cumulative actuarial gains and losses on post-employment healthcare benefits were reclassified from off-balance sheet commitments to equity in the French GAAP accounts at 31 December 2004.

2.6 Impact of first-time adoption of IFRS on the statement of cash flows

(in millions of euros)		2004 French GAAP	Restatements	2004 Pro forma IFRS
Profit for the period		**403.1**	**(4.0)**	**399.1**
Adjustments for:				
Depreciation and amortisation		475.9	(3.8)	472.1
Provisions (other than on current assets)			3.2	3.2
Other non-cash items		20.5	(20.5)	
Gains and losses on disposals of assets		(1.4)	0.0	(1.4)
Cash flow after net finance cost and tax	**1**	**898.1**	**(25.1)**	**873.0**
Finance cost, net	2		435.1	435.1
Current and deferred taxes	3		210.4	210.4
Cash flow before net finance cost and tax (A) = (1 + 2 + 3)	**A**	**898.1**	**620.4**	**1,518.5**
Income tax paid	B		(139.2)	(139.2)
Change in operating working capital (including employee benefit plan liabilities)	C	(78.2)	(54.0)	(132.2)
Net cash from operating activities (D) = (A + B + C)	**D**	**819.9**	**427.2**	**1,247.1**
Purchases of intangible assets		(8.0)	0.0	(8.0)
Purchases of property, plant and equipment		(649.4)	0.0	(649.4)
Government grants received		13.2	0.0	13.2
Proceeds on disposal of intangible assets and property, plant and equipment		3.9	0.0	3.9
Purchases of available-for-sale investments		(3.5)	0.0	(3.5)
Change in loans to related parties		0.0	0.0	0.0
Other cash flows from investing activities		(44.0)	0.0	(44.0)
Net cash used in investing activities	**E**	**(687.8)**	**0.0**	**(687.8)**
Dividends paid:				
To equity holders of the parent		(159.4)	0.0	(159.4)
To minority interests in subsidiaries		(0.2)	0.0	(0.2)
Proceeds from new borrowings		450.0	0.0	450.0
Repayments of borrowings and finance lease liabilities		(604.3)	0.0	(604.3)
Interest paid, net			(487.4)	(487.4)
Other cash flows from financing activities		(11.1)	60.2	49.1
Net cash used in financing activities	**F**	**(325.0)**	**(427.2)**	**(752.2)**
Effect of changes in foreign exchange rates on cash and cash equivalents	G			
Effect of changes of accounting methods	H			
Net increase (decrease) in cash and cash equivalents (I) = (D + E + F + G + H)	**I**	**(192.9)**	**0.0**	**(192.9)**
Cash and cash equivalents at beginning of year		625.0	0.0	625.0
Net increase (decrease) in cash and cash equivalents		(192.9)	0.0	(192.9)
Cash and cash equivalents at end of year		432.1	0.0	432.1

Note 3 – Scope of consolidation

Methods and scope of consolidation

The ASF Group includes the parent company Autoroutes du Sud de la France (ASF), whose registered office is at 100 avenue de Suffren, Paris 75725, registered in Paris under number 572 139 996; and its 98.97%-owned fully-consolidated subsidiary Société des Autoroutes Estérel, Côte d'Azur, Provence, Alpes (ESCOTA), whose registered office is at 41 bis avenue Bosquet, Paris 75343, registered in Paris under number 562 041 525.

Both companies have a 31 December year-end.

Although it met the criteria for consolidation by the equity method in 2005 (revenue of €10.9 million, net loss of €8 million and debt of €183.3 million), TJH TransJamaican Highway was not consolidated for the following two reasons:

- ASF's cumulative portion of TJH's results as from 19 September 2002 (the date on which the shares were originally purchased) is not material in terms of the Group's results (cumulative losses of €3.4 million, representing 0.775% of the Group's results), and;
- the current privatisation process, in as much as a change of control of ASF will probably lead to a change in TJH's ownership structure.

Other subsidiaries and affiliates have not been consolidated because they are not material in relation to the Group as a whole.

Note 4 – Segment information

For the purpose of applying IAS 14 – Segment Reporting, the Group has identified its primary and secondary reportable segments based on its internal organisational and reporting structures. On this basis, the primary reportable segment is the business segment and the secondary segment is the geographic segment.

4.1 Business segments

The Group is managed based on a single core business, the collection of motorway tolls. This business also generates related revenues, in the form of fees from service stations and other service area operators, fibre optics and telecommunications fees and heavy goods vehicle parking fees.

4.2 Geographic segments

The Group is managed on the basis of two geographic segments, corresponding to the territories covered by the two main concession agreements (ASF and ESCOTA).

The following note analyses the income statement and balance sheet between these two concessions.

4.3 Income statement and balance sheet data by geographic segment

Income statement data:

(in millions of euros)	ASF 2005	ESCOTA 2005	Group 2005
Toll receipts	1,917.0	510.3	2,427.3
Revenues from other businesses	41.0	5.9	46.9
Revenue	**1,958.0**	**516.2**	**2,474.2**
Consumables used and changes in inventories	(29.7)	(7.2)	(36.9)
Employee benefits expense	(254.5)	(81.6)	(336.1)
External charges	(147.0)	(34.3)	(181.3)
Taxes (other than income tax)	(290.2)	(65.6)	(355.8)
Depreciation and amortisation expense	(398.8)	(93.5)	(492.3)
Provision expense	(1.0)	0.0	(1.0)
Other operating income and expense, net	5.7	(0.8)	4.9
Operating profit	**842.5**	**233.2**	**1,075.7**
Finance cost, net and Other financial income and expense, net	**(328.2)**	**(68.5)**	**(396.7)**
Income tax expense	(181.1)	(54.4)	(235.5)
Profit for the period	**333.2**	**110.3**	**443.5**
Minority interests		(1.0)	(1.0)
Profit attributable to equity holders of the parent	**333.2**	**109.3**	**442.5**

Balance sheet items:

(in millions of euros) **At 31 December**	ASF 2005	ESCOTA 2005	GROUP 2005
Non-current assets			
Intangible assets and goodwill	14.6	8.8	23.4
Property, plant and equipment	10,160.0	1,686.3	11,846.3
Available-for-sale investments	12.4	0.6	13.0
Other non-current financial assets	152.8	1.7	154.5
Total non-current assets	**10,339.8**	**1,697.4**	**12,037.2**
Current assets			
Inventories	9.6	3.6	13.2
Trade receivables	115.8	24.1	139.9
Other receivables	128.3	24.5	152.8
Current financial assets	16.0	0.2	16.2
Cash and cash equivalents	797.7	23.2	820.9
Total current assets	**1,067.4**	**75.6**	**1,143.0**
Total assets	**11,407.2**	**1,773.0**	**13,180.2**

(in millions of euros) At 31 December	ASF 2005	ESCOTA 2005	Group 2005
Equity (excluding profit for the period)	**2,854.7**	**360.1**	**3,214.8**
Profit attributable to equity holders of the parent	**333.2**	**109.3**	**442.5**
Non-current liabilities			
Long-term borrowings	6,945.2	940.1	7,885.3
Long-term provisions for pensions and other post-employment benefits	44.9	36.8	81.7
Other long-term provisions	11.0	1.8	12.8
Other non-current liabilities	51.8	14.7	66.5
Deferred tax liabilities	215.4	22.8	238.2
Total non-current liabilities	**7,268.3**	**1,016.2**	**8,284.5**
Current liabilities			
Short-term borrowings(1)	568.2	185.8	754.0
Trade payables	56.9	9.2	66.1
Payables to suppliers of fixed assets	132.2	53.3	185.5
Current tax payable	27.0		27.0
Other payables	166.7	39.1	205.8
Total current liabilities	**951.0**	**287.4**	**1,238.4**
Total equity and liabilities	**11,407.2**	**1,773.0**	**13,180.2**

(1) Including current portion of long-term debt, short-term bank loans and overdrafts.

Segment expenditure on intangible assets and property, plant and equipment in 2005 amounted to €405.6 million for ASF and €94.4 million for ESCOTA.

Note 5 – Revenue

(in millions of euros)	2005	2004 Pro forma IFRS
Toll receipts	2,427.3	2,342.9
Revenues from other businesses	46.9	46.3
Revenue	**2,474.2**	**2,389.2**

5.1 Toll receipts

Year-on-year growth in toll receipts can be analysed as follows:

Growth in gross toll receipts (2004/2005)	3.60%
Traffic growth based on comparable network	1.27%
Effect of network extensions	0.38%
Effect of tariff increases	2.47%
Effect of exceptional events and leap-year impact	-0.52%
	3.60%

5.2 Revenues from other businesses

(in millions of euros)	2005	2004 Pro forma IFRS
Fees from service stations and other service area operators	31.3	31.9
Fibre optics and telecommunications fees	15.6	14.4
Revenues from other businesses	**46.9**	**46.3**

Note 6 – Consumables used and changes in inventories

Consumables used and changes in inventories can be analysed as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Energy, supplies and spare parts	36.9	36.1
Consumables used and changes in inventories	**36.9**	**36.1**

The above amounts are presented net of own work capitalised, expense transfers and other income.

(in millions of euros)	2005	2004 Pro forma IFRS
Own-work capitalised	2.0	1.7
Expense transfers	0.7	0.6
Other income	0.5	0.5
Income deducted from "Consumables used and changes in inventories"	**3.2**	**2.8**

Note 7 – Employee benefits expense

Expense analysis

(in millions of euros)	2005	2004 Pro forma IFRS
Wages and salaries	198.0	194.7
Social security taxes	90.9	87.2
Payroll taxes	4.1	3.6
Temporary and seconded staff costs	3.7	2.8
Deferred employee benefits	8.5	8.8
Incentive bonuses, share grants, and employer matching contributions	9.9	6.4
Profit-sharing	21.0	17.6
Employee benefits expense	**336.1**	**321.1**

The above amounts are presented net of own work capitalised, expense transfers and other income.

(in millions of euros)	2005	2004 Pro forma IFRS
Own-work capitalised	15.7	12.4
Expense transfers	2.5	3.5
Other income	4.2	0.3
Income deducted from "Employee benefits expense"	**22.4**	**16.2**

The companies in the ASF Group were required to set up a statutory profit-sharing scheme for the first time in 2001. A special Group-level agreement was signed for the period 2003-2005, providing for higher profit-sharing payments than under the statutory formula. In addition, a Group-level incentive bonus agreement was signed in 2003, covering the years 2003-2005.

As mentioned in Note 1.16, an expense of €0.7 million was recorded under "Incentive bonuses, share grants, and employer matching contributions" in relation to the ASF Group's share grant plan, with a corresponding adjustment to equity.

Weighted average number of employees

Change in weighted average number of employees (2005/2004)	2005	2004
Managers	655	635
Supervisors	2,412	2,289
Other	4,188	4,417
Total employees	**7,255**	**7,341**

Analysis of change in weighted average number of employees (2005/2004)	(1.17%)
Network extensions	0.21%
Improved service levels and traffic growth	0.83%
Productivity gains and fixed-term/temporary contract transfers	(2.21%)
	(1.17%)

Note 8 – External charges

External changes can be analysed as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Infrastructure maintenance	73.5	71.3
Other maintenance	22.3	23.5
Other external charges	85.5	67.4
Total external charges	**181.3**	**162.2**

The above amounts are presented net of own work capitalised, expense transfers and other income.

(in millions of euros)	2005	2004 Pro forma IFRS
Own-work capitalised	3.8	5.3
Expense transfers	9.1	8.2
Other income	5.6	1.9
Income deducted from “External charges”	**18.5**	**15.4**

The 2003-2006 infrastructure maintenance plan has been reviewed to optimise maintenance operations without compromising road-user safety or lowering maintenance standards.

Infrastructure maintenance costs can be analysed as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Road surfaces	33.4	34.9
Bridges and tunnels	16.2	12.9
Embankments, crash barriers	23.9	23.5
Infrastructure maintenance costs	**73.5**	**71.3**

These costs correspond to routine network maintenance and are therefore charged to the income statement as incurred.

Note 9 – Taxes (other than income tax)

Taxes other than income tax break down as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Publicly-owned land tax	58.2	55.8
Regional development tax	209.4	207.1
Business tax	79.7	71.9
Other local taxes	2.9	3.4
Other taxes	5.6	3.5
Total taxes (other than income tax)	**355.8**	**341.7**

No income (own-work capitalised, expense transfers or other income) has been deducted from the above amounts.

Publicly-owned land tax is due by motorway concession holders in exchange for the right to occupy public land (Decree 97-606 dated 31 May 1997).

Since 1 January 2000, the regional development tax has been set at €6.86 per 1,000 kilometres travelled by motorway users.

Note 10 – Depreciation and amortisation expense

Depreciation and amortisation expense deducted from operating profit breaks down as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Amortisation of intangible assets	10.6	9.9
Depreciation of construction assets		
Other depreciation	1.0	1.8
Financial depreciation	418.7	400.2
Financial amortisation of government grants	(6.9)	(6.2)
	412.8	395.8
Depreciation of operating assets		
Technical installations, machinery and equipment	50.6	48.4
Other operating assets	15.4	15.0
	66.0	63.4
Financial depreciation	2.9	3.0
	68.9	66.4
Depreciation and amortisation expense	**492.3**	**472.1**

The above amounts are presented net of own work capitalised, expense transfers and other income.

(in millions of euros)	2005	2004 Pro forma IFRS
Own-work capitalised	0.2	0.2
Expense transfers	0.3	0.4
Other income	0.2	
Income deducted from "Depreciation and amortisation expense"	**0.7**	**0.6**

Note 11 – Provision expense

Provision expense deducted from operating profit breaks down as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Provisions on non-current assets	0.3	
Provisions on receivables and other current assets	1.6	0.5
Short-term provisions recorded in liabilities	(0.9)	2.7
Total provision expense	**1.0**	**3.2**

Note 12 – Other operating income and expense, net

Other operating income and expense can be analysed as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Other operating expense		
Patent, licence and other fees	6.0	4.5
Directors' fees	0.2	0.2
Bad debt write-offs	3.3	4.6
Other	9.2	6.3
	18.7	15.6
Other operating income		
Patent, licence and other fees	0.1	
Gains on disposal of property, plant and equipment	0.2	1.4
Other	23.3	6.0
	23.6	7.4
Total other operating income and expense, net	**(4.9)**	**8.2**

Note 13 – Finance cost

Borrowings comprise:

- long-term financing raised in the financial markets, and from banks and other financial institutions;
- short-term financing raised on the financial markets, and from banks and other financial institutions, including money market securities;
- derivative instruments acquired as fair value hedges of the borrowings described above, which are recognised in the balance sheet in accordance with IFRS;
- accrued interest on the items described above.

Finance cost includes:

- interest paid or payable on borrowings;
- gains and losses on derivative instruments acquired as hedges of interest rate and currency risks on borrowings;
- gains and losses arising on the extinguishment of borrowings.

(in millions of euros)	2005	First-half 2004 Pro forma IFRS	2004 Pro forma IFRS
Interest on borrowings	436.1	229.8	451.0
Less capitalised interest	(17.4)	(6.0)	(16.2)
	418.7	223.8	434.8
Total finance cost	**418.7**	**223.8**	**434.8**

Note 14 – Investment income

Investment income includes:

- interest income from cash and cash equivalents;
- gains on the sale of cash equivalents;
- gains on derivative instruments acquired as hedges of interest rate and currency risks on cash and cash equivalents.

(in millions of euros)	2005	2004 Pro forma IFRS
Interest income on cash and cash equivalents	11.8	11.3
Total investment income	**11.8**	**11.3**

Note 15 – Other financial income and expense, net

Other financial income and expense break down as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Financial income		
Interest income and disposal gains on other financial assets (other than cash and cash equivalents)		
Increase in fair value of financial assets and liabilities held for trading	9.4	
Other financial income	4.0	
	13.4	0.1
Financial expense		
Impairment losses on available-for-sale investments		0.5
Discounting adjustments		0.2
Decline in fair value of financial assets and liabilities held for trading		2.9
Decline in fair value of financial assets and liabilities used as hedges	0.2	0.7
Amortised cost adjustments	2.6	4.4
Other financial expense	0.4	3.0
	3.2	11.7
Total other financial income and expense, net	**10.2**	**(11.6)**

Note 16 – Income tax expense

(in millions of euros)	2005	2004 Pro forma IFRS
Current tax	233.8	209.9
Deferred tax	1.7	0.5
Total income tax expense	**235.5**	**210.4**

16.1 Current tax

Current tax corresponds to the income tax due on profit for the current period, based on French tax rates and tax laws.

Since 1998, ASF, ESCOTA and Radio Trafic FM have filed a consolidated tax return, under the Group relief regime governed by Article 223A of the General Tax Code. Under the terms of the agreement among the companies in the tax group, each company recognises in its accounts the income tax expense or benefit that it would have recorded if it had been taxed on a stand-alone basis. This means that when loss-making subsidiaries that transferred their losses to the tax group return to profit, they recover the tax benefits obtained by the tax group through the use of these losses.

16.2 Deferred tax

Deferred tax is calculated by the method described in Note 1.12.

The basic income tax rate in France is 33.33%.

Act no. 99-1140 dated 29 December 1999 introduced a 3.3% surtax assessed on the basic tax liability, to help finance the social security deficit. The surtax had the effect of increasing the standard income tax rate by 1.1 points.

The Finance Act of 30 December 2004 (Act no. 2004-1484) provided for the phasing out of the surtax, which had been set at 3% of the basic tax liability since 2002. The rate was reduced to 1.5% from 1 January 2005 and the surtax will be abolished in 2006.

The Finance Act also provided for the compulsory transfer, in 2005, of up to €200 million from the special long-term capital gains reserve to retained earnings. A 2.5% exit tax is due on the amounts transferred, which will be distributable without attracting any additional tax liability. A deferred tax charge of €0.025 million has been recognised in the 2005 accounts for exit tax payable by ASF. ESCOTA is not affected by the new rules, as it does not have any special long-term capital gains reserve.

16.3 Tax proof

The following table reconciles profit before tax to income tax expense:

(in millions of euros)	2005	2004 Pro forma IFRS
Profit attributable to equity holders of the parent	442.5	398.1
Minority interests	1.0	1.0
Current tax	234.0	210.0
Utilisation of French tax credits	(0.2)	(0.1)
Deferred tax	1.7	0.5
Profit before tax	**679.0**	**609.5**
Income tax at statutory rate in France	237.2	215.9
Effect of changes in future tax rates		(6.9)
Permanent differences	(1.7)	1.4
Total income tax expense	**235.5**	**210.4**

16.4 Changes in tax rates

The average effective rate of tax paid by the Group in 2004 and 2005 was as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Statutory income tax rate in France	**34.93%**	**35.43%**
- Change in future tax rate in France (34.43% in 2006)	-0.50%	-1.00%
Reconciliation of the statutory tax rate in France to the effective tax rate on consolidated profit	**34.43%**	**34.43%**

16.5 Main sources of deferred taxes

The main sources of deferred taxes are as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Deduction of financial depreciation from capitalised expenses	86.4	76.4
Other provisions	1.3	1.4
Provisions for pensions and other post-employment benefits	3.1	1.7
Provisions for holiday pay	10.6	10.2
Employee profit-sharing	7.0	6.1
Discounting of 20-year housing loans (1% construction)	1.3	1.3
Derivative instruments, IAS 39 and IAS 21	0.5	3.3
Deferred tax assets	**110.2**	**100.4**
Capitalised finance and other costs	338.3	328.1
Deductible support fund costs		0.1
Excess tax depreciation	7.1	6.1
Other	3.0	2.6
Deferred tax liabilities	**348.4**	**336.9**
Net deferred tax liability*	**(238.2)**	**(236.5)**

** See Note 16.6 below.*

16.6 Deferred taxes recognised in the balance sheet

Deferred tax assets and liabilities recognised in the balance sheet are as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Deferred tax assets		
Deferred tax liabilities	238.2	236.5
Net deferred tax liability	**238.2**	**236.5**

In accordance with IAS 12, deferred tax assets and liabilities can be offset in the balance sheet if the entity has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. In this case, only the net deferred tax asset or liability is reported, under "Non-current liabilities".

