

# Autoroutes du Sud de la France

## Analyst day



# Disclaimer

This presentation contains forward-looking statements which are based on current plans and forecasts of VINCI's management.

Such forward-looking statements are by their nature subject to a number of important risk and uncertainty factors, as those described in the registration document filed by VINCI to the French Securities Regulator (AMF), that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements.

These forward-looking statements speak only as of the date on which they are made, and VINCI undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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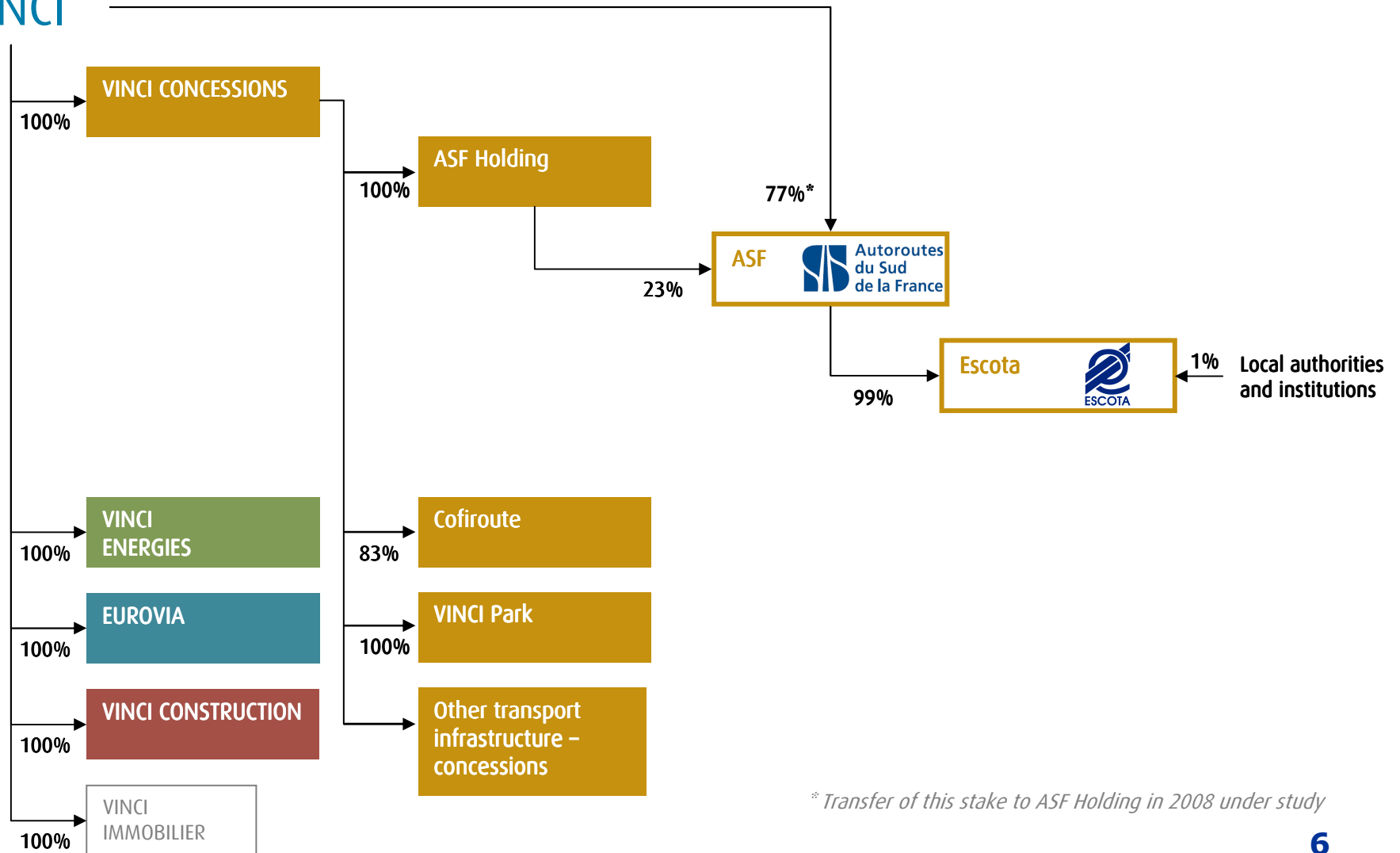
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# 1. Business Profile

# Shareholding structure

(As of July 2007)

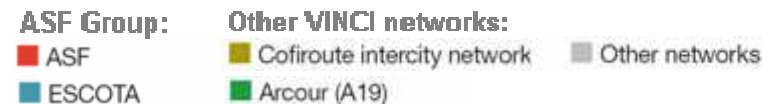
VINCI



\* Transfer of this stake to ASF Holding in 2008 under study

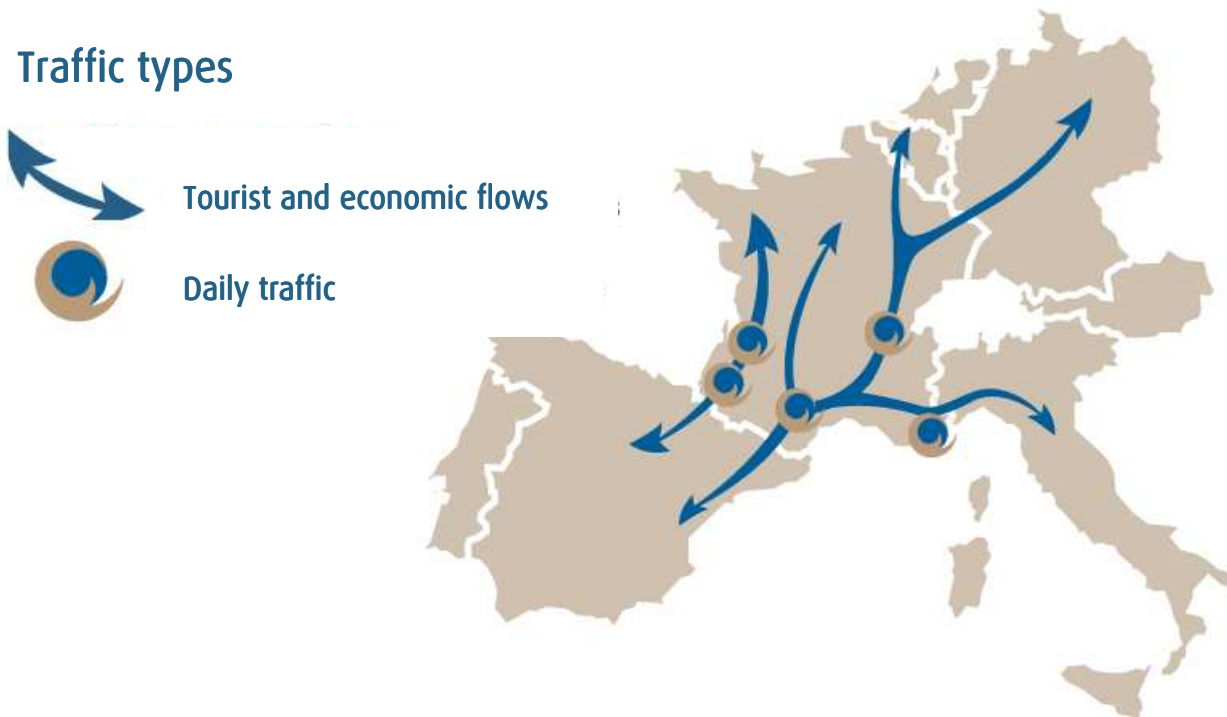
# ASF group: the major French toll-road operator

- ▶ ASF + Escota: # 1 toll-road operator in France and # 2 toll-road operator in Europe
- ▶ Mature and almost completed network:
  - 3,160 km of conceded network
  - 3,026 km under operation
- ▶ Strategic location at crossroads of Southern Europe:
  - Significant local traffic in regions where the population is growing
  - Substantial recurring tourist flows
  - Strong growth in freight traffic (Spain-France-Italy)
- ▶ 100% subsidiary of VINCI group, the European leading motorway, car park and transport infrastructure concession operator



# Strategic location at crossroads of Europe

- Urban network with strong daily traffic: Lyon, Montpellier, Toulouse, Bordeaux, Nice
- 3 cross-boarder zones
- Summer traffic peak: A7-A9: 160,000 vehicles/day



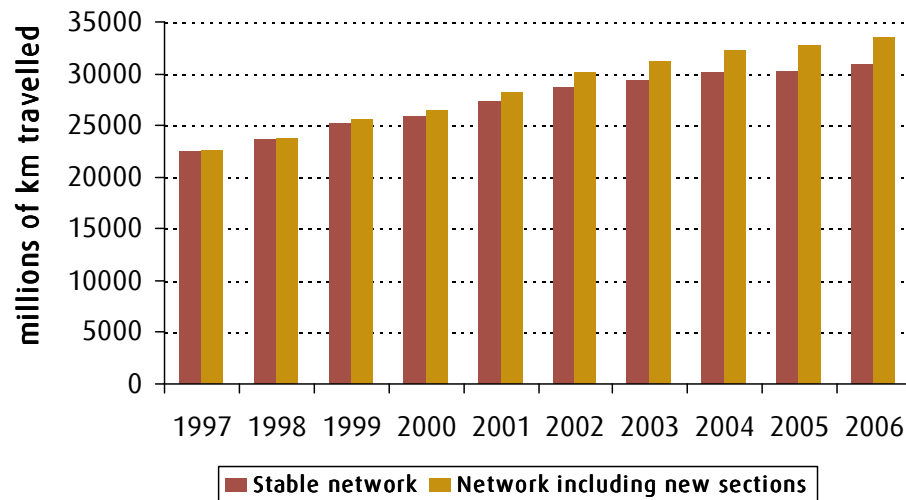
Significant experience in managing diversified traffic types

	ASF*	Escota	Total ASF Group
Company created in	1957	1956	-
Network under operation (km)	2,567	459	3,026
Total network conceded (km)	2,701	459	3,160
End of concession	31/12/2032	31/12/2026	-
2006 Number of kilometers travelled (millions of km)	27,039	6,428	33,467
2006 Annual Average Daily Traffic (vh/d)	29,132	30,540	-
2006 Revenue (€m)	2,082	543	2,625
Headcount (2006 annual average workforce)	5,510	1,802	7,312

