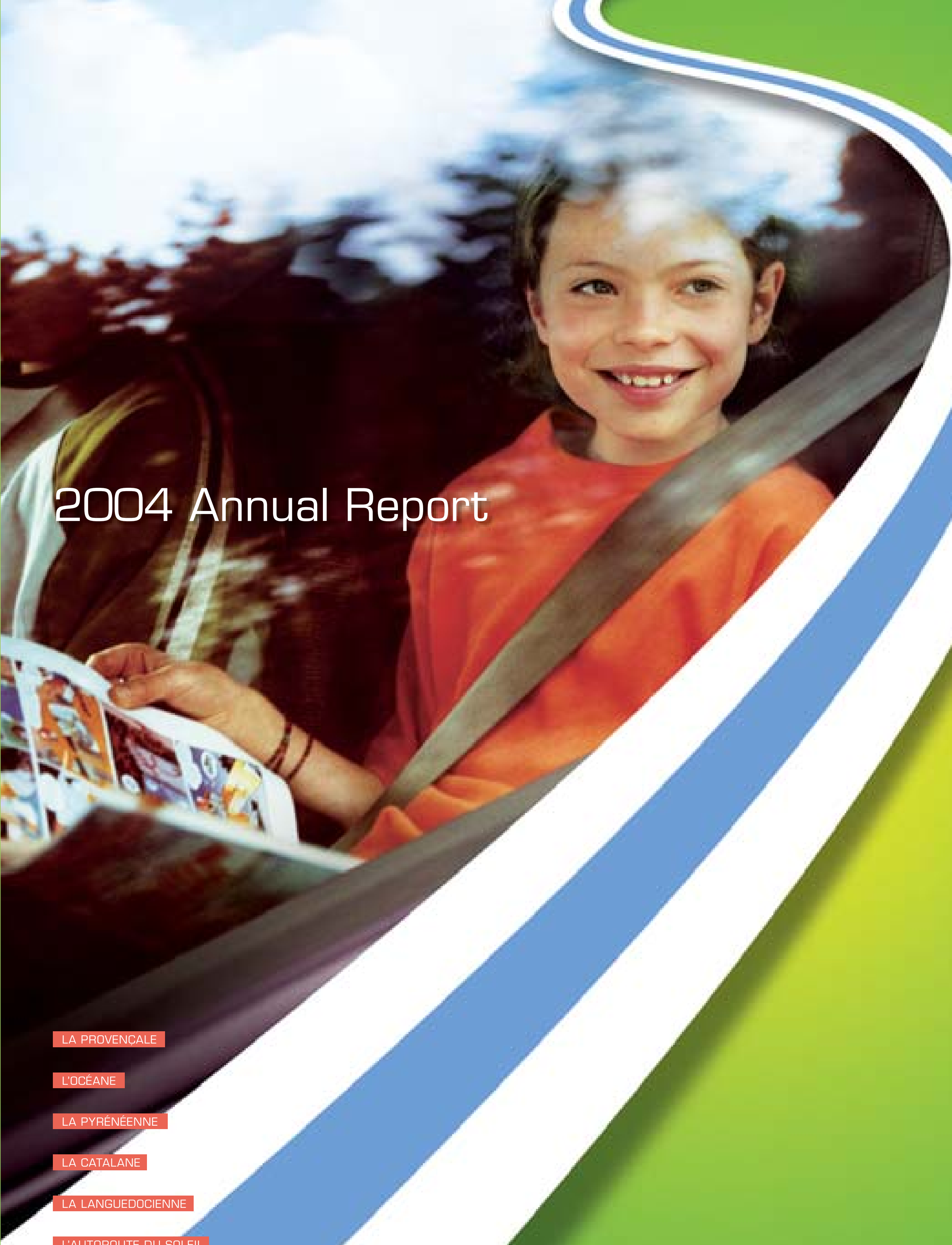


2004 Annual Report

LA PROVENÇALE

L'OCÉANE

LA PYRÉNÉENNE

LA CATALANE

LA LANGUEDOCIENNE

L'AUTOROUTE DU SOLEIL

L'AUTOROUTE DES DEUX MERS

L'AQUITAINE

L'AUTOROUTE DU VAL DE DURANCE

L'OCCITANE

>>>

CONTENTS

OUR NETWORK

3,124km conceded to the ASF Group

2,943km in service, including 71km opened in 2004

8,190 employees, representing 7,341 FTEs

€2,389.2M in revenues for 2004

GROUP PROFILE

OUR BUSINESS

Financing, building and operating motorways.

OUR MISSION

To build safe and robust infrastructure that respects the environment and the quality of life of local populations.
To promote essential mobility of goods and people, in safe conditions, and serve the public interest by contributing to the development of local economies and tourism.

OUR COMMITMENTS

To comply strictly with labor and environmental regulations.
To diligently execute our concession agreements, the program contract and all other agreements and conventions.
To provide full and transparent disclosure of our policies and results.

OUR VALUES

Customer service.
Business efficiency.
Responsible management of environmental issues.
Care and consideration for employees

OUR AIMS

To strengthen our European leadership position.
To expand our motorway operator business and, in France, diversify our business base.
To continue to achieve sustainable growth.

7.8/10
Customer satisfaction rating (Fall 2004 – IDDEM survey)

11,110ha
of green space

1,531
water protection structures

62%
of noise black spots eliminated

MESSAGE FROM THE CHAIRMAN, BERNARD VAL

Leveraging a robust business model

ASF turned in a good performance in 2004, as a significant reduction in net interest expense offset a fairly lackluster environment in terms of traffic. In a year when every motorway operator reported slower traffic growth, our robust business model served us well. The geographic location of our network sustains our confidence in the near and longer term future. Our strength lies in our presence in several regions, mainly in Southwest France where, according to the latest census, population inflows significantly exceed outflows. With the populations of cities in southern France set to grow rapidly, we expect to see a sharp rise in both commuter and heavy goods traffic on our motorways. This reservoir of growth is a key feature of our Group, along with the fact that we have not yet finished building the network and traffic flows have not yet reached their full potential. Added to this, we also stand to benefit from economic growth in Spain and Portugal.

Becoming a major player in toll motorways

To guarantee our future growth and our viability after the end of the concession periods, in 2026 and 2032, we have set our sights on becoming a major player in the toll motorway sector, primarily in Europe. Remaining focused on our core business, in order to leverage our world-class expertise, we are bidding for concessions put out to tender in Europe. These projects take a long time to come to fruition, and require both patience and substantial investments. In the meantime, we are also aiming to leverage our skill in financial engineering to develop motorway-related businesses such as in road-rail and road-sea transport and car and truck parks.

The A8 motorway (ESCOTA network).

Sharing the fruits of growth on a just basis

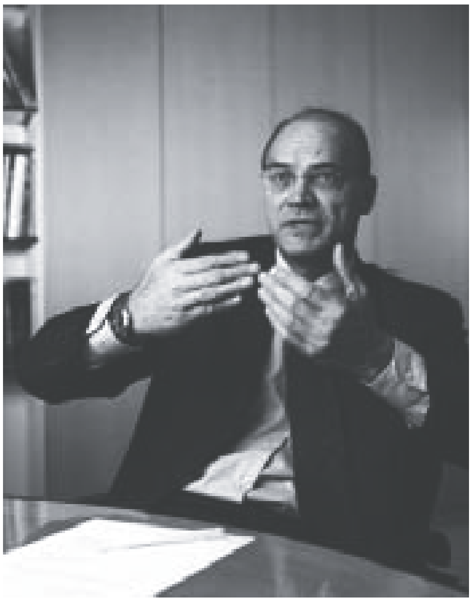
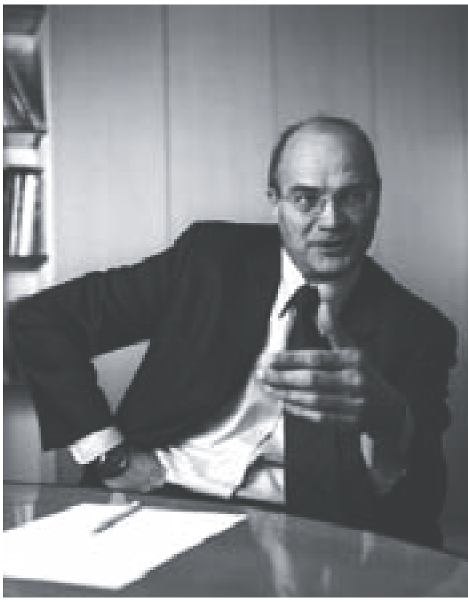
We also intend to continue sharing the fruits of our growth on a just basis. The quality of our results enables us to fulfill our commitment to shareholders, by recommending a 50% increase in the dividend compared with 2003. We want to encourage employees to buy shares in their company, giving them an opportunity to share in our good results and an additional reason to be pleased with their choice of employer.

In 2002, 93% of employees chose to become shareholders, sending us a very positive message. Our goal is now to increase the proportion of employee owners to weave even closer ties between them and their company. Putting actions to words, in 2005 we will be setting up a new fund invested in ASF shares, enabling all employees to reinvest their incentive bonuses and receive ten bonus shares.

We are optimistic about 2005, which we expect to be another year of profitable growth – leading to a further rise in the dividend – despite the severe winter weather at the beginning of the year.

Bernard Val
Chairman of the Board of Directors

INTERVIEW WITH THE CHIEF EXECUTIVE OFFICER, JACQUES TAVERNIER

"We are now firmly positioned in a market environment, competing for technology, stock performance and new concessions."

How would you describe the Group's performance in 2004?

2004 was another year of major change in the European toll motorway sector, with the stock market flotations of Cintra in Spain and SAPRR in France, followed by Sanef in France at the beginning of 2005, the European directive on electronic toll collection and the opening of the Millau viaduct. We are now firmly positioned in a market environment–competing for technology, stock performance and new concessions.

This change in our environment is encouraging us to become even more efficient. We need to improve our operating performance, tighten our financial management and streamline our organization by developing synergies between ASF and ESCOTA. As part of this drive, in 2004 we created new corporate departments, drew up operating rules for the entire organization, merged the two radio stations and set up a joint customer call center.

What can you do to further improve performance management?

We have already taken steps to improve toll collection efficiency, through automation and the development of electronic toll collection systems. The challenge now is to find other avenues of improvement. We need to have the courage to innovate in terms of organization, even if this means changing certain ingrained habits.
We plan to set up shared services between our regional units or between ASF and ESCOTA.
In doing this, we will hold firm to our time-honored practice of informing and consulting our employees, to prepare and support the process of change.

How did your network perform in terms of road safety?

The number of fatal accidents fell by 24%, due to government policy and our many initiatives in terms of improvements, safety equipment and public information. The charter we signed with DSCR (part of the Ministry of Infrastructure and Transport) and the national social security authority (CNAM) is starting to pay dividends, for example in a reduction in commuter accidents. We want to set the standard in this area, because motorway driving necessarily involves a certain amount of risk and one of our core missions is to improve road safety. We have set up an Operational Safety and Planning department to coordinate all of our activities in this area. Last summer, we launched a speed regulation campaign on the A7, with good results; not only did traffic flow more smoothly but we also saw a significant reduction in accidents.

Where do you stand with your sustainable development program?

Last year we published our first sustainable development report, clearly setting out our policy in this area. Designed to inform stakeholders, it describes not only our commitments and the results of past actions, but more importantly the areas where we intend to improve our performance.

We have prepared a program of 21 initiatives to be implemented between 2004 and 2006. By the end of 2004, 17 were already underway. Our efforts were rewarded by the inclusion of ASF shares in several SRI indices and by the prize for the Best First Sustainable Development Report awarded by the French accounting profession.

What are your plans for 2005?

This year, we will continue our drive to streamline the organization and contain operating costs. We expect further progress in the area of electronic toll collection, including with the introduction of a system for heavy goods vehicles in 2006. We also intend to strengthen our business development team in order to seek out and win new concessions or public-private partnership opportunities in Europe.

Lastly, we will be launching discussions with the government concerning the new program contract, which will determine our capital spending program and pricing scales for the period 2007-2011.

Jacques Tavernier
Chief Executive Officer

Motorway operations site.

CORPORATE GOVERNANCE

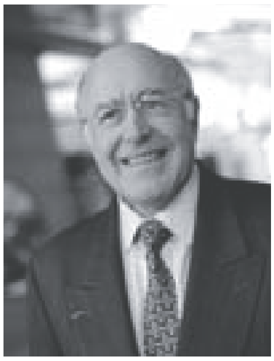
We have drawn up corporate governance guidelines to ensure that the business is managed responsibly and efficiently, that risks are effectively controlled, and that transparent disclosure policies are applied.

EXECUTIVE COMMITTEE

Jacques Tavernier
Chief Executive Officer

Philippe-Emmanuel Daussy
Senior Executive Officer – Operations

Jean-Marc Denizon
Senior Executive Officer
Chairman and CEO of ESCOTA



Alain Robillard
Senior Executive Officer
– Development and Construction

Executive Biographies

Bernard Val (aged 62) 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. 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 Carenage (SMTPC). Bernard Val is a graduate of École des Ingénieurs de la Ville de Paris.

Jacques Tavernier (aged 55) 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 Ecole Polytechnique and of Ecole 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.
He is also a director of ESCOTA, Transjamaican Highway (TJH) and Jamaican Infrastructure Operator (JIO).

Jean-Marc Denizon (aged 61) has been a Senior Executive Officer of ASF since December 10, 2003, and, at the same time, since December 9, 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 December 17, 2001 to March 11, 2002, becoming Chief Executive Officer of ESCOTA on March 12, 2002. He was a director of ISIS, a subsidiary of the EGIS group, from 1993 to 1998. Jean-Marc Denizon is a graduate of Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées. He is also Chairman of the Syndicat Professionnel Des Sociétés Concessionnaires ou Exploitantes d'Autoroutes ou d'Ouvrages Routiers and a member of the Board of Association des Sociétés Françaises d'Autoroutes (ASFA).

worked as a management consultant with Mars & Co., and M&A and business disposal consultant with HSBC CCF Corporate Finance. He is also a director of ESCOTA and Transjamaican Highway (TJH).

Yann Charron (aged 45) 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

Jean-Jacques Bancel
Chief Financial Officer

Yann Charron
Legal Director and Human Resources Director

Doris Chevalier
Development Director

Bernard Gardelle
Communications Director

Alain Robillard (aged 60) has been Senior Executive Officer – Development & Construction with ASF since 1987. 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. He 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. He is also Chairman of Jamaican Infrastructure Operator (JIO) and a director of Transjamaican Highway (TJH).

Jean-Jacques Bancel (aged 36) has been 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

Armements. Yann Charron is a graduate of Institut d'Études Politiques de Strasbourg. He is also a member of ANDCP (Association Nationale des Directeurs et Cadres de la Fonction Personnel).

Doris Chevalier (aged 42) has been Development Director since September 2004. She was previously Deputy Director, Development and Financial Engineering, with Bouygues Construction. Doris Chevalier is a graduate of École des Ponts et Chaussées and holds a post-graduate degree in digital analysis.

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 June 20, 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.

Lot Viaduct and La Garenne covered gallery on the A20.

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.

The 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 Group'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 Group'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 Chief Financial Officer.
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 Group principles, and contribute to implementing the Group's strategic vision.

- service functions, which consist of providing in-house expertise to the operating units and subsidiaries.

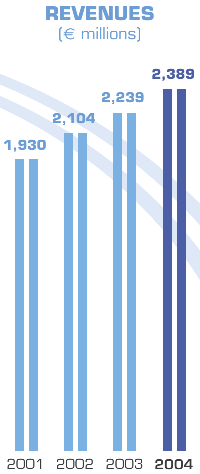
There are seven corporate departments:
- finance,
- legal and Human Resources,
- communications,
- development,
- environment and Sustainable Development,
- real-Estate Development,
- internal Audit.

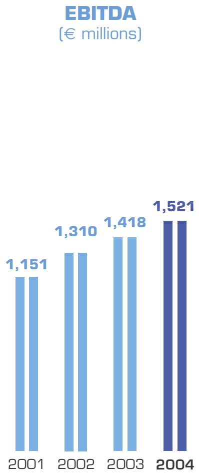
Guidelines have been drawn up describing the basis of the relationship between the corporate departments and the operating units and subsidiaries, and procedures have been issued covering specific areas.

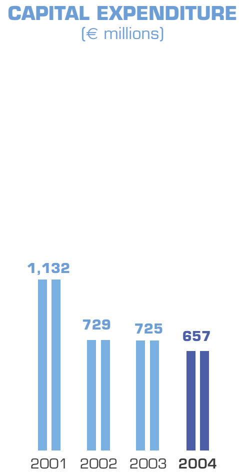
Road salting operations on the A72.

FINANCIAL POLICY AND KEY FIGURES

All the financial indicators presented at the time of the IPO, in March 2002, continued to improve in 2004.







Ebitda represented 63.7% of revenues, compared with 63.3% in 2003. Of course, this margin does not take into account depreciation expense, which is very high in a capital-intensive business such as ours.

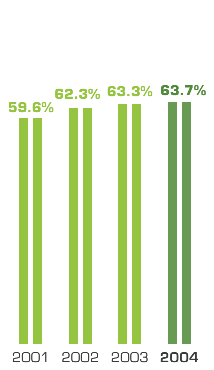
The three ratios that measure the quality of our financial position also improved and in two cases – net debt/Ebitda and interest cover – we have already reached the targets set for 2005.

Our sustained financial communication drive since the IPO has helped financial analysts and investors to better understand the characteristics of our business and it is now widely recognized that with our robust business model, high gearing is something that we can easily live with.

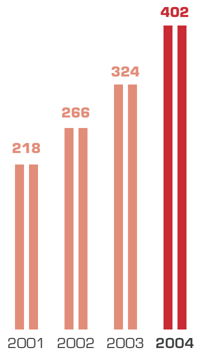
Steady growth in net cash provided by operations under our two main concession agreements is going hand-in-hand with a decline in net cash used by investing activities, as the construction of the conceded networks draws nearer to completion.

The resulting increase in free cash flow combined with our ability to take on new debt – with interest cover assured thanks to Ebitda growth – gives us the necessary scope to increase the dividend while expanding the business base.