Note 17 – Profit attributable to minority interests

Profit attributable to minority interests was as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Profit attributable to minority interests	1.0	1.0
Profit attributable to minority interests	**1.0**	**1.0**

Note 18 – Earnings per share

Basic earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period presented.

The weighted average number of shares outstanding takes into account the various changes in capital during the period. Any shares held by the Group in treasury are deducted.

	2005	2004 Pro forma IFRS
Average number of shares	**230,978,001**	**230,978,001**

	2005	2004 Pro forma IFRS
Profit attributable to equity holders of the parent (in millions of euros)	442.5	398.1
Basic earnings per share (in euros)	1.916	1.724
Diluted earnings per share	**1.916**	**1.724**

Note 19 – Goodwill

No goodwill arose from the acquisition by ASF of 83.7% of ESCOTA in 1994 because the acquisition was accounted for based on net book values. Goodwill arising from subsequent investments by ASF in ESCOTA was not material and was amortised in the year of acquisition.

Since 31 December 2002, ASF has held 98.97% of ESCOTA.

Note 20 – Intangible assets

Intangible assets consist mainly of purchased and internally-developed software.

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Gross		
At beginning of year	88.4	79.8
Additions	11.5	8.0
Disposals	1.5	0.5
Other	(1.0)	1.1
At year-end	**97.4**	**88.4**
Amortisation		
At beginning of year	65.6	56.3
Increases	9.9	9.9
Decreases	1.5	0.5
Other	0.0	(0.1)
	74.0	65.6
Impairment losses		
At beginning of year		
Increases		
Decreases		
Changes in scope of consolidation		
Other		
	0.0	0.0
At year-end	**74.0**	**65.6**
Net at beginning of year	**22.8**	**23.5**
Net at year-end	**23.4**	**22.8**

Note 21 – Property, plant and equipment

The Group’s network breaks down as follows:

(in kilometres)	2005	2004
Motorways in service at beginning of year	2,943.9	2,871.5
Sections opened during the year	18.9	72.4
Motorways in service at year-end	**2,962.8**	**2,943.9**
Sections under construction at year-end	97.0	81.0
ASF Group network at year-end	**3,059.8**	**3,024.9**

Changes in property, plant and equipment in 2004 were as follows:

(in millions of euros)	Land and buildings	Prepayments and land and buildings under construction	Technical installations, machinery and equipment	Other	Prepayments and other assets under construction	Government grants	Total
Gross							
At 1 January 2004	14,674.3	924.5	607.8	156.4	27.0	(210.5)	16,179.5
Additions	200.0	388.1	23.4	11.7	26.2	(13.3)	636.1
Disposals	2.6		13.0	8.6			24.2
Other	529.0	(532.2)	19.9	4.1	(22.1)		(1.3)
At 31 December 2004	**15,400.7**	**780.4**	**638.1**	**163.6**	**31.1**	**(223.8)**	**16,790.1**
Economic depreciation							
At 1 January 2004	3.2		397.9	117.9			519.0
Increases	1.9		48.8	15.2			65.9
Decreases	1.2		12.2	8.3			21.7
	3.9	**0.0**	**434.5**	**124.8**	**0.0**	**0.0**	**563.2**
Financial depreciation							
At 1 January 2004	3,887.0		168.5			(60.8)	3,994.7
Increases	400.3		**3.0**			**(6.2)**	**397.1**
	4,287.3	**0.0**	**171.5**	**0.0**	**0.0**	**(67.0)**	**4,391.8**
At 31 December 2004	**4,291.2**	**0.0**	**606.0**	**124.8**	**0.0**	**(67.0)**	**4,955.0**
Net at 1 January 2004	**10,784.1**	**924.5**	**41.4**	**38.5**	**27.0**	**(149.7)**	**11,665.8**
Net at 31 December 2004	**11,109.5**	**780.4**	**32.1**	**38.8**	**31.1**	**(156.8)**	**11,835.1**

Borrowing costs included in the cost of motorways in service amounted to €16.2 million in 2004.

Changes in property, plant and equipment in 2005 were as follows:

(in millions of euros)	Land and buildings	Prepayments and land and buildings under construction	Technical installations, machinery and equipment	Other	Prepayments and other assets under construction	Government grants	Total
Gross							
At 1 January 2005	15,400.7	780.4	638.1	163.6	31.1	(223.8)	16,790.1
Additions	64.9	357.9	18.8	14.4	47.2	(14.7)	488.5
Disposals	1.1	0.0	10.2	13.0	0.0		24.3
Other	182.5	(191.1)	24.6	2.1	(17.1)		1.0
At 31 December 2005	**15,647.0**	**947.2**	**671.3**	**167.1**	**61.2**	**(238.5)**	**17,255.3**
Economic depreciation							
At 1 January 2005	3.9		434.5	124.8			563.2
Increases	1.0		51.2	15.5			67.7
Decreases	0.7		9.6	12.5			22.8
	4.2	**0.0**	**476.1**	**127.8**	**0.0**	**0.0**	**608.1**
Financial depreciation							
At 1 January 2005	4,287.3		171.5			(67.0)	4,391.8
Increases	413.7		2.3			(6.9)	409.1
	4,701.0	**0.0**	**173.8**	**0.0**	**0.0**	**(73.9)**	**4,800.9**
At 31 December 2005	**4,705.2**	**0.0**	**649.9**	**127.8**	**0.0**	**(73.9)**	**5,409.0**
Net at 1 January 2005	**11,109.5**	**780.4**	**32.1**	**38.8**	**31.1**	**(156.8)**	**11,835.1**
Net at 31 December 2005	**10,941.8**	**947.2**	**21.4**	**39.3**	**61.2**	**(164.6)**	**11,846.3**

Borrowing costs included in the cost of motorways in service amounted to €17.4 million in 2005.

Government grants received in 2005 correspond to contributions from regional and local authorities to the cost of infrastructure built by the Group under the concession agreements, as follows:

- La Verrie interchange: €8.8 million;
- Aire des Herbiers rest area: €0.6 million;
- A87 1131 overpass: €1.2 million;
- noise barriers on the A10 in the Aquitaine region: €0.2 million;
- SERTI and ARTS European projects: €0.3 million;
- "Communauté du pays d'Aix" project: €0.6 million;
- Monaco interchange: €0.8 million;
- Laghet semi-interchange (Alpes Maritimes region): €1.4 million;
- Laghet semi-interchange (Principality of Monaco): €0.8 million.

Note 22 – Investments in associates

No associates – defined as companies over which the Group exercises significant influence, directly or indirectly – are accounted for by the equity method. The overall impact of accounting for these companies by the equity method would not be material (see Note 3).

Note 23 – Available-for-sale investments

23.1 Analysis

(in millions of euros)	% interest at year-end	2005	2004 Pro forma IFRS
Radio Trafic FM SAS	99.49%	0.0	
Truck Etap SAS	66.00%	0.6	0.6
Jamaican Infrastructure Operator	51.00%		
GIE Autoroutes Trafic	39.47%	0.1	0.1
SVM	36.28%	0.0	
Axxès	35.44%	1.8	
TransJamaican Highway	34.00%	6.0	5.5
Centaure Méditerranée	33.65%	0.3	0.3
Centaure Midi Pyrénées	33.99%	0.1	0.1
Societé Marseillaise du Tunnel du Prado Carénage	3.11%	3.3	0.2
Openly	100.00%	0.5	
GIE Services Communs Autoroutes		0.3	0.3
Available-for-sale investments, net		**13.0**	**7.2**

ASF acquired a 34% interest in TransJamaican Highway in 2002 for €0.8 million in connection with a partnership set up with Bouygues Travaux Publics, a subsidiary of Bouygues Construction, for the construction of the Jamaican Highway 2000 motorway. ASF paid €2.0 million in 2003, €2.7 million in 2004 and €0.5 million in 2005 for this interest, which was recorded in the balance sheet for €2.8 million at 31 December 2003, €5.5 million at 31 December 2004 and €6 million at 31 December 2005.

Truck Etap SAS was set up in October 2003 to design, build and operate road-user service platforms in France, with a focus on fee-paying supervised parking facilities for heavy goods vehicles. The facilities may also include related services, such as service stations, food services and accommodation, that the company may operate either directly or indirectly. Truck Etap has share capital of €0.9 million and is 66%-owned by ASF and 34% by Pimo. The interest was carried in ASF's balance sheet at 31 December 2004 and 2005 for €0.6 million.

Axxès SAS was set up on 31 May 2005 to promote, operate and market onboard electronic toll payment systems to facilitate motorway travel, particularly by heavy goods vehicles. Its €5 million share capital is held by ASF and ESCOTA, as well as five other motorway operators (APRR, AREA, ATMB, SITAF and SFTRF) and Crédit Mutuel. The ASF Group's interest represents 35.44% and has a carrying amount of €1.8 million.

On 10 June 2005, ASF increased its interest in Marseillaise du Tunnel du Prado-Carénage to 3.11%. The carrying amount of this interest was €3.3 million at 31 December 2005 and €0.2 million at 31 December 2004 (corresponding to the original stake acquired on 9 July 2004).

During 2005, Openly was set up to operate the Lyon ring road following the contract awarded to ASF. This new company has a share capital of €0.5 million.

23.2 Change in available-for-sale investments

(in millions of euros)	2005	2004 Pro forma IFRS
Gross		
At beginning of year	8.8	5.8
Additions	5.8	3.0
At year-end	**14.6**	**8.8**
Provisions		
At beginning of year	1.6	0.5
Increases	0.0	1.1
At year-end	**1.6**	**1.6**
Net at beginning of year	**7.2**	**5.3**
Net at year-end	**13.0**	**7.2**

Provisions for impairment of available-for-sale investments concern the investment in SVM, a company set up in 2002 in connection with ASF's bid for the Millau Viaduct concession, which was unsuccessful, and a provision for losses on advances to GIE Sociétés Concessionnaires d'Autoroutes following the recognition of an impairment loss on this entity's assets in 2004.

23.3 Analysis of the change in available-for-sale investments

At 31 December 2004:

(in millions of euros)	Truck Etap SAS	GIE Autoroutes Trafic	SVM	Trans Jamaican Highway	Centaure Méditerranée	Centaure Midi Pyrénées	Tunnel Prado Carénage	GIE Services Communs Autoroutes	Total
Gross									
At 1 January 2004	0.6	0.1	0.5	2.8	0.3	0.1	0.0	1.4	5.8
Additions				2.7			0.2	0.1	3.0
At 31 December 2004	**0.6**	**0.1**	**0.5**	**5.5**	**0.3**	**0.1**	**0.2**	**1.5**	**8.8**
Provisions									
At 1 January 2004			0.5					0.0	0.5
Increases								1.1	1.1
At 31 December 2004	**0.0**	**0.0**	**0.5**	**0.0**	**0.0**	**0.0**	**0.0**	**1.1**	**1.6**
Net at 1 January 2004	**0.6**	**0.1**	**0.0**	**2.8**	**0.3**	**0.1**	**0.0**	**1.4**	**5.3**
Net at 31 December 2004	**0.6**	**0.1**	**0.0**	**5.5**	**0.3**	**0.1**	**0.2**	**0.4**	**7.2**

At 31 December 2005:

(in millions of euros)	Truck Etap SAS	GIE Autoroutes Trafic	SVM	Trans Jamaican Highway	Centaure Méditer-ranée	Centaure Midi Pyrénées	Tunnel Prado Carénage	GIE Services Communs Autoroutes	Axxès	Openly	Total
Gross											
At 1 January 2005	0.6	0.1	0.5	5.5	0.3	0.1	0.2	1.5	0.0	0.0	8.8
Additions				0.5			3.0		1.8	0.5	5.8
At 31 December 2005	**0.6**	**0.1**	**0.5**	**6.0**	**0.3**	**0.1**	**3.2**	**1.5**	**1.8**	**0.5**	**14.6**
Provisions											
At 1 January 2005	0.0	0.0	0.5	0.0	0.0	0.0	0.0	1.1	0.0	0.0	1.6
At 31 December 2005	**0.0**	**0.0**	**0.5**	**0.0**	**0.0**	**0.0**	**0.0**	**1.1**	**0.0**	**0.0**	**1.6**
Net at 1 January 2005	**0.6**	**0.1**	**0.0**	**5.5**	**0.3**	**0.1**	**0.2**	**0.4**	**0.0**	**0.0**	**7.2**
Net at 31 December 2005	**0.6**	**0.1**	**0.0**	**6.0**	**0.3**	**0.1**	**3.2**	**0.4**	**1.8**	**0.5**	**13.0**

23.4 Detailed information about available-for-sale investments

(in millions of euros)	% interest at year-end	Share capital		Retained earnings	Outstanding loans and advances – Gross	Outstanding loans and advances – Net	Dividends received during the year	Guarantees given by ASF	Last published revenue	Last published profit
Radio trafic FM SAS	99.49%	0.040	(1)	0.126					5.099	0.005
Truck Etap SAS	66.00%	0.900	(1)	(0.138)						
Jamaïcan Infrastructure Operator	51.00%		(1)						2.502	0.370
GIE Autoroutes Trafic	39.47%	0.349	(1)	0.135	0.103	0.103			1.486	0.123
SVM	36.28%	0.038	(d)	(1.268)	0.495					(1.266)
Axxès	35.44%	5.000	(1)							
TransJamaican Highway	34.00%	16.256		(12.422)					10.912	(8.007)
Centaure Méditerranée	33.65%	0.870								
Centaure Midi Pyrénées	33.99%	0.375	(c)	0.170					0.835	0.000
Société Marseillaise du Tunnel du Prado Carénage	3.11%	7.124	(b)	(6.796)					25.616	6.689
Openly	100.00%	0.500								
GIE Services Communs Autoroutes			(a)						10.578	(0.128)

1) Data for 2005.
(a) Data for 2004
(b) Data for 2003.
(c) Data for 2002.
(d) Data for 2001.

Note 24 – Other financial assets

Other financial assets break down as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
20-year housing loans (1% construction)	6.5	5.9
Other long-term loans and receivables	1.6	1.5
Derivative instruments	162.6	131.6
Other financial assets	**170.7**	**139.0**

The breakdown between non-current and current financial assets is as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
20-year housing loans (1% construction) – long-term portion	6.0	5.6
Other long-term loans and receivables – long-term portion	0.5	0.7
Derivative instruments – long-term portion	148.0	131.6
Other non-current financial assets	**154.5**	**137.9**

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
20-year housing loans (1% construction) – short-term portion	0.5	0.3
Other long-term loans and receivables – short-term portion	1.1	0.8
Derivative instruments – short-term portion	14.6	
Other current financial assets	**16.2**	**1.1**

Changes for the periods presented are as follows:

2004:

(in millions of euros)	Long-term loans and receivables	Other loans	Deposits	Derivative instruments	Total
Gross					
At 1 January 2004	5.6	1.2	0.8	69.4	77.0
Increases	0.5	0.8	0.1		1.4
Decreases	0.2	0.8	0.6		1.6
Other				62.2	62.2
At 31 December 2004	**5.9**	**1.2**	**0.3**	**131.6**	**139.0**
Provisions					
At 1 January 2004					0.0
At 31 December 2004	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Net at 1 January 2004	**5.6**	**1.2**	**0.8**	**69.4**	**77.0**
Net at 31 December 2004	**5.9**	**1.2**	**0.3**	**131.6**	**139.0**

2005:

(in millions of euros)	Long-term loans and receivables	Other loans	Deposits	Derivative instruments	Total
Gross					
At 1 January 2005	5.9	1.2	0.3	131.6	139.0
Increases	0.4	0.2	0.1		0.7
Decreases	0.2	0.2	0.0		0.4
Other	0.4			(131.6)	(131.2)
At 31 December 2005	**6.5**	**1.2**	**0.4**	**0.0**	**8.1**
Provisions					
At 1 January 2005					0.0
At 31 December 2005	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Net at 1 January 2005	**5.9**	**1.2**	**0.3**	**131.6**	**139.0**
Net at 31 December 2005	**6.5**	**1.2**	**0.4**	**0.0**	**8.1**

Loans consist mainly of statutory 20-year loans made under the government housing scheme (1% construction).

Details of financial instruments are provided in Note 35.

Note 25 – Deferred tax assets

Deferred tax assets are described in Notes 16.5 and 16.6.

Note 26 – Inventories

Inventories consist mainly of motorway maintenance supplies, spare parts for tollbooth equipment, electrical equipment and vehicles, and IT and office supplies

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Gross		
At beginning of year	13.4	13.2
Additions	15.9	14.5
Disposals	16.1	14.3
At year-end	**13.2**	**13.4**
Provisions		
At beginning of year	0.1	0.1
Decreases	0.1	
At year-end	**0.0**	**0.1**
Net at beginning of year	**13.3**	**13.1**
Net at year-end	**13.2**	**13.3**

Note 27 – Trade receivables

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Toll subscriptions receivable	112.5	93.5
Receivables from other businesses	36.9	48.4
Provisions for doubtful accounts	(9.5)	(7.8)
Total trade receivables	**139.9**	**134.1**

Provisions for doubtful accounts mainly concern amounts receivable from telecommunications operators.

Changes for the periods presented are as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Gross		
At beginning of year	141.9	125.3
Movements for the year	7.5	16.6
At year-end	**149.4**	**141.9**
Provisions		
At beginning of year	7.8	7.4
Increases	2.3	1.4
Decreases	0.6	1.0
At year-end	**9.5**	**7.8**
Net at beginning of year	**134.1**	**117.9**
Net at year-end	**139.9**	**134.1**

Related party receivables are presented in Note 52.

Note 28 – Other receivables

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Amounts receivable from suppliers	3.7	10.2
Employee advances	1.6	2.0
Prepaid and recoverable payroll taxes	0.7	
Prepaid and recoverable taxes (other than income tax)	52.1	51.5
Prepaid expenses	32.1	31.7
Other receivables, net	62.6	57.0
Total other receivables	**152.8**	**152.4**

Prepaid expenses at 31 December 2005 and 31 December 2004 correspond mainly to the portion of the publicly-owned land tax paid in July of each year in respect of the period from 1 July to 30 June of the following year.

Other receivables, net includes provisions for miscellaneous doubtful accounts. Movements for the periods presented were as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Other receivables - gross		
At beginning of year	65.4	77.7
Movements for the year	5.6	(12.3)
At year-end	**71.0**	**65.4**
Provisions		
At beginning of year	8.5	7.7
Increases	0.2	1.2
Decreases	0.3	0.4
At year-end	**8.4**	**8.5**
Net at beginning of year	**56.9**	**70.0**
Net at year-end	**62.6**	**57.0**

At 31 December 2005, this item primarily comprised income receivable in relation to:

- derivative instruments (€38.9 million);
- damage to assets (€8.4 million);
- private credit cards (€6.5 million);
- grants for the La Verrie interchange and the Communauté d'Aix projects (€4.4 million);
- grants for the European SERTI and ARTS projects (€ 1.9 million).

Note 29 – Current financial assets

(in millions of euros)	31 December 2005	31 December 2005 Pro forma IFRS
20-year housing loans (1% construction) – short-term portion	0.5	0.3
Other long-term loans and receivables – short-term portion	1.1	0.8
Derivative instruments – short-term portion	14.6	
Other current financial assets	16.2	1.1

Note 30 – Cash and cash equivalents

Cash and cash equivalents, as defined in Note 1.10.A, include:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Marketable securities	785.3	418.1
Cash at bank and in hand	35.6	14.0
Total cash and cash equivalents	**820.9**	**432.1**

Marketable securities consist of short-term investments, generally with maturities of less than six months, that are readily convertible into known amounts of cash and are not exposed to any material risk of impairment.