\* including Puymorens tunnel, 5.6 km long, concession contract expiring in 2037

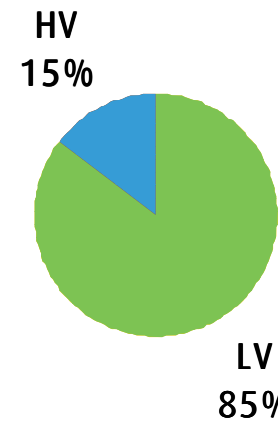
# A strong traffic dynamism

## Established track record of steady traffic growth

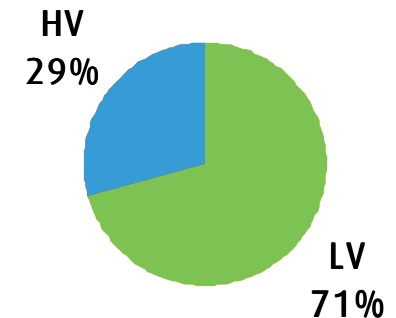


## A diversified user base

Km traveled  
2006 figures



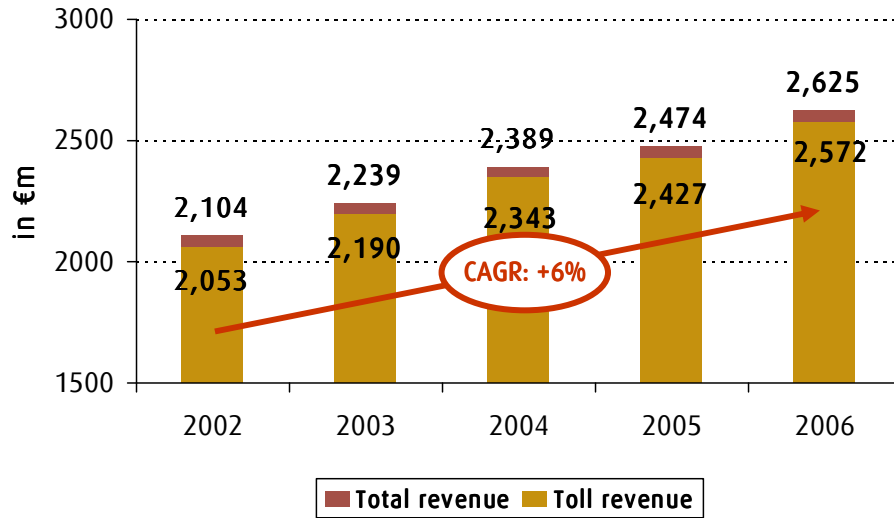
Revenue  
2006



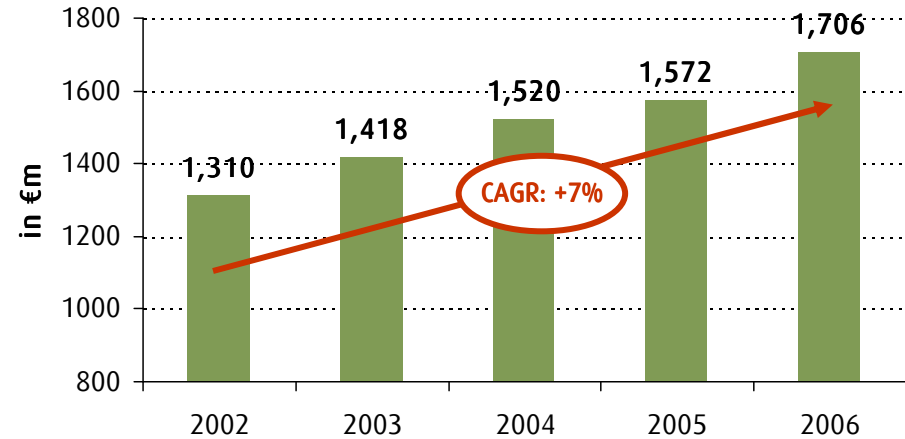
- Ⓢ The most dynamic motorway network in terms of traffic: +50% over 10 years (CAGR +4.5%); stronger growth than GDP
- Ⓢ High resilience of traffic, weakly affected by economic background and fuel price increases
- Ⓢ Low impact of train/plane and secondary road competition
- Ⓢ Good traffic diversity:
  - Commuter or urban traffic
  - Tourist flows
  - Freight traffic from other countries

# High profitability and increasing positive free cash flow

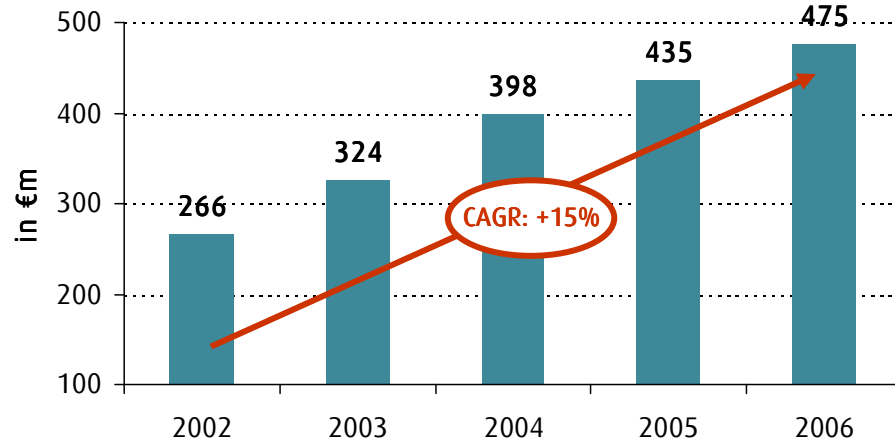
Revenue



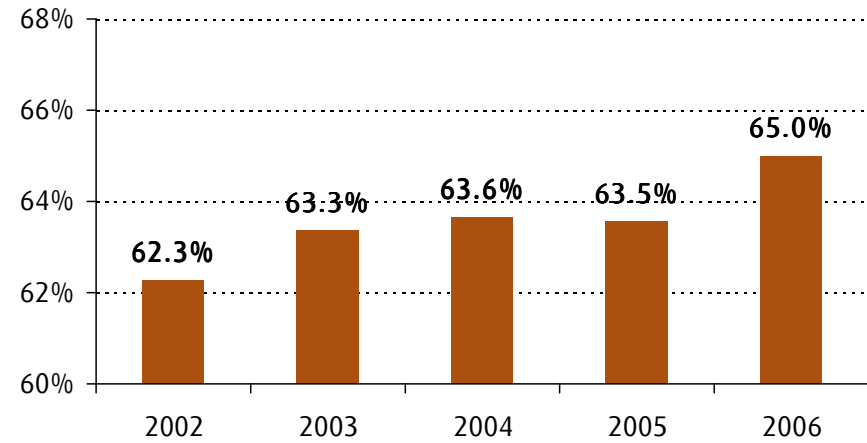
EBITDA (Cash flow from operations before tax and financing cost)



Net profit

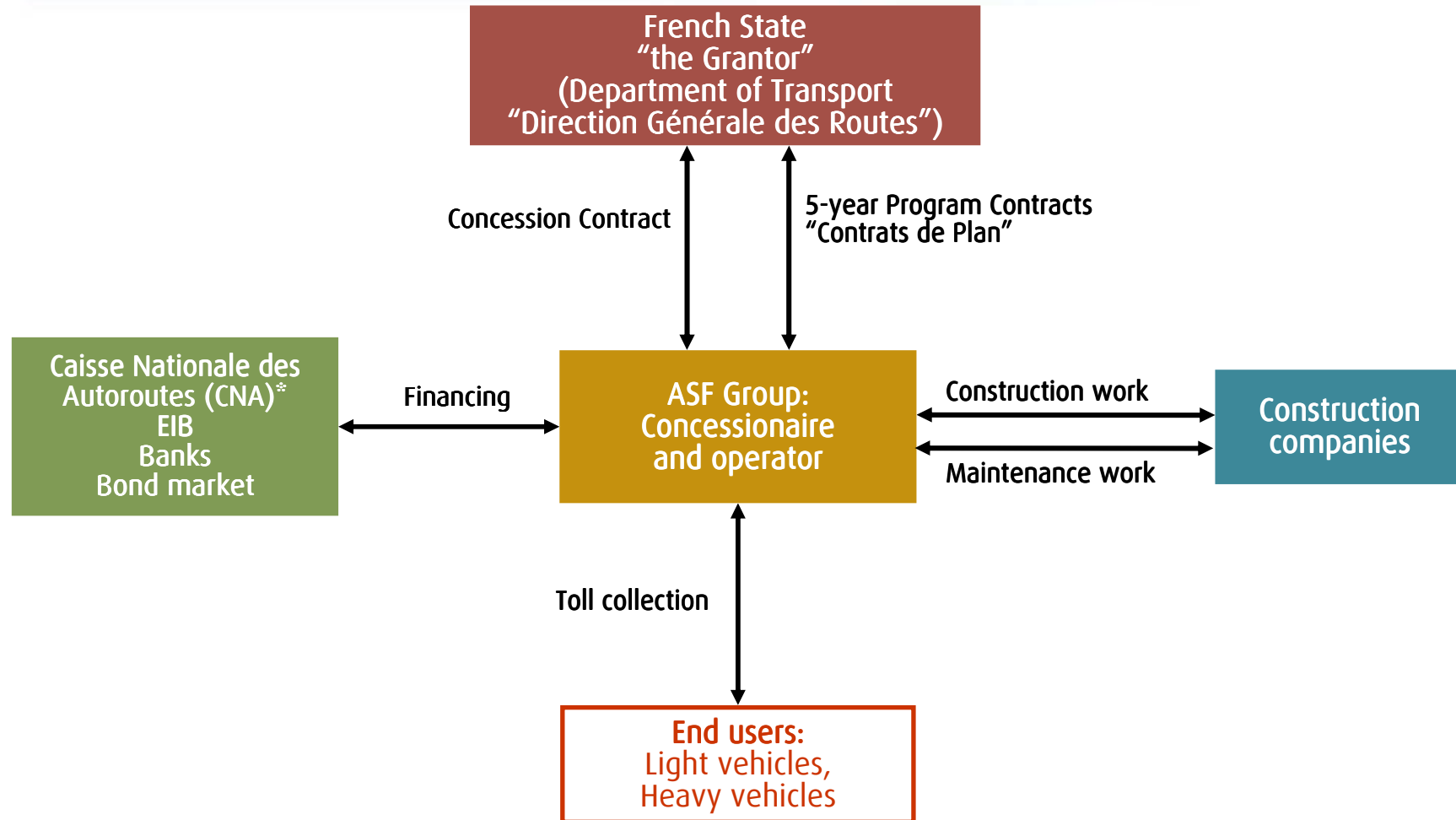


EBITDA / revenue



## 2. Contractual framework

# General framework



\* State-owned financial entity (Aaa/AAA) created for providing financing to the French semi-public toll road operators

# A transparent and protective legal framework

## ➤ Relations with the Grantor are governed by:

- 3 Concession Contracts (ASF, Escota, Puymorens Tunnel) and their Amendments which determine general framework
- 5-year Programme Contracts (“Contrats de Plan”) can be added to define through the period:
  - ▶ The detailed investment schedule to improve networks
  - ▶ Quality objectives over the period (maintenance of network, services...)
  - ▶ The related tariff adjustments

**2007-2011 Programme Contracts have just been signed by ASF and Escota with the French Department of Transport**

## ➤ Under the concession contract, the concessionaire has a general obligation to:

- Finance, design and build the infrastructure and related equipments
- Meet the specified construction schedule
- Operate and maintain the network

## ➤ The company bears construction, operation and traffic risks and is contractually protected against changes in tax rules specific to the motorway sector and changes in technical regulations directly related to the concession

# A transparent and protective legal framework

- Early termination of the concession for default
  - The concession contract may be terminated by decision of the Grantor approved by decree of the Conseil d'Etat (the equivalent of the French Supreme Court), should any major contractual breaches not be remedied within 30 days
  - The concession contract will be granted to a new concessionaire through a competitive bidding process. The bid price will be paid by the new concessionaire to the disqualified company
  
- Buyback option held by the French State for reasons of public interest:
  - The buyback option cannot be exercised by the French State before:
    - ▶ 2012 for ASF and Escota motorway networks,
    - ▶ 2013 for Puymorens Tunnel
  - If the option is exercised, the Concessionaire will be paid compensation based on the estimated fair value determined through the discounted free cash flow methodology \*

\* This new calculation method for the indemnity is set out by Amendments 11 & 12 of the Concession Contracts of Escota and ASF, respectively, approved by the decree dated May 15th 2007

# Clear contract awarding procedures

- Conditions of awarding contracts for civil works and all supply or services have been clearly set by the Grantor:
  - Public tender is required for all civil works contracts above € 2,000,000 and all supply or services contracts above €240,000
  - A “Commission Consultative des Marchés Autoroutiers” (CCMA) has been established in each concessionaire company with the following targets:
    - ▶ **Independence**
      - the majority of the members of the commission is independent and has no direct or indirect link with construction companies,
      - one member of the French anti-trust authority (“DGCCRF”) automatically sits in the Commission with a veto right
    - ▶ **Advisory and control activity**

The commission:

      - Checks the contracts awards procedures in force in the company
      - Advises about the awarding of the contracts which are submitted for its examination. ASF or Escota cannot overlook this advice, except if their respective Board decides to, which implies that the decision is deemed a regulated agreement (“convention réglementée”), procedure involving namely Directors personal responsibility

### 3. 2007–2011 Programme Contracts “Contrats de plan”

# A clear tariff policy

- Tariffs (applicable to class 1 vehicles\*)

	2007	2008 to 2011
ASF	85% CPI +1.0925 %	85% CPI + 0.825 %
Escota	85% CPI + 0.9 %	

*CPI, Consumer Price Index: French inflation index excluding tobacco*






\* Class 1 vehicles = light vehicles (see page 19)

- As a result of the formula here above, 2007 class 1 average tariff increases were based on October 2005-October 2006 CPI: 1,07%
  - 2007 ASF class 1 average tariff increase: +2%
  - 2007 Escota class 1 average tariff increase: +1.81%
- Tariffs for other classes of vehicles are determined through coefficients, evolving over the 2007-2011 period, and applied to the class 1 tariffs (*cf. slide 19*). e.g:

	ASF network	Escota network
2007: class 4 tariff (heavy vehicles) =	2.85 x	2.89 x
2011: class 4 tariff (heavy vehicles) =	2.95 x	3.06 x

# New tariffs coefficients

## ➤ Tariff coefficients

		ASF	Escota	
Light vehicles	<b>Class 1</b> 	1 x	1 x	
Light vehicles	<b>Class 2</b> 	1.55 x	1.51 x	
Heavy vehicles	<b>Class 3</b> 	Evolute	Evolute	<i>See here below</i>
Heavy vehicles	<b>Class 4</b> 	Evolute	Evolute	<i>See here below</i>
Light vehicles	<b>Class 5</b> 	0.60 x	0.62 x	

## ➤ Tariff coefficients for heavy goods vehicle classes for 2007-2011

		2007	2008	2009	2010	2011
ASF	Class 3	2.18	2.18	2.19	2.21	2.23
	Class 4	2.85	2.86	2.88	2.91	2.95
Escota	Class 3	2.12	2.12	2.14	2.18	2.22
	Class 4	2.89	2.90	2.95	3.01	3.06

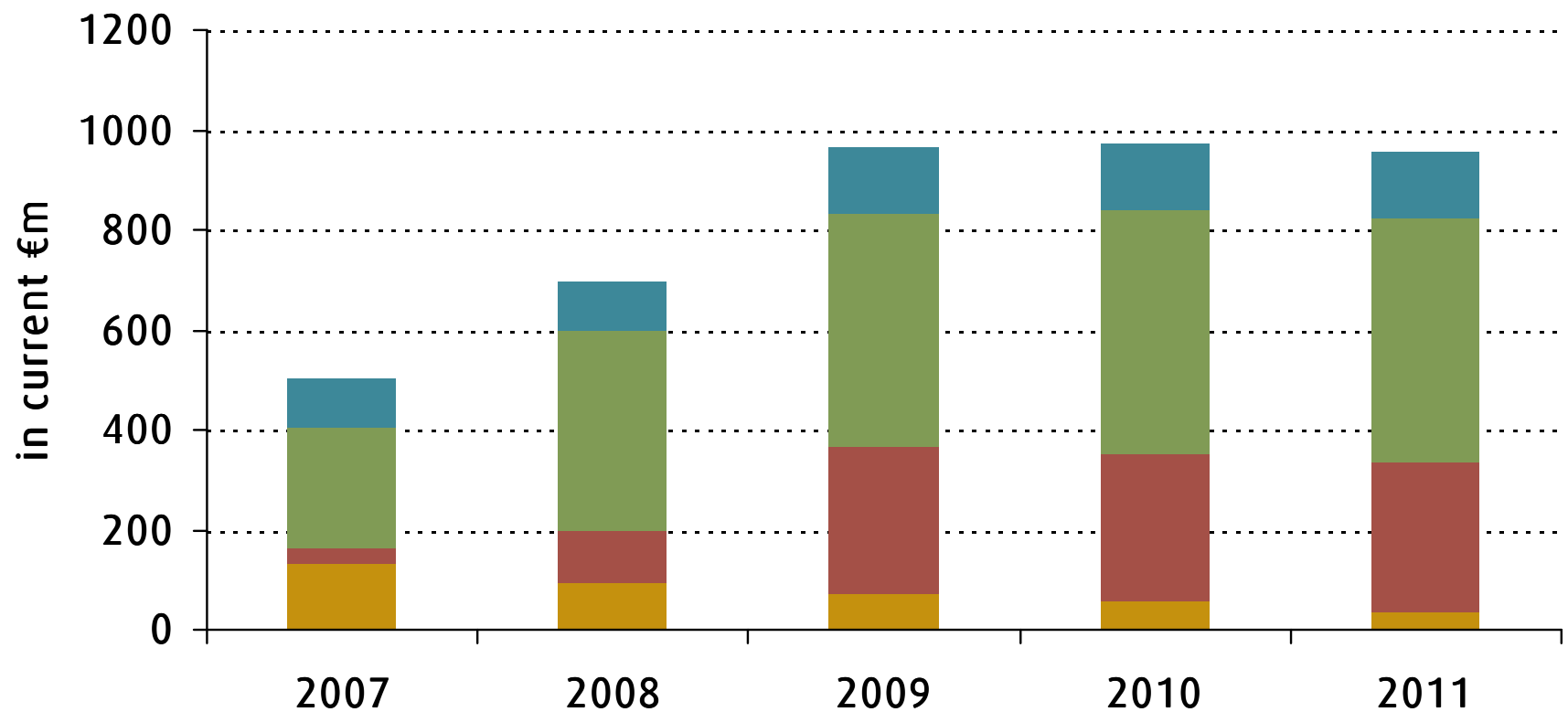
# Capital expenditures

## ➤ 2007-11 Programme Contract: total CAPEX over the period \*

		<i>In constant 2006 €</i>
ASF	Construction of new sections	€1,317m
	<i>of which Lyon-Balbigny (A89)</i>	<i>€950m</i>
	<hr/>	
	Supplementary investments in motorways in service ("ICAS")	€1,315m
	<i>of which road widening</i>	<i>€ 694m</i>
	<i>safety investments</i>	<i>€150m</i>
<hr/>		
Escota	Supplementary investments in motorways in service ("ICAS")	€706m
	<i>of which road widening</i>	<i>€233m</i>
	<i>safety investments (refurbishing of the A8 tunnels)</i>	<i>€304m</i>
<hr/>		
<b>TOTAL (in constant 2006 €)</b>		<b>€3,338m</b>
<i>Approximately in current €</i>		<i>c.€3,600m</i>
<hr/>		

\* Excluding IEAS and capitalized borrowing cost, estimated to €364m (in constant €) and €394m (in current €), and see definitions slide 76)

# Capital expenditures – ASF Group (ASF + Escota)



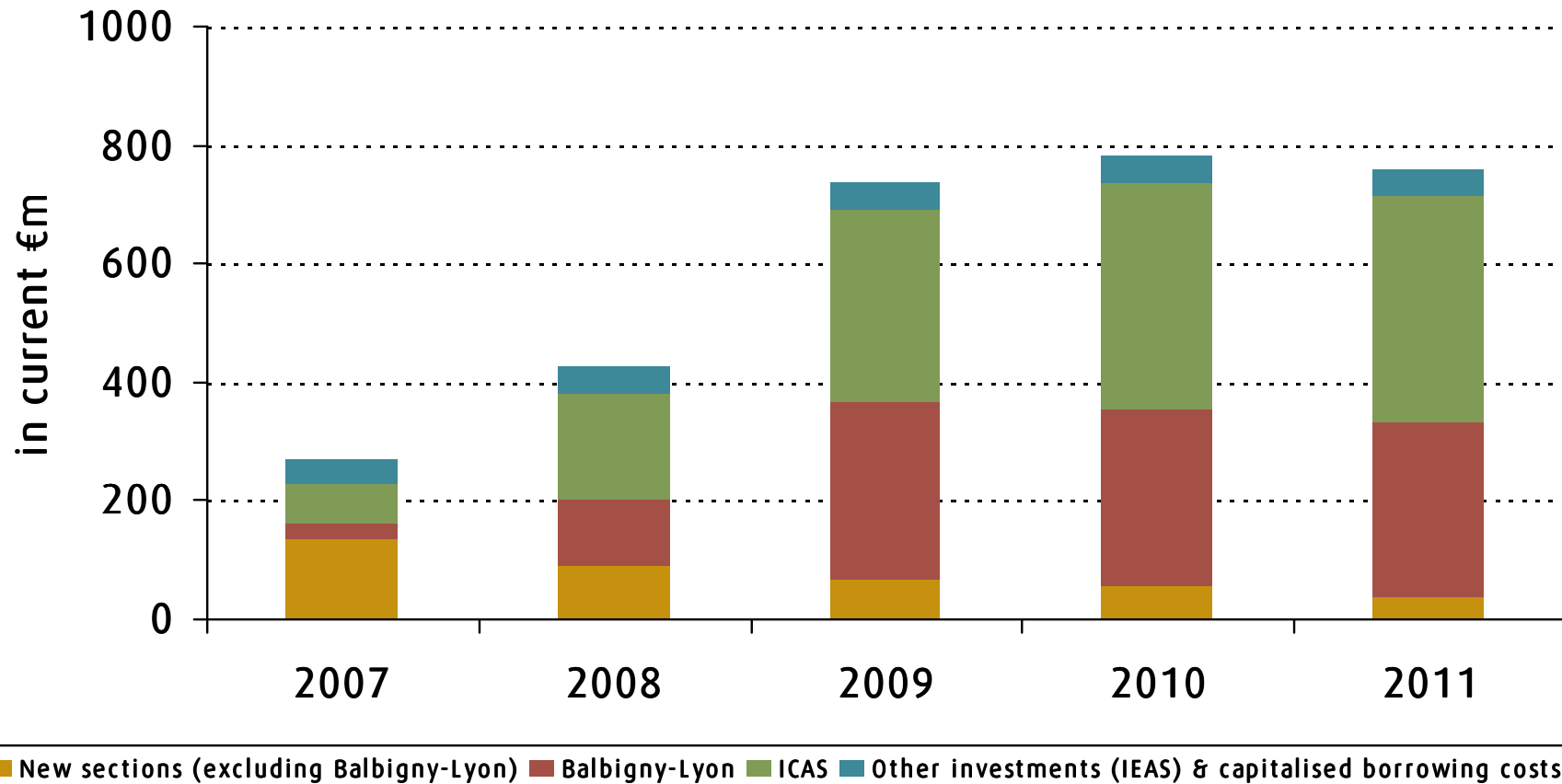
■ New sections (excluding Balbigny-Lyon) 
 ■ Balbigny-Lyon 
 ■ ICAS 
 ■ Other investments (IEAS) & capitalised borrowing costs