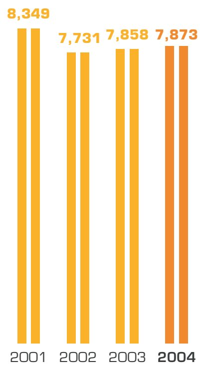
EBITDA MARGIN
(% of revenue)



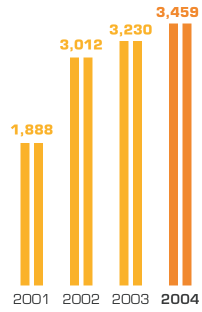
NET INCOME
(€ millions)



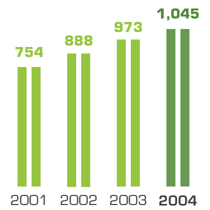
NET DEBT
(€ millions)



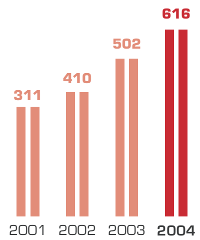
SHAREHOLDERS' EQUITY
(€ millions)



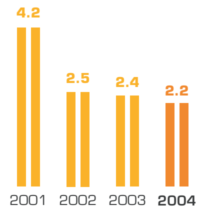
OPERATING INCOME
(€ millions)



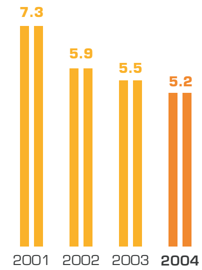
PRE-TAX INCOME
(€ millions)



GEARING

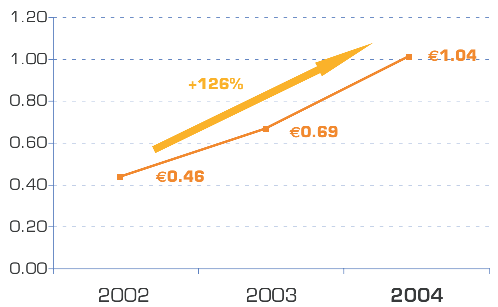


NET DEBT/EBITDA



In the period since the IPO in 2002, the dividend per share has increased by 126%.

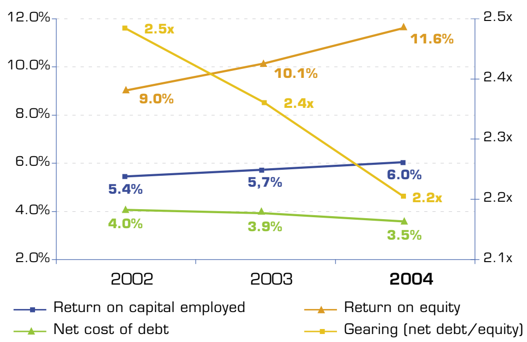
DIVIDEND PER SHARE
€/share



With the ESCOTA concession due to expire in 2026 and the ASF concession in 2032, we are exploring opportunities to take on new concessions, to drive growth beyond these two dates. Profits from these new concessions must exceed our cost of capital; this is the only way that we will secure shareholder support for the projects and guarantee our long-term viability.

We also track other profitability indicators, such as return on equity (ROE) and return on capital employed (ROCE). Both of these ratios are fairly low, but they have improved steadily since 2002. The faster increase in ROE is explained by the effects of high gearing and a cost of debt that is less than our ROCE.

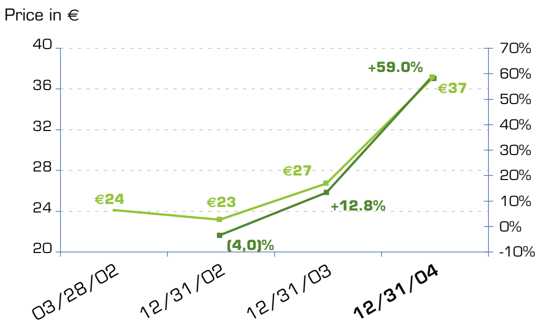
PROFITABILITY INDICATORS



- Return on capital employed (ROCE): Operating income x (1-t)/AE where AE = Shareholders' equity + Net debt, and t = corporate income tax rate for the year
- Net cost of debt = (Net interest expense x(1-t))/Net debt
- Return on equity (ROE): Income before tax and exceptional items x (1-t)/Shareholders' equity

As regards shareholder value creation, total shareholder return corresponds to the increase in the share price since the March 2002 IPO (capital gain) plus the dividends paid over the period.

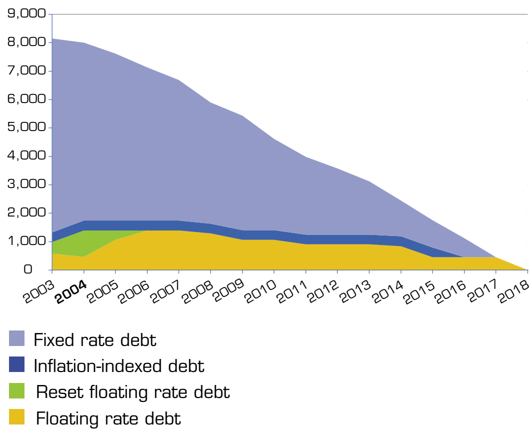
TOTAL SHAREHOLDER RETURN
BASED ON IPO PRICE OF €24



Up to now, our borrowing needs have been met by Caisse Nationale des Autoroutes, a triple A-rated issuer, and we will continue to have access to this source of financing in 2005. However, with the A+ rating awarded to ASF by Standard & Poor's and our business profile, we are already attracting interest from investors in the bond market. In addition, the European Investment Bank (EIB) contributes to financing road-widening schemes on existing motorways ("ICAS").

Our debt management policy consists of gradually converting part of our fixed rate debt to floating rate, using short-term hedging instruments. Currently, 22% of our outstanding debt is floating rate. At the same time, declining long-term interest rates have helped to bring down our borrowing costs, with facilities obtained when rates were significantly higher now reaching maturity.

DEBT STRUCTURE AT DECEMBER 31, 2004
(€ millions)



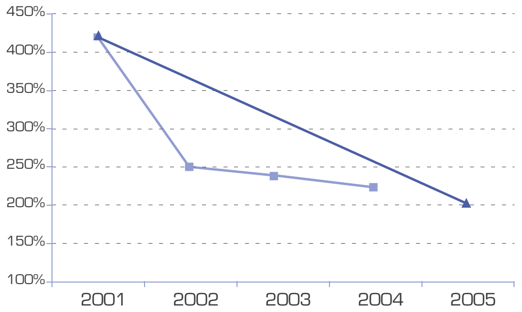
Transition to International Financial Reporting Standards (IFRS)

In accordance with EU regulation 1606/2002 dated July 19, 2002, ASF is required to prepare its consolidated financial statements in accordance with IFRS as from January 1, 2005. The first published IFRS data will concern first-quarter 2005 revenues, followed by first-half results and the annual financial statements. Each set of figures will include comparative data for 2004, also prepared in accordance with IFRS.

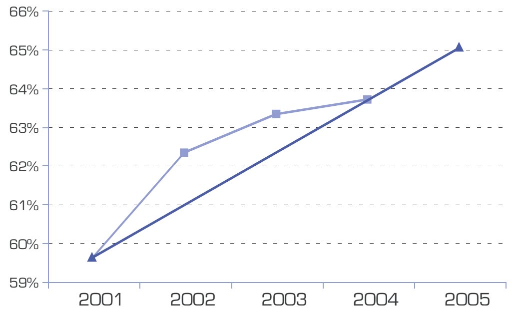
To comply as closely as possible with the recommendation of the Committee of European Securities Regulators (CESR) dated December 30, 2003 on preparations for the transition to IFRS, the Group has identified the changes in accounting policies made necessary by the transition and estimated the effect of these changes on opening equity at the transition date (January 1, 2004) and on 2004 consolidated net income.

The analyses were based on the standards in force at the end of December 2004. When it comes to preparing the published IFRS financial statements, we may have to take into account new interpretations published in 2005, relating in particular to concession agreements.

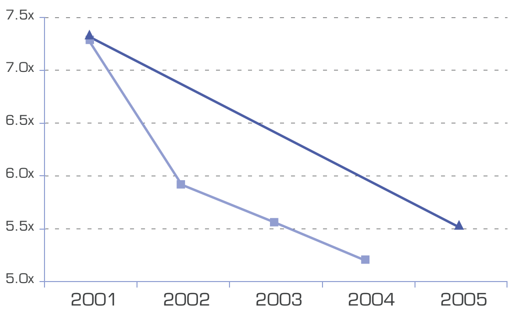
GEARING
(In %)



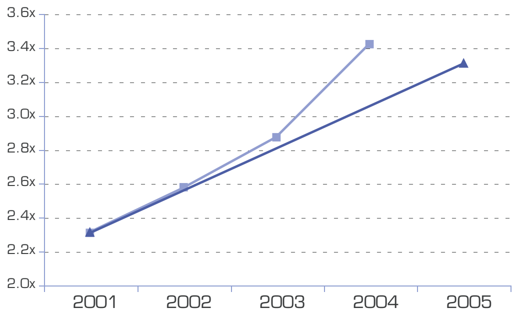
NET DEBT/EBITDA
(In %)



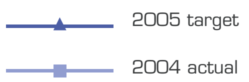
EBITDA MARGIN



INTEREST COVER*



* Excluding capitalized interest.



A7 - Valence.

DEVELOPMENT STRATEGY

An ambitious development strategy

The three strategic goals announced at the time of the IPO were to:

- finish building the current conceded network (3,124 kilometers);
- improve network operating productivity and profitability by automating toll collection and optimizing purchasing and major repair costs;
- carefully and gradually expand in France and internationally, by applying our experience to other motorway-related projects.

Three years down the road, we have fulfilled our commitments and implemented our strategy to boost productivity. The challenge today is to maintain our growth momentum, as a counterpoint to our dividend policy, in order to ensure that new growth drivers are in place when our current concessions expire in 2026 (ESCOTA) and 2032 (ASF) and thus guarantee our long-term viability. Last year, the Development Department set up in 2003 focused on strengthening its teams and skills base in the areas of traffic management, transportation economics, multi-modal transportation systems, urban traffic, financial engineering, development engineering and market watch. These skills were put to use in preparing high quality contract bids in France and internationally.

INTERVIEW WITH DORIS CHEVALIER, DEVELOPMENT DIRECTOR

"The Group aims to become a major player in its markets. In France, we plan to build a position in the local government segment."

What were the main projects that the development teams worked on in 2004?

We extensively explored diversification options and analyzed markets that we believe may have future potential or represent a good strategic fit with our current business, and where we could become a major player. So far, we have looked at road-rail and road-sea transportation, GPS vehicle-recognition systems for electronic toll collection, and car and truck park management. But we also want to expand our presence in our core business of building and operating toll motorways. In 2004, we submitted bids for several concessions: in France, for the A19 in partnership with Bouygues, the A41 Annecy/Geneva link with Vinci Concessions and the first phase of the A65 Langon/Pau link with Abertis; in Greece, for the Thessalonica submerged tunnel with Bouygues and in Austria for the Vienna bypass with Vinci (prequalification phase). These bids also enabled us to activate the industrial partnerships set up with these groups in 2004.

What are ASF's priorities outside France?

Outside France, we plan to acquire positions in low-risk countries, teaming up with civil engineering companies whenever possible. We will confine ourselves to the OECD countries, North Africa and Turkey, while keeping a look out for opportunities in China. Our main targets are Algeria, Austria, Slovakia and the United Kingdom.

What are your plans for expanding in France?

In France, ASF will continue to bid on motorway tenders issued by the State. We also plan to build a position in the local government market, especially in cities through the development of public private partnerships. We are further committed to diversifying in non-motorway projects, in such areas as road-rail transportation, GPS systems for electronic toll collection, and car and truck park management. We will start by initiating a program to analyze the ROI and the targeting of existing projects.

How would you describe your medium-term outlook?

ASF has set the reasonable objective of growing its current concession by 10% over the next five years.

Toulouse eastern bypass.

The Massoulie cliff on the A89.

SÉBASTIEN FRAISSE
Operations Manager, Niort region

“Offering the best possible service”

“We never stop thinking about how we can offer customers the best possible service. This means closely monitoring costs. But it also means keeping a close eye on service levels. How long do customers have to wait at toll plazas? How long does it take for the highway to be cleared after an accident? Are our service areas clean and tidy? Constant tracking of both sides of the equation – financial performance and service performance – ensures that if and when the need arises, we take corrective action very quickly.”

OUR BUSINESSES

Sioule Viaduct on the A89.

Maintaining construction momentum

Under the terms of the 2002-2006 program contract, we are committed to building 318 kilometers of new motorway sections, plus the 16-kilometer La Roche-sur-Yon bypass on the A87, which was added to the concession in 2003 (Addendum 8 dated July 16, 2003).

As of March 1, 2005, 173 of the 334 kilometers were already open to traffic, including 71 kilometers opened in 2004 and 20 kilometers in early 2005. Sixty-three kilometers are currently under construction, leaving us with 98 kilometers remaining to be built under the concession agreement as it stands today.

Construction of the A87.

The construction schedules and budgets provided for in the program contracts were agreed between ASF and the State for planning purposes. With our ISO 9001-certified construction team, we do everything we can to complete each section on time and on budget but we cannot give 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 labor, 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 THE LAST THREE YEARS

289 kilometers of new motorway sections in the three years to December 31, 2004

SECTION	Motorway	Number of kilometers	Estimated total cost (€ millions net of tax – 2001 prices)
Cahors-South - Cahors-North	A20	23 kilometers, two-lane	218
Mussidan - Périgueux-East -Thenon Saint-Germain-Les-Vergnes - Tulle-East - Ussel-West	A89	130 kilometers, two-lane	1,010
Val d'Aran link road	A645	5 kilometers, one-lane	25
Toulouse - Pamiers	A66	39 kilometers, two-lane	245
Mûrs-Érigné-South - Cholet-South - Les Essarts	A87	92 kilometers, two-lane	542
Section opened on January 14, 2005			
Les Essarts – La Roche-sur-Yon	A87	20 kilometers, two-lane	110

PLANNED NEW SECTION OPENINGS

Construction planned by ASF under the concession agreement and the 2002-2006 program contract

MOTORWAY	Km	Planned opening date	Capital expenditure budget 2002-2006 (€ millions net of tax – 2001 prices)
ADDENDUM 7			
A89 West			
Thenon - Terrasson Terrasson - Brive North	18 11	Partial DUP* pending Beginning of 2006	290
A89 Center			
Le Sancy - A71 (Combronde)	52	Beginning of 2006	406
A71 – A72	7	DUP* + 5 years	
Brive-north - Saint-Germain-Les-Vergnes	16	By order of the French Roads and Highways Department	4
A87			
Angers - Mûrs-Érigné	7	DUP* + 5 years	3
A75			
Béziers East by pass (A9)	6	End of 2008	7
A9			
Doubling up of the A89 at Montpellier	17	DUP* + 6 years	(1)
A64			
Briscous - A63	11	Administrative approval + 5 years	0
TOTAL ADDENDUM 7	**145**		**710**
ADDENDUM 8 (signed July 116, 2003), amended by addendum 10 (signed Nov. 5, 2004)			
A87			
Roche-sur-Yon southern by pass	16	end of 2008	39
TOTAL	**161**		**749**

* DUP: *Déclaration d'Utilité Publique* (Declaration of Public Interest)

(1) The cost of the Montpellier bypass is included in the separate 2002-20060 capital expenditure budget for motorways already in service (ICAS).

New sections opened in 2004

71 kilometers of new motorway were opened in 2004. The new sections are fine examples of our commitment to building long-lasting structures that blend harmoniously with communities and the environment.

CURRENT ESTIMATED CAPITAL EXPENDITURE FOR THE PERIOD 2002-2005

	2002	2003	2004	2005 estimated
		Actual		in €M 2004
New sections	504	498	409	305
Investments on motorways in service	133	152	173	234
Operating assets	49	29	40	77
Capitalized interest	36	24	16	23
Own work capitalized	7	22	19	16
Total	729	725	657	656

A89 west, a continuous 140-kilometer stretch of motorway between Bordeaux and Thenon

In 2004, two new sections of the A89 were opened, creating a continuous 140-kilometer stretch of motorway between Bordeaux and Thenon in the Périgord region. With the link now complete, the A89 will contribute fully to the development of trade and tourism in the Dordogne, and speed the flow of goods traffic between Bordeaux and Périgueux. These final two sections posed many technical challenges, in terms of both landscaping and safety. A route had to be carved through two cliffs without spoiling the area's natural beauty, and the Périgueux bypass had to be converted to motorway standards while remaining open to traffic. By the end of 2004, 70% of the A89 was in service.

The new Périgueux East/Thenon section comprises a fully-automatic 12-lane toll plaza, the first of its kind on our network.

Construction of the Périgueux/Thenon section of the A89.

Robertie cliff on the A89.

Working flat out on the A89 East

In the Puy-de-Dôme region, construction crews worked flat out in 2004 to ensure that the 52-kilometer section between Saint-Julien-Sancy and Combronde opens on time in 2006. The section poses tougher-than-usual challenges. It includes the 154-meter high Sioule viaduct, one of the highest in Europe along with the Millau viaduct. And with its location in the "Volcanoes" national park, integrating the structure in the landscape and protecting water resources are of critical importance. Further to the west, near Brive, a second project to build the A89/A20 interchanges is in the process of being completed.

Motorway all the way from Angers to La Roche-sur-Yon, on the A87

In 2004, work was completed on the final section between Les Essarts and La Roche-sur-Yon. The goal was to open the section before the first competitor in the 2004 Vendée Globe Challenge solo non-stop round-the-world sailing race crossed the finish line in Les Sables d'Olonne. We succeeded with two weeks to spare, opening the section to traffic on January 14, 2005. It's now motorway all the way from Angers to the Vendée coast. This year, work is starting on the La Roche-sur-Yon southern bypass, whose scheduled opening in 2008 will make access to the coast even easier.

The Val d'Aran link road, creating a new gateway to the Pyrenees and Spain

The opening of the 5-kilometer Val d'Aran link road offers a safe, direct route from the A64 Toulouse/Bayonne motorway to the N125 highway, for drivers traveling to Spain or the Comminges ski resorts.

Improving network performance

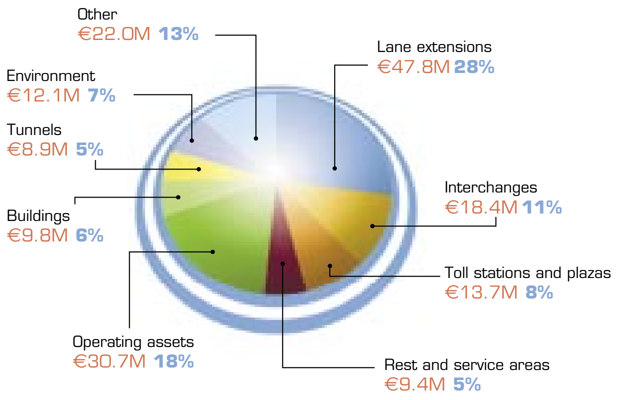
Investing in existing motorways to optimize the network

Under the ASF and ESCOTA program contracts, the two companies are committed to investing in existing motorways over the period 2002-2006. More than 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.