Cash and cash equivalents break down as follows.

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Marketable securities		
FCP mutual funds	652.1	334.6
SICAV mutual funds	130.6	80.6
CNA securities	0.0	0.0
Retail certificates of deposit	2.6	2.9
Other certificates of deposit	0.0	0.0
	785.3	**418.1**
Cash at bank and in hand	35.6	14.0
Total cash and cash equivalents	**820.9**	**432.1**

Note 31 – Share capital and treasury shares

31.1 Share capital

ASF's share capital amounts to €29,343,641 represented by 230,978,001 ordinary shares, all issued, outstanding and fully paid and all carrying the same rights. ASF shares have no par value; they are issued in registered or bearer form at the shareholder's discretion.

At 31 December 2005 there were no potential ordinary shares.

31.2 Employee share grants

At the Extraordinary General Meeting of 12 May 2005, the Board of Directors was authorised to grant shares without consideration to employees who are members of an employee share ownership plan.

At its meeting on 23 June 2005, the Board decided to set up such a plan, as follows.

	2005 Plan
Date of Board decision	23 June 2005
Exercise date	22 June 2007
Expiry date	22 June 2009
Number of grantees	7,300
Exercise price in euros at 23 June 2005	44.11
Maximum number of shares granted	64,608

As mentioned in Note 1.16, an expense of €0.7 million was recorded in 2005 in relation to this share grant plan, with a corresponding adjustment to equity.

31.3 Treasury shares

No shares have been purchased into treasury under the authorisations given by successive Annual General Meetings.

Note 32 – Share premium account, retained earnings and profit attributable to equity holders of the parent

Equity other than share capital breaks down as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Share premium account	853.5	853.5
Legal reserve	2.9	2.9
Other reserves[1]	1.5	1.5
Retained earnings	2,381.1	2,326.9
Deficit	(57.3)	(161.7)
Profit for the period	442.5	398.1
Total equity other than share capital attributable to equity holders of the parent	**3,624.2**	**3,421.2**

(1) Following the transfer, in 2005, of the special long-term capital gains reserve to retained earnings, in exchange for the payment of a 2.5% exit tax (see Note 18.2). The charge recognised in the 2005 financial statements in respect of the exit tax amounted to €0.025 million.

The "précompte" withholding tax on distributed income provided for in Article 223 sexies of the French General Tax Code was abolished in the 2004 Finance Act. The Act also introduced a 25% tax on earnings distributed in 2005. This tax is deductible in three equal instalments from income tax payable in the next three years.

Note 33 – Minority interests

(in millions of euros)	31 December 2005	31 December 2005 Pro forma IFRS
Minority interests in retained earnings	2.8	2.0
Minority interests in profit for the period	1.0	1.0
Total minority interests	**3.8**	**3.0**

Note 34 – Borrowings

(1) Details of derivative instruments are provided in Note 35.

34.1 Long- and short-term borrowings

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Fixed-rate CNA loans	7,525.7	7,564.9
Fixed rate EIB loans (adjustable)	250.0	
Variable-rate CNA loans	396.5	434.6
Impact on borrowings of applying the amortised cost method, fair value accounting and translation adjustments	159.5	114.3
Accrued interest	228.3	229.3
Derivative instruments[1]	4.3	4.6
Regional authority advances	33.0	43.5
Deposits received	20.3	17.5
Other	21.7	19.7
Total long- and short-term borrowings	**8,639.3**	**8,428.4**

(1) Including short-term bank loans and overdrafts.

34.2 Breakdown between long- and short-term borrowings

	Carrying amount at 31 December 2005		Carrying amount at 31 December 2004	
	Amortised cost or fair value		Amortised cost or fair value	
(in millions of euros)	Long-term	Short-term	Long-term	Short-term
Fixed-rate CNA loans	7,203.9	484.8	7,288.2	276.7
Fixed rate EIB loans (adjustable)	250.0			
Variable-rate CNA loans	393.0		434.6	
Impact on borrowings of applying the amortised cost method, fair value accounting and translation adjustments			114.3	
Accrued interest		228.3		229.3
Derivative instruments[1]	0.5	3.8	3.8	0.8
Regional authority advances	17.6	15.4	28.9	14.6
Deposits received	20.3		17.5	
Other		21.7		19.7
Total long- and short-term borrowings	**7,885.3**	**754.0**	**7,887.3**	**541.1**

34.3 Detailed information about borrowings

(in millions of euros)	Carrying amount at 31 December 2005 Amortised cost or fair value	Nominal amount	Maturities (excluding accrued interest) Less than 1 year	From 1 to 5 years	More than 5 years
Fixed-rate CNA loans	7,688.7	7,525.6	484.8	2,519.7	4,521.1
Fixed rate EIB loans (adjustable)	250.0	250.0			250.0
Variable-rate CNA loans	393.0	396.5			396.5
Impact on borrowings of applying the amortised cost method, fair value accounting and translation adjustments					
Accrued interest	228.3	228.3	228.3		
Derivative instruments[1]	4.3	4.3	3.8		0.5
Regional authority advances	33.0	33.0	15.4	17.6	
Deposits received	20.3	20.3			20.3
Other	21.7	21.7	21.7		
Total long- and short-term borrowings	**8,639.3**	**8,479.7**	**754.0**	**2,537.3**	**5,188.4**

(in millions of euros)	Carrying amount at 31 December 2004 Amortised cost or fair value	Nominal amount	Maturities (excluding accrued interest) Less than 1 year	From 1 to 5 years	More than 5 years
Fixed-rate CNA loans	7,683.0	7,564.9	276.7	1,843.6	5,444.5
Fixed rate EIB loans (adjustable)					
Variable-rate CNA loans	430.8	434.6	38.1		396.5
Impact on borrowings of applying the amortised cost method, fair value accounting and translation adjustments					
Accrued interest	229.3	229.3	229.3		
Derivative instruments[1]	4.6	0.8	0.8		3.8
Regional authority advances	43.5	43.5	14.6	28.9	
Deposits received	17.5	17.5			
Other	19.7	19.7	19.7		
Total long- and short-term borrowings	**8,428.4**	**8,310.3**	**579.2**	**1,872.5**	**5,844.8**

34.4 Detailed information about long and short-term borrowings

(in millions of euros)	Carrying amount at 31 December 2005 Amortised cost or fair value	Issue currency	Due	Nominal interest rate
07 1991 08_CNA 9.2% €70.3m 91-06	70.3	EUR	07/10/2006	9.20%
08 1991 08_CNA 9.2% €45m 91-06	45.0	EUR	07/10/2006	9.20%
08 1993 04_CNA 8% €15.2m 93-08	15.2	EUR	01/03/2008	8.00%
08 1994 01_CNA 6% €61m 94-09	60.8	EUR	24/01/2009	6.00%
07 1994 07_CNA 6.25% €63m 94-06	63.0	EUR	05/04/2006	6.25%
07 1994 12_CNA 8.25% €92.7m 94-06	92.7	EUR	02/11/2006	8.25%
08 1994 12_CNA 8.25% €25.9m 94-06	25.9	EUR	02/11/2006	8.25%
08 1994 37_CNA 6.25% €38.3m 94-06	38.3	EUR	05/04/2006	6.25%
07 1995 02_CNA 8% €91.5m 95-07	91.3	EUR	13/03/2007	8.00%
08 1995 02_CNA 8% €30.5m 95-07	30.4	EUR	13/03/2007	8.00%
07 1995 06_CNA 8.25% €30.5m 95-06	30.5	EUR	02/11/2006	8.25%
08 1995 06_CNA 8.25% €15.2m 95-06	15.3	EUR	02/11/2006	8.25%
07 1995 07_CNA 7.5% €51.2m 95-10	50.8	EUR	26/06/2010	7.50%
08 1995 07_CNA 7.5% €15.2m 95-10	15.1	EUR	26/06/2010	7.50%
07 1995 10_CNA 7.5% €152.4m 95-09	155.3	EUR	29/09/2009	7.50%
07 1995 11_CNA 7.4% €157.2m 95-08	156.4	EUR	24/11/2008	7.40%
08 1995 11_CNA 7.4% €11.6m 95-08	11.5	EUR	24/11/2008	7.40%
07 1996 01_CNA 6.7% €129.4m 96-10	129.0	EUR	05/02/2010	6.70%
08 1996 01_CNA 6.7% €23.3m 96-10	23.3	EUR	05/02/2010	6.70%
07 1996 02_CNA 6.7% €86m 96-06	86.0	EUR	25/04/2006	6.70%
08 1996 02_CNA 6.7% €11.7m 96-06	11.7	EUR	25/04/2006	6.70%
07 1996 04_CNA 6.75% €152.4m 96-09	151.9	EUR	15/07/2009	6.75%
08 1996 04_CNA 6.75% €24.4m 96-09	24.3	EUR	15/07/2009	6.75%
07 1996 11_CNA 6.7% €59.2m 96-11	58.9	EUR	09/09/2011	6.70%
08 1996 11_CNA 6.7% €9.5m 96-11	9.4	EUR	09/09/2011	6.70%
07 1996 13_CNA 6.3% €122m 96-07	121.9	EUR	07/10/2007	6.30%
08 1996 13_CNA 6.3% €24.4m 96-07	24.4	EUR	07/10/2007	6.30%
07 1996 16_CNA 6% €106.7m 96-08	111.3	EUR	13/11/2008	6.00%
08 1996 16_CNA 6% €24.4m 96-08	24.2	EUR	13/11/2008	6.00%
08 1996 81_CNA 6.7% €1.1m 96-10	1.1	EUR	05/02/2010	6.70%
07 1996 92_CNA 16% £5.1m 96-06	7.3	GBP	15/12/2006	13.96%
07 1997 01_CNA 6% €76.2m 97-09	78.3	EUR	24/01/2009	6.00%
07 1997 04_CNA 6% €152.4m 97-08	151.9	EUR	13/11/2008	6.00%
08 1997 04_CNA 6% €15.2m 97-08	15.2	EUR	13/11/2008	6.00%
08 1997 06_CNA 5.9% €51.2m 97-11	50.9	EUR	06/06/2011	5.90%
08 1997 10_CNA 5.8% €68.6m 97-12	68.2	EUR	20/10/2012	5.80%
07 1997 14_Long-term fixed rate CNA/EIB	30.5	EUR	20/11/2007	5.84%
Sub-total	**2,147.5**			

(in millions of euros)	Carrying amount at 31 December 2005 Amortised cost or fair value	Issue currency	Due	Nominal interest rate
07 1997 21_CNA 5.6% €152.4m 97-07	152.1	EUR	19/12/2007	5.60%
08 1998 01_CNA 5.8% €38.1m 98-12	38.4	EUR	20/10/2012	5.80%
07 1998 02_CNA 3.375% CHF475m 98-08	306.0	CHF	27/02/2008	5.41%
07 1998 07_CNA 5.9% €12.8m 98-11	13.1	EUR	06/06/2011	5.90%
08 1998 07_CNA 5.9% €38.1m 98-11	39.0	EUR	06/06/2011	5.90%
07 1998 10_CNA 5.85% €42.7m 98-13	44.2	EUR	24/03/2013	5.85%
08 1998 10_CNA 5.85% €43.8m 98-13	45.3	EUR	24/03/2013	5.850%
07 1998 11_Long-term fixed rate CNA/EIB	95.3	EUR	09/12/2010	4.59%
08 1998 12_Long-term fixed rate CNA/EIB	8.5	EUR	09/12/2013	4.79%
07 1998 14_CNA 4.5% €166.3m 98-10	165.4	EUR	25/04/2010	4.50%
08 1998 14_CNA 4.5% €32.5m 98-10	32.3	EUR	25/04/2010	4.50%
07 1999 01_CNA 4.375% €150m 99-14	147.9	EUR	19/05/2014	4.38%
07 1999 02_CNA 4.5% €214.6m 99-10	209.3	EUR	25/04/2010	4.50%
08 1999 02_CNA 4.5% €89m 99-10	86.8	EUR	25/04/2010	4.50%
07 1999 03_CNA 5.9% €161m 99-11	182.1	EUR	06/06/2011	5.90%
07 1999 04_Long-term fixed rate CNA/EIB	65.0	EUR	10/12/2014	5.60%
07 1999 05_Long-term fixed rate CNA/EIB	50.0	EUR	10/12/2014	5.60%
07 1999 06_Long-term fixed rate CNA/EIB	50.0	EUR	10/12/2014	5.60%
07 2000 01_CNA 5.8% €244.2m 00-12	244.7	EUR	20/10/2012	5.80%
08 2000 01_CNA 5.8% €55m 00-12	55.1	EUR	20/10/2012	5.80%
07 2000 02_CNA 6% €147.5m 00-15	169.8	EUR	26/10/2015	6.00%
07 2000 03_Long-term fixed rate CNA/EIB	30.0	EUR	07/12/2015	6.09%
07 2000 04_Long-term fixed rate CNA/EIB	43.2	EUR	07/12/2015	6.09%
07 2000 05_Long-term variable rate CNA/EIB	53.0	EUR	15/12/2015	E3M
08 2000 07_Long-term fixed rate CNA/EIB	20.0	EUR	14/12/2014	5.98%
07 2000 52_CNA 6% €150m 00-15	181.8	EUR	26/10/2015	6.00%
07 2001 01_CNA 5.9% €200m 01-11	205.0	EUR	06/06/2011	5.90%
08 2001 01_CNA 5.9% €35m 01-11	35.9	EUR	06/06/2011	5.90%
07 2001 02_CNA 3.9% + i €343m 01-16	340.0	EUR	25/07/2016	3.90% + i
07 2001 05_Long-term fixed rate CNA/EIB	70.0	EUR	25/10/2011	5.09%
07 2001 06_CNA 6% €85m 01-15	88.9	EUR	26/10/2015	6.00%
07 2001 07_Long-term fixed rate CNA/EIB	22.0	EUR	21/11/2016	5.13%
07 2001 08_Long-term fixed rate CNA/EIB	29.0	EUR	21/11/2016	5.13%
07 2001 09_Long-term fixed rate CNA/EIB	24.0	EUR	21/11/2016	5.13%
07 2001 12_CNA 5.85% €311.2m 01-13	330.5	EUR	24/03/2013	5.85%
07 2001 14_Long-term fixed rate CNA/EIB	77.0	EUR	23/11/2016	5.07%
07 2002 01_CNA 5.25% €496m 02-17	492.5	EUR	30/01/2017	5.25%
08 2002 01_CNA 5.25% €36m 02-17	35.8	EUR	30/01/2017	5.25%
07 2002 02_CNA 4.375% €300m 02-14	281.0	EUR	19/05/2014	4.38%
07 2002 03a_Long-term fixed rate CNA/EIB	137.5	EUR	05/04/2015	6.15%
07 2002 03b_Long-term fixed rate CNA/EIB	137.5	EUR	05/04/2016	6.15%
07 2002 03c_Long-term fixed rate CNA/EIB	137.5	EUR	05/04/2017	6.15%
08 2002 04a_Long-term fixed rate CNA/EIB	47.6	EUR	05/04/2013	6.18%
08 2002 04b_Long-term fixed rate CNA/EIB	47.6	EUR	05/04/2014	6.18%
08 2002 04c_Long-term fixed rate CNA/EIB	47.6	EUR	05/04/2015	6.18%
07 2004 01_CNA 4.5% €450m 04-18	494.0	EUR	28/03/2018	4.50%
07 2005 01_Long-term adjustable rate EIB	150.0	EUR	25/05/2025	3.61%
07 2005 02_CNA 4.5% €300m 05-18	325.0	EUR	28/03/2018	4.50%
07 2005 03_Long-term adjustable rate EIB	100.0	EUR	08/12/2025	3.64%
Total	**8,331.7**			

i = inflation.

CNA and CNA-EIB loans

These loans were granted by Caisse Nationale des Autoroutes (CNA), an administrative public sector entity, under an agreement between CNA and the semi-public toll motorway operators (SEMCAs), including ASF and ESCOTA. Under the terms of the agreement, the funds are raised by CNA through bond issues or borrowings from EIB.

The loans are repayable at maturity (see maturities below). The loan agreements do not currently include any acceleration clauses or other early repayment clauses. However, the parties are currently negotiating an addendum to the agreement which includes covenants relating to certain financial ratios such as net debt to EBITDA and EBITDA to net finance costs. At 31 December 2005, no CNA loans were secured by State guarantees.

At 31 December 2005, the Group had two foreign currency loans (one in pounds sterling obtained in 1996 and the other in Swiss francs obtained in 1998). Currency risks on these loans are hedged by cross-currency swaps on a total notional amount of €307.3 million.

Fixed-rate CNA loans in euros have nominal interest rates ranging from 4.375% to 9.20% (3.375% for the CHF loan and 16% for the GBP loan, equivalent to 13.955% in euros).

Certain CNA and CNA-EIB loans are at variable rates based on various market rates, including Euribor. At 31 December 2005, they included €53.0 million in loans issued at variable rates and €311.4 million in loans converted to variable rates by CNA at the time of issue by means of swaps. In addition, one CNA loan in the amount of €343.5 million at 31 December 2005 is indexed to the French inflation rate. Lastly, ASF has taken out swaps to convert fixed rate CNA loans in the amount of €1,032.9 million at 31 December 2005 to variable rate (3-month or 12-month Euribor).

A hedge was taken out in January 2005, fixing in advance the interest rate on the June 2005 €300 million fixed rate loan from CNA at 3.99%.

EIB loans

In May 2005, the Group obtained its first loan directly from EIB, without going through CNA, for €150 million. The 20-year loan is repayable as from the seventh year. The interest rate is set at 3.61% for the first ten years and will then be reset for a further ten years. The Group obtained a second €100 million loan in December 2005 with the same characteristics and maturity and bearing a fixed rate of 3.642% for 10 years.

The ASF Group's average effective interest rate was 5.66% at 31 December 2005 before the impact of derivatives and 5.29% including the impact of derivatives.

Based on the debt structure at 31 December 2005 and taking into account the caps that protect against a sharp rate rise, a 100 basis point increase in overall interest rates in 2006 would have the effect of raising the Group's average borrowing costs in 2006 by about 6 basis points.

Regional authority advances

Regional authority advances were received between 1985 and 1996 and are indexed to the TP01 Public Works index. They are repayable between 2005 and 2010.

Note 35 – Financial instruments

	Carrying amount at 31 December 2005		Carrying amount at 31 December 2004	
(in millions of euros)	Carrying amount under French GAAP	Fair value	Carrying amount under French GAAP	Fair value
Assets				
Short-term loans and receivables	11.9	8.1	11.2	7.4
Derivative instruments	5.7	162.6	5.1	131.6
Other current financial assets	137.0	152.8	136.5	152.4
Financial instruments - assets	**154.6**	**323.5**	**152.8**	**291.4**

	Carrying amount at 31 December 2005		Carrying amount at 31 December 2004	
(in millions of euros)	Carrying amount under French GAAP	Fair value	Carrying amount under French GAAP	Fair value
Liabilities				
Derivative instruments(1)	3.8	4.3	0.8	4.6
Payables to suppliers of fixed assets	185.5	185.5	174.6	174.6
Trade payables	66.1	66.1	57.9	57.9
Other payables	189.0	205.8	172.6	189.5
Financial instruments - liabilities	**444.4**	**461.7**	**405.9**	**426.6**

(1) Including short-term bank loans and overdrafts.

The fair value of financial instruments is measured in all cases where market information is available to reliably estimate their value on a not-held-for-sale basis.

The main valuation methods applied are as follows:

- available-for-sale investments and marketable securities are measured at fair value, in accordance with IAS 39;
- borrowings are measured at amortised cost, using the effective interest method. Financial liabilities and interest rate swaps are measured at fair value, based on changes in market interest rates, in accordance with hedge accounting techniques;
- the fair value of trade receivables and payables corresponds to their historical cost, in view of their very short maturities.