*ICAS: Complementary investments in existing motorways*

*IEAS: Operating investments in existing motorways*

*See definitions on slide 76*

# Capital expenditures - ASF

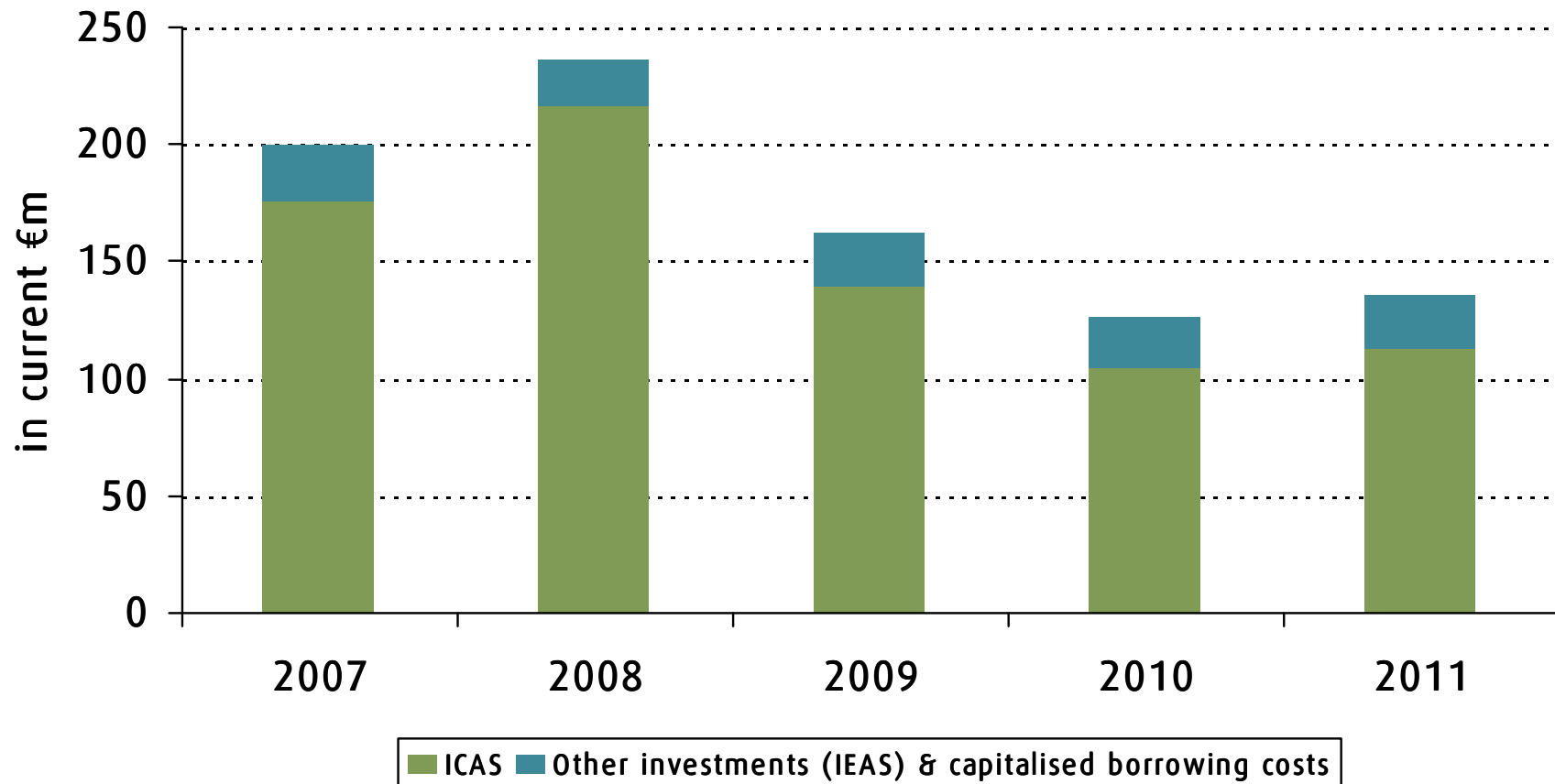


*ICAS: Complementary investments in existing motorways*

*IEAS: Operating investments in existing motorways*

*See definitions on slide 76*

# Capital expenditures - Escota



*ICAS: Complementary investments in existing motorways*

*IEAS: Operating investments in existing motorways*

*See definitions on slide 76*

## Capital expenditures - new sections

	Scheduled Opening date	Nb of km	in constant 2006 €m
Completion of the A89 (Bordeaux/Clermont-Ferrand)	Mid-2008	22 km	130
Completion of the A87 (Angers/La Roche-sur-Yon)	Mid-2008	23 km	150
A89 - Balbigny/Lyon	End of 2012	53 km	950
A75/A9 Beziers East bypass	Q1 2010	5 km	85
Others	-	-	2
<b>Total</b>	-		<b>1,317 *</b>

*\* Approximately in current euros*

*c.€1,415m*

# New sections: A89 – Balbigny/Lyon

## Key figures

Length: 53 km

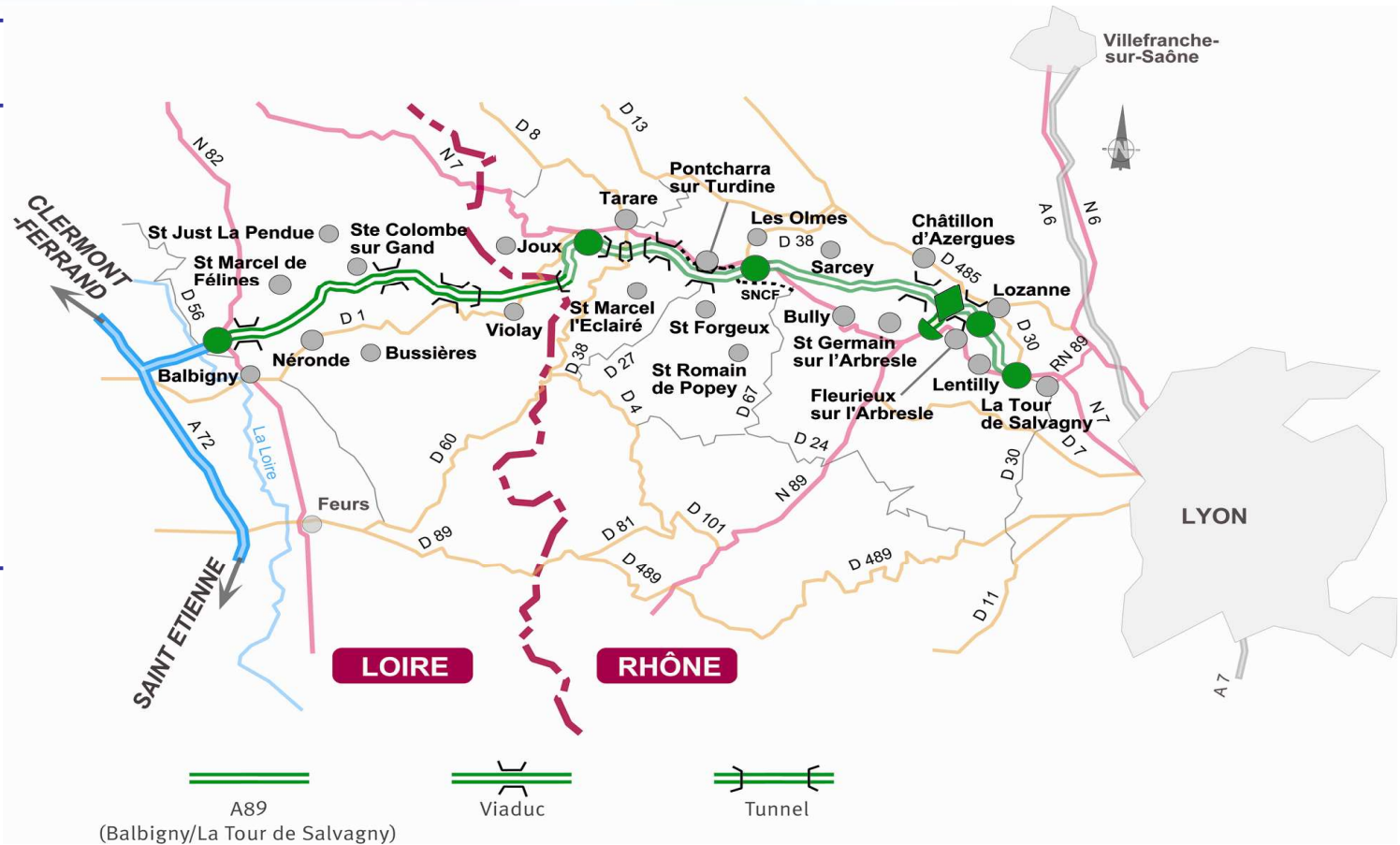
7 interchanges

7 viaducts

3 tunnels for a total length  
of 6 km

Construction cost: €1.4bn  
(in current euros)

Opening in Dec. 2012



- Link between major East-West highway 89 Bordeaux/Clermont-Ferrand to Lyon's conurbation
- Decongest the Loire & Rhône regions

## Capital expenditures - Investments on motorways in service ("ICAS"): ASF

	Scheduled opening date	Nb of km	in constant 2006 €m
A9 widening* in Montpellier	April 2013	19 km	278
A63 Bariatou/Ondres widening*	Mid- 2014	40 km	330
A9 Perpignan Nord/Sud widening*	Mid-2013	14 km	86
Safety, environmental and operation capex	-	-	150
Toll stations	-	-	83
Others (interchanges, HV parks, etc.)	-	-	388
<b>Total ASF</b>	-		<b>1,315</b>

\* *Approximately in current euros*

*c.€1,420m*

\* *From 2 to 3 lanes in each way*

## Capital expenditures - Investments on motorways in service ("ICAS"): Escota

	Opening date	Nb of km	in constant 2006 €m
Investments in tunnel safety (19 tunnels)	-	13.4	264
A8 widening* (Châteauneuf-le-Rouge / Saint Maximin & Saint Augustin / Saint Isidore)	Mid-2010	30.5	138
A50-52 widening* (La Ciotat / Bandol & Pas-de-Trets / Pont de l'Etoile)	Q1 2013	28.5	95
'Borne romaine' tunnel	End of 2011	0.8	40
Others (interchanges, HV parks, etc.)	-	-	169
<b>Total</b>	-	-	<b>706</b>

\* *Approximately in current euros c.€750m*

\* *From 2 to 3 lanes in each way*

# New safety and quality of service requirements

Main innovations of the new Programme Contract:

## ➤ Toll collection

- Increased automation of the tolls
- Tariff adjustment on traffic fluidity under study, restricted to specific purposes (e.g. environment, holidays departures)

## ➤ Traffic fluidity

- Speed control to adjust fluidity
- Overpassing forbidden for heavy vehicles
- Limitation of access to the motorway

# New safety and quality of service requirements

## ➤ Safety

- More developed communication and prevention
- Implementation of a Security Programme (protection of construction sites, prevention of driving into head-on traffic)

## ➤ Services to heavy vehicles

- Creation of 1,500 additional heavy vehicle park spaces
- Development of standards of quality on the service areas
- Weight control of heavy vehicles

## ➤ Environment

- Noise reduction
  - ▶ Upgrading of the oldest sections to current standards
  - ▶ Possibility for local governments to co finance improvements beyond current legislation
- Ground water
  - ▶ Local improvements of water reclamation
- Better integration of new sections or road widening in their environment

## 4. Financial profile

## Toll revenues on ASF network

2006 / 2005	ASF	Escota	Total ASF group
Traffic on stable network	+2.1%	+2.5%	+2.2%
New sections	+0.5%	-	+0.4%
<b>Effect of traffic</b>	<b>+2.6%</b>	<b>+2.5%</b>	<b>+2.6%</b>
<b>Effect of increased toll prices</b>	<b>+3.6%</b>	<b>+2.5%</b>	<b>+3.4%</b>
<b>Total toll receipts</b>	<b>+6.2%</b>	<b>+5.0%</b>	<b>+6.0%</b>
- <i>light vehicles</i>	<i>+5.5%</i>	<i>+4.8%</i>	<i>+5.3%</i>
- <i>heavy vehicles</i>	<i>+7.9%</i>	<i>+6.0%</i>	<i>+7.6%</i>

# Key figures

<i>in € million</i>	2005	2006	$\Delta 06/05$
Revenue	2,474	2,625	+6.1%
of which toll revenues	2,427	2,572	+6.0%
EBITDA (Cash flow from operations)	1,572	1,706	+8.5%
<i>as % of revenue</i>	63.5%	65.0%	
Net profit	435	475	+9.3%
<i>as % of revenue</i>	17.6%	18.0%	
Net financial debt	7,627	7,355	
Adjusted net financial debt	7,627	12,077(*)	
Adjusted net debt / EBITDA	4.9x	7.1x(*)	