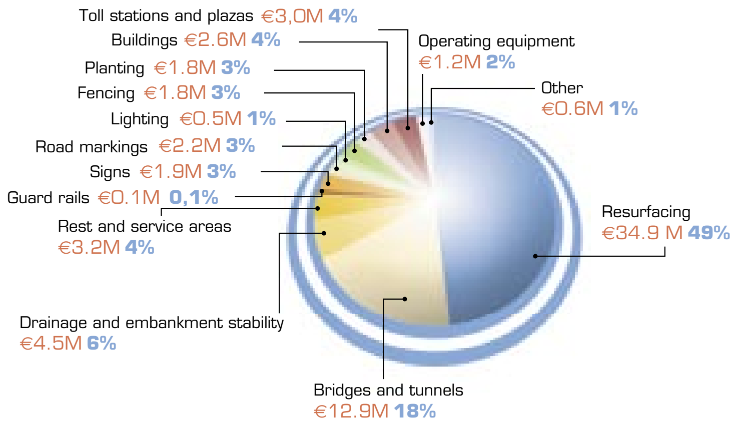
In 2004, a total of €172.8 million was invested in existing motorways.

INVESTMENTS IN EXISTING MOTORWAYS IN 2004



Total : €172.8M

INFRASTRUCTURE MAINTENANCE SPENDING IN 2004



Total: €71.3M

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.

Maintenance work is planned to keep costs to a minimum without compromising customer safety or reducing the value of the infrastructure.

Infrastructure maintenance spending in 2004 totaled €71.3 million.

Philippe Laroche
Infrastructure Engineering
Manager at ESCOTA

"Work to improve safety in tunnels takes a long time to complete, because we don't stop the traffic while we're doing it. This is a first in the French motorway sector. We work mainly at night, to minimize the disruption to traffic and improve safety for our customers and maintenance crews. But although we're pulling out all the stops to finish the work as quickly as possible, safety improvements in the Alpes-Maritimes tunnels won't be finished until 2010."

Encouraging innovation

Launched in 2001, the annual "Encouraging Innovation" prizes reward the best ideas submitted by employees and tested during the previous year.

The three prize-winning suggestions for 2004 included painting the bottoms of warning cones with light-reflecting paint, making them easier to see if they are accidentally knocked over. As soon as the results were announced, we began looking for suppliers, leading to an initial order for 3,000 new-look cones.

Optimizing purchasing

A new purchasing organization came on stream at ASF on January 1, 2003, led by five purchasing managers. The aim is to better identify medium-term needs, rationalize and combine purchases and help users express their needs more effectively. We expect this new organization to generate overall savings on both recurring and non-recurring purchases. ESCOTA set up a similar structure in 2003, to reduce full year operating budgets.

Operation Tunnels, upgrading security in 40 tunnels open to traffic

The ESCOTA network has the most tunnels of any motorway network in France – 21 – representing a total of 19 kilometers. While remaining open to traffic, all of them are being upgraded by a special Operation Tunnels team to meet the new safety standards introduced in the wake of the accident in the Mont Blanc tunnel. In 2004, four projects were approved by the local *Préfets*: on the A8 (12 tunnels on the Nice bypass) and the section between Nice and the Italian border, on the A500 (the Monaco tunnel), and on the A51 between Aix-en-Provence and Gap (four tunnels). Civil engineering work will be carried out to create walkways between parallel tunnels to speed up evacuation in the event of an incident.

Power, transmission and communications networks will be buried beneath the highway in compartmentalized tubes. Additional safety equipment will be installed, such as automatic incident detection cameras and sign gantries.

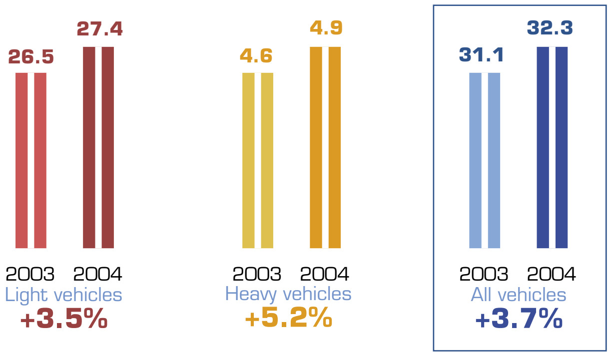
Work in a tunnel in the ESCOTA network.

Buying a *télépéage* subscription.

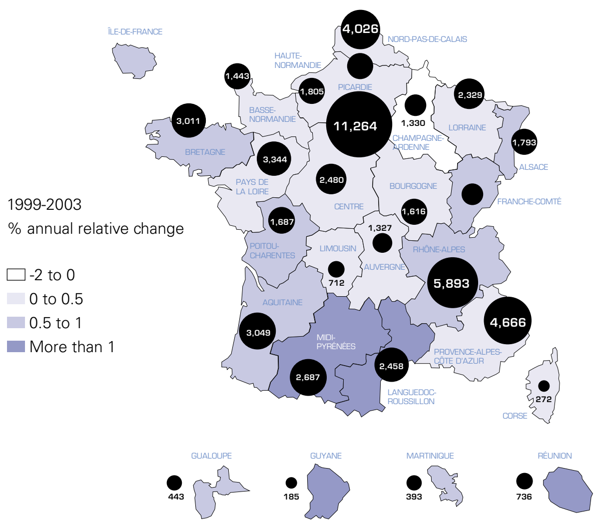
Keeping pace with traffic growth

Traffic on the ASF Group network, measured in number of kilometers traveled, grew by 3.7% in 2004. Organic growth (excluding new sections) was 3.1%.

TRAFFIC GROWTH
(in billion kilometers traveled)



ASF has benefited from population flows towards the South of France, as illustrated in the map below showing population changes by region from 1999 to 2003.



1.7 million more inhabitants
Population as of January 1, 2004 (in thousands)

Sources: Registry office statistics, censuses, Insee.

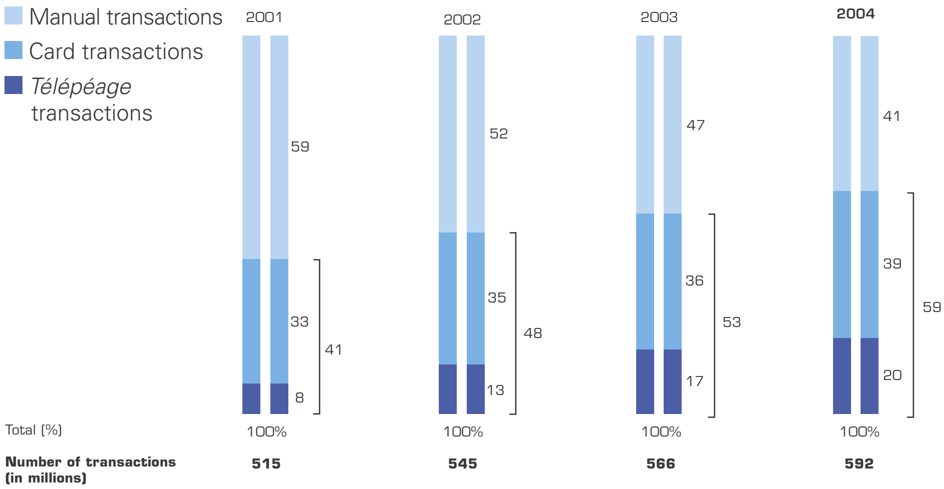
AUTOMATIC TOLL BOOTHS ARE INCREASINGLY POPULAR

592 million

tolls were paid on the Group network in 2004 (up 4.7% over 2003), including:

+13.7% growth in card transactions
+18.1% growth in *télépéage* transactions
7.5% fall in manual transactions

ASF GROUP AUTOMATIC TOLL COLLECTION STATISTICS



€250 million

in *télépéage* revenues, representing 11% of total toll receipts (up 23% over 2003)

331,677

subscribers to the *télépéage* electronic toll collection system as of December 31, 2004 (ASF Group)

Improved productivity

Ongoing automation of toll collection has helped to improve customer service while reducing the total number of hours worked by toll collection employees by 3.8%. Total manual toll collection hours declined by 7.6%, despite a 4.7% increase in the aggregate number of transactions (excluding Autoroute des Fleurs).

Roll-out of new generation toll collection machines, designed for lanes accepting all types of payment, has allowed us to continue automating toll stations with low night-time traffic:

- 12 toll stations are now unmanned at night,
- the Herbiers toll station, which was previously unmanned at night is now completely unmanned;
- four toll stations opened in 2004 are unmanned.

Voie Nouvelle Génération, harnessing the future

The VNG (new generation toll equipment) project is designing and producing new generation toll equipment for our network. Intended to meet our needs over the next fifteen years, the new equipment will enable us to keep pace with traffic growth without building extra toll lanes or extending the toll plazas. With its new approach, new equipment and software, the VNG will increase traffic absorption capacity with only limited infrastructure changes, avoiding heavy investment or the need to buy more land alongside the toll plazas.

Catherine Simonnet
Marketing and Services Manager

"We decided to adopt an entirely new approach by marketing *télépéage* subscriptions as a solution to make everyone's lives easier. To inform customers, in 2004 we developed a new visual identity to align our *télépéage* advertising across the network."

Télépéage subscriptions, making life easier for commuters

ASF and ESCOTA offer numerous cut-price *télépéage* subscriptions tailored to the needs of commuters. They include Liber-T Préférence 50, offering reductions for trips of less than 50 kilometers, Liber-T Préférence 100, for trips of 51 to 100 kilometers, and ESCOTA's Héliotis Option Fréquence for pre-defined trips.

In January 2005, ASF launched ZAP Corrèze in partnership with the Corrèze regional council. This is the latest in the range of local *télépéage* formulas, after ZAP Nord Gironde, and ZAP 31 in the Haute-Garonne region. These cut-price subscriptions have been set up with regional authorities to reduce congestion in built-up areas and offer local inhabitants a safer and easier solution for getting from A to B. The rates are very attractive, especially for commuters; subscribers to the ZAP Corrèze formula, for example, receive a 57% discount. On the ESCOTA network, September 2004 saw the launch of Héliotis-Pays d'Aix, a cut-price subscription formula offered in partnership with the Communauté du Pays d'Aix to people living or working in the 34 towns and villages in the region.

Voie Directe, the subscription and *télépéage* hotline

In 2004, the growing popularity of *télépéage* and the various toll subscription formulas prompted a review of our subscription organization and management process. In January 2004, the Voie Directe hot line was introduced to answer questions from existing and potential *télépéage* subscribers (light vehicle drivers), sell new subscriptions and deal with subscribers' changes of address or banking details. The Voie Directe call center takes calls from 8:00 a.m. to 8 p.m., Monday to Friday.

We are now looking at future marketing and management developments, such as new subscriber billing media and technologies, creation of a Subscriber section on our website and the design of new products tailored to the needs of each customer category. These major developments will help to improve productivity, while further personalizing customer relationship management, for both light and heavy vehicle users.

12

experimental European *télépéage* lanes at the French-Spanish border and close to the Italian border

Télépéage solutions for heavy vehicle users as from 2006

The French toll motorway operators have decided to offer *télépéage* solutions for heavy vehicle drivers throughout the country, based on European standards, as from 2006. We will stop marketing CAPLIS magnetic card-based subscriptions and replace them with specific *télépéage* formulas tailored to the needs of heavy vehicle drivers. This will mean installing new subscription management systems at our toll stations and plazas, and altering over 200 toll lanes to accept the new product. We are currently in the process of devising marketing plans to support the launch.

Interoperability, the way forward for European electronic tolling systems

Electronic tolling systems in France are already interoperable and *télépéage* subscribers should soon be able to use their badges to pay tolls automatically on all European toll motorways, thanks to the PISTA (Pilot on Interoperable Systems for Tolling Applications) project. Tolls will continue to be billed on a monthly basis, with a separate invoice for each country in which the subscriber has traveled.

Since 2002, more than twenty toll motorway operators have pooled their efforts in Denmark, Spain, France and Greece to test their tolling systems' compatibility. In France, we are already operating twelve experimental lanes at the French-Spanish border and close to the border with Italy. The trials have been a great success, with over 10,000 transactions processed to date under the new system. Plans are now being made to extend the trials to cross-border transaction billing, in cooperation with Spanish toll motorway operator Abertis-Acesa. These satisfactory results have paved the way for European deployment of the new standard.

Combating credit card fraud with a new online bank authorization system

As part of our drive to prevent credit card fraud and make card transactions safer, in the second half of 2004 we began testing a new online bank authorization system. Bank and credit cards are authenticated online at the toll booth, through a computer link to the worldwide bank card network, and the transaction is authorized or rejected in real time.

The results are very encouraging, leading to a 17.2% reduction in rejected payments by foreign bank cards on the ASF network in the fourth quarter of 2004 compared with the year-earlier period, and the capture of 4,900 cards since the launch date. The system will be rolled out in 2005 to all toll booths at the toll stations and plazas where fraud rates are the highest.

200

toll booths altered to accept the new *télépéage* badge for heavy vehicles in 2006

Télépéage lane.

An assistance and safety crew at work.

Ensuring smooth traffic flows and road safety

Offering customers the best possible driving 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 and respond immediately to accidents, we have developed highly efficient traffic information collection, processing and broadcasting systems.

ASF's system, named "Mistral" after the northerly wind that blows in squalls toward the Mediterranean coast, is constantly being improved, with migration currently underway to Mistral 2. At ESCOTA, a project has been launched to upgrade its "Pastre" expert equipment management system. The system is linked to new generation variable message signs and lane change arrows installed on the most congested stretches of the network, where the risk of accidents is the greatest, and capable of automatically issuing warnings on a coordinated basis.

1 emergency telephone every 2 kilometers

161 weather stations

285 motorway patrol, assistance and surveillance employees

718 CCT cameras

629 traffic-counting stations

104 automatic incident detectors (including 88 on the ESCOTA network)

388 variable message signs

2,700 km covered by Radio Trafic FM (107.7)

Radio Trafic FM 107.7, covering 2,700 kilometers of the network

In November 2004, the ASF and ESCOTA radio stations – Radio Trafic and Trafic FM – were merged to create Radio Trafic FM (RTFM), Europe's leading motorway traffic information radio broadcasting on 2,700 kilometers of motorway. The merger is an example of how we are leveraging synergies between ASF and ESCOTA. The aim is to improve service quality by offering listeners more timely information and a better coordinated music play list. RTFM is very popular among advertisers, as evidenced by last year's 24% growth in advertising revenues to €1.86 million. With its five regional breakaways and 52% audience share (up 32%*), RTFM is firmly positioned among the leading French radio stations.

*Based on the July-August 2004 Médiamétrie survey, in the RTFM reception area.

An encouraging decline in the number of accidents

In 2004, there was an encouraging decline in accident rates on the ASF Group's networks reflecting the benefits of the government's road safety campaign and our own initiatives in this area. The number of fatal accidents fell by 24% and the number of people killed was halved between 2002 and 2004, representing the best results in the last twenty years. The total number of accidents contracted by 2.84% year-on-year. These results are all the more encouraging in that they were achieved even as traffic continued to grow.

New safety equipment installed in 2004

In line with our commitments under the 2002-2006 program contract, in 2004 we spent €7 million on installing new road safety equipment, to prevent accidents and limit their consequences. Equipment installed by ASF 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 route video surveillance cameras.

NUMBER OF ACCIDENTS ON THE ASF GROUP NETWORK IN 2004

	2002	2003	2004	% change 2003/2002	% change 2004/2003	% change 2004/2002
TOTAL NUMBER OF ACCIDENTS	**9,522**	**8,355**	**8,118**	**(12.26)**	**(2.84)**	**(14.74)**
Number of fatal and casualty accidents	1,424	1,180	1,257	(17.13)	6,53	(11.73)
Number of fatal accidents	113	79	60	(30.09)	(24.05)	(46.90)
Number of deaths	140	101	71	(27.86)	(29.70)	(49.29)
Number of accidents without casualties	8,098	7,175	6,861	(11.40)	(4.38)	(15.28)

Source: Sécurité Routière statistics.

Nicolas Schwab,
ASF European initiatives and Traffic Management Plan Manager

"ASF is a recognized expert in Intelligent Transportation Systems, with a head start in cutting edge technologies such as speed regulation, weather forecasting and travel time information. We are a member of the committee set up by ASECAP (Association of the European Tolled Motorways, Bridges and Tunnels) to set targets for the deployment of ITSs with the aim of integrating them in EU research programs. Our interests are clearly aligned with those of ASECAP, since it has accepted all of our proposals."

Operating crews on standby 24/7 to deal with incidents and keep traffic moving

In 2004, our motorway crews were called out 103,081 times (see table below) and carried out 995 days' winter maintenance work versus 927 days in 2003.

Safety call-outs	2003	2004
Protecting accident sites	9,668	9,763
Coning off broken down vehicles	25,625	25,058
Removing spills and debris from the highway	38,511	41,372
Other	30,201	26,888
TOTAL	**104,005**	**103,081**

Motorway assistance vehicles equipped with GPS to enhance coordination

In 2004, GPSs were installed in winter maintenance vehicles operating in the areas most exposed to severe winter weather, after successful trials of the system the previous year. GPS enables us to determine the position of snowploughs and de-icing vehicles on the highway in real time, giving us an overview of the entire operation that helps to optimize the use of resources. As of end-2004, winter maintenance vehicles serving 400 kilometers of our network were equipped with GPS.

We have also installed deferred GPS signal processing systems in our service vehicles, to better monitor and track service calls.

ASF leading the Intelligent Transportation System project

We are participating actively in the work of the ASECAP (Association of the European Tolled Motorways, Bridges and Tunnels) committee set up to examine Intelligent Transportation Systems (ITS). The committee is tasked with monitoring strategic developments for toll motorway operators and defending their interests before European institutions. ITSs include such innovations as advanced real-time traffic and weather forecasting and management techniques, high-tech equipment (variable message signs, CCTV, etc.) and emergency call management.

An award-winning severe weather alert system

At the annual IBTTA* congress held in Philadelphia, USA, in September 2004, our severe weather information and alert system won first prize for excellence and technological innovation in the "operating systems" category. This pioneering system is designed to provide early warnings of potential severe weather conditions and to monitor conditions in real time, in order to take swift action on the scale needed to protect motorway users. The system analyzes information from several sources, including the 161 weather stations, the GPSs installed in winter maintenance vehicles, and the French weather bureau, which supplies us with a comprehensive array of tailor-made information services. In addition, seven ASF operating regions now have access to ASPIC weather radar data transmitted by satellite.