Derivative instruments recorded on the liabilities side of the balance sheet(1) primarily represent bank overdrafts which are deducted from available net cash:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Bank overdrafts	3.8	0.8
Other short-time financing	**3.8**	**0.8**

Note 36 – Provisions for pensions and other post-employment benefit obligations

Provisions recognised in the balance sheet are as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Pension obligations	3.1	3.2
Post-employment healthcare benefit obligations	75.7	69.7
Long-service awards	2.9	2.9
Provisions for pensions and other post-employment benefit obligations	**81.7**	**75.8**

The cost recognised in employee benefits expense is as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Pension obligations	2.5	1.7
Post-employment healthcare benefit obligations	5.8	7.1
Long-service awards	0.2	0.0
Cost for the period	**8.5**	**8.8**

The amount recognised in off-balance sheet commitments is as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Pension obligations	6.7	3.8
Post-employment healthcare benefit obligations	22.1	7.2
Long-service awards	(0.4)	(0.4)
Total recognised in off-balance sheet commitments	**28.4**	**10.6**

36.1 Pension obligations

Group employees receive a lump-sum retirement bonuses and supplementary pension benefits. These benefits are offered through either defined contribution or defined benefit plans.

Under defined contribution plans, the obligation is limited to paying the contribution. The corresponding cost is recognised as an expense in the period when the contributions are paid

36.1.A Actuarial assumptions

The following assumptions were used over the past two financial years to determine the Group's pension obligations:

	31 December 2005	31 December 2004
Discount rate	4.20%	4.75%
Inflation rate	1.80%	1.80%
Expected return on plan assets	2.00%	2.25%
Salary increases		
Managers	4.20%	4.20%
Other	3.80%	3.80%
Staff turnover		
Managers	By age	group
Other	By age	group
Mortality table	INSEE 2000	INSEE 2000
Retirement age		
Managers	individual	individual
Other	individual	individual
Age at beginning of career		
Managers	23	23
Other	20	20

36.1.B Information on financial assets

Plan assets break down as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Stocks	46.75%	**40%**
Bonds	40.50%	**60%**
Money-market securities	12.75%	

These assets are held and managed externally to cover statutory retirement bonuses. The expected rate of return is calculated on the basis of asset allocation, the timing of benefit payments, past experience and discount rate assumptions.

In 2005, the Group paid €2.7 million into the dedicated fund for statutory retirement bonuses.

At the end of 2005, the Group had not made a decision concerning plan contributions for the following financial year.

36.1.C Reconciliation of balance sheet items and historical data

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Present value of statutory retirement bonus obligations	39.6	33.5
Present value of supplementary retirement bonus obligations	4.7	1.3
Present value of total obligation	44.3	34.8
Fair value of plan assets	34.5	27.8
Unfunded obligation	9.8	7.0
Actuarial gains and losses	6.7	3.8
Provision (net asset) recognised in the balance sheet	**3.1**	**3.2**
Of which provisions	3.1	3.2
Of which assets		
Net obligation recognised in off-balance sheet commitments	**6.7**	**3.8**

36.1.D Change in total obligation and funded status

(in millions of euros)	2005	2004 Pro forma IFRS
Present value of total obligation		
At beginning of year	**34.8**	**31.8**
Service cost	5.2	2.1
Interest cost	1.9	1.6
Benefits paid	(1.1)	(0.7)
Effect of changes in estimates		
- value	1.1	
- %		
Past service cost	2.4	
At year-end	**44.3**	**34.8**
Plan assets		
At beginning of year	**27.8**	**18.9**
Service cost	2.7	7.3
Interest cost	4.0	1.6
At year-end	**34.5**	**27.8**
Actuarial gains and losses		
At beginning of year	**3.8**	**0.0**
Actuarial gains and losses during the year	0.5	3.8
Past service cost	2.4	
At year-end	**6.7**	**3.8**

36.1.E Recognised cost

The cost recognised in employee benefits expense breaks down as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Service cost	5.2	2.1
Interest cost	1.9	1.6
Benefits paid	(1.1)	(0.7)
Expected return on plan assets	(4.0)	(1.6)
Amortisation of actuarial gains and losses	0.1	
Past service cost	0.4	0.3
Recognised cost	**2.5**	**1.7**

36.2 Post-employment healthcare benefits

The Group finances part of its current and future retired employees' healthcare costs.

To calculate the related obligation, the Group uses the same discount rate, inflation rate and mortality assumptions as for pensions. The reference mortality table is the TPG (Tables Prospectives par Génération). The healthcare cost trend rate for 2005 was 4%, unchanged from 2004.

36.2.A Reconciliation of balance sheet items and historical data

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Present value of total obligation	**97.6**	**76.9**
Fair value of plan assets		
Unfunded obligation	**97.6**	**76.9**
Actuarial gains and losses	22.1	7.2
Provision (net asset) recognised in the balance sheet	**75.5**	**69.7**
Of which provisions	75.7	69.7
Of which assets		
Net obligation recognised in off-balance sheet commitments	**22.1**	**7.2**

36.2.B Change in total obligation and funded status

(in millions of euros)	2005	2004 Pro forma IFRS
Present value of total obligation		
At beginning of year	**76.9**	**69.7**
Service cost	4.1	11.5
Interest cost	3.8	4.0
Benefits paid	(2.0)	(4.0)
Effect of changes in estimates		
- value	14.8	
- %		
At year-end	**97.6**	**81.2**
Plan assets		
At beginning of year	**0.0**	**0.0**
At year-end	**0.0**	**0.0**
Actuarial gains and losses		
At beginning of year	**7.2**	**7.2**
Actuarial gains and losses during the year	14.9	
At year-end	**22.1**	**7.2**

36.2.C Recognised cost

The cost recognised in employee benefits expense breaks down as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Service cost	4.1	11.5
Interest cost	3.8	4.0
Benefits paid	(2.0)	(4.1)
Amortisation of actuarial gains and losses	(0.1)	
Recognised cost	**5.8**	**11.4**

36.3 Long-service awards

The Group calculates its obligation for the payment of long-service awards using the same method and assumptions as for pension obligations, as described above in paragraph 31.1.A. above.

36.3.A Reconciliation of balance sheet items and historical data

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Present value of total obligation	**2.7**	**2.5**
Unfunded portion	**2.7**	**2.5**
Actuarial gains and losses	0.4	0.4
Provision (net asset) recognised in the balance sheet	**3.1**	**2.9**
Of which provisions	3.1	2.9
Net obligation recognised in off-balance sheet commitments	**0.5**	**0.4**

36.3.B Change in total obligation and funded status

(in millions of euros)	2005	2004 Pro forma IFRS
Present value of total obligation		
At beginning of year	**2.5**	**2.4**
Service cost	0.3	0.2
Interest cost	0.1	
Benefits paid	(0.1)	
Effect of changes in estimates		
- value	0.1	
- %		
At year-end	**2.9**	**2.6**
Plan assets		
At beginning of year	**0.0**	
At year-end	**0.0**	**0.0**
Actuarial gains and losses		
At beginning of year	**(0.3)**	**(0.4)**
Actuarial gains and losses during the year	**(0.1)**	
At year-end	**(0.4)**	**(0.4)**

36.3.C Recognised cost

The cost recognised in employee benefits expense breaks down as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Service cost	0.3	0.1
Interest cost	0.1	0.0
Benefits paid	(0.1)	
Amortisation of actuarial gains and losses	(0.1)	
Recognised cost	**0.2**	**0.1**

Note 37 – Other provisions

Other provisions recognised in the balance sheet are as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Provisions for claims and litigation	3.9	4.3
Provision for income tax	2.3	7.7
Provisions for other contingencies and charges	6.6	
Other provisions	**12.8**	**12.0**

This item includes the provisions set up in relation to the tax audit performed on the Group's accounts in relation to fiscal years 2001 and 2002.

37.1 Recognised charge

The net charge for the year breaks down as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
Provisions for claims and litigation	(0.5)	1.3
Provision for income tax	(0.4)	0.9
Provisions for other contingencies and charges	1.8	
Recognised charge	**0.9**	**2.2**

37.2 Changes in other provisions

Changes in provisions for claims and litigation were as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
At beginning of year	**4.3**	**3.0**
Movements recognised in profit	**(0.4)**	**1.3**
- Increases	1.4	2.3
- Releases (used)	0.7	
- Releases (surplus)	1.1	1.0
At year-end	**3.9**	**4.3**

Changes in the provision for income tax and provisions for other contingencies and charges were as follows:

(in millions of euros)	2005	2004 Pro forma IFRS
At beginning of year	**7.7**	**3.9**
Movements recognised in profit	**1.2**	**3.8**
- Increases	8.9	7.7
- Releases (surplus)	7.7	3.9
At year-end	**8.9**	**7.7**

37.3 Breakdown of other provisions

The long-term portion is as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Provisions for claims and litigation	3.9	4.3
Provision for income tax	2.3	7.7
Provisions for other contingencies and charges	6.6	
Other long-term provisions	**12.8**	**12.0**

Note 38 – Other non-current liabilities

This item can be analysed as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Deferred income from telecom operators	47.5	40.1
Deferred income from service area operators	21.1	23.9
Other deferred income	9.3	5.3
Total deferred income	**77.9**	**69.3**

Long-term portion of deferred income:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Deferred income from telecom operators	43.4	36.2
Deferred income from service area operators	17.3	20.2
Other deferred income	5.8	2.4
Long-term portion of deferred income	**66.5**	**58.8**

Short-term portion of deferred income:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Deferred income from telecom operators	4.1	3.9
Deferred income from service area operators	3.8	3.7
Other deferred income	3.5	2.9
Short-term portion of deferred income	**11.4**	**10.5**

Note 39 – Current and deferred taxes

Current and deferred taxes are as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Current taxes	27.0	49.0
Deferred taxes	238.2	236.5
Income tax payable	**265.2**	**285.5**

Note 40 – Trade payables

Trade payables break down as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Amounts billed	32.3	36.7
Amounts not yet billed	33.8	21.2
Trade payables	**66.1**	**57.9**

Note 41 – Payables to suppliers of fixed assets

This item can be analysed as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Amounts billed	60.8	58.6
Amounts not yet billed	124.7	116.0
Payables to suppliers of fixed assets	**185.5**	**174.6**

Payables to suppliers of fixed assets correspond to amounts billed or to be billed by suppliers of fixed assets. At 31 December 2004 and 31 December 2005, this item included all accruals for additional work or price adjustments related to operations carried out prior to the end of the year.

Note 42 – Other payables

This item breaks down as follows:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Customer prepayments		
Accrued employee benefits expense	61.7	52.9
Accrued payroll taxes	34.4	31.8
Accrued taxes (other than income tax)	72.9	63.3
Deferred income	11.4	10.5
Other	25.4	31.0
Other payables	**205.8**	**189.5**

Short-term portion of deferred income:

(in millions of euros)	31 December 2005	31 December 2004 Pro forma IFRS
Deferred income from telecom operators	4.1	3.9
Deferred income from service area operators	3.8	3.7
Other deferred income	3.5	2.9
Short-term portion of deferred income	**11.4**	**10.5**

Note 43 – Notes to the consolidated statement of cash flows

The consolidated statement of cash flows shows changes in cash and cash equivalents. Cash and cash equivalents include cash, bank overdrafts and highly liquid short-term investments that can be readily converted into known amounts of cash. The risk of a change in their value is not material. Financial instruments are not included.

43.1 Change in operating working capital

(in millions of euros)		2005
Receivables (+ = increase; - = decrease)		
Inventories		**(0.1)**
Trade receivables		**5.8**
Other receivables		
Amounts receivable from suppliers		(6.5)
Prepaid payroll expenses		(0.4)
Taxes (other than income tax)		0.6
Prepaid expenses		0.4
Other receivables, net		5.7
		(0.2)
	(-)	**5.5**
Payables (+ = increase; - = decrease)		
Accrued employee benefits		**5.9**
Trade payables		**8.2**
Other payables		
Accrued employee benefits expense		8.8
Accrued payroll taxes		2.6
Accrued taxes (other than income tax)		9.6
Deferred income		7.7
Other payables		(5.6)
		23.1
Other non-current payables		
Deferred income		0.9
Income tax payable		
Deferred taxes		1.7
Current taxes		(50.5)
		(48.8)
	(+)	**(10.7)**
Change in operating working capital		**(16.2)**

43.2 Other cash flows from investing activities

(in millions of euros)	2005
Payables (+ = increase; - = decrease)	
Payables to suppliers of fixed assets	10.9
Other cash flows from investing activities	**10.9**

Purchases of property, plant and equipment include capitalised interest over the period of construction as follows:

(in millions of euros)	2005
Capitalised interest	**17.4**

43.3 Other cash flows from financing activities

(in millions of euros)	2005
Payables (+ = increase; - = decrease)	
Effect of valuing debt in accordance with IAS 39	45.2
Accrued interest on borrowings	(1.0)
Derivatives	(35.1)
Regional authority advances	(10.5)
Deposits received	2.8
Other	36.0
Other cash flows from financing activities	**37.4**

Note 44 – Management of market risks

44.1 Currency risks

ASF's exposure to currency risks is very marginal. The Group obtained two foreign currency loans, in 1996 (GBP) and in 1998 (CHF). Currency risks on these loans are hedged by cross-currency swaps on a total notional amount of €307.3 million.

ASF also has a commitment with TransJamaican Highway to fully pay up $6.8 million in capital, in stages. The amount remaining to be paid at 31 December 2005 came to $0.2 million. Risks on these payments have been fully hedged through a dollar futures contract.

44.2 Counterparty risk on financial instruments

ASF's counterparties for financial instruments are top-tier banks rated investment grade or higher.

44.3 Hedging

ASF has set up fair value hedges and cash flow hedges.

The Group uses interest rate swaps, either directly or via CNA, to hedge fixed-rate loans against future interest rate trends (fair value hedges). ASF has ten fixed rate lender/3-month Euribor borrower swaps on a total notional amount of €1,182.9 million and one fixed rate lender/moving annual average borrower swap on a total notional amount of €161.4 million. The notional amounts and expiry dates of the swaps match those of fixed rate borrowings from CNA.

In early 2005, ASF also hedged a €300 million fixed-rate loan from CNA using an interest rate swap (cash flow hedge) that was unwound on the CNA loan's fixing date.

Note 45 – Off-balance sheet commitments

(in millions of euros)	Note	31 December 2005	31 December 2004 Pro forma IFRS
Commitments given			
Performance bonds related to international operations		4.6	3.0
Other guarantees		0.6	
Post-employment benefit obligations	36	28.4	10.6
Commitments received			
Bank bid bonds		75.4	101.7
Other commitments received (from customers)		40.6	37.7
Credit lines and syndicated credit facilities	45.4	1,155.0	100.0
Reciprocal commitments			
Works contracts (signed but not paid)		341.2	320.0
Off-balance sheet commitments			

45.1 Specific information

Specific commitments concerning the following items are described in the related notes:

- obligations towards active and retired employees (Note 36);
- derivatives (Note 35).

45.2 International operations

On 19 September 2002, ASF signed a partnership agreement with Bouygues Travaux Publics, a subsidiary of Bouygues Construction, concerning the Highway 2000 project for the construction and operation of Jamaica's first toll motorway. The partnership led to the formation of the TransJamaican Highway joint venture, which is 66%-owned by Bouygues and 34% by ASF, and holds the motorway concession awarded by the Jamaican government.

ASF's commitment is currently limited to the initial 44-kilometre phase of the project, including 33 kilometres between Kingston and Sandy Bay, and 11 kilometres between Portmore and Causeway. This phase represents a total investment of $10.2 million, including $5.1 million for the 33-kilometre section – of which $4.9 million had been paid at 31 December 2005 – $1.7 million for the 11-kilometre section – which had been paid in full at 31 December 2005 – and $3.4 million that has not yet been called.

The operating company, Jamaican Infrastructure Operator, which is 51%-owned by ASF alongside Bouygues, will operate the motorway for 35 years. ASF is installing and will continue to install toll collection equipment on the various sections of the motorway. Under the terms of the contract with Bouygues Travaux Publics, ASF owns all the equipment (design, supply and installation) for the Old Harbour and Spanish Town toll plazas.

45.3 Statutory training obligation

Under the Training Act of 4 May 2004 (Act no. 2004-391), private sector employees with a permanent contract are entitled to at least 20 hours' training per year, which may be carried forward for up to six years. If all or part of the entitlement is not used within six years, it is capped at 120 hours.

Total rights accrued at 31 December 2005 corresponded to approximately 48,000 hours for ESCOTA and 205,500 hours for ASF, representing a total of 253,000 for the Group, versus 24,000 hours and 73,000 hours respectively at 31 December 2004, representing a total of 97,000 hours.

45.4 Other off-balance sheet commitments

ASF enters into various contracts with construction companies for the construction or maintenance of the network. The risks incurred under these contracts are normal for the type of activity concerned.

Other risk factors

- **Insurance:** ASF considers that its insurance policies provide adequate coverage of material potential risks. Insurance cover for liability claims arising from accidental damage to the environment amounts to €7.6 million per claim for ASF, with a €7.6 million ceiling on total claims per insurance year, and €15 million for ESCOTA. Companies that participate in the construction of motorways are required to carry insurance covering their own liability. ASF does not carry any business interruption insurance covering the loss of toll receipts due to demonstrations or strikes or other losses.
- **Market risks:** ASF's exposure to currency risks essentially concerns its Jamaican subsidiary and is not material. The Company's commitments in Jamaica are described in the section "International operations" above. Its exposure to interest rate risks is discussed in Note 44.
- **Liquidity risks:** ASF's exposure to liquidity risks is not material, due to the fact that the bulk of financing is provided by Caisse Nationale des Autoroutes – a public body that supplies funds for motorway construction in France – in the form of bullet loans that do not include any acceleration clauses. However, negotiations are currently under way in relation to adding clauses to the related contracts including covenants relating to certain financial ratios such as net debt to EBITDA and EBITDA to net financial expense. Since 2002, ASF has been phasing out CNA financing for new concessions, with the aim of eliminating all borrowing from CNA by 2006. This source of funds is being replaced by bank borrowings, bond issues and project finance. ASF can give no assurance about the availability of such financing or the terms on which it may be raised. However, in order to protect itself against liquidity risk, in July 2005 the Group obtained a 7-year €1 billion syndicated credit line as well as several bilateral bank credit lines representing a total of €140 million at 31 December 2005 and valid for either some or all of 2006. Finally, the ASF Group had realisable liquid assets amounting to €817.1 million at 31 December 2005.
- **Government contracts:** ASF is subject to the procedures covering government contracts and all contracts are granted under a competitive bidding process. It is not dependent on any individual suppliers, customers or sub-contractors.

Note 46 – Contingent liabilities

The ASF Group is involved in a number of claims and legal proceedings in the normal course of its business. At 31 December 2005, ASF considers that there are no claims or litigation in progress relating to the Group's businesses that are likely to have an unfavourable impact on its results of operations, business or financial position.

In 2004, the French tax authorities audited ASF's accounts for 2001 and 2002. Adequate provisions were set aside to cover the related tax reassessment notices, including those disputed by the Group.

Note 47 – Related party transactions

The main related parties are:

- the French State, as the grantor of the concession;
- the other toll motorway operators that, like ASF, are State-controlled;
- Caisse Nationale des Autoroutes, the public body that provides funds for motorway construction in France;
- the Vinci Group, which was given a seat on the ASF Board in December 2004.

Relations with the State are governed primarily by the concession agreements and related specifications described in Note 53.

As explained in Note 38, Caisse Nationale des Autoroutes is currently the Group's main source of long-term financing.

Relations with other toll motorway operators are limited to agreements covering the transfer of tolls collected on behalf of other operators via the Liber-T electronic toll payment system.