(\*) Adjusted Net Financial Debt includes:

ASF Group extraordinary dividend: € 3,298m

ASF Holding net financial debt: € 1,198m

Purchase accounting ASF Group debt fair value impact: € 226m

## 2006 consolidated P&L (1/2)

<i>in € million</i>	2005	2006	$\Delta$ 06/05
<b>Revenue</b>	2,474	2,625	+6.1%
Purchases & external charges	(232)	(226)	
Taxes (excluding corporate income taxes)	(360)	(370)	
Payroll costs	(323)	(329)	
Miscellaneous	12	6	
<b>EBITDA</b>	1,572	1,706	+8.5%
<i>as % of revenue</i>	63.5%	65,0%	
Depreciation & amortization	(503)	(542)	
<b>Operating profit from ordinary activities</b>	1,069	1,164	+8.9%
<i>as % of revenue</i>	43.2%	44.3%	
Share-based payment expense (IFRS 2)	(1)	(14)	
<b>Operating profit</b>	1,068	1,150	+7.7%
<i>as % of revenue</i>	43.1%	43.8%	

## 2006 consolidated P&L (2/2)

<i>in € million</i>	2005	2006	$\Delta$ 06/05
<b>Revenue</b>	2,474	2,625	+6.1%
<b>Operating profit</b>	1,068	1,150	+7.7%
<i>as % of revenue</i>	43.1%	43.8%	
Financial expense	(400)	(406)	
Income tax expense	(232)	(265)	
<i>Effective tax rate</i>	34.6%	35.7%	
Share losses of associates and minority interest	(1)	(4)	
<b>Net profit attributable to equity holders of the parent</b>	435	475	+9.3%
<i>as % of revenue</i>	17.6%	18.1%	

## 2006 consolidated financial expenses

<i>in € million</i>	2005	2006	$\Delta$ 06/05
Cost of net financial debt	(420)	(410)	+10
Cost of gross financial debt	(435)	(431)	+4
Financial income from cash investments	15	21	+6
Other financial income/(expenses)	20	4	(16)
Capitalized borrowing costs	17	7	(10)
Dividend received	4	1	(3)
Other financial income/(expenses)	(1)	(4)	(3)
<b>Financial income/(expenses)</b>	<b>(400)</b>	<b>(406)</b>	<b>(6)</b>

# 2006 consolidated cash flow statement

<i>in € million</i>	2005	2006
<b>EBITDA*</b>	<b>1,572</b>	<b>1,706</b>
Change in working capital requirement	(4)	(6)
Net interest paid	(437)	(315)
Income taxes	(207)	(264)
<b>Net cash flows from operating activities</b>	<b>924</b>	<b>1,121</b>
New concessions fixed assets	(478)	(466)
Other cash flows related to investing activities	(31)	(13)
<b>Net cash flows used in investing activities</b>	<b>(509)</b>	<b>(479)</b>
Dividends	(240)	(277)
Proceeds from new long-term borrowings	550	0
Repayments of long-term borrowings	(340)	(486)
Change in cash management of assets	(197)	(125)
<b>Net cash flows used in financing activities</b>	<b>(227)</b>	<b>(638)</b>
<b>Change in cash equivalents and net cash</b>	<b>188</b>	<b>3</b>

(\*) Cash flow from operations before tax and financing costs

# 2006 consolidated balance sheet

<i>in € million</i>	2005	2006
<b>ASSETS</b>		
Non-current intangible assets	11,725	11,661
Other non-current assets	169	159
Trade receivables and other current assets	266	296
Fair value of derivative financial instruments <sup>(a)</sup>	182	39
Cash and other financial assets <sup>(b)</sup>	818	700
<b>Total assets</b>	<b>13,160</b>	<b>12,855</b>
<b>EQUITY AND LIABILITIES</b>		
Equity (incl. minority interest)	3,601	3,808
Non-current provisions and miscellaneous long-term	357	366
Fair value of derivative financial instruments <sup>(c)</sup>	7	45
Financial debt <sup>(d)</sup>	8,620	8,049
Current liabilities & current provisions	573	587
<b>Total equity and liabilities</b>	<b>13,160</b>	<b>12,855</b>
<b>(a)+(b)+(c)+(d) Net debt at December 31</b>	<b>7,627</b>	<b>7,355 (*)</b>

## ➤ Main objectives:

- Lengthen average debt maturity to match cash flow generation profile
- Maintain a financing strategy based on a non-recourse basis
- Diversify sources of financing
- Limit interest rate exposure by maintaining a conservative hedging policy

## ➤ ASF Group (ASF+Escota): an optimised indebtedness

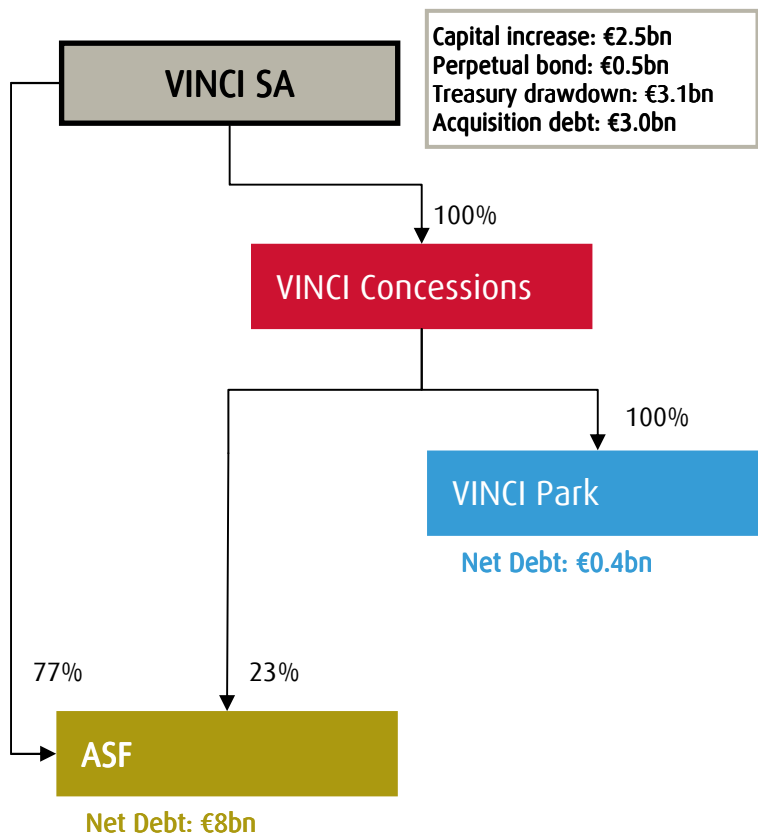
- ASF has no capacity for further extraordinary dividend (no available reserves)
- A 100% pay-out policy will be implemented as from 2007
- Commitment to comply with the CNA financial covenants:
  - ▶ Net debt / EBITDA < 7
  - ▶ EBITDA / Net interest > 2.2

## ➤ ASF Group (ASF+Escota) + ASF Holding: increased leverage through the creation of ASF Holding

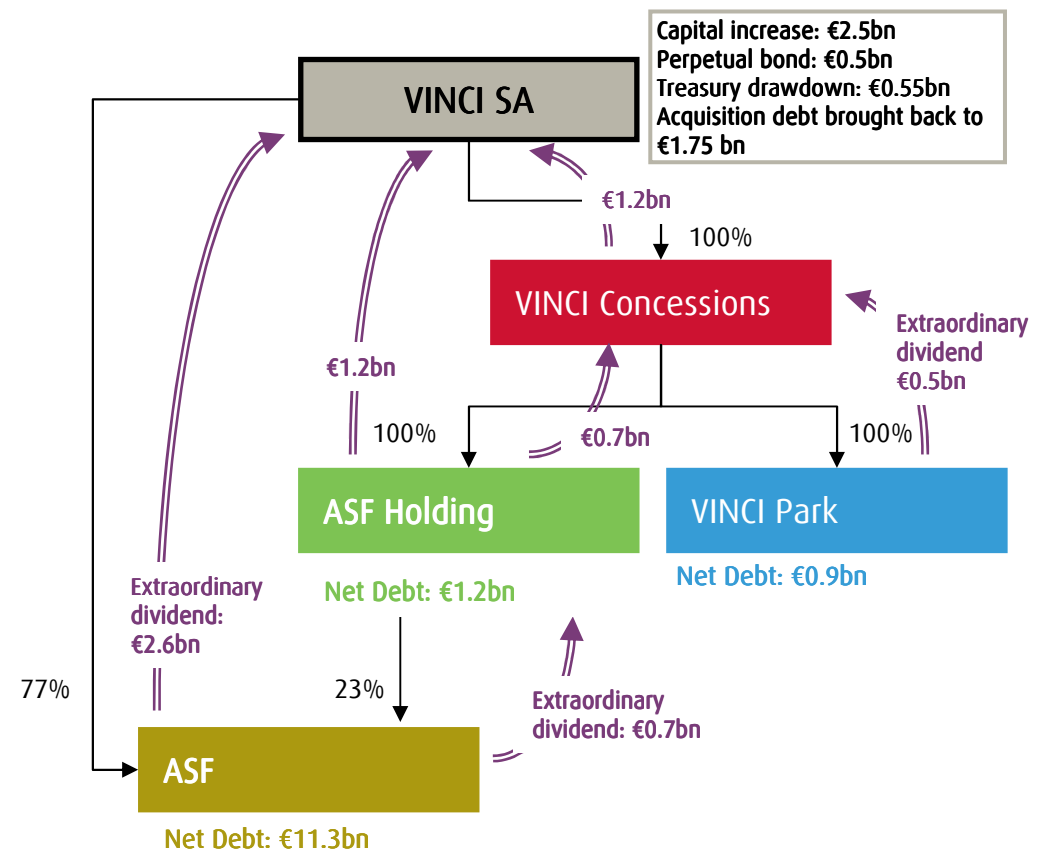
- ASF Holding acquired 23% of ASF from VINCI Concessions and will acquire VINCI's remaining 77% stake in ASF in 2008
- ASF Holding is non-recourse debt financed through a 7-year bank loan
- Financial covenants to be met under the finance documentation :
  - ▶ (ASF Group + ASF Holding net debt/ASF Holding share in ASF) / EBITDA ratio must be less than a variable level, decreasing from 11 on June 30, 2007 to 7.5 on December 31, 2013
  - ▶ Dividends from ASF / (net interests + **nominal to repay** of ASF Holding)  $\geq 1.15x$

# Debt push down\*

Before debt push down



After debt push down\*



(\* ) Completed in January 2007

# ASF Group & ASF Holding indebtedness

➤ As at June 30, 2007\* (provisional accounts)

<i>in € million</i>	ASF Group (ASF + Escota)	ASF Holding	TOTAL
Bonds	1,492		1,492
CNA	7,596		7,596
EIB	253		253
Bank term loan	800	1,186	1,986
Bank revolving facility	654		654
Other loans	16		16
<b>Gross debt</b>	<b>10,811</b>	<b>1,186</b>	<b>11,997</b>
Financial assets	(68)	(21)	(89)
Derivative financial instruments	(39)	(15)	(54)
<b>Net financial debt accounted for as at June 30, 07 (ASF Group perimeter)</b>	<b>10,704</b>	<b>1,150</b>	<b>11,854</b>
Purchase accounting debt fair value impact	226		226
<b>Net financial debt accounted for as at June 30, 07 (VINCI perimeter)</b>	<b>10,930</b>	<b>1,150</b>	<b>12,080</b>