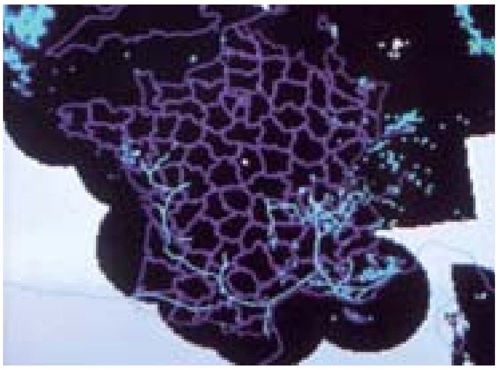
*The International Bridge, Tunnel and Turnpike Association (IBTTA) has 300 members in 24 countries.

The PX-Prévia traffic forecasting system, keeping motorway users better informed

In 2004, a new traffic forecasting system – PX-Prévia – was rolled out to all of our regional operating units. PX-Prévia enables operations/safety, telecoms and forecasting teams to access the same information, allowing them to plan maintenance work, forecast traffic levels and organize teams more efficiently. In particular, improved coordination of traffic forecasting helps to give earlier warnings to motorway users of potential congestion.

Speed regulation on a 90-kilometer stretch of the A7, a first in France

To optimize traffic conditions on the A7, during last year's summer vacation period and the All Saints bank holiday weekend in November, we tested a real time speed regulation system on a 90-kilometer stretch of the motorway between Orange and Valance. This was the first time that such a system had been tested in France on a large scale. The Information Systems and Technologies department deployed considerable IT resources to handle the collection and processing of the necessary data. Captors installed beneath the highway send data to the command post, and when traffic reaches a certain level, speed limits are displayed automatically on the variable message signs. This helps to raise the motorway's flowthrough capacity to limit congestion, improve safety by narrowing speed differentials between vehicles and avoiding accordion effects, and reduce driver stress and fatigue. The initial results are encouraging. During speed regulation periods, bottlenecks were reduced by 16%, and 75% of drivers interviewed considered that the system had made their trip easier. The experiment will be pursued in 2005 to obtain additional data to measure the results in terms of safety, traffic flowthrough and driver comfort.



ASPIC screen showing satellite images of weather conditions.

Actively cooperating at the border with Spain

The partnership set up in 2003 between ASF and Acesa, the motorway subsidiary of Spain's Abertis Group, led to joint action in 2004 to optimize the operation of the A9 close to the Spanish border and its extension into Spain. The motorway in this area is very steep, traffic is heavy and the customs barrier at the top of the Perthus pass is a frequent source of congestion. One of the first initiatives was to exchange real-time images from the two companies' CCTV cameras and traffic monitoring systems. These examples demonstrate the ability of teams from two different countries to communicate effectively and to manage complex transmission equipment and media (with interconnecting optical fiber networks, image coding equipment, etc.). We are now completing plans for enhanced cooperation in the areas of winter maintenance, temporary signs and the sharing of traffic information in real time.

Tracking hazardous goods transport in the tunnels

As part of its drive to improve motorway safety, ESCOTA has launched trials of a system to track vehicles carrying dangerous goods on the Nice bypass section of the A8, with a focus on their route and driver-disclosed freight information.

JIO network (Jamaica).

Diversifying our business base

ASF in Jamaica

In partnership with Bouygues, we own 34% of Transjamaican Highway, the holder of the concession granted by the Jamaican government for the operation of the Highway 2000 motorway.

We are also the majority shareholder of the operating company, Jamaican Infrastructure Operator (JIO), with 51% of the capital, alongside Bouygues with 49%.

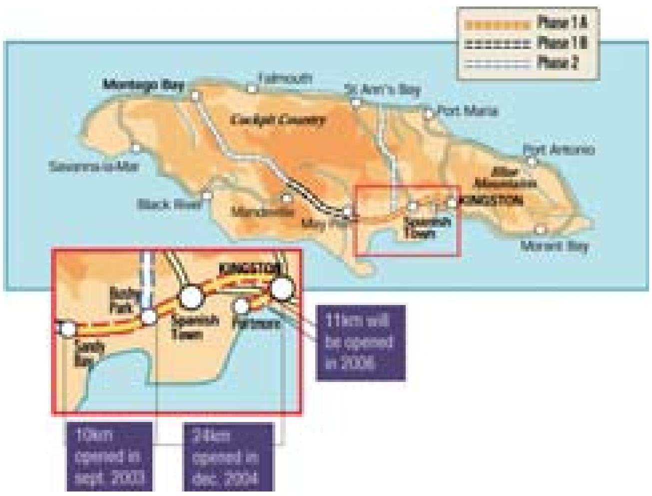
JIO currently operates 34 kilometers of two-lane motorways, including 10 kilometers opened in September 2003 and 24 kilometers opened on December 15, 2004.

During the first year of operation, average daily traffic on the initial section stood at 12,000 vehicles, with the equivalent of 16,300 vehicles per day in peak periods. Traffic on the second section is already in excess of forecasts.

A further 10-kilometer 3-lane section will be opened in the second half of 2006, with forecast average traffic of 37,000 vehicles/day.

Our commitment to date amounts to USD 10.2 million, including USD 5.1 million for the 34 kilometers in service, USD 1.7 million for the 10 kilometers under construction and a USD 3.4 million reserve fund.

JIO NETWORK IN JAMAICA AS OF DECEMBER 31, 2004



Optical fiber and pylon rental

In 2004, we renegotiated several major contracts providing for the payment of quarterly or annual rentals, replacing them with secure prepayment formulas to avoid the risk of default in the event of customer bankruptcy.

In exchange for receiving rentals up front, we offered significant discounts to the telecoms operators concerned (Cegetel, BT, SFR, 9 Telecom, Free, Bouygues Telecom and Completel). These discounts had a negative impact on 2004 revenue (€14.4 million) but the effects will even out in future years.

Truck Etap, offering heavy vehicle drivers secure and comfortable stopover points

Heavy vehicle traffic is increasing on our network, creating the need for secure and comfortable stopover points, to compensate for the lack of parking spaces at motorway service areas. This will encourage drivers to take a break from driving and help prevent their loads from being stolen while they are resting.

At the end of 2003, we responded to this need by setting up Truck Etap (a 66%-owned subsidiary with capital stock of €900,000) to build and operate guarded, fee-paying truck stops.

The first Truck Etap truck stop is being built on a 9-hectare site close to the Béziers West interchange and will come on stream at the end of this year.

The longer-term aim is to build a network of around twenty secure truck stops, representing some 4,500 spaces, to meet driver needs for parking space, security and services.

Thirty-three contracts with commercial outlet operators to be renewed

The commercial outlets located on our service areas are operated by oil companies, retail chains, independent retailers and food services companies.

Thirty-three operating contracts covering 29 service areas will come up for renewal in 2005, for periods ranging from 7 to 15 years. Candidates include Total, Esso, BP, Carrefour, Leclerc, Avia, Agip and Dyneff. In addition, we expect to sign contracts with new operators, such as Paul, La Croissanterie, Casino Coeur de Blé, Le Fournil de Pierre and La Brioche Dorée for food services and Cocci Market, Proxi, Codec and Comod for shops.

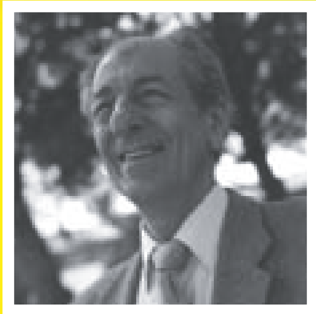
By stimulating competition, these contract renewals should help to improve the quality of service offered to motorway users and bring down prices.

Autoroutes-Trafic

Set up in February 2003, Autoroutes-Trafic is a not-for-profit partnership among nine French toll motorway operators dedicated to developing multimedia traffic information services, including:

- maps and traffic data for the traffic news spot on the France 2 television channel;
- an interactive voice server, providing real time traffic information on French motorways and in the Paris region (France Télévision Interactive 3 425 voice server portal, with calls billed at €0.34 per minute);
- online traffic information on the members' websites and on www.france2.fr, www.yahoo.fr and www.mappy.fr.

Chavanon rest area and viaduct, on the A89.



JEAN-PIERRE MARCHAND
Environment and Sustainable Development Director

"Promoting sustainable mobility"

"Focusing on sustainable development is positive in two respects. Internally, it gives us an opportunity to describe our business in terms that express the true meaning of what we are doing. Employee buy-in is high, with 91% of managers recognizing that sustainable development initiatives are important*. Externally, it encourages us to clearly state our position and match action to words by making formal long-term commitments and reporting our performance in fulfilling them. Stakeholders take a deep interest in the non-financial aspects of our business, providing an excellent incentive for us to perform even better and constantly enhance the quality of our disclosures."

* Based on an internal survey carried out by Opinionway in September 2004.

OUR COMMITMENTS

Maintaining high standards of corporate governance

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 Department and Government commissioner, or Pierre Denis Coux, deputy Government commissioner, and Marcel Lecaudey, 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 Group, its shareholders or management that would be such as to color 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 of Directors has examined the best method of assessing its procedures. After discussing the Board's role and the function of director, it was decided to appoint an outside consultant to conduct the assessment under the guidance of an independent director. The exercise was carried out between December 2004 and February 2005, and the results will be presented and discussed during a Board meeting held in the first half of this year.

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

As of December 31, 2004, directors held 2,174 shares in the Company, and at the time of registering this Annual Report they held 2,799 shares.

Name	Number of shares held at December 31, 2004	Number of shares held at the time of registering this Annual Report
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	1,026
Gérard Payen	1,486	1,486
Alain Barkats	0	0
Jacques Thoumazeau	0	0
Michel Charasse	1	1
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) Not including 1,580 shares held by his spouse.
(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.
* Replaced on March 10, 2005 by Hubert du Mesnil.

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 May 15, 2001, at the Meeting held on March 13, 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 2004 are described in the Chairman's report (page 94). The Board of Directors met seven times in 2004, with an average attendance rate of around 70%.

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. At the Chief Executive Officer's request, the Board also decides the scope and duration of the powers vested in the Senior Executive Officers, as well as their compensation.

During 2004, 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.

The organization of Group senior management and the Executive Committee is described in the Corporate Governance section on pages 6 to 9. The powers of the Chief Executive Officer are described on page 93.

Committees of the Board

At its meeting on March 13, 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 2004 with an average attendance rate of 76%.
- The Compensation Committee, comprising Michel Davy de Virville (Chairman), Hubert du Mesnil, Gérard Payen and Hugues Bied-Charreton (since March 10, 2005), which met twice with a 100% attendance rate.
- The Strategy and Contracts Committee, comprising Bernard Val (Chairman), Gérard Payen, Pierre-Henri Gourgeon, Jean-Louis Girodolle and Alain Barkats, which met five times with an average attendance rate of 64%.

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 2004 are described in the Chairman's report (pages 96-97).

Directors' fees

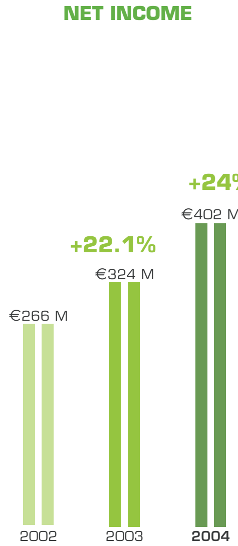
At the Annual Meeting on May 13, 2004, shareholders voted to award the Board of Directors total fees of €240,000 for 2004. By decision of the Board, each director is paid a fixed fee of €3,000, plus a variable fee of up to €6,000 based on his or her attendance rate at Board meetings. Members of the Committees 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 €15,000. (For further information, see page 70).

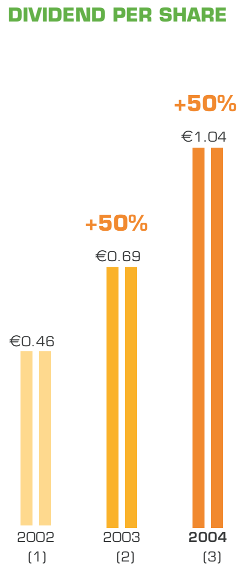
The internal rules of the Board of Directors and Committees' Charters can be downloaded from our website (www.asf.fr).

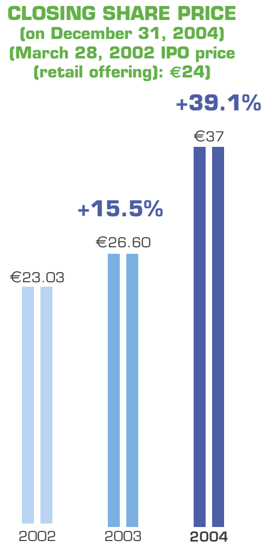
Annual Shareholders' Meeting, May 13, 2004.

Meeting shareholders and institutional investors

Listed on the Paris Bourse since March 28, 2002, ASF has just completed its third year on the stock market. Three years that have seen steady earnings growth and the creation of significant shareholder value, as measured by net income, dividends and the share price.



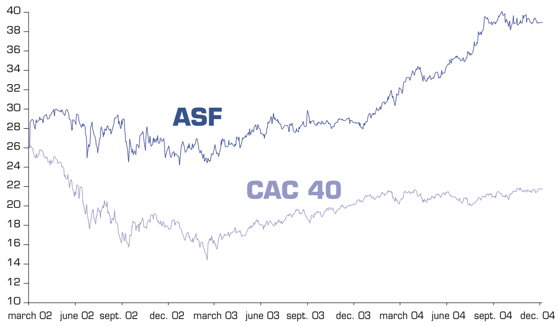




ASF listing details
ISIN code: FR0005512555 – Reuters code: ASF:PA
Bloomberg code: ASF FP – Listed on: Euronext Paris
Market: Eurolist Compartment A – Listing date: March 28, 2002
Eligible for inclusion in PEA personal equity plans and for the SRD deferred settlement service
Number of shares: 230,978,001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

(1) 2002 dividend paid in June 2003; payout rate: 40%.
(2) 2003 dividend paid in June 2004; payout rate: 49%.
(3) Recommended 2004 dividend, payable in June 2005; payout rate: 60%.

SHARE PERFORMANCE SINCE THE IPO



ASF outperformed the CAC 40 by more than 71% over the period from March 28, 2002 – based on the IPO price (retail offering) of €24 – to December 31, 2004. In 2004 alone, ASF outperformed the CAC 40 by 33%.

ASF, an SRI stock

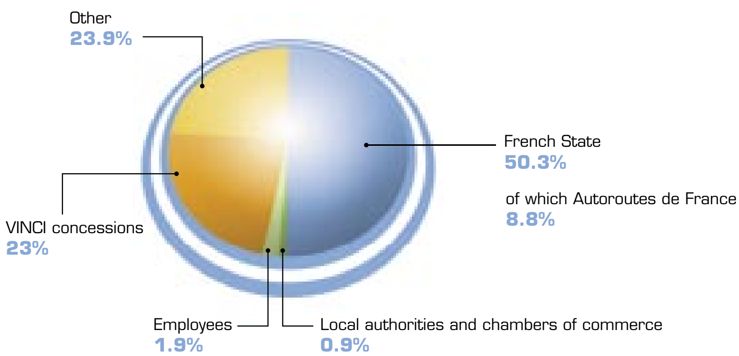
- **An award-winning Sustainable Development Report:**

  - CFIE (*Centre Français d'Information sur les Entreprises*):
    The CFIE reviewed the Annual Reports of leading French listed companies to assess the quality of their disclosures.
    "*With its first Sustainable Development Report and the quantity of information provided in its Annual Report, ASF demonstrated the most improvement in disclosure of any of the companies surveyed*." These improvements placed us among the best-rated companies, alongside Danone, Renault, Sanofi-Aventis and Veolia.
  - CSOEC (*Conseil Supérieur de l'Ordre des Experts Comptables*):
    In December 2004, ASF won the award for the Best First Sustainable Development Report for having produced a clear report, with a wealth of information about the Company's sustainable development plan, discussed all the relevant issues in detail and opted for total transparency.

- **ASF included in new sustainable development indices:**

  - FTSE4GOOD: in March 2005, ASF joined the FTSE4GOOD series of indices to promote socially responsible investing. The FTSE4GOOD comprises over 900 stocks – only three of which are French – that comply with strict sustainable development criteria.
  - VIGEO: in March 2004, ASF joined the Eurozone ASPI (Advanced Sustainable Performance Indices).
  - ETHIBEL SUSTAINABILITY INDEX:
    in March 2005, ASF was added to the Ethibel Investment Register, a socially-responsible investing database used by a growing number of European banks, fund managers and institutional investors, and the ETHIBEL PIONEER index (comprising 259 stocks, only eight of which are French). The ETHIBEL PIONEER Index contains companies that within their sector have pioneered the concept of Sustainable Development. The selection is based on two key corporate social responsibility criteria: sustainable development and commitment to stakeholders.

ASF OWNERSHIP STRUCTURE AT DECEMBER 31, 2004



Dividend policy

The first dividend paid out to shareholders – for the year ended December 31, 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%. The 2003 dividend was 50% higher, at €0.69 per share, representing a 49% payout rate. For 2004, the Board of Directors is recommending a further 50% increase in the dividend to €1.04, payable as from May 25, 2005.

Dividends not claimed within five years will be forfeited and paid over to the State.

Meeting private shareholders

Shareholder information

Downloadable from www.asf.fr

- Financial press releases;
- Annual Report;
- Shareholder Guide;
- Shareholders' Newsletter, sent three times a year to shareholders identified during the July 2002 survey of identifiable holders of bearer shares;
- Financial highlights for the year;
- The ASF website, www.asf.fr, which includes information about the Group, financial highlights, the share price, a shareholder section, commercial offers, the Sustainable Development Report and much more;
- Financial announcements published in the French press;
- Notices of Shareholder Meetings, published in France in the BALO (Bulletin d'Annonces Légales Obligatoires) and sent to holders of registered shares as well as to other shareholders on request.

Shareholders' Club

Created in May 2003, the Shareholders' Club is open to shareholders who hold at least 60 bearer shares or 30 registered shares (as identified by ASF's registrar, Euro Emetteurs Finance). At the end of 2004, the Club had some 2,000 members.

Member benefits, which are being added to all the time, include:

- Special offers on a range of products and services in areas that ASF is identified with: cars, with discounts on car purchases, car hire and *télépéage* subscriptions, the stock market, with cut-price subscriptions to financial magazines, and leisure, with discount tickets to shows and other offers;
- Site visits, to enable shareholders to find out more about ASF's business and motorways. Examples include 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 ASF construction projects, its impressive Traffic Control Center, Radio Trafic FM and the regional units;
- Inclusion on the mailing list for ASF financial press releases, the Shareholder Guide and the Shareholders' Newsletter;
- An invitation to the Actionaria shareholder fair in Paris.