ASF's share in the receivables, payables, expenses and income of subsidiaries and affiliates is as follows at 31 December 2005:

(in millions of euros)	Radio Trafic FM	GIE Autoroutes Trafic	Centaure Médit.	Truck Etap	TJH	JIO	GIE SCA
Trade receivables	1.2	0.4		0.3		0.2	0.6
Other receivables		0.1		1.4			0.1
Trade payables	0.3						0.1
External charges	0.9						2.9
Other operating expense	(0.2)	0.1					
Other operating income				0.3	0.1	0.2	0.3

Note 48 – Subsequent events

No subsequent events that could have a material impact on the financial information presented in this report occurred between 31 December 2005 and 28 February 2006, when the consolidated financial statements were approved by the Board of Directors.

Note 49 – Environmental data

In accordance with CNC recommendation 2003 R-02 dated 21 October 2003, detailed information about the Group's environmental expenditure is presented in the notes to the financial statements.

Environmental expenditure is defined as expenditure incurred to prevent, reduce or detect environmental damage caused or that could be caused by the Group's operations.

It includes expenditure to:

- remove waste and limit the quantity produced;
- prevent pollution of the soil or surface and groundwater;
- preserve air quality and the climate;
- reduce noise pollution;
- protect biodiversity and the landscape.

Environmental data for 2004:

Coverage of environmental risks	2004 TOTAL *(in millions of euros)*
Provisions and guarantees	**3.5**

Investments	New motorway construction	Lane extensions to existing motorways	2004 TOTAL *(in millions of euros)*
Water	4.6	8.1	12.6
Noise	1.6	7.7	9.2
Biodiversity and landscape	14.2	3.4	17.6
Other	8.7	1.5	10.1
Total	**28.9**	**20.6**	**49.5**

Operations	Maintenance of protective installations	Operations	2004 TOTAL *(in millions of euros)*
Planted areas(1)	1.4	13.7	15.1
Protective installations(2)	3.2	6.1	9.2
Total	**4.5**	**19.7**	**24.3**

(1) Maintenance: pruning, removal of undergrowth, creation of fire-breaks, etc. Operations: mainly mowing and scything.

(2) Maintenance: water treatment pools, noise screens, fencing, etc. Operations: management of water source protection, sanitation and fencing, etc.

Environmental data for 2005:

Coverage of environmental risks	2005 TOTAL *(in millions of euros)*
Provisions and guarantees	**4.97**

Investments	New motorway construction	Lane extensions to existing motorways	2005 TOTAL *(in millions of euros)*
Water	4.9	13.7	18.6
Noise	3.9	11.3	15.2
Biodiversity and landscape	16.8	3.3	20.1
Other	3.1	2.6	5.7
Total	**28.7**	**30.9**	**59.6**

Operations	Maintenance of protective installations	Operations	2005 TOTAL *(in millions of euros)*
Planted areas(1)	2.9	15.4	18.3
Protective installations(2)	3.2	7.2	10.4
Total	**6.1**	**22.6**	**28.7**

(1) Maintenance: pruning, removal of undergrowth, creation of fire-breaks, etc. Operations: mainly mowing and scything.

(2) Maintenance: water treatment pools, noise screens, fencing, etc. Operations: management of water source protection, sanitation and fencing, etc.

Note 50 – Management compensation

The compensation, including benefits in kind, paid to directors and officers of ASF for their services to ASF and consolidated subsidiaries amounted to €961,247 in 2004 and €1,205,716 in 2005.

Note 51 – Directors' fees

Directors' fees allocated to the members of the Board of Directors of ASF for 2004 amounted to €146,142. A provision in an amount of €202,300 was set aside in 2005 for directors' fees.

Note 52 – Auditors' fees

The following fees were paid to ASF's Auditors during 2005 and 2004:

(in millions of euros)	Price waterhouse Coopers	Jacques Potdevin	2005	Price waterhouse Coopers	Jacques Potdevin	2004
Audit						
Statutory and contractual audits	0.320	0.229	0.549	0.346	0.226	0.572
Other assignments						
Total	**0.3**	**0.3**	**0.7**	**0.2**	**0.2**	**0.5**

Note 53 – Specifications

Relations between the ASF Group and the French State are governed primarily by the three concession agreements (for the ASF and ESCOTA networks and the Puymorens Tunnel) and the contract specifications. These documents describe the specifications for the construction and operation of the motorways, the corresponding financial arrangements, the length of concession periods and the manner in which the concession assets are to revert to the State at the end of the concession period.

The following are the principal items likely to influence results of operations:

- the obligation to maintain all facilities in a good state of repair and ensure that traffic flows as smoothly as possible;
- the rules governing the setting of toll rates and future adjustments;
- clauses indicating the steps that will be taken in the event of a change in technical regulations or tax rules applicable to motorway concession holders. If any such change were to seriously affect the profitability of the concession, the French State and ASF would agree jointly on the compensation to be paid to ASF to permit the continued provision of toll motorway services;
- clauses to ensure that concession assets are handed over in a good state of repair at the end of the concession period, including by determining, seven years prior to the concession expiry date, the maintenance and renewal programme to be carried out over the last five years of the concession;
- the terms for returning assets to the State at the end of the concession period and related restrictions on these assets. The assets will be returned to the State without consideration and may not be sold or pledged as collateral or otherwise encumbered;
- the French State's right to terminate concession agreements in advance and to buy back these contracts. Under public law, the State may unilaterally terminate concession agreements in the public interest, subject to judicial supervision. The concession agreements also grant the State the option to buy back the concessions on or after 1 January 2012.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2005

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders

In compliance with the assignment entrusted to us by the Annual General Meeting, we have audited the accompanying consolidated financial statements of Société des Autoroutes du Sud de la France for the year ended 31 December 2005.

The 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. The consolidated financial statements have been prepared for the first time in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union. They include pro forma information for the year ended 31 December 2004 prepared in accordance with the same standards.

I – Opinion on the consolidated financial statements

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 about whether the consolidated 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group of companies in accordance with the IFRSs as adopted by the European Union.

II – Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code relating to the justification of our assessments we bring to your attention the following matters:

As part of our assessment of the accounting rules and principles used by the Group, we ensured that Note 0 to the consolidated financial statement provides appropriate information relating to the accounting treatment used for concession arrangements as there are no specific provisions relating to these agreements under the IFRSs adopted by the European Union.

These assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III – Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the Group Management Report. We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Paris, 28 February 2006

The Statutory Auditors

PricewaterhouseCoopers Audit	**J P A**
Florence Pestie	**Jacques Potdevin**

5 CONDENSED COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

(in millions of euros)	Note	2005	2004	2003
Revenues	**4.1**	**1,957.9**	**1,890.0**	**1,761.9**
Operating expenses		**(1,101.7)**	**(1,058.2)**	**(987.3)**
Purchases and external charges	4.2	(243.8)	(222.1)	(208.0)
Payroll costs	4.3	(248.0)	(236.5)	(224.9)
Other operating income and expense, net	4.4	41.0	27.3	28.8
Taxes (other than income tax)	4.5	(245.2)	(236.1)	(223.3)
Depreciation, amortisation and provisions	4.6	(405.8)	(390.8)	(359.9)
Operating income		**856.2**	**831.8**	**774.7**
Net interest expense	4.7	(310.1)	(332.5)	(372.6)
Income from ordinary activities		**546.1**	**499.3**	**402.1**
Exceptional items	4.8	(1.6)	(28.9)	(3.6)
Employee profit-sharing	4.9	(15.5)	(13.1)	(11.0)
Income tax	4.10	(177.1)	(162.7)	(137.3)
Net income		**352.0**	**294.5**	**250.2**

BALANCE SHEET

ASSETS

(in millions of euros)	Note	2005	2004	2003
Intangible assets	4.11	14.6	14.8	17.5
Property, plant and equipment				
- Concession assets	4.12	14,465.4	14,073.0	13,505.6
- Depreciation	4.12	(4,063.8)	(3,687.6)	(3,324.3)
Investments	4.13	356.2	146.2	286.0
Fixed assets		**10,772.5**	**10,546.4**	**10,484.8**
Inventories and work in progress	4.14	9.6	9.8	9.5
Trade accounts receivable	4.15	125.2	113.8	98.2
Other accounts receivable and accruals	4.16	207.5	314.8	178.8
Cash and short-term investments	4.17	803.4	433.7	533.9
Total current assets		**1,145.6**	**872.1**	**820.4**
Total assets		**11,918.1**	**11,418.4**	**11,305.2**

LIABILITIES AND SHAREHOLDERS' EQUITY

(in millions of euros)	Note	2005	2004	2003
Capital stock		29.3	29.3	29.3
Additional paid-in capital and reserves		857.9	858.0	858.0
Retained earnings		2,381.1	2,326.9	2,236.0
Net income for the year		352.0	294.5	250.2
Investment grants		136.9	131.3	133.4
Untaxed reserves		35.5	29.1	21.6
Shareholders' equity	**4.18**	**3,792.9**	**3,669.1**	**3,528.5**
Other equity	**4.19**	**104.7**	**104.7**	**104.7**
Provisions	**4.20**	**97.0**	**84.4**	**45.9**
Borrowings	4.21	7,358.2	7,111.0	7,100.8
Trade accounts payable	4.22	58.1	43.8	37.6
Other liabilities and accruals	4.23	507.4	405.6	487.7
Total liabilities		**7,923.6**	**7,560.3**	**7,626.1**
Total liabilities and shareholders' equity		**11,918.1**	**11,418.4**	**11,305.2**

STATEMENT OF CASH FLOWS

(in millions of euros)	Notes	2005	2004	2003
Net income		**352.0**	**294.5**	**250.2**
Adjustments to reconcile net income to cash flow:				
Amortisation, depreciation and provisions	4.6	405.8	390.8	359.9
(Gains)/losses on disposals	4.8	(0.1)	0.1	(0.1)
Other		15.8	45.8	15.5
Cash flow		**773.5**	**731.1**	**625.6**
Changes in operating working capital				
Receivables and inventories		114.3	(37.7)	5.2
Payables		94.2	(7.9)	70.4
Accruals and other		19.4	(24.2)	(1.5)
Changes in operating working capital		**227.9**	**(69.8)**	**74.1**
Tax effect of legal reform on working capital		0.0	0.0	(185.5)
Net cash provided by operating activities		**1,001.4**	**661.4**	**514.2**
Additions to property, plant and equipment and intangible assets	4.11/4.12	(416.7)	(590.2)	(679.7)
Proceeds from disposals of property, plant and equipment and intangible assets		1.4	1.5	1.2
Net decrease/(increase) in advances to ESCOTA	4.13	0.0	33.9	92.1
Net change in other investments	4.13	(210.0)	(3.3)	7.3
Net change in working capital related to investing activities		(13.3)	(60.6)	(15.8)
Net cash used by investing activities		**(638.6)**	**(618.8)**	**(594.9)**
Investment grants received		11.3	3.1	0.7
Dividends paid	4.18	(240.2)	(159.4)	(106.2)
Bond issues	4.21	550.0	450.0	0.0
Bond redemptions	4.21	(314.8)	(434.5)	(330.4)
Other		0.0	(2.8)	(4.7)
Net cash used by financing activities		**6.3**	**(143.5)**	**(440.6)**
Effect of changes in foreign exchange rates on cash and cash equivalents				
Net change in cash and cash equivalents		**369.1**	**(100.9)**	**(521.3)**
Cash and cash equivalents at beginning of year (excluding financial instruments)	4.17	428.6	529.6	1,050.9
Cash and cash equivalents at end of year (excluding financial instruments)	4.17	797.7	428.6	529.6

DEPARTURES FROM ACCOUNTING POLICIES USED FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The information presented below corresponds to significant extracts from the financial statements of ASF. The full version can be obtained on request from the Company. These financial statements have been prepared in accordance with French generally accepted accounting principles. In general they are based on the same accounting policies as those used for the consolidated financial statements, except for cases specific to consolidation.

The main departures from the accounting policies used for the consolidated financial statements are as follows:

Operating assets

Qualifying assets are depreciated by the reducing balance method for tax purposes. Differences between the depreciation expense calculated by the reducing balance method and that calculated by the straight-line method are treated as excess tax depreciation (accelerated capital allowances) and are recorded under exceptional items, with the contra-entry posted to shareholders' equity.

Investment grants

Investment grants used to finance construction assets are recorded in shareholders' equity and written back to the income statement over the life of the concession, to match the depreciation of the assets concerned.

Pension and other post-retirement benefit obligations

The cost of pension and other post-retirement benefit plans is recognised in the income statement under "payroll costs" and the unfunded obligation is recognised in the balance sheet under "Provisions for contingencies and charges". On 1 January 2004 a change in accounting method was applied which led to all cumulative actuarial gains and losses being recognised at that date. The related expense was recorded under exceptional items.

Deferred taxes

Deferred taxes are not recognised in the Company accounts.

Application of International Financial Reporting Standards (IFRS)

ASF prepares its consolidated financial statements in accordance with IFRS, including IAS 32, Financial Instruments: Disclosure and Presentation and IAS 39, Financial Instruments: Recognition and Measurement in relation to the financial instruments used to manage the Group's debt. As the individual company accounts are still prepared in accordance with French generally accepted accounting principles, they are not affected by these standards.

CHANGES IN ACCOUNTING METHOD

- The financial statements of ASF for the year ended 31 December 2005 have been prepared in accordance with French generally accepted accounting principles, including the standards issued by the French Accounting Regulatory Committee (CRC).
- In 2004, in accordance with French Accounting Board (CNC) recommendation 2003-R 01 dated 1 April 2003, the Group changed the method used for measuring and recognising deferred employee benefits. In line with this recommendation, cumulative actuarial gains and losses at 31 December 2003 were recognised in full in the opening balance sheet at 1 January 2004. Actuarial gains and losses arising since 1 January 2004 are recognised by the corridor method (see Note 3.11).
- CRC regulation 2004-06 concerning the definition and recognition of assets is based on CNC recommendation 2004-15 which excludes "public service concession arrangements including concession agreements" from the scope of application of the new rules concerning assets. Therefore, in its individual company financial statements ASF has not applied the components method and assets are presented in the same way as in previous years.

NOTES TO THE INCOME STATEMENT AND BALANCE SHEET

Revenues

Revenues break down as follows:

(in millions of euros)	2005	2004	2003
Toll receipts	1,917.0	1,849.1	1,720.0
Revenues from other businesses	40.9	40.9	41.9
Revenues	**1,957.9**	**1,890.0**	**1,761.9**

Toll receipts

Changes in toll receipts are analysed below:

Change in toll receipts (2004 vs. 2003)	+7.5%
Traffic growth based on comparable network	+3.4%
Effect of network extensions	+0.8%
Effect of tariff increases	+3.3%

Change in toll receipts (2005 vs. 2004)	+3.7%
Traffic growth based on comparable network (excluding effect of losses of toll receipts and the leap-year impact)	+1.2%
Effect of network extensions	+0.5%
Effect of tariff increases	+2.4%
Effect of losses of toll receipts and leap-year impact	-0.4%

Revenues from other businesses

(in millions of euros)	2005	2004	2003
Fees from service stations and other service area operators	27.5	28.1	28.5
Fibre optics and telecommunications fees	13.4	12.8	13.4
Revenues from other businesses	**40.9**	**40.9**	**41.9**

Revenues from other businesses include fees received from operators of service stations, shops and restaurants located in service areas, as well as fees for the use of fibre optic networks and telecommunications installations.

Exceptional items

(in millions of euros)	2005	2004	2003
Net gains (losses) on disposals of fixed assets	0.1	(0.1)	0.1
Investment grants written back to income	5.7	5.2	5.1
Pension and post-retirement benefit obligations	0.0	(11.0)	0.0
Other exceptional items	(7.3)	(23.1)	(8.7)
Net exceptional expense	**(1.6)**	**(28.9)**	**(3.6)**

The charge recorded in 2004 relating to pension and post-retirement benefits reflects the recognition of all cumulative actuarial gains and losses existing at 1 January 2004 in accordance with CNC recommendation 2003 R. 01.

"Other exceptional items" primarily include:

- investment provisions set up in relation to the profit-sharing agreements for the periods 2001-2002 and 2003-2005 which provide for the calculation of profit-shares according to a formula which is more generous than the statutory formula. At the end of the year in which the related funds are transferred to the special profit-sharing reserve, ASF is authorised to record untaxed provisions representing 50% of the additional portion of the profit-sharing reserve resulting from the application of these agreements;
- accelerated capital allowances.

Other exceptional items can be analysed as follows:

(in millions of euros)	2005	2004	2003
Untaxed investment provisions	(3.4)	(2.9)	(1.8)
Net accelerated capital allowances	(3.0)	(4.6)	(6.0)
Other	(0.9)	(15.5)	(1.0)
Other exceptional items	**(7.3)**	**(23.1)**	**(8.7)**

Property, plant and equipment

Concession assets

At 31 December 2005, 2,498.8 kilometres of motorway were in service, including 19.9 kilometres opened during the year.

Construction assets in progress at that date correspond to 96.5 kilometres of motorway, plus lane extensions to existing motorways.

Concession assets *(in millions of euros)*	**2005**	**2004**	**2003**
Construction assets	12,933.7	12,727.0	12,027.0
Construction assets in progress	884.4	732.7	895.8
Operating assets	612.4	589.7	559.6
Operating assets in progress	34.9	23.6	23.2
Property, plant and equipment	**14,465.4**	**14,073.0**	**13,505.6**

Changes in property, plant and equipment break down as follows:

Concession assets *(in millions of euros)*	**31 December 2003**	**Acquisitions**	**Disposals**	**Commissioned/ Transfers**	**31 December 2004**
Construction assets	12,027.0	200.0	2.1	502.0	12,727.0
Construction assets in progress	895.8	335.6	0.0	(498.7)	732.7
Operating assets	559.6	32.6	15.6	13.1	589.7
Operating assets in progress	23.2	17.4	0.0	(17.0)	23.6
Property, plant and equipment	**13,505.6**	**585.6**	**17.7**	**(0.6)**	**14,073.0**

Concession assets *(in millions of euros)*	**31 December 2004**	**Acquisitions**	**Disposals**	**Commissioned/ transfers**	**31 December 2005**
Construction assets	12,727.0	64.9	1.0	142.8	12,933.7
Construction assets in progress	732.7	291.2	0.0	(139.5)	884.4
Operating assets	589.7	28.2	15.6	10.1	612.4
Operating assets in progress	23.6	24.9	0.0	(13.6)	34.9
Property, plant and equipment	**14,073.0**	**409.2**	**16.5**	**(0.2)**	**14,465.4**

Depreciation of property, plant and equipment

(in millions of euros)	31 December 2005	31 December 2004	31 December 2003
Economic depreciation	(440.8)	(404.1)	(369.1)
Financial depreciation	(3,623.0)	(3,283.4)	(2,955.2)
Total	**(4,063.8)**	**(3,687.6)**	**(3,324.3)**

Movements in depreciation can be analysed as follows:

(in millions of euros)	31 December 2003	Increases	Decreases	31 December 2004
Economic depreciation	369.1	51.0	16.0	404.1
Financial depreciation	2,955.2	328.3	0.0	3,283.4
Total	**3,324.3**	**379.3**	**16.0**	**3,687.6**

(in millions of euros)	31 December 2004	Increases	Decreases	31 December 2005
Economic depreciation	404.1	51.9	15.3	440.8
Financial depreciation	3,283.4	345.4	5.9	3,623.0
Total	**3,687.6**	**397.4**	**21.2**	**4,063.8**

Financial depreciation breaks down as follows:

(in millions of euros)	31 December 2003	Increases	Decreases	31 December 2004
Construction assets	2,849.1	325.2		3,174.4
Operating assets	106.1	3.0		109.1
Financial depreciation	**2,955.2**	**328.3**	**0.0**	**3,283.4**

(in millions of euros)	31 December 2004	Increases	Decreases	31 December 2005
Construction assets	3,174.4	342.5	5.3	3,511.7
Operating assets	109.1	2.9	0.6	111.4
Financial depreciation	**3,283.4**	**345.4**	**5.9**	**3,623.0**

Qualifying assets are depreciated by the reducing balance method for tax purposes, giving rise to the recognition of accelerated capital allowances.