\* After bond issue

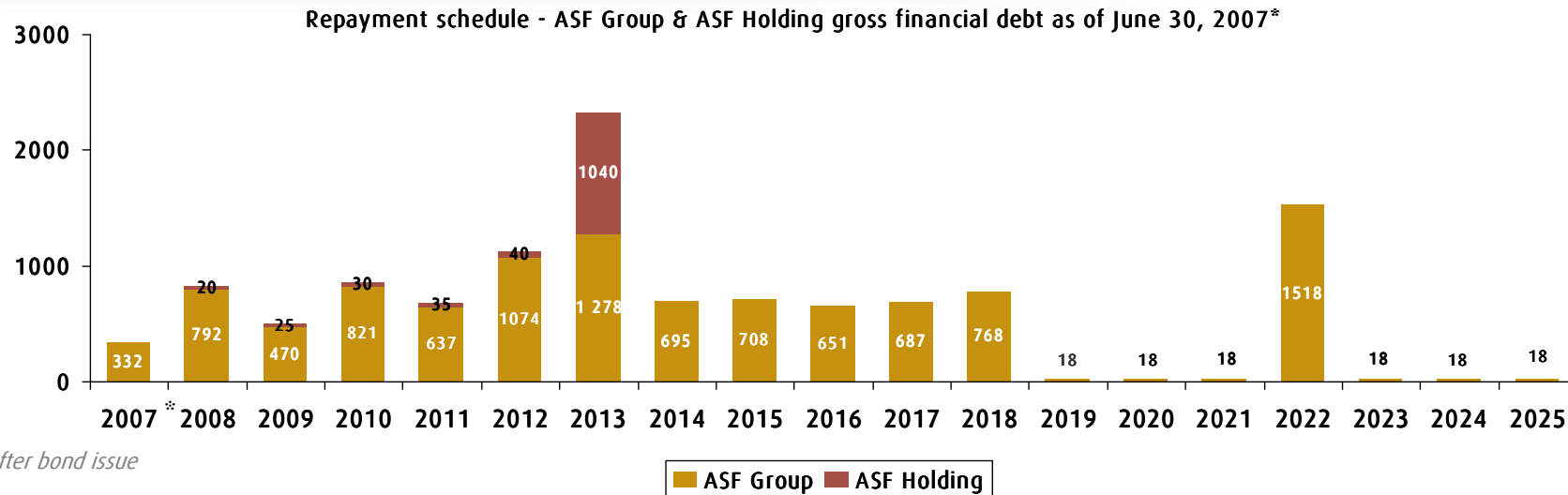
# Breakdown of the ASF Group & ASF Holding debt after hedging

As at June 30:

- 2007, 95% of ASF Group (ASF+Escota) net financial debt is at fixed or capped or inflation-linked rate
- 2/3 of ASF Holding financial debt (€ 1.2bn) are optionally hedged until the end of 2013
- ASF Group + ASF Holding average cost of debt: 5.10%

<i>(in € million) As at June 30, 2007</i>	ASF Group (ASF + Escota)	ASF Holding	TOTAL	% of total
Fixed rate	8,307		8,307	70%
Inflation-linked rate	376		376	3%
Capped floating rate	1,402	794	2,196	19%
Floating rate	545	392	937	8%
<b>Sub-Total</b>	<b>10,630</b>	<b>1,186</b>	<b>11,816</b>	<b>100%</b>
Impact of fair value hedging and accrued interest not matured	181		181	
<b>Total gross debt</b>	<b>10,811</b>	<b>1,186</b>	<b>11,997</b>	
Financial assets	(68)	(21)	(89)	
Derivative financial instruments	(39)	(15)	(54)	
<b>Net financial debt accounted for as at June 30, 07 (ASF Group perimeter)</b>	<b>10,704</b>	<b>1,150</b>	<b>11,854</b>	
Purchase accounting debt fair value impact	226		226	
<b>Net financial debt accounted for as at June 30, 07 (VINCI perimeter)</b>	<b>10,930</b>	<b>1,150</b>	<b>12,080</b>	

# ASF Group & ASF Holding indebtedness profile



## ➤ Maturity:

As at July 9, 2007	Average maturity of debt
ASF (Group ASF + Escota)	7.3 years
ASF Holding	6.0 years
<b>Total</b>	<b>7.2 years</b>

## ➤ Liquidity:

- Available revolving facility amounting to €2.35 bn as at July 10, 2007 (after extraordinary dividend payment) maturing in 2012 (€ 350m) and 2013 (€ 2 bn) and covering the total amount of CNA loans to be redeemed in 2007, 2008 and 2009

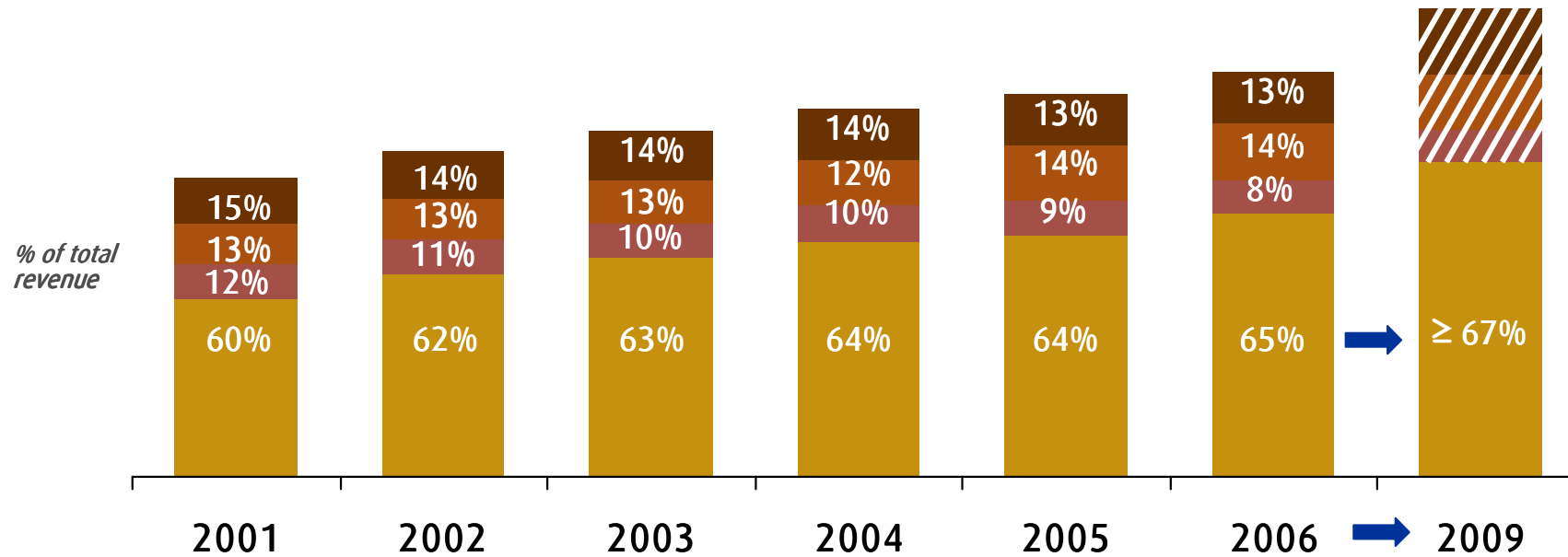
## ➤ Credit ratings:

- Moody's: Baa1/P2 (stable)
- S&P: BBB+/A2 (negative outlook)

## 5. Operational performance

# Growth of EBITDA

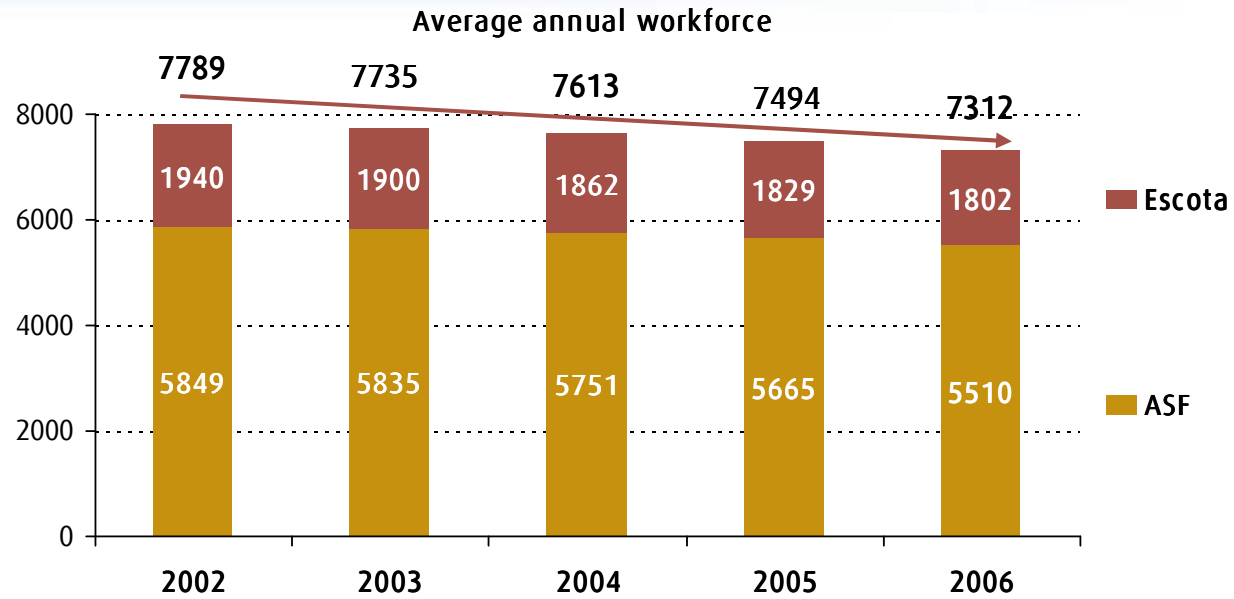
total revenue    €1,930m    €2,104m    €2,239m    €2,389m    €2,474m    €2,625m    2009 TARGET



■ Ebitda    ■ Purchases & external charges    ■ Taxes\*    ■ Payroll costs

\* Direct taxes (excluding corporate income taxes), see slide 75

# Improvement in productivity

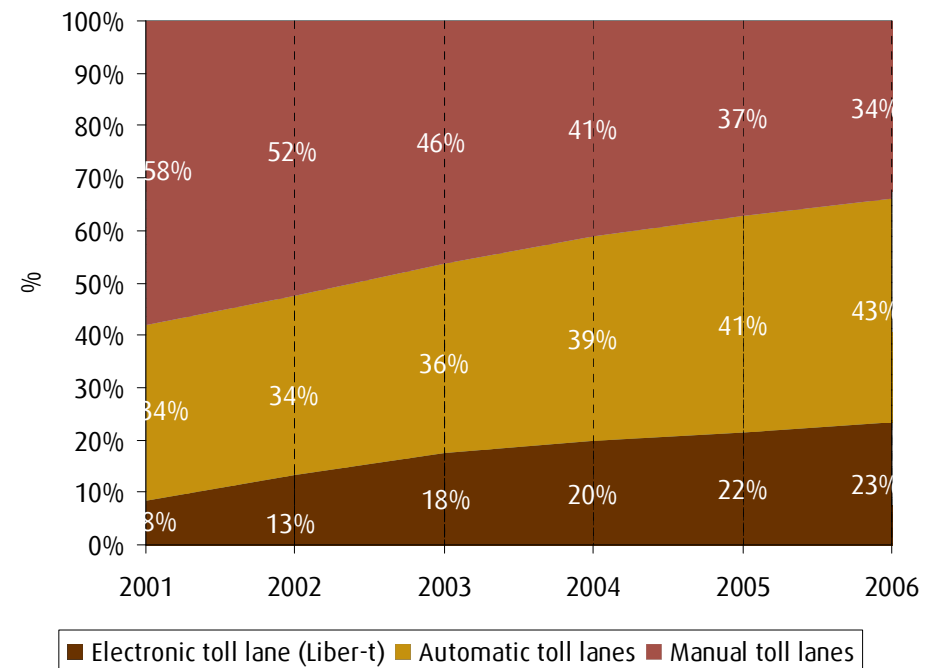


# Pursuing the development of automation

2 systems are available:

- Automatic terminals (payments with credit cards or coins), including 24 hour-a-day or all-night fully automated toll stations
- Electronic Toll Collection systems:
  - "Liber-t" applicable to light vehicles:
    - ▶ Valid on the whole toll French motorway network
    - ▶ Allows direct payment of tolls from the user's bank account
    - ▶ Enhanced comfort for motorists (especially on heavy traffic days)
    - ▶ Benefits for the Company: cost reductions in the operation and construction of toll plazas
  - "TIS PL" applicable to heavy vehicles :
    - ▶ Installation has been completed since May 2007
    - ▶ Valid on the whole toll French motorway network

ASF Group - Toll receipts by payment method



# Pursuing the development of automation

- Transparency on the level and schedule of automation
  
- Pace of automation determined by retirements and natural turnover of employees
  - Principle of non compensated departures, unless strictly necessary
  
- Commitments:
  - No layoff or compulsory change of job
  - Strong incentives for geographical mobility and competence flexibility

## A peaceful social climate

- 5 internal agreements have been signed with unions on:
  - Continuous professional training (“formation professionnelle”)
  - Early-retirement for posted workers
  - Jobs and competency management (“Gestion Prévisionnelle des Emplois et des Compétences”)
  - Toll collection organization (“Accords péages”)
  - Bonuses & profit sharing (“Intéressement”)
  
- More than 99% of ASF employees are now VINCI shareholders

# Positive effects of ASF integration within VINCI Concessions

## ➤ General expenses:

- Rationalisation of head offices
- Shrinkage of the number of districts for Escota (from 6 to 4)

## ➤ Purchasing costs:

- ASF benefits from master agreements signed by VINCI with selected suppliers
- Scale effect on common purchases for ASF, Escota and Cofiroute

## ➤ Financial costs:

- Saving of costs associated with ASF listing
- Optimisation of borrowing costs thanks to a centralised financial management

# Positive effects of ASF integration within VINCI Concessions

## ➤ Business synergies

- Cross-divisional changes in top management between ASF and VINCI
- Benchmark & best practices on operations
- Revenue synergies:
  - ▶ Optimised value of optical fibre networks towards communication operators
  - ▶ Global management of motorway radio stations
  - ▶ Contract renewal for service areas

## ➤ Development synergies:

- Transfer of business development resources to VINCI Concessions in charge of development of new concession projects
- Pooling of R&D resources for the development of new technologies (electronic toll collection...)
- Pooling of IT resources

## Heavy vehicle discounts - from CAPLIS to TIS

- Until April 30, 2007: a unique HV subscription system: Caplis
  
  - May 2007: launch of “TIS PL” (electronic toll collection for HV) in accordance with the “Eurovignette” European Directive which:
    - Limitation the HV discounts to 13% of revenue
    - Discount calculation vehicle by vehicle (no longer by fleet)
    - Coming into force from May 2007
  
  - Termination of Caplis system on April 30, 2008: to limit the impact of the discount decrease on heavy-transporters, ASF will support the subscribers with a termination compensation payment
    - Net one-off negative impact forecast in 2007 (around €15m)
- ⇒ Positive effect expected from 2008: decrease of the average discount from 15% in 2006 to 9% in 2009

## A strategy focused on the existing concession contracts

- ASF Group is exclusively dedicated to running its current concession contracts
  - ASF Group is now 100% focused on improving its current business growth and profitability
  
- ASF Group will develop non-capital intensive service activities only related to its core motorway business:
  - Operating contracts (“Openly”: operator of Northern Lyon ring-road)
  - Toll management
  - Heavy vehicle parks (“Truck Etape”: heavy vehicle secured park in Beziers opened in Sept. 06)
  - Advisory services

## 6. 2007 Outlook

## Revenue – First half 2007

➤ Robust figures in the first half of 2007:

	ASF	Escota	TOTAL
Traffic on stable network	+3.5%	+2.4%	<b>+3.3%</b>
New sections	+0.1%	-	<b>+0.1%</b>
Effect of increased toll prices	+4.3%	+3.5%	<b>+4.1%</b>
<b>Total toll receipts</b>	<b>+7.9%</b>	<b>+5.9%</b>	<b>+7.5%</b>

## 7. Valuation

## ➤ 2 methods:

- DCF method with variable wacc
- DDM with variable cost of equity

## ➤ 2 scenarios:

- Base case scenario: based on the current debt situation, with a wacc calculated on ASF + Escota + ASF Holding consolidated indebtedness
- Releveraged scenario: with a wacc calculated on ASF + Escota + ASF Holding consolidated indebtedness, including estimated additional debt linked to the transfer in 2008 of the 77% remaining stake of VINCI in ASF to ASF Holding

# Valuation : main assumptions

## ➤ Assumptions:

- For the 2007-2011 period : implications of ASF & Escota Programme Contracts
- For the 2012-2032 period : it is supposed there will not be any new Programme Contracts

# Valuation : main assumptions

## ➤ Traffic growth

- Constant network (excluding leap year effect):
  - ▶ 2007-2011 CAGR: + 2.0%
  - ▶ 2012-2026 CAGR: +1.5%
  - ▶ 2027-2032 CAGR: +1.0%
- Leap year effect: +0.3%

## ➤ Tariffs

- Inflation rate: 2%
- Tariff growth of existing agreements with the Grantor:

	<i>As defined by Programme Plan</i>		<i>As defined by concession contract Balbigny-Lyon amendment effect for ASF only</i>	<i>As defined by concession contract</i>
	2007	2008 to 2011	2012-17	> 2017
ASF	85% CPI +1.0925 %	85% CPI + 0.825 %	Min. 70% CPI +0.625 %	Min. 70% CPI
Escota	85% CPI + 0.9 %		Min. 70% CPI	Min. 70% CPI

*CPI, Consumer Price Index: French inflation index excluding tobacco*

# Valuation : main assumptions

## ➤ EBITDA:

- 2007-2011 CAGR: c.+ 7.5%
- 2012-2026 CAGR: c.+3.5%
- 2027-2032 CAGR: c.+2.5%

## ➤ CAPEX

- For the 2007-2011 period, CAPEX are defined by ASF & ESCOTA Programme Contracts (*cf. slide 19*)
- For the 2012-2032 period, CAPEX: c. € 5.3bn (in current €)
  - ▶ New sections: € 0.7bn (of which Balbigny-Lyon: €0.4 bn)
  - ▶ ICAS: € 3.3bn
  - ▶ Other investments (IEAS & capitalized borrowings costs): € 1.3bn

## ➤ Financing

- 100% pay-out policy
- Any additional needs of financing are debt-financed

# Valuation : main assumptions

## ➤ Main valuation assumptions:

Risk-free rate (15-year OAT)	4.71%
Average debt spread : base case scenario	0.83%
releverage scenario	0.94%
Market risk premium	4.50%
Unleveraged beta	0.50
Normative tax rate	34.43%

## ➤ Equivalent to

	Base case scenario	Releverage scenario
a DCF valuation with a fixed wacc of	6.2%	6.0%
a DDM valuation with a fixed cost of equity of	8.0%	8.7%

# Conclusion

# Conclusion

- ▶ LARGEST AND MOST DIVERSIFIED MOTORWAY NETWORK IN FRANCE: # 2 TOLL-ROAD OPERATOR IN EUROPE
- ▶ UNIQUE & STRATEGIC GEOGRAPHICAL POSITION
- ▶ MATURE AND ALMOST COMPLETED NETWORK ⇒ LOW CONSTRUCTION RISK
- ▶ HIGH, RECURRENT AND GROWING CASH FLOWS WITHIN LONG-TERM CONCESSION CONTRACTS
- ▶ PROTECTIVE CONCESSION & REGULATORY FRAMEWORK
- ▶ PLANS TO IMPROVE PRODUCTIVITY AND MARGINS
- ▶ BUOYANT OUTLOOK
- ▶ POSITIVE IMPACT OF DEBT RELEVANCE ON VALUATION














# Autoroutes du Sud de la France

## Analyst day



# Appendices

# ASF: the major French toll-road operator

	km
 ASF	2,695
 Escota	459
 Puymorens tunnel	6
<b>Total ASF network</b>	<b>3,160</b>
 Cofiroute	1,101
Arcour (A19)*	101
 SMTPC	3
<b>Total VINCI network</b>	<b>4,365</b>
 APRR	1,895
 AREA	384
<b>Total APRR</b>	<b>2,279</b>
 Viaduc de Millau	3
 SANEF	1,393
 SAPN	379
<b>Total SANEF</b>	<b>1,772</b>
A'lienor (A65)*	150
 ALIS	125
 ATMB	118
 SFTRF	80
<b>TOTAL toll roads</b>	<b>8,892</b>

\* Network under construction



Source : ASFA

## French toll roads operators: 2006 key figures



A subsidiary of VINCI 

	Network conceded (km)	Km travelled (millions of km)	Revenue (€m)	EBITDA (€m)	EBITDA Margin
ASF Group	3,160	33,467	2,625	1,706	65%
Cofiroute	1,101	9,895	954	659	69%
APRR Group	2,279	20,247	1,670	1,068	64%
SANEF Group	1,772	11,589	1,241	779	63%