Meeting institutional investors and financial analysts

- The three main events in the institutional calendar are the annual and half-yearly results presentations for financial analysts, in March and September, and the Annual Shareholders' Meeting in May, all held in Paris.
- We also publish press releases announcing our quarterly revenue figures and our half-yearly and annual results.
- In 2004, we organized over 120 one-to-one meetings with investors to maintain a constant dialogue between management and the financial community.
- On September 3, we held an Analysts Day to present to financial analysts the A89 project, the activities of a regional operating unit and initial information about the effects of the transition to IFRS.
- We participate in the main motorway and other industry forums organized by banks and brokers.
- Lastly, numerous roadshows are organized throughout the year, creating an opportunity to meet institutional investors and to help them gain a better understanding of the Group and its business.

Shareholder visit to the A89.

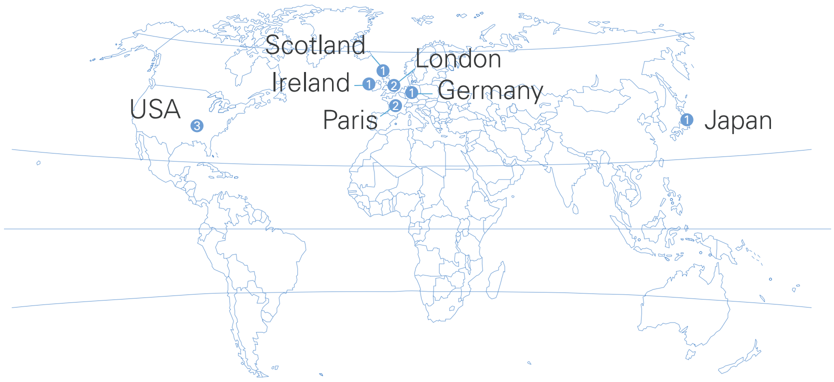
In 2004, ASF took part in the following investor events (visit www.asf.fr to download the presentations):

- January 23: CDC Ixis Infrastructures Forum (Paris)
- June 23: Natexis Conference (Paris)
- June 25: Annual Socially-Responsible Investing Forum (Paris)
- July 8: Paris Europlace Conference (Paris)
- September 27: Cheuvreux Fall Conference (Paris)
- October 13: Oddo European Motorway Forum (Paris)
- November 25: Paris Europlace Conference (Tokyo)

2005 Conference Calendar (based on information available to date):

- April 1: Goldman Sachs Motorway Concession Day (London)
- April 5: HSBC European Motorways Conference (Paris)
- June 2: SG Securities Infrastructure Conference (London)
- September 28/29/30: Cheuvreux Fall Conference (Paris)

2004 ROADSHOWS



2005 Financial Calendar

- April 20: First-quarter 2005 revenue announcement
- April 26: Shareholder meeting in Lille
- May 12: Annual Shareholders' Meeting, Palais Brogniart, Paris
- May 25: Payment of the 2004 dividend
- June 16: Shareholder meeting in Lyon
- July 20: First-half 2005 revenue announcement
- September 15: First-half 2005 results announcement
- October 4: Shareholder meeting in Nancy
- November 18/19: Actionaria Fair, Palais des Congrès, Paris

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Waste sorting bins at the Marguerittes Nord service area (A9).

Implementing our Sustainable Development Plan

Commitments

In 2004, ASF published its first Sustainable Development Report, which presented a detailed account of our sustainable development policy. Designed to open channels of communication with our various stakeholders, it also describes our values and achievements in this area. More importantly, it sets out the areas that we have targeted for improvement, based on a 21-point action plan. We are committed to completing this plan over the period 2004-2006.

The Environment and Sustainable Development department is responsible for leading deployment of our Sustainable Development Plan and reporting progress in this area.

Achievements

In 2004, the Environment and Sustainable Development Department organized the oversight of the 21-point Plan, with the aim of involving and motivating our functional departments by highlighting their contributions. The objective is to keep in-house players abreast of how the Plan is moving forward, and to anticipate any rescheduling or budget adjustment.

A steering committee has been set up, composed of nine functional leaders reporting to the Executive Committee. Together, these two committees cover all Group departments. The steering committee meets twice a year and is responsible for approving the roadmap for each measure, facilitating its implementation and informing or chasing up, if need be, the teams in charge of carrying out the 21 measures.

By the end of 2004, 17 of the 21 measures outlined in the Sustainable Development Plan had been launched. Nine measures are proceeding according to plan, and producing achievements in the field. Among them are operating changes on saturated motorways, implementation of the Road Safety Charter, installation of additional safety equipment, and more. Six measures are running late, to a greater or lesser degree. These are initiatives that call upon a broad range of in-house competencies, across several functions, and they are consequently harder to put in place. Conversely, two measures that were due to start in 2005 have already been launched.

The status of the 21 measures at the end of 2004 and updated sustainable development indicators are presented on pages 44 and 45.

Improved "NRE" reporting processes

The Environment and Sustainable Development department (ESDD) is also responsible for coordinating the collection of data on the environmental impact of Group operations, as required by France's New Economic Regulations (NRE) legislation. Part of the information is directly drawn from company databases into which data are entered throughout the year. But other items required a documented information collection process. For added reliability, the ESDD designed a series of NRE survey forms, to collect data reliably and consistently from the various Group entities.

The forms filled out by the various operating entities are collected, validated and consolidated by experts from the function concerned. This process was tested in 2004 and will be implemented in 2005.

More ambitious commitments

ASF pledged to support the UN Global Compact in 2003, demonstrating its commitment to implementing strategies designed to guarantee sustained growth over the long-term, while actively fulfilling its social and environmental responsibilities.

To illustrate our commitment to the UN Global Compact programme, in 2005 we will be posting on our website examples of two best practices selected by the UN:

- the use of vegetation-covered structures to protect water resources;
- speed regulation experiments on the most congested motorways.

Speed regulation experiment on the A7.

STATUS OF SUSTAINABLE DEVELOPMENT PLAN MEASURES AT END 2004

MEASURE	2003	2004	2005	2006	>2006
1 Launch a "high environmental quality" approach for a pilot project.					
2 Develop segregated waste collection in our administrative and operational sites, and extend it gradually to our rest and service areas.					
3 Decrease the atmospheric emissions resulting from our use of vehicles by upgrading our behaviours and our fleet.					
4 Take part in initiatives to promote cleaner vehicles.					
5 Conduct a study on the expectations of the different customer segments and the way they use the motorway as consumers.					
6 Upgrade our watchfulness and our presence at peak times in rest and service areas where this is warranted, in order to improve the safety of people and their possessions.					
7 Conduct studies on the feasibility and effectiveness of setting up modulated toll rates to decrease congestion and reflect the inconveniences caused by different types of vehicles.					
8 Conduct a study on the driving conditions and service levels that warrant launching capital expenditure to expand motorways in service.					
9 Strengthen operating measures to regulate traffic on saturated sections, such as the A7-A9 routes and suburban sections of ESCOTA.					
10 Redesign the system of individual performance appraisals to make it into a genuine management and career-steering tool.					
11 Set up individualized career management for supervisory staff, along the lines of what has been designed for executive staff, with an individual integration process, annual reviews, etc.					
12 Support the external solidarity initiatives developed by employees, as part of building a corporate culture of generosity.					
13 Organise and set aside "dialogue periods" between management and employees at two pilot sites.					
14 Implement the ASF/DSCR/CNAM Road Safety Charter and extend it to ESCOTA.					
15 Design and deploy the system for appraising and tracking the abilities of staff working on motorway maintenance.					
16 Continue to develop our program of infrastructure improvement and upgrade to strengthen the safety of employees working on motorway maintenance.					
17 Take part in discussions at the national and regional levels on sustainable mobility and cross-modal transport solutions, promoting our expertise in these areas.					
18 Develop our contacts with local players in order to pursue exchanges with them on mutual projects and reinforce our grounding in the local economy.					
19 Build partnerships with local governments on urban transport projects and on the interface between the motorway and the city, to improve movement and driving conditions within the city.					
20 When contracts for business facilities within our rest and service areas are up for renewal, emphasize the importance of initiatives to promote the territories crossed by the motorway and boost local tourism.					
21 Continue to implement our land use policy in a spirit of partnership, to avoid any deterioration of land use conditions and preserve the quality of areas bordering the motorway.					

2004 SUSTAINABLE DEVELOPMENT INDICATORS

ITEM	UNIT	2002	2003	2004
SUSTAINABLE DEVELOPMENT PLAN				
Number of initiatives undertaken	Number	-	6	17
ENVIRONMENTAL INDICATORS				
MANAGEMENT				
Environmental training	Hours	1,902	684	584
Expenditure on environmental protection: - Capital expenditure on environmental projects/total Capex - Operating expenditure/km in service	 % €/km	 9.85 6,406	 8.84 6,648	 7,53 9,356
RESOURCE CONSUMPTION				
Water	Cu. metres/10^6 kmt(1)	46.6	43.5	39,3
Coated aggregates	Millions of metric tonnes	1,430	906	1,240
Electricity	KWh/10^6 kmt(1)	3,364	3,341	3,290
Fossil fuels	Tpe(2)/10^6 kmt(1)	0.22	0.24	0.25
Autonomous photovoltaic equipment	Number	1,680	1,694	1,722
BIODIVERSITY				
Civil engineering works allowing the passage of large or small animals	Total number	193	258	313
Vegetation areas	Total surface (ha)	10,700	11,100	11,110
RELEASES				
Greenhouse gases resulting from Group operations (automotive fleet and buildings)	Metric tonnes of CO_2	19,929	22,927	24,740
Consumption of plant care chemicals in adjacent vegetation areas	litre/ha	1.28	1.26	1.47
Basins and ditches for protecting water resources	Total number	1,327	1,427	1,531
Length of motorway in which water resources are protected (either through natural protection or through specific structures adapted to a vulnerable situation)	Total length in km	1,779	1,855	2,030
Accidents involving hazardous products	Number	3	2	7
NOISE				
Protected housing units: compulsory (noise black spots) and voluntary programs	Number	145	664	612
Progress in program for correcting noise black spots	Total %	22	45	62
WASTE				
Non-hazardous waste	Metric tonnes	Und. (3)	8,174	8,657
Hazardous waste	Metric tonnes	Und. (3)	136	126
Rate of recycling or reuse as energy	%	Und. (3)	25	34
Districts equipped for segregated waste collection	%	8	20	30
HUMAN RESOURCES INDICATORS				
HEADCOUNT TRENDS				
Total workforce at 31 December	Number	8,214	8,258	8,190
Unlimited-term contracts	Number	7,179	7,219	7,217
Fixed-term contracts	Number	1,035	1,039	973
Male/Female ratio	%	57/43	57/43	56/44
Percentage of disabled persons employed	%	6.51	6.86	6.83
Recruitments under unlimited-term contracts for the year	Number	365	267	225
Layoffs	Number	51	84	50
REMUNERATION AND PAYROLL TAXES				
Gross average annual remuneration	€	25,655	26,428	27,755
Performance-related bonuses	€ thousands	7,686	7,873	4,422
Employee profit-sharing*	€ thousands	5,269 (ASF)	14,535	17,579*
HEALTH AND SECURITY				
Frequency of workplace accidents (number of accidents with lost-time injuries/million hours worked)	Rate	18.82	19.88	15.61
Severity rate of workplace accidents (number of lost days/thousand hours worked)	Rate	0.65	0.69	0.66
Accidents while performing work on the motorway	Number	10	10	7
Traffic accidents involving Group vehicles	Number	203	260	135
TRAINING				
Training expenses/total payroll - reported rate - actual rate	%	2.91	2.83	3.01 3.83
EMPLOYEE RELATIONS AND OUTCOME OF COLLECTIVE AGREEMENTS				
Agreements and supplementary clauses signed during the year (ASF - ESCOTA - Group)	Number	10	10	13
ORGANISATION, ABSENTEEISM				
Executive positions filled in-house (ASF)	%	69	47	58
Total absenteeism rate	%	7.15	6.92	6.56
CUSTOMERS				
Rate of accidents resulting in injury or death	No./billion kmt (1)	47.31	37.66	38.91
Rate of traffic deaths	No./billion kmt (1)	4.66	3.25	2.20
Complaints investigated (all reasons)	Number	14,144	16,844	15,278
Overall rate of customer satisfaction	Mark/10	7.7	7.8 (ASF)	7.8

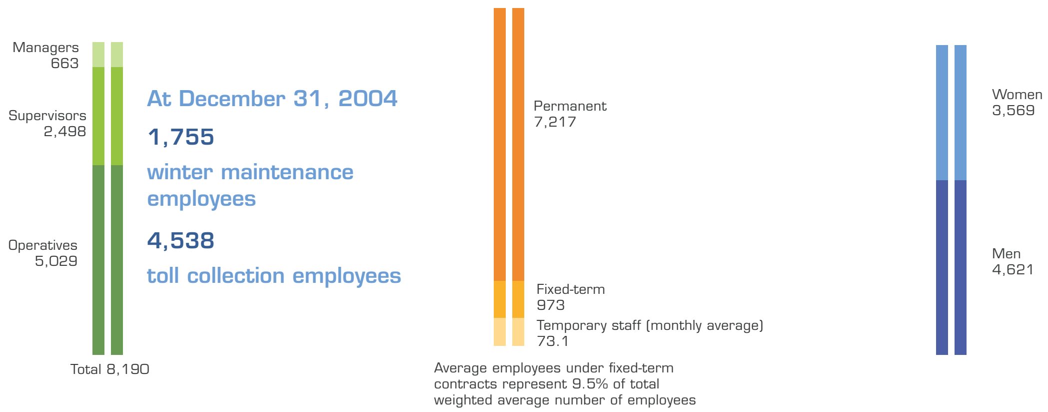
(1) kmt = kilometers driven by customers.
(2) TPE: Tonne of Petroleum Equivalent.
(3) Und. = Undetermined.
* Subject to approval by the Shareholders' Meeting.

ASF winter maintenance training center at Salles, on the A72.

Constantly improving our Social Report indicators

EMPLOYEES AT DECEMBER 31, 2004

BY CATEGORY **BY TYPE OF CONTRACT** **BY GENDER**



A new unit dedicated to employee safety

A key focus of our strategic vision, employee safety policies have long been managed by the Operational Safety Controller with the support of dedicated safety departments in each unit. This commitment was reinforced in 2003, with the creation of a "safety ministry" within the Group Operations Committee to coordinate decisions in this area, and again in 2004, with the introduction of an Operational Safety and Planning Department (DSEP).

As an enabler of the safety ministry's strategy and policies, DSEP manages the full range of employee safety and security issues, while conducting futures research to proactively anticipate the risks to stakeholders arising from every aspect of our operations. Based on its findings, it prepares a general workplace safety improvement plan to structure safety initiatives.

DSEP also coordinates the recommendations and initiatives of the GIST working group on highway work crew safety set up in 2002. Made up of employees representing the various safety disciplines in the Operations division, GIST recommends measures to improve driver behavior and work crew equipment and to track and train crew members.

Acting on a GIST recommendation, the safety ministry has encouraged the organization of cross-functional seminars to optimize network safety. The first, organized in 2004 by the Narbonne region, presented new work-crew safety equipment to district managers and supervisors, motorway maintenance and patrol crews, and the Health, Safety and Working Conditions Committee.

Safety, a core social dialogue issue

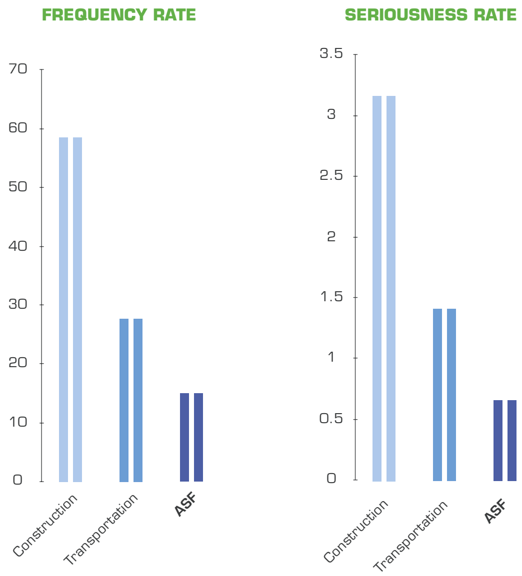
To underscore our commitment to safety and encourage extensive employee involvement, workplace accident reduction targets have been set to sustainably drive down the accident rate. After stabilizing in 2002 and 2003, the incident frequency rate fell to 15.1%, compared with a target of 16.7%, and the seriousness rate eased to 0.59% versus a target of 0.58%.

In 2004, ASF took the safety drive to the next level by signing a road safety charter with France's Road Safety and Traffic Department (DSCR) and CNAMTS (a unit of the national health insurance authority). One of the charter's aims is to reduce the frequency of employee workplace or commuting accidents by 20% over the next three years. ESCOTA will be signing a similar charter in 2005.

Improved driver behavior depends on people being aware of the risks and making a determined effort to drive more safely. To support this change in attitude, charters are also being implemented by the ASF regional units, starting with Narbonne and followed by Brive.

LOST-TIME ACCIDENTS

Our accident rates are low compared with the average for the construction and transportation industries.



Source: CNAMTS ("Construction" and "Transportation, water, gas, electricity, publishing, communication" sectors).

Working on the highway.

Improving employee driving with the Highway Worker Safety Accreditation system

Introduced by the safety ministry, the Highway Worker Safety Accreditation system responds to the first recommendation made by the Health, Safety and Working Conditions Committee during the meetings organized over the past year. It establishes clear, effective rules for employee use of company vehicles on the highway, by authorizing certain actions according to each level of accreditation. Introduced in all of the highway-related job families, the system corresponds to a quality program similar to the Highway Worker Safety Certification system launched in 1996 for motorway maintenance, surveillance and patrol crews. To obtain accreditation, employees are required to take part in training sessions on the applicable safety guidelines.

Reducing absenteeism with Presence Plus

In 2004, ASF launched Presence Plus, a major campaign to reduce absenteeism involving an array of employee awareness building and training programs. The initial results have been very encouraging, with absenteeism due to illness and commuting accidents falling by 14% to 4.12%, from 4.89% in 2003, and the ambitious target of 3.87% being set for 2005. At ESCOTA, implementation of a company agreement helped to bring down the absenteeism rate for employees on full-pay sick leave to 2.57% in both 2003 and 2004, compared with 3% in 2002.

Negotiating a smooth transition to automated toll collection

Automated toll collection is being phased in gradually, backed by a raft of measures covering information, training, compensation and skills development. In line with current laws and legal precedent, we have assured employees that no-one will be laid off or forced to transfer as a result of the process. During 2004, working groups comprising members of ASF management and trade union representatives met regularly to propose a set of principles on which to base negotiation of a new company agreement. The negotiations are being launched in 2005, with the aim of defining measures to support affected employees. ESCOTA signed a similar agreement on December 8, 2004.