Changes for the periods presented are as follows:

(in millions of euros)	31 December 2003	Increases	Decreases	31 December 2004
Operating assets	13.0	6.5	1.9	17.6
Accelerated capital allowances	**13.0**	**6.5**	**1.9**	**17.6**

(in millions of euros)	31 December 2004	Increases	Decreases	31 December 2005
Operating assets	17.6	5.8	2.8	20.6
Accelerated capital allowances	**17.6**	**5.8**	**2.8**	**20.6**

Investments

Investments in subsidiaries and related receivables are stated net of provisions for impairment in value.

Changes in investments break down as follows:

(in millions of euros)	31 December 2003	Increases	Decreases	31 December 2004
Loans	7.8	1.1	0.7	8.2
Investments in subsidiaries and related receivables*	278.4	3.0	142.6	138.8
Other investments	0.3	0.0	0.1	0.3
Investments	**286.5**	**4.1**	**143.4**	**147.2**

(in millions of euros)	31 December 2004	Increases	Decreases	31 December 2005
Loans	8.2	0.7	0.3	8.6
Investments in subsidiaries and related receivables*	138.8	209.6	0.0	348.3
Other investments	0.3	0.1	0.0	0.3
Investments	**147.2**	**210.4**	**0.4**	**357.2**

** "Investments in subsidiaries and related receivables" are stated before a €0.5 million allowance booked in 2002 on shares in SVM-Société pour la construction du Viaduc de Millau. This company was set up in connection with ASF's bid for the contract to build the Millau Viaduct, which was not selected. A €0.5 million provision for impairment in value of receivables due from GIE SCA was recorded in 2004.*

Loans primarily correspond to very long-term loans under the government housing scheme, which amounted to €7.2 million in 2005, €6.9 million in 2004, and €6.6 million in 2003.

"Investments in subsidiaries and related receivables" primarily relate to ASF's 98.97% interest in ESCOTA. ASF has held this interest since 2002 and it has been recorded in the balance sheet for €130.9 million since that date. The increase in this item in 2005 mainly reflects a €200 million loan granted to ESCOTA by way of an agreement entered into on 23 June 2005.

On 29 April 2004, ASF and ESCOTA signed a cash pooling agreement. Consequently, at the level of normal operations, ASF changed from being a net lender in an amount of €108.7 million at 31 December 2004 into a net borrower from its subsidiary in an amount of €89.4 million at 31 December 2005.

ASF acquired a 34% interest in TransJamaican Highway in 2002 for €0.8 million in connection with a partnership set up with Bouygues Travaux Publics, a subsidiary of Bouygues Construction, for the construction of the Jamaican Highway 2000 motorway. ASF paid €2.0 million in 2003, €2.7 million in 2004 and €0.5 million in 2005 for this interest, which appears in the balance sheet for €6 million at 31 December 2005.

Truck Etap SAS was set up in October 2003 to design, build and operate road-user service platforms in France, with a focus on fee-paying supervised parking facilities for heavy goods vehicles. The facilities may also include related services, such as service stations, food services and accommodation, that the company may operate either directly or indirectly. Truck Etap has share capital of €0.9 million and is 66%-owned by ASF and 34% by Pimo. The interest was carried in ASF's balance sheet at 31 December 2004 and 2005 for €0.6 million.

In 2005, ASF paid €3.1 million to increase its interest in Marseillaise du Tunnel du Prado-Carénage to 3.11%.

During the year, ASF set up a subsidiary called Axxès SAS in partnership with six other motorway operators (APRR, AREA, ATMB, ESCOTA, SITAF and SFTRF) as well as with Crédit Mutuel. This subsidiary, which has share capital of €5 million, has been tasked with managing the pan-European electronic toll collection system for heavy goods vehicles. ASF's interest in Axxès SAS amounts to €1.5 million, representing 29.7% of the company's capital.

Finally, following a bid process, the Greater Lyon local authorities selected ASF to operate the Lyon north ring road (Boulevard Périphérique Nord de Lyon) as part of a public service concession agreement. ASF set up Openly, a wholly-owned simplified joint-stock corporation ("SAS") with a share capital of €500,000 to operate the ring road. Operations began on 4 January 2006.

Shareholders' equity

Since 2002, ASF's capital stock has amounted to €29,343,641, divided into 230,978,001 shares.

At 31 December 2005 there were no potential ordinary shares.

(in millions of euros)	2005	2004	2003
Capital stock	29.3	29.3	29.3
Additional paid-in capital and reserves	857.9	858.0	858.0
Retained earnings	2,381.1	2,326.9	2,236.0
Net income for the year	352.0	294.5	250.2
Investment grants	136.9	131.3	133.4
Untaxed investment provisions (employee profit-sharing)	14.9	11.5	8.6
Accelerated capital allowances	20.6	17.6	13.0
Total shareholders' equity	**3,792.9**	**3,669.1**	**3,528.5**

There have been no changes in capital stock since 2002.

Changes in shareholders' equity in 2004 were as follows:

(in millions of euros)	At 31 December 2003	Appropriation of prior-year net income	Dividends paid	Net income for the year	Investment grants	Untaxed provisions	At 31 December 2004
Capital stock	29.3						29.3
Additional paid-in capital - share issues	853.4						853.4
Other additional paid-in capital	0.1						0.1
Legal reserve	2.9						2.9
Long-term capital gains reserve	1.5						1.5
Retained earnings	2,236.0	250.2	(159.4)				2,326.9
Net income	250.2	(250.2)		294.5			294.5
Investment grants	133.4				(2.1)		131.3
Untaxed investment provisions	8.6					2.9	11.5
Accelerated capital allowances	13.0					4.6	17.6
Total shareholders' equity	**3,528.5**	**0.0**	**(159.4)**	**294.5**	**(2.1)**	**7.6**	**3,669.1**

Changes in shareholders' equity in 2005 were as follows:

(in millions of euros)	At 31 December 2004	Appropriation of prior-year net income	Dividends paid	Net income for the year	Investment grants	Untaxed provisions	At 31 December 2005
Capital stock	29.3						29.3
Additional paid-in capital - share issues	853.4						853.4
Other additional paid-in capital	0.1						0.1
Legal reserve	2.9						2.9
Long-term capital gains reserve	1.5						1.5
Retained earnings	2,326.9	294.4	(240.2)				2,381.1
Net income	294.5	(294.4)		352.0			352.0
Investment grants	131.3				5.6		136.9
Untaxed investment provisions	11.5					3.4	14.9
Accelerated capital allowances	17.6					3.0	20.6
Total shareholders' equity	**3,669.1**	**0.0**	**(240.2)**	**352.0**	**5.6**	**6.4**	**3,792.9**

Borrowings

(in millions of euros)	At 31 December 2005	At 31 December 2004	At 31 December 2003
Fixed-rate CNA loans	6,413.7	6,140.4	6,124.9
Variable-rate CNA loans	707.9	746.0	746.0
Regional authority advances	0.0	0.0	3.8
Other	41.9	29.7	21.1
	7,163.5	**6,916.1**	**6,895.8**
Accrued interest	194.7	194.8	205.0
Total borrowings	**7,358.2**	**7,111.0**	**7,100.8**

CNA and EIB loans

These loans were granted by Caisse Nationale des Autoroutes (CAN), an administrative public sector entity, under an agreement between CNA and the semi-public toll motorway operators (SEMCAs), including ASF and ESCOTA. Under the terms of the agreement, the funds are raised by CNA through bond issues or borrowings from EIB.

These loans are repayable at maturity (see maturities below). The loan agreements do not include any acceleration clauses or other early repayment clauses. At 31 December 2005, no CNA loans were secured by State guarantees.

In recent years, financing raised by CNA in foreign currency has been converted into euros by means of swaps and ASF therefore has no foreign currency borrowings. At 31 December 2005 the principal amount of foreign currency debt swapped for euros amounted to €307.3 million.

Fixed-rate CNA and EIB loans have nominal interest rates ranging from 3.61% to 13.955%.

Certain CNA and EIB loans are at variable rates based on various market rates, including Euribor. At 31 December 2005, they included €53.0 million in loans issued at variable rates and €311.4 million in loans converted to variable rates by CNA at the time of issue by means of swaps. In addition, one CNA loan in the amount of €343.5 million at 31 December 2005 is indexed to the French inflation rate. Lastly, ASF has taken out swaps to convert fixed rate CNA loans in the amount of €1,032.9 million at 31 December 2005 to variable rate (3-month or 12-month Euribor). At 31 December 2005, loans issued at variable rates or swapped for variable rates totalled €1,740.8 million (€707.9 million + €1,032.9 million), representing 24.4% of total borrowings. For 2006, interest rates have been reset on €376.2 million worth of loans and capped at between 2.30 and 2.65% on loans of €556.7 million.

During the year, ASF obtained its first loans directly from EIB, without going through CNA, for €150 million and €100 million. These 20-year loans are repayable as from the seventh year. The interest rates are set at 3.61% and 3.642% respectively for the first ten years and will then be reset for a further ten years.

A hedge was taken out in January 2005, fixing in advance the interest rate on the June 2005 €300 million fixed-rate loan from CNA at 3.99%.

After taking into account all these operations, the average nominal interest rate on ASF's borrowings was 5.09% at 31 December 2005 compared with 5.27% at 31 December 2004.

Based on the debt structure at 31 December 2005 and including the caps that protect €556.7 million against a sharp rate rise, a 100 basis point increase in overall interest rates in 2006 would have the effect of raising ASF's average borrowing costs in 2006 by about 7 basis points.

ASF's borrowings can be analysed as follows by maturity at 31 December 2005:

(in millions of euros)	**CNA loans**
Years	
2006	348.6
2007	396.4
2008	717.5
2009	381.1
2010	656.9
2011	503.4
2012	262.1
2013	371.8
2014	627.9
2015	660.9
2016	650.9
2017	651.4
2018	767.9
Beyond 2018	125.0
Borrowings	**7,121.6**
Borrowings raised during the year	**550.0**
Borrowings repaid during the year	**314.8**

Regional authority advances

Regional authority advances were received between 1986 and 1989 and are indexed to the TP01 Public Works index. The amount shown includes the outstanding principal and indexing adjustments from the date of grant to 31 December 2003. All of these advances were repaid during the first half of 2004.

Other

This item includes indexing adjustments to the loan indexed to the French inflation rate for €26.3 million at 31 December 2005, €19.3 million at 31 December 2004 and €13.4 million at 31 December 2003.

The balance corresponds mainly to deposits received by the Company.

Off-balance sheet commitments

(in millions of euros)	At 31 December 2005	At 31 December 2004	At 31 December 2003
a) Commitments given			
Performance bonds related to international operations	4.6	3.0	4.8
Miscellaneous commitments			1.5
Financial instruments	1,132.9	1,285.4	937.1
Employee benefits	16.1	6.6	11.0
Total	**1,153.6**	**1,295.0**	**954.4**
b) Commitments received			
Bank bid bonds	69.7	96.3	117.2
Other commitments received (from customers)	33.8	31.8	29.2
Total	**103.5**	**128.1**	**146.4**
c) Reciprocal commitments			
Works contracts (signed but not paid)	260.8	274.1	516.8
Total	**260.8**	**274.1**	**516.8**
Off-balance sheet commitments			

No material off-balance sheet commitments have been omitted from the above table, in accordance with current accounting standards.

ADDITIONAL INFORMATION

Tax group

The tax group is made up of ASF, ESCOTA, and Radio-Trafic FM.

Under the agreement among the companies in the tax group, each company records in its accounts the tax that it would have paid if it had been taxed on a stand-alone basis. This means that when loss-making subsidiaries that transferred their losses to the tax group return to profit, they recover the tax benefits obtained by the tax group through the use of these losses.

Since year-end 2003, neither ESCOTA nor the tax group have had any tax loss carryforwards.

Management compensation

The compensation paid to corporate officers of ASF in 2005 amounted to €1,205,716, including benefits in kind. No compensation was paid to non-executive directors.

Directors' fees

The provisional amount of directors' fees allocated to the members of the Board of Directors of ASF for 2005 was €202,300.

Claims and litigation

ASF is involved in a number of claims and legal proceedings in the normal course of its business. At 31 December 2005, ASF considers that there are no claims or litigation in progress relating to the Company's businesses that are likely to have an unfavourable impact on its results of operations, business or financial position.

Specifications

Relations between ASF and the French State are governed primarily by the principal concession agreement and the attached contract specifications. These documents describe the specifications for the construction and operation of the motorways, the corresponding financial arrangements, the length of concession periods and the manner in which the concession assets are to revert to the State at the end of the concession period.

The following are the principal items likely to influence results of operations:

- the obligation to maintain all facilities in a good state of repair and ensure that traffic flows as smoothly as possible;
- the rules governing the setting of toll rates and future adjustments;
- clauses indicating the steps that will be taken in the event of a change in technical regulations or tax rules applicable to motorway concession holders. If any such change were to seriously affect the profitability of the concession, the French State and ASF would agree jointly on the compensation to be paid to ASF to permit the continued provision of toll motorway services;
- clauses to ensure that concession assets are handed over in a good state of repair at the end of the concession period, including by determining, seven years prior to the concession expiry date, the maintenance and renewal programme to be carried out over the last five years of the concession;
- the terms for returning assets to the State at the end of the concession period and related restrictions on these assets. The assets will be returned to the State without consideration and may not be sold or pledged as collateral or otherwise encumbered;
- the French State's right to terminate concession agreements in advance and to buy back these contracts. Under public law, the State may unilaterally terminate concession agreements in the public interest, subject to judicial supervision. The concession agreement also grants the State the option to buy back the concession on or after 1 January 2012.

The Puymorens tunnel

ASF is the legal holder of two concessions, one for the entire 2,696-kilometre network apart from the Puymorens Tunnel, expiring on 31 December 2032, and the other for the 5.5-kilometre Puymorens Tunnel, expiring on 31 December 2037. Both concessions were awarded before the 2000 reform of the toll motorway sector.

Although the Puymorens Tunnel is covered by a separate concession agreement, it is currently managed by ASF as an integral part of the motorway network. ASF therefore considers that the Puymorens Tunnel concession represents an extension of the main concession agreement and, accordingly, does not constitute a separate cash-generating unit.

Related parties

The main related parties are:

- the French State, as the grantor of the concession;
- ASF's subsidiaries and affiliates (see list on page 235), particularly ESCOTA;
- the other toll motorway operators that, like ASF, are State-controlled;
- Caisse Nationale des Autoroutes, the public body that provides funds for motorway construction in France;
- the Vinci Group, which was given a seat on the ASF Board in December 2004.

Relations with the State are governed primarily by the concession agreements and related specifications described above.

ASF and ESCOTA set up a cash pooling agreement and a services agreement in 2004. Relations with other subsidiaries and affiliates do not involve material amounts.

Caisse Nationale des Autoroutes is currently ASF's main source of long-term financing.

Relations with other toll motorway operators are limited to agreements covering the transfer of tolls collected on behalf of other operators via the Liber-T electronic toll payment system.

(in millions of euros)	Radio Trafic FM	GIE Autoroutes Trafic	Axxès	Smtpc	Centaure Médit.	Truck Etap	TJH	JIO	GIE SCA
Trade receivables	1.1	0.4	0.8	(0.4)	nm			0.2	0.2
Other receivables		0.1		(0.1)					0.7
Trade payables	0.3	0.1			nm				3.5
External charges	0.9				nm				7.5
Other operating expense		0.1							
Other operating income	0.5	0.5	0.8		nm	0.3	0.1	0.2	0.2
Financial expense									
Financial income									

Subsidiaries and affiliates

The following table is presented in thousands of euros.

At 31 December 2005

	Capital stock	Reserves(1)	% interest	Book value of shares Gross/Net	Outstanding loans and advances	Guarantees given	Last published net revenues	Last published net income/ (loss)	Dividends received
Subsidiaries (over 50%-owned)									
- ESCOTA	131,544.90		98.97%	130,885.50 130,885.50	200,000.00		516,239.50	98,456.58	
- Jamaican Infrastructure Operator	1.5		51.00%				2,502.30	369.53	
- Openly	500.00		100.00%	500.00 500.00					
- Truck Etap SAS	900.00	(137.59)	66.00%	594.00 594.00					
Affiliates (10% to 50%-owned)									
- SAS Radio Trafic FM	40.00	126.1	50.00%	20.0 20.0			5,099.10	5.11	
- TransJamaican Highway	14,975.55	(3,915.36)	34.00%	5,965.18 5,656.18			9,737.1	(6,450.72)	
- Centaure Midi Pyrénées	375.00	170.3**	33.99%	129.5 129.5			835.4**	0.1**	
- SVM	38.10	*** (1,268.3)	36.28%	13.8 0.0	495.0		0.0***	*** (1,265,5)	
- Axxès	5,000.00		29.70%	1,485.0 1,485.0					
- GIE Autoroutes Trafic	349.00	135.1	31.38%	109.5 109.5	103.0		1,486.39	123.2	

(1) Shareholders' equity excluding capital stock and net income for the year.

** 2003 data.*

*** 2002 data.*

**** 2001 data.*

6 ANNUAL SHAREHOLDERS' MEETING OF 15 MAY 2006

REPORT OF THE BOARD OF DIRECTORS TO THE ANNUAL SHAREHOLDERS' MEETING OF 15 MAY 2006

To the shareholders,

On 28 February 2006, the Board of Directors of Autoroutes du Sud de la France approved the financial statements for the year ended 31 December 2005 and decided to invite you to adopt a number of resolutions, described below. These resolutions, which we request that you adopt at this Meeting, concern your approval of the said financial statements and of the transactions carried out during the year then ended. These financial statements are discussed in the management report.

We will present to you each of the ordinary resolutions submitted for your approval. In addition, you will be asked to grant full powers to the bearer of an original, extract or copy of the minutes of this Meeting to carry out all necessary legal and regulatory formalities.

1 – Ordinary resolutions

1.1 – Appointment of Auditors (6th resolution)

The terms of office of the Company's current Auditors expire at the close of this Meeting.

The purpose of the sixth resolution is therefore to appoint new Statutory Auditors and Substitute Auditors.

1.2 – Directors' fees (7th resolution)

In the seventh resolution, you are invited to set the aggregate annual amount of directors' fees for 2006 at €240,000, as in 2005.

2 – Business overview since 1 January 2006

As required by Article 154 of the Decree of 23 March 1967, we hereby provide you with information relating to the Company's business since the beginning of the current financial year.

Toll tariffs for category 1 vehicles were increased by an average of 2.25% on 1 February 2006, as provided for in the programme contract. At the same time, heavy goods vehicles coefficients continued to be raised.

We hope that you agree with the recommendations set out in this report and that you adopt the corresponding resolutions.

The Board of Directors

RESOLUTIONS PRESENTED AT THE ANNUAL SHAREHOLDERS' MEETING OF 15 MAY 2006

1st resolution

Approval of the financial statements of the Company for the year ended 31 December 2005

The Annual Shareholders' Meeting, having considered the Board of Directors' report on its management of the Company during the year ended 31 December 2005 and the Auditors' report on the financial statements, approves the 2005 financial statements, comprising the statement of income, balance sheet and related notes, as presented, as well as the transactions reflected in those financial statements and referred to in those reports.

The Annual Shareholders' Meeting therefore gives discharge to the directors for the fulfilment of their duties during 2005.

2nd resolution

Appropriation of income

The Annual Shareholders' Meeting, having noted that the Company's net income for the year amounts to €351,981,842.28, resolves, in accordance with the recommendation of the Board of Directors, to:

- distribute €277,173,601.20 to shareholders, in the form of dividends.
  The net dividend paid on each of the 230,978,001 shares carrying rights to the 2005 dividend will amount to €1.20. Individual shareholders taxable in France will be entitled to a 50% tax allowance in relation to this dividend, in accordance with para. 2 of Article 158-3 of the French General Tax Code, as amended. Other shareholders will not be entitled to said tax allowance;
- appropriate the balance of €74,808,241.08 to retained earnings. Following this appropriation, retained earnings will amount to €2,455,925,039.27, including the balance at 31 December 2004 of €2,381,116,798.19.