*Source: figures based on competitors' financial communication*

# Average daily traffic per main section

2006 figures  
Vehicles / day

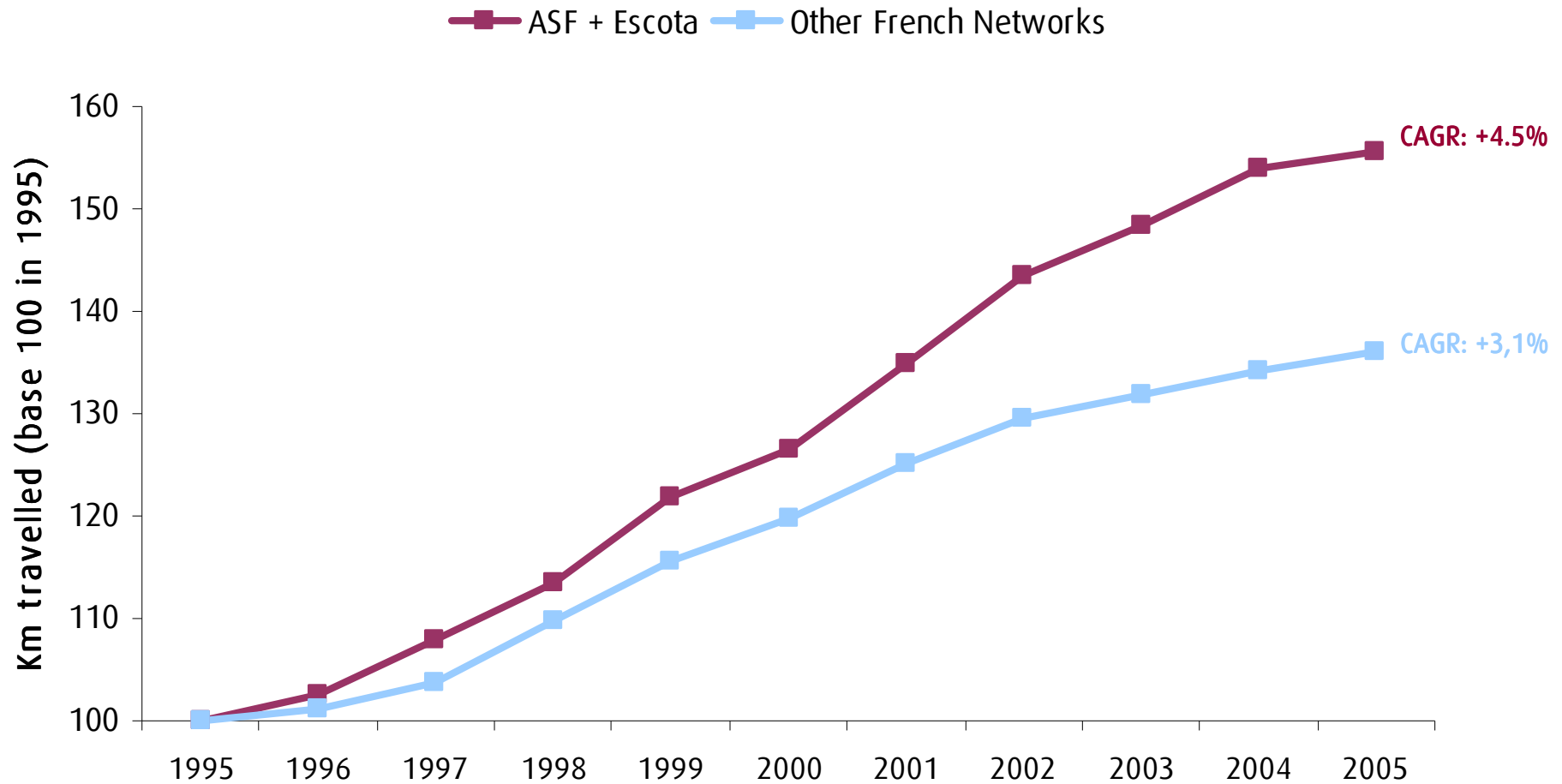


# Traffic growth per main section

2005/06 growth

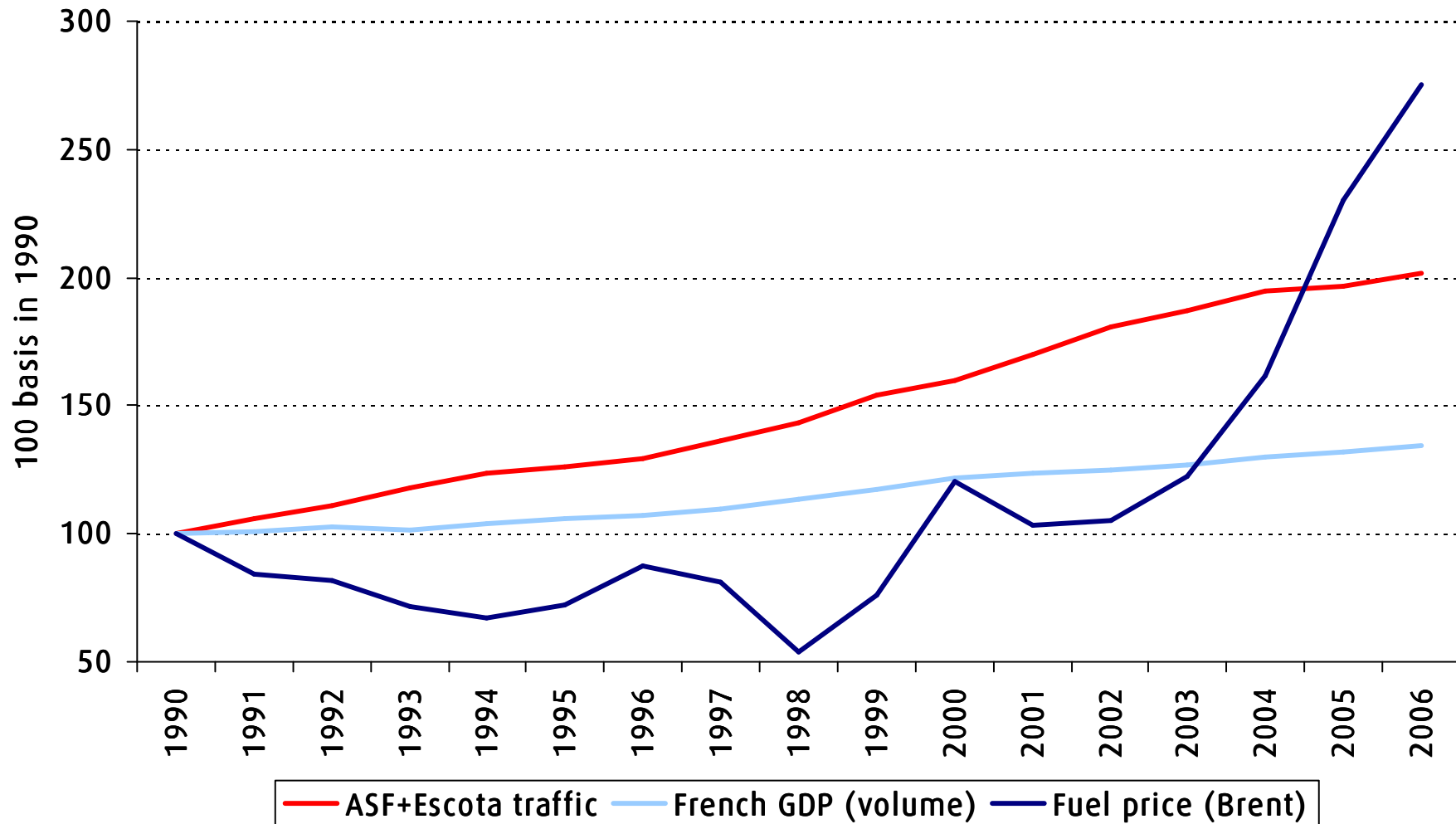


# Established track record of steady traffic growth



Source: AFSA (French Association of Motorway Concessionaires)  
Including new sections. No data available for 2006.

# High resilience of traffic to economic context and fuel price increases



## History: milestones

- ASF was founded in 1957 by the French State
- In 1984, ASF bought ACOBA (network in Basque country)
- At the end of 1994, ASF acquired Escota (network in South East of France) founded in 1956
- In 1994, ASF signed the concession agreement for the operation and maintenance of the Tunnel du Puymorens in the Pyrenees
- In 2001, the concessions for ASF and Escota were extended by 12 years until 2032 and 2026 respectively
- In March 2002, a 49% stake in ASF was sold by the French State (through an IPO). VINCI acquired 14.4% of ASF, mainly on the market, immediately after the IPO
- In June 2004, ASF and VINCI Concessions signed a framework cooperation agreement
- In November 2004, VINCI's stake in ASF reached 23% and an agreement with the French State was signed to appoint one of the ASF board members
- In June 2005, full privatisation of ASF was decided by the French government

# ASF acquisition and refinancing: key dates

Date	Acquisition	Date	Financing/refinancing
07/11/05	VINCI submitted firm offer to purchase French government's holding in ASF	05/11/05	Signature of 7-year acquisition loan for €4.2 billion and 20-month bridge to equity loan for €2.3 billion
14/12/05	Government accepted VINCI's offer	23/12/05 27/01/06	First phase of syndication of acquisition loan (number of banks increased from 3 to 14)
01/03/06	Confirmation of inclusion of A89 Lyons-Balbigny section in ASF's concession contract → acquisition price set at €51/share	13/02/06	Issue of deeply subordinated undated (perpetual) bonds for €500 million and reduction of acquisition loan to €3.8 billion
06/03/06	French competition authority approved the acquisition	30/03/06 12/04/06	€2.5 billion capital increase maintaining shareholders' preferential rights, renunciation of €2.3 billion bridge loan and reduction of acquisition loan to €3.7 billion
09/03/09	Acquisition of government's 50.4% block of shares for €5.9 billion, bringing VINCI's holding in ASF to 73.4%		
30/03/06	Launch of standing market offer for 26.6% of publicly held ASF shares		
28/04/06	Standing market offer closed, VINCI's holding in ASF increased to 97.4%, total amount paid: €2.9 billion	03/04/06 02/05/06	General syndication of acquisition loan (number of banks increased from 14 to 28)
12/05/06	Launch of public buyout offer for final 2.6% of ASF shares for €0.3 billion	30/06/06 14/09/06	VINCI Park set up a 20-year syndicated amortising loan for €500 million and paid an exceptional dividend in the same amount
03/11/06	Public buyout offer closed on 3 November, followed by compulsory buyout and delisting of share on 6 November	03/11/06 18/12/06	Signature of 7-year €4.7 billion credit line with a pool of 23 banks: €3.5 billion to ASF (for financing an exceptional dividend and general overheads), €1.2 billion to ASF Holding, the company that will initially hold VINCI Concessions' 23% stake in ASF
		23/01/07	ASF paid exceptional dividend of €3.3 billion and VINCI's acquisition loan was reduced to €1.75 billion

## 2006 revenue - details

	2005	2006		Group
	Group	<i>ASF</i>	<i>Escota</i>	
Revenue - tolls	2,427	2,036	536	2,572
Fees for use of commercial premises	31	34	5	39
Fees for use of fibre optics and telecommunication facilities	16	12	2	14
<b>Revenue</b>	<b>2,474</b>	<b>2,082</b>	<b>543</b>	<b>2,625</b>

## 2006 Taxes and levies (excluding corporate income taxes)

<i>in € millions</i>	2005	2006
Dues paid to government estate authorities	58	60
Infrastructure tax (TAT Taxe d'aménagement du territoire)	209	215
Business entity tax	80	83
Other local taxes	3	2
Taxes on wages and salaries	3	5
Other taxes and levies	6	5
<b>Taxes and levies</b>	<b>359</b>	<b>370</b>

➤ ICAS: Investissement Complémentaire sur Autoroutes en Service (complementary investment in existing motorways)

– Examples:

- ▶ Road widening
- ▶ Interchanges & junctions
- ▶ Bridges, tunnels, water-related engineering structures
- ▶ Stations, rest areas, operations centers excluding equipment
- ▶ Refuges
- ▶ Vehicle parks
- ▶ Wastewater treatment plant
- ▶ Fencing

➤ IEAS: Investissement d'Exploitation sur Autoroutes en Service (operating investment in existing motorways)

– Examples:

- ▶ Operations equipment (toll equipment, winter maintenance equipment, upkeep of plants and shrubs, etc.)
- ▶ Operations vehicles (salt spreaders, security vehicles, etc.)
- ▶ Furniture, fittings and fixtures
- ▶ Office equipment
- ▶ Management systems (subscribers, toll operation, winter maintenance, personnel scheduling, etc.)

## 2006 Capital expenditures

Type of investment	2005	2006		
	Group	<i>ASF</i>	<i>Escota</i>	Group
Construction of new sections	235.9	<i>163.9</i>	<i>2.7</i>	<b>166.6</b>
Supplementary investments on motorways in service (« ICAS »)	186.2	<i>98.9</i>	<i>109.5</i>	<b>208.4</b>
Operating assets (« IEAS »)	54.2	<i>34.8</i>	<i>20.9</i>	<b>55.7</b>
Capitalised production costs	20.9	<i>16.8</i>	<i>4.6</i>	<b>21.4</b>
Capitalised borrowing costs	17.4	<i>7.6</i>	-	<b>7.6</b>
<b>Total investments in 2006 (€m)</b>	<b>514.6</b>	<b><i>321.9</i></b>	<b><i>137.7</i></b>	<b>459.6</b>

# First bond issue – EMTN Programme

## ➤ Details:

- € 1.5bn over 15 years (July 2007 => July 2022)
- Baa1/Stable (Moody's), BBB+/Negative outlook (S&P)
- Credit spread: 66 bp
- Nominal rate: 5.625%, price: 99.702%
- 2.5x over-subscribed (€3.7 bn)

# Autoroutes du Sud de la France

## Analyst day