Managing careers and nurturing skills

Across the Group, particular attention is paid to individual career management, with a focus on developing skills to support promotion from within. In 2004, 58% of managerial positions were filled by existing employees. This mobility is being encouraged and facilitated by the simultaneous posting of job vacancies on the ASF and ESCOTA intranets, the creation of gateways among the various skills clusters, and the identification of international skills. For managers, annual performance reviews are organized in addition to annual appraisals so as to provide individual career tracking and personalized training programs. In 2005, this system is being gradually extended to supervisors, to enable them to move up to managerial positions as part of the ASF Managerial Potential Appraisal process introduced in 2002.

Surveying managers to understand their career management expectations

Following the first Group management seminar organized in the fall of 2004, a survey was carried out to gain a better idea of managers' expectations in terms of career management. An analysis of the 67% of questionnaires that were returned showed that managers generally found their jobs interesting and were satisfied with their training opportunities. However, they have high expectations in terms of career management and compensation.

An action plan was defined with four objectives: improve communication, clarify current procedures, particularly for geographic transfers, professionalize the process of detecting and assigning high potentials, and align compensation with market practices.

A strong commitment to training

In 2004, the equivalent of 3.83% of total payroll was invested in training, representing an average of nearly 18 hours per employee. The main focus was on supporting projects such as the relaunch of annual performance reviews and introduction of automated tolling systems, as well as on safety, refresher courses and skills development.

A range of employee savings formulas

In 2004, incentive bonuses paid to employees totaled €7,276,000. Statutory profit-sharing bonuses paid during the year, in respect of 2003 income, amounted to €14,535,000 (the amount for 2004 will not be confirmed until after the Annual Shareholders' Meeting). Employees have the option of investing these bonuses in the Group employee share ownership plan, and can also make voluntary plan contributions.

Management appreciates the efforts of employees and intends to continue giving them the opportunity to share in the benefits of our business growth. We have recommended to the Board of Directors the creation of a new fund invested in ASF shares, Perspective 2005, enabling each employee to invest his or her incentive bonus in ASF shares and lock-in the value, while earning a return equal to seven times the average increase in the ASF share price, subject to approval of the plan by the French securities regulator (AMF). In addition, employees who invest their entire incentive and profit-sharing bonuses in the plan will receive 10 bonus shares, subject to approval of the proposal at the May 2005 Annual Shareholders' Meeting.

Promoting gender equality

With the creation of a gender equality commission from the eight Works Councils and the publication of nine annual reports by the Central Works Committee, we are actively contributing to gender equality in the workplace. In 2004, 17.6% of female employees were promoted (17% in 2003), compared with 22.4% of male employees (24% in 2003).

Measures in favor of disabled workers

In line with policies implemented over the last ten years with the trade unions to facilitate the integration of disabled workers, in December 2004 a new agreement was signed, confirming the target of maintaining the proportion of disabled employees at 6% or more (compared with a national private sector average of 2.6%) and giving new impetus to existing measures. The related measures will facilitate the working lives of these employees and help them to move up the career ladder. Momentum will be maintained by reviving the "disabled worker jobs" working groups led by the Human Resources Director. In 2004, the disabled employee rate was 7.11% at ASF (versus 7.12% in 2003) and 5.87% at ESCOTA (versus 5.94%), representing a rate of 6.83% for the Group as a whole.

"Étapes Sportives" sports facilities at the Montélimar service area, A7.

Optimizing customer service quality

Keeping a close watch on quality through customer satisfaction surveys

We maintain a constant drive to improve service quality. Service level management indicators created by the Operations Department are used to allocate resources (motorway maintenance crews, cleaning crews, etc.) and budgets according to the target service level, thereby ensuring that customer service quality standards are maintained. To fine-tune our organization, satisfaction surveys have been regularly conducted since 1998 to compare actual and perceived quality. After rising steadily between the winter of 1999 and the winter of 2002, the overall satisfaction rating stabilized at around 7.8 out of 10. Over the medium term, the rating has fluctuated only slightly, remaining within the "satisfactory to excellent" band (source: IDDEM survey). Balanced scorecards have also been introduced to measure actual performance against service level targets, so that corrective action can be taken on a timely basis.

ASF GROUP CUSTOMER SATISFACTION RATINGS, 2004

Source: IDDEM.

"Étapes ensoleillées" rest stops on the road to the coast

Our motorways are the preferred routes for vacationers traveling to the south and west coasts, and we welcome many families to our rest and service areas during the summer. To make their journey safer and less stressful, ASF and ESCOTA organize a variety of activities around the themes of road safety and relaxation. On the ASF network, trained employees are on hand to help drivers to check their tire pressure, an initiative conducted in partnership with the Matmut insurance company. Another insurance company, Macif, installs teaching materials, like the "roll-over car", at rest areas to highlight the dangers of driving too fast, while under the influence, or without wearing seat belts. In 2004, some 94,000 adults and children took part in 22 sporting activities organized jointly with the Ministry of Youth, Sport and Community Organizations. The needs of babies are also met, with the Relais Nestlé areas, which are equipped with baby-changing facilities and a quiet area for nursing mothers. Lastly, the many shops on the network offer affordably priced "Pique-niquez malin" and "Croqu'en route" picnic meals and fast food for all tastes.

Magazines and comics for readers of all ages

Last summer, ASF gave away a million copies of a special road safety edition of the *Journal du Mickey* comic book for 8 to 13 year-olds. Published by Disney Hachette, in partnership with the government Road Safety and Traffic Department (DSCR), ASF and Disney Channel, the comic takes readers behind the scenes of the motorway and offers an entertaining lesson on safe motorway driving. The initiative will be repeated this summer.

For drivers, we joined forces with *Paru Vendu*, distributing a million copies of the magazine at toll barriers. Packed with articles on tourist attractions in the regions served by the motorway, the magazine helps to make the trip more interesting.

The Communay truck stop on the A46, a first in France

In November 24, France's first fee-paying guarded truck stop opened at the Communay service area on the A46, close to Lyon. The facility responds to the need for more parking spaces for heavy goods vehicles and for improved protection of the vehicles and their loads during long stopovers.

Parking fees have been set at €1.67 per hour, €13.38 for 12 hours and €26.76 for 24 hours. The first 45 minutes are free, enabling drivers to test the service during short stops. The increase in heavy goods vehicle parking capacity reflects our focus on customer service and is in line with the commitments given in the program contract.

Wi-Fi connection on the A8

ESCOTA was the first motorway operator to offer a Wi-Fi hot spot, installed a year ago on the Bréguières-North service area close to Antibes. Using a modem installed on their laptop and a prepaid card, customers can connect to the Internet via a high-speed wireless network. With free access to the Group's traffic information portals, the service is ideally suited to the needs of business people who spend much of their time on the road. Plans are currently underway to roll out the service to other service areas on the network.

The Summer 2004 special road safety edition of *Le Journal de Mickey* published in partnership with the road safety authorities.

"Save the Hermann tortoise" stand at the Vidauban service area on the A8, July 31, 2004.

Actively contributing to regional development

Waste sorting systems gaining ground

In line with our Sustainable Development Plan, ASF has started installing recycling bins on its service areas. Previously, only the Vidauban-South (A8) service area on the ESCOTA network was equipped with these bins, but now visitors to the Marguerittes-North and Milhaud-North service areas on the A9 can also contribute to the recycling effort. Customers clearly approve of the initiative, as illustrated by the low rejection rate for the 3.5 metric tons of glass and packaging sorted, encouraging us to equip additional service and rest areas in 2005.

Operating units in 30% of our districts are equipped with selective sorting systems both for their own waste and for the rubber, metal and other waste collected on the highway. This rate will be increased to 100% by 2006. In addition, paper and board are recycled at 38% of ASF office facilities and all ESCOTA offices, representing over 100 metric tons in 2004.

ASF and Fondation Nicolas Hulot pour la Nature et l'Homme working together to protect bio-diversity

In the spring of 2004, ASF signed a three-year partnership with the Fondation Nicolas Hulot pour la Nature et l'Homme to support the Foundation's bio-diversity program. This partnership is in keeping with our corporate values of public service and protecting people and the environment.

This is the first time that a motorway operator has teamed up with an environmental foundation. And it is also the Foundation's first campaign to preserve an animal species.

The campaign's goal is to save the Hermann tortoise from extinction. One of Europe's most endangered reptile species, the tortoise can now only be found in the Maures mountains of Provence and in Corsica, where it is the primary victim of the all too frequent forest fires that ravage these regions and hinder the regeneration of habitats and species. As part of the Foundation's "Without Nature we have no future" program, the "Save the Hermann Tortoise" campaign involves restoring tortoise habitats, preserving the remaining populations and raising public awareness of the dangers of forest fires. It also builds on initiatives already launched by ESCOTA with regional partners, which include the Center for the Observation and Protection of Tortoise Populations and Habitats, and the Research Institute on Provence Ecosystems.

To raise awareness of the problem among the general public, particularly children, a "Save he Hermann Tortoise" event was organized at the Vidauban service area on the A8 on July 31. The campaign's importance and challenges were explained to over 6,000 visitors. Bayard Jeunesse, a publisher of children's books and comics, distributed a special edition of the *Youpi comic*, devoted to Hermann's tortoise and the battle to prevent forest fires. Associations and scientists are continuing the endeavor and a new public awareness building initiative will be launched in 2005.

ESCOTA helping to bring presents to children at Christmas

For the tenth year running, ESCOTA arranged a year-end toy collection drive to support the "Enfants sans Noël" program. Customers were invited to drop off toys, games and books, unwrapped and in good condition, at the Antibes (A8), Pont de l'Etoile (A52) and La Saulce (A51) toll plazas. In all, 32,000 toys were distributed to 37 charities.

ESCOTA also gave a check for €7,623 to two charities, "La Marche de l'Espoir" and "Un Fauteuil à la Mer", working for sick and disabled children, and donated two reconditioned vans to the "Secours Populaire Comité d'Aubagne" and "La Main Tendue Sans Frontière" charities. These philanthropic actions are part and parcel of our sustainable development vision.

32,000 toys distributed during the "Enfants sans Noël" operation.

Noise barrier on the A7.

Working with regional authorities to combat noise pollution

Like Escota before it, in May 2004, ASF partnered with the Aix-en-Provence regional community to build noise barriers along the A8 motorway to shelter 125 housing units, including homes exposed to noise levels below the regulatory threshold that would not normally qualify for soundproofing. The project, which will run through 2006, will be funded 40% by ASF and 60% by the Aix-en-Provence regional community.

We are also continuing the plan to eliminate noise black spots, in accordance with the commitments given in the program contract. At the end of 2004, 62% of the 1,440 identified black spots had been resolved.

Partnerships for the construction of new interchanges to open up regional economies

Working in partnership with local authorities, we are building additional interchanges to meet specific local access needs. Three interchanges financed by the Vendée Regional Council are planned. On the Angers/La Roche-sur-Yon section of the A87, the Bocage interchange will facilitate access to the numerous businesses in the area as from 2005. In 2008, an interchange will be built on the section of the A87 bypassing La Roche-sur-Yon, providing direct access to the RD 746 Luçon road, which carries a lot of local traffic. Lastly, on the Nantes/Niort section of the A83, the Fontenay-West interchange will be built by 2011.

In December 2004, the Mussidan-South interchange financed by the Dordogne Regional Council opened for traffic joining or leaving the A89 motorway that now stretches from Bordeaux to Périgueux and Thénon. The interchange facilitates access to the city of Bergerac and to the region's tourist attractions. On the Escota network, the semi-directional interchange at Laghet, financed by the Alpes-Maritimes regional authority and the Principality of Monaco, opened in March 2005 to offer a direct route from the Grande Corniche (RD 2564) in Nice to the Monaco road tunnel.

Jean Varlet
Professor of Geography,
Savoie University and head
of the A89 Observatory

"The relationship of mutual respect between ASF and the scientific team is fundamentally important. We are genuine partners. We work together to prepare annual scientific programs based on both parties' proposals. The studies are carried out on an entire motorway or on certain specific sections, and are discussed among academics, as well as among research scientists and students. For students, this is an opportunity to learn how to work in a team, to approach research from a different angle and to meet participants in the local economy. The observatories benefit all the stakeholders, and support a process that advances scientific knowledge. One of the aims is to deliver information to a wider public, such as the local population or local companies and institutions, so that they can use it to their advantage."

The observatories, a forum for close cooperation with scientists to better understand a motorway's impact on the environment

The observatories were set up to better understand the socio-economic and environmental impacts of a motorway on the regions served. They add to the information obtained during the LOTI reviews carried out three to five years after a completed motorway is opened to traffic, in accordance with the December 30, 1982 "LOTI" Transport Policy Act.

There are currently three observatories for the ASF network, covering the A64, A20 and A89, reflecting our commitment to playing an active role in regional development. The observatories' main task is to examine the contribution of new motorways in attracting businesses and tourists to the regions served and promoting their socio-economic development. The studies are carried out by university research teams, to ensure that the findings are totally objective and transparent.

Aerial view of the A89.

FINANCIAL STATEMENTS

REPORT OF THE BOARD OF DIRECTORS

to the annual and extraordinary general meeting of may 12, 2005

contents

To the shareholders

The Board of Directors has called the Annual General Meeting to inform shareholders of the Company's activities during the fiscal year ended December 31, 2004 and to submit for shareholder approval the financial statements of the Company and the Group at that date. The texts of the resolutions tabled at the Annual General Meeting are presented on pages 172 to 183.

1- Group business review

1-1 THE YEAR IN REVIEW

In 2004, ASF opened three new motorway sections totaling 71.4 kilometers.

As of December 31, 2004, 2,943.4 kilometers were in service, out of the 3,124 kilometers provided for in the concession agreement.

Traffic rose by 3.7%, including 3.1% organic growth (corresponding to the increase in the number of kilometers traveled, excluding new sections). Toll receipts climbed 7% to €2,342.8 million from €2,189.9 million in 2003.

2004 saw a further significant improvement in road safety on the network, thanks to continued changes in driver behavior and the Group's ongoing endeavors to reduce accident levels. Total accidents fell by 2.7%, with the number of road deaths falling 28.7%, to 72 in 2004 from 101 the previous year. During the year, we launched a speed regulation system based on traffic levels, which we implemented at peak vacation times on the A7 motorway. The initial results have proved very positive, both in terms of traffic flows and road safety, with a decrease in accident levels compared with corresponding prior-year periods.

We did not experience any significant disruption to operations in 2004. We continued our drive to contain toll collection and motorway maintenance costs, as well as to enhance customer service quality.

Both ASF and ESCOTA pursued their aim to leverage synergies by rolling out shared Group functions. They also set up a joint telephone call center to manage relations with *télépéage* subscribers and merged SRT and SORIASE – subsidiaries of ASF and ESCOTA respectively – to form Radio Trafic FM, a simplified joint-stock corporation (SAS). Also in 2004, we completed the process of integrating into the various companies support functions previously performed by the SCA intercompany partnership.

On November 24, 2004, the Board of Directors of ASF approved an agreement between the French State, ASF and the Vinci Group relating to the Company's capital and corporate governance.

Under this agreement:

- the French State will support the election to the ASF Board of a director put forward by Vinci;
- Vinci will not raise its ownership interest in ASF to above 23% during the term of the agreement;
- Vinci will maintain and promote the Company's independent management;
- Vinci's permanent representative on the Board of ASF will not take part in any discussions that may give rise to a potential conflict of interest between the two companies.

The agreement will expire on December 31, 2007 or earlier, if the State reduces its interest to below 50%, or if a third-party acquires a stake of above 10%, or if a third-party launches a public tender offer for the Company's shares. Coming two and a half years after ASF's listing, this agreement provides the Company with a clear framework for its ownership structure. At the same time, it will forge further ties between ASF and Vinci following the industrial partnership agreement signed between our two groups in June 2004, and will enable ASF to continue to develop its business in the interests of all our shareholders.

Significant events outside France in 2004 included the opening of the second section of the Highway 2000 motorway in Jamaica. Operated by the ASF subsidiary Jamaican Infrastructures Operating, in partnership with Bouygues, this new 22 kilometer-long section has increased the total length of the Transjamaican motorway to 33 kilometers.

1-2 TRAFFIC

Growth in toll-paying traffic, excluding new sections, was:
+ 3.1% for all vehicles;
+ 2.9% for light vehicles;
+ 4.6% for heavy goods vehicles.

The number of kilometers traveled totaled 32,250 million versus 31,093 million in 2003, representing an increase of 3.7%, including the additional traffic generated by the opening of new sections. Heavy goods vehicle traffic rose 5.2% while light vehicle traffic increased 3.5%. The slightly lower growth in light vehicle traffic was observed mainly during the summer, due to a decrease in traffic on motorways leading to the south of France. Annual average daily traffic (AADT) on the entire network came to 30,483 vehicles per day in 2004, up 0.8% over 30,240 vehicles per day in 2003.

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

	2003 AADT*	2004 AADT*	% CHANGE
ASF Network			
A46 South – A7 towards St. Priest – Junction A43-A46 – Orange	69,992	69,663	(0.5)
A7 Orange – Coudoux	53,354	54,117	+1.4
A9 Orange – Narbonne South	58,507	59,534	+1.8
A9 Narbonne South – Le Perthus	35,378	37,154	+5.0
A10 Poitiers South – Bordeaux	26,378	27,253	+3.3
A83 Nantes – junction A10-A83	15,884	17,116	+7.8
A837 Junction A10-A837 Rochefort	8,233	8,016	(2.6)
A11 Le Mans – Angers	20,364	20,987	+3.1
A20 Montauban – Brive	13,263	14,648	+10.5
A54 Nimes – Arles	32,052	34,166	+6.6
A54 St Martin de Crau – Salon de Provence	25,111	26,567	+5.8
A61 Narbonne South – Toulouse South	34,456	35,621	+3.4
A62 La Brède – Toulouse North	25,494	26,372	+3.4
A63 Côte Basque (St Géours de Maremne-Biriatou)	29,348	31,571	+7.6
A64 Briscous – Martres Tolosane, A645	15,996	16,636	+4.0
A64 N Toulouse – Muret	28,763	31,153	+8.3
A66 Pamiers – junction A61-A66 (Toulouse)	7,414	8,245	+11.2
A68 Toulouse – Gémil	28,856	31,033	+7.5
A87 Angers – junction A87-A83 (Les Essarts)	7,547	8,497	+12.6
A72/A89 Saint-Étienne – Clermont-Ferrand	18,503	18,834	+1.8
A89 Libourne – Mussidan	7,217	8,001	+10.9
A89 Périgueux – Thenon	-	5,666	+0.0
A89 St Germain les Vergnes – Le Sancy	5,105	5,818	+14.0
Puymorens Tunel	1,650	1,606	(2.7)
Average ASF network	**29,023**	**29,232**	**+0.7**
ESCOTA network			
A8 Aix-en-Provence – Italian border	55,033	55,848	+1.5
A51 Aix-en-Provence – Gap	13,273	13,637	+2.7
A52/A50 Aix-en-Provence – Aubagne – Toulon	41,612	42,486	+2.1
A57 Toulon – A8	11,972	12,425	+3.8
A500 A8 – Monaco	14,729	15,523	+5.4
Average ESCOTA network	**36,484**	**37,105**	**+1.7**
Group average	**30,240**	**30,483**	**+0.8**

(*) Annual average daily traffic on current network.