The Annual Shareholders' Meeting notes that 230,978,001 shares were issued and outstanding at 28 February 2006, as follows:

Unrestricted shares	230,978,001
Shares held in treasury	0
Total shares issued and outstanding at 28 February 2006	230,978,001

The Annual Shareholders' Meeting resolves that if the Company holds any shares in treasury on the dividend payment date, the dividends on these shares will be credited to retained earnings.

The Annual Shareholders' Meeting resolves that the dividend will be paid as from 24 May 2006.

3rd resolution

Dividends paid in prior years

The Annual Shareholders' Meeting, having considered the Board of Directors' report for the year ended 31 December 2005, notes that the Company (i) paid a dividend for the year ended 31 December 2002 in the amount of €0.46 per share, representing a total revenue of €0.69 including the avoir fiscal tax credit of €0.23, (ii) paid a dividend for the year ended 31 December 2003 in the amount of €0.69, representing a total revenue of €1.035 per share including the avoir fiscal tax credit of €0.345, and (iii) paid a dividend for the year ended 31 December 2004 in the amount of €1.04, representing a total revenue of €1.56 including the tax allowance of €0.52.

4th resolution

Approval of the consolidated financial statements for the year ended 31 December 2005

The Annual Shareholders' Meeting, having considered the Board of Directors' report on its management of the Group during the year ended 31 December 2005 and the Auditors' report on the consolidated financial statements, approves the 2005 consolidated financial statements, as presented, as well as the transactions reflected in those financial statements and referred to in those reports.

The Annual Shareholders' Meeting therefore gives discharge to the directors for the fulfilment of their duties during 2005.

5th resolution

Approval of regulated agreements

The Annual Shareholders' Meeting, having considered the Auditors' special report on agreements governed by Articles L.225-38 et seq. of the French Commercial Code, approves the report's conclusions and the agreements referred to therein.

6th resolution

Appointment of Auditors

The Annual Shareholders' Meeting resolves to appoint as Statutory Auditors:

- Deloitte, represented by Thierry Benoît (Statutory Auditors);
- BEAS, represented by Alain Pons (Substitute Auditors);
- KPMG, represented by Benoît Lebrun (Statutory Auditors);
- SCP André et Autres, represented by Danielle Prut-Foulatière;

to replace PricewaterhouseCoopers and JPA.

The terms of office of the newly appointed Auditors will expire at the Annual Shareholders' Meeting to be held in 2012 to approve the 2011 financial statements.

7th resolution

Directors' fees

The Annual Shareholders' Meeting, having considered the Board of Directors' report, resolves to set the annual amount of directors' fees for the current year at €240,000.

8th resolution

Powers

Full powers are given to the bearer of an original, extract or copy of the minutes of this Meeting to carry out all necessary legal and regulatory formalities.

STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS YEAR ENDED 31 DECEMBER 2005

Société des Autoroutes du Sud de la France
Société Anonyme d'Économie Mixte. Share capital €29,343,640.56
Head office: 100 avenue de Suffren, PO Box 533
75725 – Paris Cedex 15
Registered in Paris under no. B 572 139 996

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders

In our capacity as Statutory Auditors of Autoroutes du Sud de la France, we present below our report on regulated agreements.

Agreements entered into during the year

In application of Article L. 225-40 of the French Commercial Code we have been informed of agreements that were authorised in advance by the Board of Directors.

Our responsibility does not include identifying any undisclosed agreements. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article 92 of the 23 March 1967 decree, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We conducted our review in accordance with the professional standards generally accepted in France. Those standards require that we carry out the necessary procedures to verify the consistency of the information disclosed to us with the source documents.

Tripartite service agreement between RTFM, ASF and ESCOTA

Description of the agreement:

Under this agreement, RTFM produces radio programs for ASF and ESCOTA to be broadcast on the 107.7 FM frequency. In return for these services, ASF and ESCOTA provide RTFM with the necessary information for the creation of its programmes, ensure the transmission and broadcasting of the radio signal and provide assistance with accounting, legal, technical and human resources issues. ASF also makes available premises and certain fixed assets for use by RTFM.

The price of the services provided by RTFM is fixed by an annual addendum to the agreement. Services provided by ESCOTA and ASF are invoiced at cost, which may be adjusted on 31 December of each year.

The agreement was approved by the Board of Directors on 16 December 2005.

Payments in 2005:

For the year ended 31 December 2005:

- services billed to RTFM by ASF amounted to €0.5 million excluding tax;
- services billed to ASF by RTFM amounted to €0.9 million excluding tax.

Directors, shareholders, or senior managers concerned:

ASF, represented by its Chief Executive Officer, Jacques Tavernier.

Agreements entered into in prior years which remained in force in 2005

In application of the Decree of 23 March 1967, we were duly advised of the following agreements authorised in prior years which remained in force during 2005.

Support services agreement with Truck Etap

Description of the agreement:

- Under the support services agreement signed with Truck Etap S.A.S., ASF provides technical support services, directional signage and information on Radio Trafic, as well as administrative, legal and accounting assistance. Also under the agreement, staff may be seconded to Truck Etap from ASF to assist with cash management operations.
- The support services are billed to Truck Etap on the basis of the costs detailed in Appendix 2 to the agreement, plus a 5% margin.

The agreement was approved by the Board of Directors on 17 March 2004.

Payments in 2005:

For the year ended 31 December 2005, services billed by ASF to Truck Etap amounted to €0.3 million, excluding tax.

Paris and Neuilly sur Seine, 28 February 2006

The Statutory Auditors

PricewaterhouseCoopers Audit	**JPA**
Florence PESTIE	**Jacques POTDEVIN**

7 INFORMATION ABOUT THE COMPANY, THE COMPANY'S CAPITAL, AND THE COMPANY'S SHARES

GENERAL INFORMATION ABOUT THE COMPANY

Company name and registered office

Company name: Autoroutes du Sud de la France – "ASF"

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

Legal form and governing law

The Company is a société anonyme administered by a Board of Directors, governed by the provisions of the French Commercial Code and the related enabling legislation applicable to trading companies.

The Company is also governed by the provisions applicable to private companies with public-sector shareholders.

Date of incorporation and term

The Company was incorporated on 6 September 1957 and will be automatically dissolved on 6 September 2056 unless it is wound up in advance or its term is extended.

Corporate purpose (Article 2 of the bylaws)

The Company's corporate purpose is as follows:

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

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

c) To build, maintain and operate telecommunications infrastructures, including those related directly to the business of transport infrastructure operator.

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

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

Registration particulars

The Company is registered in Paris under no. 572 139 996.

APE business identifier code: 632A

Consultation of legal documents

All legal documents concerning the Company that are required to be made available to shareholders in accordance with the applicable regulations can be consulted at the Company's headquarters at 100, avenue de Suffren, 75015 Paris, France.

Fiscal year

The Company's fiscal year covers the 12-month period from 1 January to 31 December.

Appropriation of income (article 34 of the bylaws)

At least five percent (5%) of the Company's net income for the year, less any losses brought forward from prior years, is transferred to the legal reserve until such time as the legal reserve represents one-tenth of the share capital. This requirement also applies if the legal reserve falls to below one-tenth of the share capital for any reason.

Income available for distribution comprises net income for the year, less any losses brought forward from prior years and less any transfer to the legal reserve made as explained above, plus any retained earnings.

The Annual Shareholders' Meeting may decide to appropriate all or part of this amount to any discretionary, ordinary or extraordinary reserves or to retained earnings. The Annual Shareholders' Meeting also decides the amount to be distributed to shareholders as dividends, determined ratably based on their rights to share capital.

Shareholders' meetings (article 27 of the bylaws)

Shareholders' Meetings are called and conduct business in accordance with the law. Meetings are held at the Company's headquarters or at any other venue specified in the notice of meeting.

All shareholders, whatever the number of shares held, are entitled to attend Shareholders' Meetings and take part in the vote, in person, by proxy or by post, provided that:

- holders of registered shares have had their shares recorded in a registered share account opened in their name with the Company;
- holders of bearer shares file at the address specified in the notice of meeting a certificate issued by the bank or broker that manages their securities account stating that the shares will not be sold in the period up to the date of the Meeting without notifying the Company.

These formalities must be carried out at least five days prior to the date of the Meeting. However, the Board of Directors may decide to reduce this period or waive these formalities, for all shareholders.

Each share carries the right to one vote at Shareholders' Meetings, such that each shareholder has a number of votes equal to the number of shares held, without limitation.

- No shares carry double voting rights.

Non French-resident shareholders may be represented at Shareholders' Meetings by any bank, broker or other accredited intermediary that has opened a registered share account on their behalf and has full discretionary authority to manage the shares, provided that the intermediary discloses, when its account is opened with the Company or with the bank or broker that keeps the securities account, that it is acting as an intermediary holding shares on behalf of a third party, in accordance with the applicable laws and regulations.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Vice Chairman or, in the latter's absence, by a director specifically authorised to act in this capacity by the Board of Directors. Failing that, the Shareholders' Meeting will elect its own chairman.

Changes in shareholders' rights

Any changes in shareholders' rights are subject to the conditions prescribed by law.

Disclosure thresholds (article 9 of the bylaws)

Pursuant to the resolutions voted at the Shareholders' Meetings of 13 March 2002 and 12 May 2005 amending Article 9 of the bylaws, any individual or legal entity acting alone or in concert that comes to hold, directly or indirectly, through one or several controlled legal entities, within the meaning of Article L. 233-3 of the French Commercial Code, a number of shares representing at least 1% of the Company's share capital or voting rights, must disclose to the Company within five trading days, the total number of shares and/or voting rights held, as well as the number of securities convertible, redeemable, exchangeable or otherwise exercisable for shares and related potential voting rights, by registered letter with return receipt requested, or by any equivalent method outside France in the case of non-resident shareholders. Mutual fund management companies must make the said disclosure in relation to all of the Company's shares held by the funds which they manage.

Disclosure formalities must be carried out in accordance with the above conditions whenever the proportion of the share capital or voting rights held is increased to more than any multiple of 1% or reduced to less than any such multiple.

In addition, pursuant to Article L.223-7 I of the French Commercial Code, any individual or legal entity acting alone or in concert that comes to hold a number of shares representing more than 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50%, 66 2/3%, 90% or 95% of the Company's share capital and/or voting rights, must disclose to the Company the number of shares and voting rights held, by registered letter with return receipt requested, within 15 days of the relevant disclosure threshold being crossed.

In the case of failure to comply with these disclosure rules, the shares not disclosed pursuant to the provisions of the bylaws or the law, as described above, will be stripped of voting rights at any and all Shareholders' Meetings held within the two-year period from the date when the omission is remedied. In the case of non-compliance with the disclosure rules specified in the bylaws, this measure will be implemented at the request of one or several shareholders representing at least 1% of the Company's share capital or voting rights, duly recorded in the minutes of the Shareholders' Meeting.

Identification of holders of bearer shares (article 9 of the bylaws)

At the Extraordinary Shareholders' Meeting of 12 May 2005, shareholders adopted a resolution to amend Article 9 of the bylaws to ensure that it complies with the Financial Security Act of 1 August 2003 (no. 2003-706) and Government Order no. 2004-604 of 24 June 2004 amending the legal provisions applicable to securities issued by commercial companies.

Article 9 of the bylaws stipulates that the Company may implement the specific "titres au porteur identifiable" procedure to determine the identity of holders of bearer shares. Accordingly, the Company may request from the central securities depository, at any time on the basis provided for in the applicable laws and regulations, details of the identity of holders of the Company's shares and any other securities conferring on their holders current or future rights to vote at Shareholders' Meetings, including the number of securities held in each case and any restrictions applicable to the securities.

After reviewing the information provided by the central securities depository, if the Company believes that any individuals or legal entities appearing on the list in fact manage securities accounts on behalf of the ultimate owners of the securities, it may contact such individuals or legal entities - either directly or through the depository - to obtain details of the identity of said ultimate owners. Any such individuals or legal entities acting in the capacity of intermediary are under the obligation to disclose the identity of the ultimate owners of the securities. The information will be supplied directly to the bank, broker or other accredited intermediary that manages the securities account, which will be responsible for informing either the Company or the central securities depository.

The Company may also request from any legal entity that holds over 2.5% of its share capital or voting rights details of the individuals or legal entities that hold, directly or indirectly, more than one third of the entity's share capital or voting rights.

GENERAL INFORMATION ABOUT THE COMPANY'S CAPITAL

Changes in capital and voting rights

Any changes in capital or in the voting rights attached to shares are subject to the provisions set down by law.

Form of the Company's shares and evidence of ownership

Shareholders may choose to hold their shares in either registered or bearer form, subject to compliance with the provisions of the law, as follows:

- registered shares will be recorded in a registered share account opened with the Company (known as a "nominatif pur" account) or with a bank, broker or other accredited intermediary (known as a "nominatif administré" account);
- bearer shares will be recorded in an account opened with a bank, broker or other accredited intermediary.

Share buyback programs

At the Shareholders' Meeting of 13 March 2002, the Company was authorised to implement a share buyback program. Under the terms of the related resolution, shares could be purchased, sold or transferred on one or several occasions by all appropriate methods (including through off-market or over-the-counter transactions, block purchases and the use of warrants, options and other derivative instruments), at any time including while a public tender offer was in progress.

In 2002, the Company used the authorisation given at the Shareholders' Meeting of 13 March 2002 to buy back 40,000 shares on the market at a total cost of €916,400, representing an average price per share of €22.91. The transactions were carried out based on market situations.

At the Shareholders' Meeting of 29 April 2003 (sixth resolution), the unused portion of this authorisation was cancelled and a new authorisation was given to implement a buyback program.

The Company did not use the 29 April 2003 authorisation during 2003.

At the Shareholders' Meeting of 13 May 2004 (sixth resolution), the unused portion of this authorisation was cancelled and a new authorisation was given to implement a buyback program.

The Company did not use the 13 May 2004 authorisation during 2004.

At the Shareholders' Meeting of 12 May 2005 (seventh resolution), the unused portion of this authorisation was cancelled and a new authorisation was given to implement a buyback program.

The Company did not use the 12 May 2005 authorisation during 2005.

Share capital

As of the date of this report, the Company's share capital amounted to €29,343,640.56 divided into 230,978,001 no par value common shares, all fully subscribed and paid-up and all carrying the same rights.

Current ownership structure

Ownership structure at 31 December 2005

Changes in ownership structure since 31 December 2002 can be analysed as follows:

	At 31 December 2002			At 31 December 2003			At 31 December 2004			At 31 December 2005		
Shareholders	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights	Number of shares	% capital	% voting rights
French State	95,855,870	41.5%	41.5%	95,855,870	41.5%	41.5%	95,927,400	41.53%	41.53%	95,927,400	41.53%	41.53%
Autoroutes de France	20,427,400	8.8%	8.8%	20,427,400	8.8%	8.8%	20,427,400	8.84%	8.84%	20,427,400	8.84%	8.84%
Regional authorities and Chambers of Commerce and Industry*	2,078,802	0.9%	0.9%	2,078,802	0.9%	0.9%	1,789,959	0.8%	0.8%	1,861,959	0.81%	0.81%
Employees	5,543,472	2.4%	2.4%	5,244,842	2.3%	2.3%	4,317,617	1.9%	1.9%	4,642,046	2.01%	2.01%
Board members and Senior Executive Officers**	602	n.m.	n.m.	2,047	n.m.	n.m.	2,239	n.m.	n.m.	3,306	n.m.	n.m.
ASF	40,000	n.m.	n.m.	0	0	0	0	0	0	0	0	0
Vinci Concessions	40,923,246	17.7%	17.7%	46,208,033	20.0%	20.0%	53,094,835	22.99%	22.99%	53,094,835	22.99%	22.99%
Public***	66,108,609	28.7%	28.7%	61,161,007	26.5%	26.5%	55,418,551	24.0%	24.0%	55,024,361	23.82%	23.82%
Total	**230,978,001**	**100%**	**100%**	**230,978,001**	**100%**	**100%**	**230,978,001**	**100%**	**100%**	**230,978,001**	**100%**	**100%**

** Four regional authorities, twenty-nine départements, one commune and three Chambers of Commerce and Industry (Source: EEF, updated in January 2006).*

*** Excluding ADF, but including Philippe Dumas, permanent representative of ADF on the ASF Board of Directors. Directors and senior executive officers hold 2,799 and 507 shares respectively.*

**** Excluding interests declared under the disclosure threshold rules.*

Number, carrying amount and par value of shares held by the Company or held in its name by subsidiaries

At the date of this document the Company did not hold any of its own shares.

The Shareholders' Meeting of 13 March 2002 approved a 120-for-1 share-split effective 13 March 2002.

At 28 February 2006, shares held by the public included 1,899,210 registered shares (based on EEF data, excluding Vinci Concessions which owns 53,094,835 shares in registered form).

Changes in share capital over the last five years

Date	Transaction	Par value[1]	New share capital (in euros)	New number of shares	Number of shares issued	Premiums *(in millions of euros)*
26 June 2001*	Conversion of share capital into euros (Shareholders' Meeting of 26 June 2001)[2]	—	24,632,849	1,615,809	—	—
13 March 2002	120-for-1 share-split (Shareholders' Meeting of 13 March 2002)	—	24,632,849	193,897,080	192,281,271	—
April 2002	Opening up of ASF's capital - issuance of shares on exercise of warrants attributed to shareholders without consideration and warrants issued to HSBC under the greenshoe option (see para. 3.2.4.1)	—	28,653,759.48	225,547,613	31,650,533	776
28 May 2002	Opening up of ASF's capital - Employee share issue (see para. 3.2.4.1)	—	29,343,640.56	230,978,001	5,430,388	78

** There were no changes in share capital between 1997 and 2001*

(1) When the share capital was converted into euros, pursuant to the decision of the Shareholders' Meeting of 26 June 2001, the reference to the shares' par value was deleted from the bylaws.

(2) Conversion of the share capital into euros was decided at the Extraordinary Shareholders' Meeting of 26 June 2001. The amount in euros was rounded down to €24,632,849, leading to a €0.41 reduction in capital, credited to retained earnings.

Controlling shareholders

The Company's capital and voting rights are 50.37%-held by the French State and Autoroutes de France, a public-sector administrative company (établissement public à caractère administrative) set up by the Amended Finance Act (no. 82-1152) of 30 December 1982.

Disclosure thresholds crossed during the year

The Company has not received any notification that the disclosure thresholds have been crossed since the filing of the registration document for the year ended 31 December 2004.

MARKET FOR THE COMPANY'S SHARES

ASF share price and trading volumes on the Eurolist market of Euronext Paris:

Date	High (in €)	Low (in €)	Month-end (in €)	Average closing price (in €)	Trading volume (shares)	Trading volume (in millions of euros)
July 2004	33.59	32.49	32.91	33.18	4,776,584	158.18
Aug. 2004	36.04	32.12	35.9	34.30	5,164,855	177.07
Sept. 2004	37.74	35.62	36.8	36.90	7,757,836	286.98
Oct. 2004	38.4	36.05	36.19	37.34	5,388,767	200.47
Nov. 2004	37.99	36.22	36.97	37.14	7,683,008	285.05
Dec. 2004	37.65	36.76	37.00	37.10	12,066,227	445.58
Jan. 2005	42.09	37.00	41.75	39.16	6,590,982	258.98
Feb. 2005	43.19	38.11	39.59	41.34	7,149,513	291.45
March 2005	39.67	37.15	39.13	38.50	7,559,329	290.26
April 2005	40.98	38.57	40.00	39.93	4,105,932	163.90
May 2005	42.11	39.53	41.92	41.06	11,753,151	484.04
June 2005	47.60	42.08	47.30	44.26	17,786,339	788.31
July 2005	49.48	46.20	47.00	48.03	8,934,675	427.84
Aug. 2005	49.47	46.82	48.10	48.09	9,849,628	474.14
Sept. 2005	48.66	47.30	48.15	48.03	5,731,573	275.21
Oct. 2005	48.15	44.10	46.55	46.69	7,434,251	345.66
Nov. 2005	48.70	46.03	48.35	47.33	8,101,034	382.56
Dec. 2005	50.25	48.06	50.00	49.49	16,570,954	826.63
Jan. 2006	50.60	50.00	50.30	50.22	13,333,254	669.53

Source: Euronext Paris

ADDITIONAL INFORMATION ON THE COMPANY'S ASSETS AND OPERATIONS

Main investments which the Company intends to make for which management has already made firm commitments

French State five-year plan for 2002-2006 (Contrat de plan): residual commitments

ASF's residual commitments under this plan at 31 December 2005 are provided on page 18 of this registration document.