1-3 TARIFFS

In accordance with the pricing provisions of the program contract, ASF and ESCOTA raised their tariffs for categories 1, 2 and 5 vehicles by 2.645% and 2.146% respectively on February 1, 2004. Following this increase, the average toll per kilometer for category 1 vehicles was €0.0662 for the period from February 1, 2004 to January 31, 2005, compared with €0.0645 for the prior-year period on the ASF network, and €0.0873 versus €0.0855 on the ESCOTA network.

The ASF and ESCOTA program contracts provide for a gradual increase in tariff coefficients for heavy goods vehicles in categories 3 and 4 over the period 2002-2006. In 2004, ASF's category 3 coefficient was increased from 2.07 to 2.10, and the category 4 coefficient from 2.77 to 2.80. ESCOTA's coefficients rose from 2.03 to 2.06 and from 2.77 to 2.82 for categories 3 and 4 respectively.

1-4 TOLLS

Total toll receipts increased 7% in 2004 to €2,342.8 million from €2,189.9 million in 2003. The breakdown between ASF and ESCOTA is as follows:

	2003	2004	Change
ASF	1,720.0	1,849.1	7.5%
ESCOTA	469.9	493.7	5.1%
Total	**2189.9**	**2,342.8**	**7.0%**

Tolls collected in cash – including foreign currency – and by cheque represented 25.3% of the total, down 1.8% on 2003. The other 74.7% were collected automatically, including:

- 9.5% by private credit card (DKV, GR, UTA, etc.);
- 33.3% by bank card;
- 21.2% by toll card (subscription-based system for motorway users);
- 10.7% by electronic toll collection (*télépéage*).

The increased drive to boost electronic toll collection (*télépéage*) paid off well, leading to a 22.8% rise in the proportion of tolls collected by this method. In 2004, €250.3 million were collected via *télépéage* versus €203.8 million in 2003, representing 10.7% of total toll receipts. As of December 31, 2004, we had 331,677 *télépéage* subscribers.

The total number of transactions rose 4.7% to 592.4 million from 566 million in 2003.

During the year we stepped up communication campaigns to encourage drivers to pay tolls automatically, with good results. *Télépéage* payments grew 18.1% and other forms of automatic payments rose 13.7%. The decrease of around 7.5% in manual payments was on a par with 2003.

Transactions (in millions of euros)	2003	2004	Change	% of 2004 total
Manual payments	262.19	242.58	(7.5)%	40.9%
Automatic payments	204.38	232.44	13.7%	39.2%
Télépéage	99.43	117.40	18.1%	19.8%
Total	**566.00**	**592.42**	**4.7%**	

1-5 CAPITAL EXPENDITURE

Capital expenditure for 2004 totaled €657.4 million, including:

- €425.5 million for the construction of new sections;
- €172.8 million in construction work on existing sections;
- €39.9 million for operating assets;
- €19.2 million in own work capitalized.

1-5-1 Construction work

In 2004, the following three sections were opened on schedule:

• Thenon - Périgueux South (A89)	40.8km
• Périgueux South - Mussidan (A89)	25.6km
• Val d'Aran link road (A645)	5.0km

The main construction projects carried out in 2004, including work on the above sections, were as follows:

- **Preliminary phase:**

A75 A75/A9 link
A87 Sorges/Murs-Erigné
A9 Doubling up of the A9 at Montpellier

- **Construction phase:**

A87 Les Essarts/La Roche-sur-Yon
A89 Mussidan/Périgueux West/Périgueux East
Périgueux East/Thenon
Thenon/Villac/Brive North
Thenon/Terrasson
Le Sancy/A71
A645 Val d'Aran feeder road

- **Completion phase:**

A20 Montauban/Cahors South
Cahors South/Cahors North
Cahors North/Souillac
Souillac/Brive
A66 Toulouse/Pamiers
A83 Oulmes/A10
A87 Angers/Mortagne-sur-Sèvre
Mortagne-sur-Sèvre/Les Essarts
A89 Libourne/Coutras/Montpon/Mussidan
Saint Germain-les-Vergnes/Tulle East
Tulle East/Ussel West
Ussel West/Le Sancy
A51 Sisteron/La Saulce
A57 Le Luc/Toulon

1-5-2 Additional investments on existing motorway sections

Additional investments on existing motorway sections amounted to €172.8 million in 2004, breaking down as follows:

Type of work (in €M)	ASF	ESCOTA	Total
Lane extensions	43.7	4.0	47.8
Interchanges	11.2	7.3	18.4
Toll plazas	11.7	2.0	13.7
Rest and service areas	9.0	0.4	9.4
Operating systems	21.0	9.7	30.7
Buildings	9.6	0.2	9.8
Tunnels		8.9	8.9
Environment	8.7	3.4	12.1
Other	12.5	9.5	22.0
Total	**127.4**	**45.4**	**172.8**

1-5-3 Current capital expenditure

As of December 31, 2004, 81 kilometers of new motorway sections were under construction on the A87 and A89, and 100 kilometers were in the planning phase.

In addition, the Group continued its program to modernize operating systems, and to extend a number of toll plazas and service and rest areas to cope with traffic growth. Capital expenditure on motorways in service (ICAS) included conversion of additional sections to three lanes in both directions, as well as a number of safety improvements, including work on tunnels and building concrete restraining walls on central reservations to prevent vegetation, mud and stones from falling onto the highway.

1-6 KEY FINANCIAL INDICATORS

- **Ebitda/revenues:**

The Ebitda margin (earnings before interest, tax, depreciation and amortization expressed as a percentage of revenues) increased to 63.7% from 63.3% in 2003.

- **Net debt/Ebitda:**

Net debt represented 5.2 times Ebitda in 2004 versus 5.4 times the previous year.

- **Gearing:**

At December 31, 2004, the gearing ratio (net debt expressed as a percentage of shareholders' equity) stood at 221% compared with 235% at end-2003.

- **Interest cover:**

Interest expense was covered 3.4 times by Ebitda in 2004 versus 2.9 times in 2003, representing a 0.5-point improvement.

The targets set at the time of the 2002 IPO for Net debt/Ebitda and Interest cover for the period to 2005 have been achieved ahead of schedule.

The targets for the period to 2005 were as follows:

- Ebitda/revenues = 65%
- Net debt/Ebitda < 5.5
- Interest cover > 3.3
- Gearing < 200%

1-7 OUTLOOK FOR 2005

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 on our core strategic objectives:

- complete the construction of our network, continually striving for the highest safety and environmental standards while ensuring that we meet deadlines, contain costs and achieve excellent quality standards. All the sections currently under construction are expected to open on schedule;

- increase efforts to grow the profitability of the current network while continually enhancing productivity. We will be pursuing our strategy of automating toll collection, focusing particularly on electronic payment (*télépéage*), and will be seeking to leverage synergies between ASF and ESCOTA, as well as within each company;

- actively continue to improve safety on our network and offer customers the best possible service quality;

- lastly, step up our business development, via potential infrastructure projects in France and abroad, while continuing to focus primarily on what we do best, namely operating transport infrastructure.

1-8 SUBSEQUENT EVENTS

Tariffs for category 1 vehicles were increased by an average of 2.04% on February 1, 2005, as provided for in the program contract. At the same time, heavy goods vehicles coefficients continued to be raised.

2- Ownership structure and Board of Directors

2-1 BOARD OF DIRECTORS

2-1-1 Membership of the Board of Directors

The Board of Directors of ASF currently comprises 16 members, including five directors representing the French State. These members are as follows:

- Bernard Val – Chairman
- Michel Charasse
- Autoroutes de France represented by its Chairman, Philippe Dumas
- Vinci, represented by Antoine Zacharias
- Hubert du Mesnil (replaced Jacques Oudin from March 10, 2005)
- Bernard Maurel
- Gérard Payen
- Michel Davy de Virville
- Pierre Henri Gourgeon
- Alain Barkats, representing employee shareholders
- Jacques Thoumazeau, representing employee shareholders

Directors representing the French State:

- Jean Louis Girodolle
- Hugues Bied-Charreton
- Chantal Lecomte
- André Crocherie
- Magali Debatte (replaced Pierre Laugeay from December 20, 2004)

In accordance with the rules giving the French State control over the business and financial affairs of the Company (Decrees no. 55-733 of May 26, 1955 and 2001-942 of October 9, 2001), a government commissioner and a deputy government commissioner attend Board Meetings in a consultative capacity. A Government Auditor may also attend Board meetings in a consultative capacity.

2-1-2 Other positions and directorships held by the members of the Board of Directors (at March 10, 2005)

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	62	Chairman	May 21, 1997 March 13, 2002	AGM 2007 accounts	Director of ESCOTA, C3D (until February 7, 2005), Penauille Polyservices, and ADF.
Autoroutes de France represented by its Chairman, René Barberye (replaced by Philippe Dumas from March 25, 2004)	66	Director	June 28, 1988 March 13, 2002	AGM 2007 accounts	Director of SANEF, SAPRR, ATMB, SFTRF, Member of the Supervisory Board of the Mont Blanc Tunnel Consortium.
Philippe Dumas	61	Director	March 25, 2004	AGM 2007 accounts	*Inspecteur général des finances* at the French Ministry of Finance, Chairman of ADF, Director of APRR, SANEF, ATMB, SFTRF, STIF, Non-voting director of the LBI SICAV fund (Caisse des dépôts).
Alain Barkats**	51	Director	April 29, 2003	AGM 2008 accounts	ASF manager.
Hugues Bied-Charreton*	38	Director	August 7, 2002 February 16, 2005	February 16, 2008	Deputy Director, Budget Department (Ministry of Finance), Director of RATP, RFF, ANRU, EPAD, ONP, and the Louvre Museum.
Michel Charasse	64	Director	March 13, 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 and Treasurer of the French Senate, 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*	56	Director	September 9, 2003	September 9, 2009	Director of the Midi Pyrénées Regional Infrastructure Department, Director of the Haute Garonne Infrastructure Department.
Michel Davy de Virville	59	Director	March 13, 2002	AGM 2007 accounts	Corporate Secretary and Director of Human Resources, Renault Group.
Hubert du Mesnil Resigned on December 15, 2004 (replaced by Antoine Zacharias – representative of Vinci – at the Board of Directors' Meeting of December 15, 2004)	55	Director	March 13, 2002	AGM 2007 accounts	Chief Executive Officer of Aéroports de Paris.
Vinci represented by Antoine Zacharias	65	Director	December 15, 2004	AGM 2007 accounts	Chairman and Chief Executive Officer 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 et de Signau, Chairman of the private foundation, Vinci pour la Cité. Director of Martiniquaise des Eaux and Nexity, member of the Supervisory Board of Compagnie Générale des Eaux

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*	36	Director	September 16, 2003 February 16, 2005	February 16, 2008	Deputy Director within the French Treasury Department, Director of Air France-KLM, Renault, Aéroports de Paris and RATP.
Pierre-Henri Gourgeon	59	Director	March 13, 2002	AGM 2007 accounts	Chief Operating Officer of Air France and Air France-KLM, Director of Air France-KLM, Amadeus GTD SA and Stéria.
Pierre Laugeay* (replaced by Magali Debatte from December 20, 2004)	48	Director	March 31, 2003	March 31, 2009	Director of ESCOTA, APRR and AREA (semi-public toll motorway operators).
Magali Debatte*	35	Director	December 20, 2004	December 20, 2010	Head of the French Regional Development Agency, Director of ESCOTA, APRR, AREA, CNA and ADF (semi-public toll motorway operators).
Bernard Maurel	73	Director	March 13, 2002	AGM 2007 accounts	Chairman of Banque Martin-Maurel and Compagnie Financière Martin Maurel, Vice-Chairman of Association française des Banques, Member of the Board of General Partners of Rothschild & Cie Banque, Director of Groupe SNEF and Euro-Méditerranée, member of the Supervisory Board of Fonds de garantie des dépôts.
Jacques Oudin Resigned on February 2, 2005 (replaced by Hubert du Mesnil at the Board of Directors' Meeting of March 10, 2005)	66	Director	March 13, 2002	AGM 2007 accounts	Senior Adviser to the National Audit Office from February 2, 2005, Honorary Senator, Vice-President of the Vendée Regional Council, Councilor for Ile de Noirmoutier, Director of AFITF (French transport infrastructure financing agency).
Hubert du Mesnil	55	Director	March 10, 2005	AGM 2007 accounts	Chief Executive Officer of Aéroports de Paris.
Gérard Payen	52	Director	March 13, 2002	AGM 2007 accounts	Chairman of Aquafed, an international federation of private water operators, Chairman of LydecMaroc (Lyonnaise des Eaux de Casablanca).
Bernard Seligmann* (replaced by Chantal Lecomte from May 17, 2004)	66	Director	March 11, 2002	March 11, 2005	General Inspector of Transport and Public Works, member of the Commission nationale de l'Equipement commercial, member of the Conseil national des Transports, coordinator of the transport sub-section of the Conseil Général des Ponts et Chaussées, Director of Société nationale des chemins de fer luxembourgeois and of the French National Roads Committee.
Chantal Lecomte*	57	Director	May 17, 2004 March 2, 2005	March 2, 2011	General Inspector of Infrastructure, member of the Conseil national des Transports.
Jacques Thoumazeau**	55	Director	April 29, 2003	AGM 2008 accounts	Human Resources manager at ASF, Director of IPSEC (Institut de Prévoyance des salariés du Groupe Caisse des Dépôts).

* 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. Seven meetings were held in 2004.

2-1-3 Chairman of the Board of Directors 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 March 13, 2002, the Board decided to segregate the positions of Chairman of the Board of Directors and the 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 March 13, 2002, the Board of Directors may, on the recommendation of the Chief Executive Officer, appoint one or more individuals with the title Senior Executive Officer to assist the Chief Executive Officer.

At March 1, 2005, the Company's senior management team comprised the following members:

Name	Function	Date appointed	Age
Bernard Val	Chairman of the Board of Directors	1997	62
Jacques Tavernier	Chief Executive Officer	1998	55
Philippe-Emmanuel Daussy	Senior Executive Officer – Operations	2002	52
Jean-Marc Denizon	Senior Executive Officer – Chairman and Chief Executive Officer of ESCOTA.	2003	61
Alain Robillard	Senior Executive Officer – Development and Construction	1987	60
Yann Charron	Legal Director and Human Resources Director	1997	45
Jean-Jacques Bancel	Chief Financial Officer	2003	36
Doris Chevalier	Development Director	2004	42
Bernard Gardelle	Communications Director	2002	45

2-1-4 Committees of the Board

The Board of Directors is authorized to set up specific Committees of the Board. At its meeting of March 13, 2002, the Board set up three such Committees:

- the Audit Committee, comprising five members in 2004, Chantal Lecomte, Philippe Dumas, Bernard Maurel, Jean-Louis Girodolle and Jacques Thoumazeau. 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 standards for the preparation of the consolidated financial statements, on the appointment or re-appointment of the statutory auditors and the quality of their audits;

- the Compensation Committee, comprising three members in 2004, 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 five members in 2004, 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 May 10, 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 January 26, 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 operations are required to submit an annual report to the Commission before January 31 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 May 31, and these ministers may decide on any appropriate follow-up.

2-2 SHAREHOLDER INFORMATION

At the Shareholders' Meeting of March 13, 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 December 31, 2002, a total of 230,978,001 ordinary shares were issued and outstanding, all fully paid up. The Company's share capital at that date amounted to €29,343,640.56.

ASF shares have been quoted on the *Premier Marché* of Euronext Paris since March 28, 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 120 and SBF 250 indexes, as well as the CAC Next 20 index created in January 2005 by Euronext.

Ownership structure:
(Source Euronext – Multimédia at January 20, 2005 – The Company has not been informed that any shareholder has exceeded the 1% disclosure threshold since that date)

- French State: 41.5%
- Autoroutes de France : 8.8%
- Local authorities and Chambers of Commerce and Industry: 0.9%
- Employees: 1.9%
- Vinci Concessions : 23%
- Private shareholders and investors: 23.9%

ASF does not hold any of its own shares.

2-3 EMPLOYEE SHARE OWNERSHIP

Employees took up 93% of the shares offered to them at the time of the IPO. At December 31, 2004, they held a total 1.9% of the Company's capital. In 2004, the shares were held in two corporate mutual funds, a long-term fund (minimum investment periods of 5 and 10 years) and a leveraged fund (minimum investment period of 5 years).

2-4 ACQUISITIONS OF EQUITY INTERESTS

During the year, ASF acquired a further stake in Transjamaican Highway for €2.7 million, increasing its total investment in the company to €5.5 million at December 31, 2004.

2-5 INTERESTS HELD BY DIRECTORS AND SENIOR MANAGEMENT

2-5-1 Compensation and benefits paid to directors and members of senior management for 2004

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.

In 2004, compensation and benefits paid were as follows:

Name	Function	Annual compensation	o/w gross salary	o/w variable portion tied to 2003 results	o/w benefits in kind
Bernard Val	Chairman of ASF	248,690	220,000	26,125	2,565
Jacques Tavernier	Chief Executive Officer of ASF	221,000	195,000	23,375	2,625
Jean Marc Denizon	Senior Executive Officer of ASF and Chairman and CEO of ESCOTA	184,265	160,000	21,700	2,565
Philippe-Emmanuel Daussy	Senior Executive Officer – Operations	153,496	135,000	15,813	2,683
Alain Robillard	Senior Executive Officer – Development and Construction	153,797	135,000	15,483	3,359

Total directors' fees, set at €240,000 by the Annual Shareholders' Meeting of May 13, 2004, were allocated among the members of the Board as follows, in accordance with the rules decided by the Board of Directors on March 17, 2004 when it adopted the recommendation made by the Compensation Committee on March 2, 2004:

- fixed fee of €3,000;
- 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 €15,000.

On September 24, 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 and Jacques Oudin waived their 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 2004 were as follows:

Beneficiary	Amount (in €)
French State (including ADF)	55,542.00
Alain Barkats	12,600.00
Michel de Virville	13,286.00
Hubert du Mesnil	15,000.00
Pierre-Henri Gourgeon	10,028.00
Bernard Maurel	13,286.00
Gérard Payen	15,000.00
Jacques Thoumazeau	11,400.00
Total	**146,142.00**

2-5-2 Management stock options

There are currently no management stock option plans.

2-5-3 Transactions between the Company and directors or senior management

None.