A7 motorway upgrade

In a press release dated 30 August 2005, ASF announced that on 12 September 2005 it intended to commence major works on the A7 motorway between Ternay and Vienne, in relation to the Chasse and North and South Rhône viaducts. These works, which represent an investment of €13 million financed by ASF, will involve some twenty different firms and will last 9 months.

The Company is undertaking these works to ensure that it continues to offer the best possible comfort and road safety conditions for drivers. The main construction works will be on the junction between the two roadways on the Chasse viaduct. The roads will be fully resurfaced and the noise barriers replaced, improving noise abatement for nearby residents. At the same time, two other operations will be carried out on the Rhône viaducts, to upgrade the safety barriers and enhance the water drainage systems.

Property, plant and equipment

Assets supplied by the State or purchased or built by the concession holders primarily correspond to returnable assets (land, buildings, engineering structures, facilities and equipment required to operate the concession). Returnable assets made available to ASF remain the property of the French State and those purchased or built by ASF become the property of the State as soon as they are acquired or put in service. At the end of the concession period, these assets will be automatically surrendered to the State without ASF being entitled to any compensation.

Concession assets are analysed in the 2005 consolidated financial statements provided on page 114 of this registration document.

Management reports

Management report for the year ended 31 December 2005

The Management Report drawn up by the Board of Directors for the year ended 31 December 2005 is on page 63 to 100 of this registration document.

Management report for the year ended 31 December 2004

The Management report drawn up by the Board of Directors for the year ended 31 December 2004 is on pages 58 to 89 of the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 20 April 2005 under number R. 05-043.

Management report for the year ended 31 December 2003

The Management report drawn up by the Board of Directors for the year ended 31 December 2003 is on pages 79 to 105 of the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 23 April 2004 under number R. 04-059.

Related party transactions

Statutory Auditors' report on regulated agreements for the year ended 31 December 2005

The Statutory Auditors' report on regulated agreements for the year ended 31 December 2005 is on pages 231 to 232 of this registration document.

Statutory Auditors' report on regulated agreements for the year ended 31 December 2004

The Statutory Auditors' report on regulated agreements for the year ended 31 December 2004 is on pages 165 to 166 of the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 20 April 2005 under number R. 05-043.

Statutory Auditors' report on regulated agreements for the year ended 31 December 2003

The Statutory Auditors' report on regulated agreements for the year ended 31 December 2003 is on pages 194 to 195 of the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 23 April 2004 under number R. 04-059.

Organisational structure (description of the Group – list of significant subsidiaries)

A list of the Company's subsidiaries and affiliates is provided on page 225 of this registration document.

In 2005 two new legal structures were set up for the purposes of the Group's operations:

- Axxès SAS was set up in June 2005 in partnership with other motorway operators and Crédit Mutuel to manage the electronic toll collection system for heavy goods vehicles. Axxès is 29.7%-owned by ASF and 5.8% by ESCOTA;
- Openly SASU was set up in December 2005 to operate the Lyon north ring road. The company is wholly-owned by ASF.

ADDITIONAL FINANCIAL INFORMATION

Historical financial information

This document incorporates by reference the following information:

Information contained in the consolidated financial statements for the years ended 31 December 2004 and 2003.

a) Consolidated financial statements for the year ended 31 December 2004

The consolidated financial statements for the year ended 31 December 2004 are on pages 111 to 115 of the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 20 April 2005 under number R. 05-043.

Notes to the consolidated financial statements for the year ended 31 December 2004

The notes to the consolidated financial statements for the year ended 31 December 2004 are on pages 115 to 152 of the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 20 April 2005 under number R. 05-043.

Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2004

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2004 is on pages 153 to 154 of the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 20 April 2005 under number R. 05-043.

b) Consolidated financial statements for the year ended 31 December 2003

The consolidated financial statements for the year ended 31 December 2003 are presented in the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 23 April 2004 under number R. 04-059.

Notes to the consolidated financial statements for the year ended 31 December 2003

The notes to the consolidated financial statements for the year ended 31 December 2003 are presented in the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 23 April 2004 under number R. 04-059.

Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2003

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2003 is presented in the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 23 April 2004 under number R. 04-059.

Information contained in the individual Company financial statements for the years ended 31 December 2004 and 2003.

a) Company financial statements for the year ended 31 December 2004

The Company financial statements for the year ended 31 December 2004 are on pages 155 to 158 of the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 20 April 2005 under number R. 05-043.

Notes to the Company financial statements for the year ended 31 December 2004

The notes to the Company financial statements for the year ended 31 December 2004 are on pages 159 to 164 of the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 20 April 2005 under number R. 05-043.

b) Company financial statements for the year ended 31 December 2003

The Company financial statements for the year ended 31 December 2003 are presented in the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 23 April 2004 under number R. 04-059.

Notes to the Company financial statements for the year ended 31 December 2003

The notes to the Company financial statements for the year ended 31 December 2003 are presented in the registration document of Autoroutes du Sud de la France filed with the Autorité des marchés financiers on 23 April 2004 under number R. 04-059.

Capital resources

Information concerning the issuer's capital resources (both short and long term)

See the consolidated balance sheet on pages 104 to 105 of this registration document.

Sources and amounts of the issuer's cash flows

See the consolidated statement of cash flows on page 106 of this registration document.

Information on the borrowing requirements and funding structure of the issuer

This information is provided in the notes to the consolidated financial statements for the year ended 31 December 2005, particularly in Note 34.4 which provides detailed information about long- and short-term borrowings.

During the second half of 2005, the ASF Group repaid €240.1 million worth of CNA loans which had matured.

The Group obtained a new €100 million loan from the EIB on 8 December 2005 which matures in 2025. The loan carries a fixed interest rate of 3.642%

Information concerning anticipated sources of funds

Since 2002, ASF has been phasing out CNA financing, with the aim of eliminating all borrowing from CNA by 2006. This source of funds is being replaced by bank borrowings, bond issues and project finance.

No new financing was in the process of being raised at the date of this registration document.

Significant change in the issuer's financial or trading position since 31 December 2005

As far as the Company is aware there has been no significant change in the Group's financial or trading position since 31 December 2005.

THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTERESTS

Ricol, Lasteyrie et Associés issued a fairness opinion on 18 October 2005 relating to the addendum to the CNA agreement described in the "Material contracts" section of this registration document. The opinion is available for consultation at the Company's headquarters at 100, avenue de Suffren, 75015 Paris.

INSURANCE

ASF has taken out property and casualty insurance for varying capped amounts depending on the type of claim. For 2005, the programme included €35 million in fire, explosion and lightning cover, €4 million in cover for machine damage, damage to computer systems and electrical damage, and €3 million in cover for damage to civil engineering structures. At ESCOTA the amounts were €30 million, €4 million and €1.5 million respectively. ASF and ESCOTA also have liability cover. ASF's programme provides cover of a maximum of €11.4 million per claim for operating liability claims and €11.4 million per year for professional liability claims. At ESCOTA, the amounts are capped at €16 million for operating liability claims (without any ceiling per claim) and €16 million for professional liability claims. Cover for losses arising from liability claims for accidental environmental damage is capped at €7.6 million per claim and per insurance year for all claims relating to ASF and at €15 million for ESCOTA. Contractors retained by the ASF Group to work on motorway construction projects are required to take out insurance cover for their work. The Group does not have business interruption insurance covering any loss of revenues due to events such as demonstrations.

INTELLECTUAL PROPERTY

In the normal course of business, ASF and its subsidiaries use a certain number of proprietary trademarks, including Radio Trafic FM and Web Trafic. The ASF, ESCOTA and Radio Trafic FM logos are registered and a number of domain names are also protected.

EXCEPTIONAL EVENTS, CLAIMS AND LITIGATION

Claims and litigation

The ASF Group is involved in a number of claims and legal proceedings in the normal course of its business. To the best of the Company's knowledge, other than the matters described in the paragraph below on VAT, no litigation, arbitration proceedings or exceptional events are in progress or have occurred in the recent past that could have a material impact on the financial position, results of operations or business of the Company or the Group.

Provisions for contingencies are estimated on a conservative basis, following a case-by-case analysis of the related risks. The estimates are backed up by statistical analyses, covering the results of claims and litigation for recent years. A ratio is then obtained of the actual cost, by category of claim. ASF currently records provisions for claims and litigation by applying this ratio to all claims outstanding at 31 December each year, by category of claim. This approach, which has been verified and validated, allows the Group to calculate provisions which closely reflect the amounts that ASF will be required to pay at the outcome of disputes in which is it involved.

VAT

On 15 January 2003, France's Director of Tax Legislation issued a letter informing the Chairman of the Toll Motorway Operators Committee that there was no justification for toll motorway operators to issue amended invoices breaking out the VAT paid by users between 1 January 1996 and 31 December 2000. On 29 June 2005, the French Council of State ruled that this letter should be cancelled as well as a letter dealing with the same matter issued by the French Minister Delegate for the Budget and State Reform.

On 29 December 2005, the French Constitutional Council held that the provision of the Amended Finance Act for 2005 relating to the withdrawal of the right of hauliers to recover VAT on road tolls for periods prior to 1 January 2001 was void.,

ASF and ESCOTA, along with all other French motorway operators, are awaiting clarification from the French Ministry of the Economy, Finance and Industry regarding the practical procedures to follow in relation to this issue.

ASF, ESCOTA and the other French motorway operators have filed a third-party motion to vacate the Council of State's ruling.

ASF and ESCOTA received a letter from the Ministry of the Economy, Finance and Industry dated 19 October 2005 confirming that "the outcome of this case will not lead to any additional expense for the motorway operators" (See the Management Report on page 64).

In view of this guarantee provided by the French state, the Company decided to maintain the position adopted at 30 June 2005 and not to record any provision in relation to this issue.

RECENT DEVELOPMENTS AND OUTLOOK

Press release of 28 February 2006 on the 2005 consolidated results

Revenue: +3.6%.
Operating profit : +3.0%.
Further reduction in net financial expense: (8.9)%.
Growth in profit: +11.2%.
Recommended dividend per share: €1.20, +15% compared to dividend paid in 2004.

The Board of Directors of ASF (Autoroutes du Sud de la France), chaired by Bernard Val, met on Tuesday 28 February to approve the financial statements at 31 December 2005.

Ongoing improvement in profitability in 2005

Revenue up 3.6%

The ASF Group's revenues for 2005 totalled €2,474.2 million versus €2,389.2 million in 2004, representing an increase of 3.6%.

(in millions of euros – excluding tax)	2004 (IFRS)	2005	Change (%)
Toll receipts	2,342.9	2,427.3	+3.6%
Fees from service stations & other service area operators	31.9	31.3	(2.0)%
Fibre optics & telecommunications fees	14.4	15.6	+8.0%
Total revenue	2,389.2	2,474.2	+3.6%

Increase in earnings

(in millions of euros – excluding tax)	2004 (IFRS)	2005	Change (%)
EBITDA	1,520	1,569	+3.2%
Operating profit	1,045	1,076	+3.0%
Net financial expense	(435)	(397)	(8.9)%
Profit for the period	398	443	+11.2%

The combination of moderate business growth and efficient management of operating and financial expenses generated a slight improvement in the Group's profitability in 2005, a year that marked a turning point in the ASF Group's evolution due to the combined weight of the GIE Autoroutes (economic interest group common to all French motorways) restructuring plan and the privatisation.

EBITDA thus stood at €1,569 million in 2005, up 3.2% compared to 2004.

EBITDA margin (EBITDA as a percentage of revenue) edged down from 63.6% to 63.4% between 2004 and 2005. Non-recurring expenses linked to the year's exceptional events (GIE Autoroutes restructuring and the privatisation process) have negatively impacted the Group's 2005 **EBITDA margin** : excluding these non-recurring costs, the ASF Group's EBITDA margin would have reached 64% in 2005.

Operating profit grew by 3.0% despite the impact on financial depreciation of the commissioning of new sections and the 4% increase in operating costs.

Net financial expense fell by 8.9% to €397 million in 2005 from €435 million in 2004, mainly due to the replacement of maturing loans by new financing at significantly lower rates and to the interest savings generated by the conversion of part of the Group's fixed rate debt into floating rate.

Income tax expense increased to €236 million from €210 million.

Profit for the period stood at €443 million, representing an increase of 11.2% compared to the €398 million recorded in 2004.

Increase in Free Cash Flow

Cash flow after net finance cost and tax rose by 7.3% to €936 million in 2005 from €873 million in 2004 reflecting increases in the Group's earnings and in net depreciation and amortisation expense.

After taking into account net finance cost and current and deferred taxes, and after deducting income tax paid and change in operating working capital, net cash from operating activities stood at €1,345 million in 2005 compared to €1,247 million in 2004.

The ASF Group continued to invest in new construction and in existing motorways (ICAS). While waiting for new growth drivers such as the construction of the Lyon-Balbigny section of the A89, the Group's total amount of capital expenditure declined: net cash used in investing activities amounted to €494 million in 2005, versus €688 million in 2004.

Free cash flow, after net interest paid and other cash flows from financing activities and before debt service and dividend distribution has more than tripled between 2004 and 2005, reaching €453 million in 2005 versus €121 million in 2004.

Net cash used in financing activities sharply decreased, falling from €752 million in 2004 to €467 million in 2005, reflecting for the most part proceeds from loans obtained during the year:

- a €300 million loan granted by the Caisse Nationale des Autoroutes in June 2005;
- a €150 million loan in May 2005 and €100 million in December 2005, both granted by the European Investment Bank.

The total borrowings raised during 2005 thus amounted to €550 million, over €100 million higher than in 2004. Dividends paid on 25 May 2005 with respect to the fiscal year 2004 totaled €240 million. Debt repayments declined substantially from €604 million in 2004 to €377 million in 2005.

The combination of these cash flows, and more particularly the €550 million worth of borrowings raised in 2005, exceeding the Group's needs for the period, led to an increase of €385 million in cash and cash equivalents, to €817 million at 31 December 2005.

Change in financial structure

At 31 December 2005 the Group had a cash surplus of €817 million.

Net debt decreased from €7.8 billion at 31 December 2004 to €7.6 billion at 31 December 2005.

The addendum to the 1996 master agreement with the Caisse Nationale des Autoroutes, approved last October by the ASF Group's Board of Directors, introduced new obligations concerning the levels of the following ratios :

- the **Net debt /EBITDA** ratio must not exceed 7x: this ratio has continued to improve, falling from 5.2x at 31 December 2004 to 4.9x at 31 December 2005;
- the **EBITDA/Net financial expense** ratio must be greater than 2.2x: this coverage ratio (excluding capitalised interests) rose to 3.8x in 2005 from 3.4x in 2004.

On 14 December 2005, the day on which the State announced the sale of the French motorways, **Standard & Poor's lowered its long-term credit rating on ASF from A+ to BBB+** and its short-term rating from A-1 to A-2, both ratings remaining on credit watch with a negative outlook. This downgrade reflects the adjustment of ASF's rating to the level of Vinci's. It is most likely that the outlook will change from negative to stable, once Vinci has completed the capital increase scheduled to fund the acquisition.

Growth in dividend per share

Thanks to the growth in ASF Group's earnings in 2005, the Board intends to recommend to the Annual Shareholders' Meeting a 15% increase in the dividend to €1.20 per share.

The awarding of the Balbigny/ La Tour de Salvagny (A89) section

On 7 February, the French Senate voted a bill authorising ASF to build the A89 motorway section between Balbigny and La Tour de Salvagny. This bill was in turn approved by the National Assembly on 23 February 2006.

Calendar

Following the announcement of the French State's decision to sell its 50.37% stake in ASF on 14 December 2005, Vinci filed a notification form on 3 February 2006 with the Directorate-General for Competition, Consumption and Fraud control (the DGCCRF), the authorities in charge of merger control. A five-week period, from the reception of the notification form, ending 10 March 2006, is necessary for the DGCCRF to examine the notification and decide whether Vinci and ASF can merge. If the transaction is approved by the DGCCRF, the French State will proceed with the sale of its shareholding interest in ASF.

Press release of 9 March 2006 on Vinci's acquisition of a 50.37% stake in ASF

50.37% of ASF's capital acquired by VINCI.

ASF's Board of Directors recommends that shareholders should tender their shares in response to the guaranteed offer.

VINCI announced today the acquisition of the French government's (41.5%) and Autoroutes de France's (8.8%) stakes in ASF at a price of €51 per share. VINCI's equity stake in ASF is now 73.4%.

In accordance with stock exchange regulations, VINCI will submit an offer with the market regulator, the AMF, and with ASF to buy the remaining shareholders' shares at a guaranteed price in the coming days, that will enable existing ASF shareholders to sell their shares at €51, the price at which the French government and Autoroutes de France sold their shares to VINCI today.

ASF's Board of Directors, meeting on 9 March, unanimously decided to recommend that shareholders should tender their shares in response to this guaranteed offer.

Following the change of control, ASF's Board of Directors is now made up of 11 board members of whom two are from outside VINCI. Bernard Val and Jacques Tavernier have been confirmed in their respective jobs of Chairman and CEO of ASF. Jacques Tavernier will be appointed Chairman and CEO of ASF following ASF's Annual General Meeting in May.

ASF's stock-market quotation has been suspended, pending the deposit of a standing offer.

A further press release will be prepared and published to comply with the provisions of article 231-17 of the AMF's general regulations once the guaranteed offer has been submitted.

Contacts

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PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND FOR THE AUDIT OF THE ACCOUNTS

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Jacques Tavernier, *Chief Executive Officer*

Statement of the person responsible for the registration document

"I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the registration document and examined the information about the financial position and the historical accounts contained therein.

The Statutory Auditors' reports on the historical financial information contained in the Group's 2005, 2004 and 2003 registration documents can be found on pages 208, 153 and 161 of the said documents, respectively. The Statutory Auditors' report on the 2004 historical financial information contains an observation relating to a change in accounting method introduced during the year as a result of applying CNC recommendation 2003 R01 relating to the recognition and measurement of employee benefit obligations."

Jacques Tavernier, *Chief Executive Officer*

PERSONS RESPONSIBLE FOR FINANCIAL COMMUNICATIONS

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Elisa PASCAL – +33 (0)1 72 71 48 47

Toll free number (France only): 0 800 015 025

AUDITORS

Statutory Auditors

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine

Represented by Florence Pestie.

Date of first appointment and start of current term of office:
Shareholders' Meeting of 27 June 2000.

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

JPA

7, rue Galilée
75116 Paris

Represented by Jacques Potdevin.

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

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

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

Substitute Auditors

Socodec Exco Bourgogne

5, avenue Garibaldi
21000 Dijon

Represented by Jean-Noël Parot.

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

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

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

SCP Guyot Varona et Autres

105, avenue Raymond Poincaré
75116 Paris

Represented by Gérard Varona.

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

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

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

CROSS-REFERENCE TABLE

The checklist below provides cross references between the pages in the registration document and the key information required under European Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council.