2-5-4 Loans or guarantees granted by the Company to directors or senior management

None.

2-5-5 Transactions between the Company and companies with common directors or shareholders holding over 10% of the Company's voting rights

An agreement with SAS Truck Etap (SASTE) was approved by the Board of Directors on March 17, 2004 and signed on March 30. The agreement sets out the services to be provided by ASF to SASTE to assist with the latter's expansion, and describes the related conditions.

2-5-6 Assets used by the ASF Group, belonging directly or indirectly to senior management or their family members

None.

2-5-7 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.

3- Group accounts

3-1 ACCOUNTING PRINCIPLES

The financial statements of the Group are 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-R01 dated April 1, 2003, the Group changed the method of measuring and recognizing deferred employee benefits. In line with this recommendation, cumulative actuarial gains and losses at December 31, 2003 were recognized in the opening balance sheet at January 1, 2004 for an amount of €20.7 million. The net of tax adjustment of €13.3 million was recognized in opening shareholders' equity. Actuarial gains and losses arising since January 1, 2004 are recognized by the corridor method.

• **Puymorens Tunnel:**

Although the Puymorens Tunnel is covered by a separate concession agreement, it is managed by ASF's operating units and corporate departments as an integral part of the network. ASF therefore considers that the Puymorens Tunnel does not represent a separate cash-generating unit and accordingly has not carried out any impairment test on this asset.

• **Transition to International Financial Reporting Standards (IFRSs):**

The ASF Group has carried out a detailed analysis of IFRSs and their impact on the Group's accounting methods and policies, as well as on the presentation of the financial statements and the notes thereto. This analysis showed that the majority of the standards either do not apply to the Group or will have a limited or non-material impact.
The following table summarizes the adjustments to opening equity at January 1, 2004 and to 2004 results.

Summary of adjustments (in millions of euros)	Equity at January 1, 2004	2004 net income	Equity at December 31, 2004
Total – French GAAP	3,057.2*	402.1	3,459.3
Cancellation of financial depreciation on replaceable concession assets	168.2	3.0	171.2
Use of the components method to depreciate highway resurfacing costs (IAS 16 and 38)	45.3	(8.6)	36.7
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**

(*) Equity at January 1, 2004 taking into account the €13.3 million negative effect of a change in the method of accounting for deferred employee benefits in France, and the payment of dividends totaling €159.4 million in 2004.

ASF is continuing its analysis of the impact of applying IFRSs on the presentation of its financial statements (including the notes). The Group plans to publish interim IFRS financial statements for the six months ended June 30, 2005 with comparable figures for first-half 2004.

3-2 REVENUES

Revenues for 2004 totaled €2,389.2 million, an increase of 6.7% over €2,238.7 million in 2003.

Growth was driven primarily by higher toll receipts, which account for over 97.8% of total revenues. The 7% increase in toll receipts to €2.342.8 million from €2,189.9 million breaks down as follows:
- traffic growth (excluding new sections): 3.1%;
- traffic on new sections: 0.6%;
- march 2003 and February 2004 tariff increases: 3.3%.

Fees from service stations and other service area operators edged back by an estimated 2.7% to €31.9 million, from €32.8 million in 2003. The year-on-year decline reflects lower fuel sales at service stations on our motorway network, combined with the fact that 2003 revenues were over-estimated.

Fiber optics and telecommunications fees contracted 10% to €14.4 million from €16 million.

3-3 OPERATING INCOME

Operating income climbed over 7.4% to €1,045.4 million from €973.2 million. This rise, which outstripped revenue growth, reflects a contained 6.2%, increase in operating expense, breaking down as follows:

- **Purchases and external charges** rose 4.9% overall to €275.1 million from €262.2 million. Out of this total, movements varied depending on the individual items concerned. Purchases edged up only 1.6% to €38.9 million from €38.3 million, thanks to efficiency gains achieved throughout ASF and restructuring of the Group procurement department;

Infrastructure maintenance costs rose 5% to €71.3 million from €67.9 million, reflecting a low basis of comparison for 2003. An analysis of the main costs under this item, broken down between ASF and ESCOTA, is provided in the table below:

Type of work	ASF	ESCOTA	Total Group
Resurfacing	32.1	2.8	34.9
Bridges and tunnels	11.2	1.7	12.9
Drainage and water treatment	3.5	0.9	4.5
Rest and service areas	3.1	0.1	3.2
Restraining structures	0.0	0.0	0.1
Signs	1.1	0.7	1.9
Road markings	1.8	0.4	2.2
Lighting	0.2	0.3	0.5
Fencing	1.5	0.3	1.8
Planting	1.2	0.6	1.8
Buildings	1.7	0.9	2.6
Toll stations and plazas	1.7	1.3	3.0
Operating equipment and systems	0.8	0.4	1.2
Other	0.1	0.5	0.6
Total	**60.3**	**11.0**	**71.3**

The publicly-owned land tax due by the Group rose to €55.8 million from €53.1 million, as a result of revenue growth and network extensions.

Routine maintenance costs fell by €0.3 million to €29.4 million from €29.7 million, with strict cost discipline offsetting the impact of network extensions.

Other external costs rose to €79.6 million from €73.2 million. The 8.7% increase stemmed mainly from professional fees paid to service providers working on the Group's various projects during the year, including the implementation of IFRSs, a general inventory of fixed assets, and measures taken to develop and diversify the Group's operations.

• **Payroll costs** came to €330.6 million versus €312.9 million in 2003. The 5.7% rise was primarily due to a €3.1 million increase in employee profit-sharing to €17.6 million from €14.5 million – reflecting growth in Group earnings – and a €4.8 million increase in employee benefit obligations to €8.8 million against €4 million.
Wages and salaries climbed by around 3.4% (€6.7 million), coming in at €204.5 million, compared with €197.8 million in 2003.
The overall increase breaks down as follows:
- increase in average salaries: +3.1%;
- provisions and adjustments (paid vacation – "Time Savings" plan): +1.2%;
- structural effects and staff turnover*: +0.3%;
- decrease in average employee numbers: (1.2)%.

(The impact of staff turnover is calculated globally based on the difference in average salaries for all incoming and outgoing staff, irrespective of the positions held. In 2004, this impact was positive as the outgoing employee categories received lower salaries than incoming employees)*

- The decrease in average employee numbers can be analyzed as follows by category:

Category	2003	2004	Change
Managers	606.9	634.9	4.6%
Supervisors	2,191.9	2,289.2	4.4%
Operatives	4,633.4	4,416.8	(4.7)%
Total	**7,432.2**	**7,340.9**	**(1.2)%**

Jobs created by the opening of new sections represented 20.2 full-time equivalent (FTE) employees (an increase of 0.3%) and those created to improve service levels represented 48.9 FTEs (an increase of 0.7%). Productivity gains attributable to greater automation of toll collection and sustained efforts across the entire organization, led to a decrease of 161 FTEs, or 2.2%, essentially achieved by not replacing employees leaving the Group or employees whose fixed-term contracts have expired.

• **Other operating income and expenses, net** – corresponding mainly to other revenues, own work capitalized and miscellaneous management costs – represented a net expense of €29.3 million, versus €31.7 million in 2003. The 7.6% decrease reflected the combined impact of the following:
- lower capitalized software development costs compared with 2003 when the Group's human resources management software came on stream;
- higher radio broadcasting fees as a result of the expanded radio network;
- higher expenditure on noise abatement measures for populations living alongside motorways in "Noise Black Spots".

• **Taxes other than income tax** rose 4.9% to €291.4 million from €277.7 million, primarily reflecting increases in:
- Regional development tax to €207.1 million from €199.5 million, due to traffic growth;
- Business tax to €76.9 million from €71.2 million, due to higher tax rates and an increase in the number of tax districts crossed by the network.

• **Depreciation and amortization expense** rose to €475.9 million from €444.3 million. The 7.1% increase reflects depreciation and amortization of assets commissioned during the year.

3-4 INTEREST INCOME AND EXPENSE

Net interest expense contracted by around 8.7% to €428.9 million from €469.9 million, as follows:

- **Interest and debt indexing costs**, amounted to €450.9 million versus €520.9 million. The 13.4% decrease is explained by the fact that borrowings with higher relative interest rates were repaid during the year and that debt management transactions generated net financial income of €18.1 million.
- **Capitalized interest** fell to €16.2 million from €24.4 million, due to a reduction in construction assets in progress during the year.
- **Other interest income**, declined 61.8% to €12.8 million from €33.5 million, as a result of lower interest rates and cash reserves.
- In addition, €2.1 million was reversed from provisions for unrealized losses on trading transactions, and €63.8 million worth of unrealized hedging gains were not recognized.

3-5 INCOME FROM ORDINARY ACTIVITIES

Income from ordinary activities grew 22.5% to €616.6 million from €503.3 million.

3-6 EXCEPTIONAL ITEMS

In 2004, we incurred net exceptional expense of €0.9 million compared with €1 million the previous year.

3-7 NET INCOME

Net income before minority interests rose by 24% to €403.1 million from €325.1 million. After deducting minority interests of €1 million, net income attributable to the Group came to €402.1 million. This amount is stated net of employee profit-sharing of €17.6 million and corporate income tax of €212.5 million.

3-8 AMOUNTS ADDED BACK TO TAXABLE INCOME AND CORPORATE INCOME TAX

Corporate income tax reported in the consolidated income statement amounted to €212.5 million.

The tax due by the companies in the ASF tax group (ASF, ESCOTA, Soriase and SRTFM) totaled €209.9 million in 2004. Non-deductible amortization and other expenses amounted to €44.6 thousand for ASF and €60.2 thousand for the Group as a whole.

3-9 DIVIDENDS FOR THE LAST THREE YEARS

At the March 13, 2002 Annual General Meeting, shareholders decided to waive payment of a dividend for 2001 and total income for the year was credited to retained earnings. Total 2002 dividends (paid in 2003) and 2003 dividends (paid in 2004) amounted to €106.2 million and €159.4 million respectively.

3-10 CONSOLIDATED BALANCE SHEET

At December 31, 2004, we had fixed assets with a net book value of €11,981.1 million. The €171.4 million increase over end-2003 corresponds essentially to new investment in 2004 less the €441.1 million increase in depreciation and amortization expense for the year.

Current assets contracted by €149.9 million to €771.3 million from €921.2 million, reflecting the use of a portion of available cash to finance capital expenditure during the year.

Shareholders equity grew 7.1% (€229.5 million) to €3,459.4 million from €3,229.9 million, corresponding to net income for 2003 less the dividend paid in 2004. Minority interests – concerning ESCOTA – amounted to €3 million. Other equity, corresponding to the value of assets transferred to ASF under the concession agreement without consideration, stood at €104.7 million.

Provisions for contingencies and charges climbed to 87.9 million from €60.7 million in 2003. This total mainly includes provisions for pensions and other post-retirement benefit obligations (€75.9 million) and provisions for corporate income taxes and claims and litigation (€12 million).

Liabilities were reduced by 2.5% to €9,097.4 million from €9,333.3 million one year earlier. Borrowings declined by €177.2 million as repayments for the year were higher than new debt issues. The main year-on-year change in other liabilities was a €44.4 million reduction in amounts due to suppliers of fixed assets.

3-11 CASH FLOWS

At December 31, 2004, we had cash and cash equivalents of €432.1 million versus €625 million one year earlier. The decrease stemmed from the use of cash reserves to partially finance capital expenditure for the year.

Cash flow rose by around 12.1% (€97.1 million) to €898 million from €800.9 million, reflecting increases in depreciation and amortization expense and in the earnings of Group companies.

Operating working capital increased by €78.2 million, after declining by €93.6 million in 2003, mainly reflecting negative changes in trade accounts receivable and payable, and payroll and other tax accounts.

Net cash provided by operating activities rose to €819.8 million, representing an increase of over 15.6% (€110.8 million) compared with the €709 million reported in 2003, when the Group had to make the final tax payment due as a result of reform-related accounting changes.

Net cash used by investing activities contracted 3% (€21.8 million) to €700.9 million from €722.7 million, mainly reflecting a €67.7 million year-on-year reduction in capital expenditure and a related €37.1 million negative change in working capital.

Free cash flow (corresponding to net cash provided before financing activities) amounted to €118.9 million.

In 2004, financing activities used net cash of €311.8 million compared with €606.9 million in 2003. The 2004 figure included the proceeds from a debt issue, totaling €450 million, €159.4 million in dividends paid and a €119.6 million increase in debt repayments.

4- Employee information

4-1 NUMBER OF EMPLOYEES

As of December 31, 2004, ASF and ESCOTA together had 8,190 employees, including 973 under fixed-term contracts:

	Permanent employees	Fixed-term employees	Total
ASF	5,453	756	6,209
ESCOTA	1,764	217	1,981

The total breaks down as follows:
- 4,538 toll collectors;
- 1,755 motorway service engineers;
- 1,897 administrative employees.

As of December 31, 2004, the categories of managers, supervisors, white-collar workers and blue-collar workers represented 8.1%, 30.5%, 45.8% and 15.6% of the total workforce respectively.

During 2004, ASF and ESCOTA took on 225 permanent employees, including 64 managers and 57 supervisors. No specific hiring problems were encountered during the year.

	Managers	Supervisors	Operatives	Total
ASF	60	54	78	192
ESCOTA	4	3	26	33

A total of 50 ASF and ESCOTA employees were terminated in 2004, including:
- 1 redundancy qualified as "*licenciement pour cause économique*";
- 1 termination for serious misconduct (criminal actions);
- 4 terminations for serious misconduct (other cases);
- 1 termination for misconduct;
- 10 terminations for "genuine and serious causes";
- 32 terminations for medical unfitness;
- 10 termination on expiry of a fixed-term contract.

The number of hours paid overtime contracted to 44,271 in 2004 from 46,585 in 2003.

The average number of employees under fixed-term contracts – including seasonal workers – represented 9.5% of weighted average employees. During peak traffic periods, such as the summer months, ASF and ESCOTA take on around 1,900 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 will be authorized to use temporary toll collectors when the need arises.

The monthly average number of temporary staff fell to 73.1 in 2004 from 85.8 the previous year.

4-2 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 January 1, 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, including 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, including 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 208 days per year. Members of senior management do not have fixed working hours.

The overall absenteeism rate for ASF and ESCOTA dipped to 6.56% in 2004 from 6.92% the previous year, but nevertheless remained high.
The breakdown by cause was as follows: sick leave 61.2%, authorized leave 15.6%, maternity leave 9.3%, workplace accidents (including accidents during the trip to or from work) 6.8%, other causes 6.1% and 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 accidents (including during the trip to and from work), compared with the objectives set by the Group or unit concerned.

4-3 WAGES AND SALARIES, PAYROLL TAXES, EQUAL PAY AND OPPORTUNITIES FOR MEN AND WOMEN

Average salaries increased by 3.1% in 2004.

The average incentive bonus paid to ASF and ESCOTA employees, based on prior year income, increased 6.7% in 2004 to €1,103, from €1,035 in 2003.

Total employee profit-sharing paid in 2004 out of 2003 income amounted to €14,535 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 Work Councils at the eight units and the Central Work Council, leading to the publication of nine annual reports which track ASF's contribution to guaranteeing equal pay and opportunities for men and women.

Out of ASF and ESCOTA's total permanent headcount of 7,217 at December 31, 2004, women accounted for 2,970 (41%) and men for 4,247 (59%). During the year, 153 employees were promoted to a new category, including 43 women and 110 men, and 4.18% of female employees were promoted to a new pay scale compared with 5.09% of male employees (4.29% and 5.33% respectively in 2003). Out of the 340 employees promoted to a new pay scale in 2004, 36.5% were women (35.6% in 2003). In 2004, 1,133 employees were promoted to a new grade, including 398 women and 735 men.

All told:
- 17.6% of female employees were promoted in 2004, versus 17% in 2003;
- 22.4% of male employees were promoted, versus 24% in 2003.

4-4 EMPLOYEE RELATIONS AND AGREEMENTS WITH EMPLOYEE REPRESENTATIVES

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

We signaled 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 January 1, 2002 (Company-level agreement no. 63)

All employees are covered by the collective bargaining agreement applicable to motorway operators, and also by numerous Group-wide agreements. 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 January 1, 2002.

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Since January 1, 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 January 1, 2002.

4-5 HEALTH AND SAFETY

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/EEC which have been transposed in the French Labor 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 bodies responsible for preventing accidents, providing first aid and performing controls (including occupational health officials) and 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 Operational Safety and Planning Department.

A total of 201 workplace accidents, including one fatal accident, were reported in 2004, compared with 258 in 2003.

In January 2004, ASF signed a road safety charter with the DSCR (French Road Safety and Traffic Department) and CNAMTS (a unit of the national social security authority). The aim of the charter is to reduce the number of workplace accidents and to set out best practices to be followed by employees in terms of general conduct and responsible behavior. ASF implemented numerous safety-related initiatives during the year, covering accident prevention, safety guidelines, drink driving, equipment and vehicle maintenance and good driver charters, backed by training sessions.

4-6 TRAINING

The 2004 training budget represented the equivalent of over 3.8% of total payroll and an average of some 18 training hours per employee. Specific training programs were set up to accompany the Group's many ongoing projects, such as measures to reduce absenteeism rates, the re-launch of performance appraisal meetings and developments in toll collection equipment. The training given during the year also focused on health and safety as well as updating and developing employee skill-sets through the Group's internal training system.

Measures taken to re-launch performance appraisal meetings for every employee in 2004 and introduce personnel reviews for managers as from 2005 (and subsequently extend these to all other employees), form part of ASF's program to forecast future job and skills needs.

4-7 DISABLED WORKERS

On December 10, 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%.

An agreement between the Group and employee representatives covering the years 2004, 2005 and 2006 strengthens the provisions of earlier agreements covering the hiring, integration and training of disabled workers, and also aims to improve their practical implementation.

In 2004, the proportion of disabled employees at ASF stood at 7.11% versus 7.12% in 2003. At ESCOTA the rate was 5.87% compared with 5.94%. The combined rate for ASF and ESCOTA was 6.83% in 2004 (versus 6.86% in 2003), compared with a national average of 4%.

4-8 EMPLOYEE WELFARE PROGRAMS

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

4-9 USE OF SUB-CONTRACTORS

Total payments to sub-contractors amounted to €117 million in 2004 compared with €112 million the previous year. Outsourced maintenance and repair work accounts for around 86% of total sub-contracting costs.

Companies are required by law (Act no. 75-1334 dated December 31, 1975) to disclose payments to sub-contractors, who are under the obligation to comply with the provisions of labor law for the execution of the contract. Prior to awarding a contract, we require sub-contractor(s) to give a sworn undertaking to declare their workers and not to commit any breaches of labor law. All companies that provide services to ASF under contract are also required to ensure that their own sub-contractors comply with labor law.

In the case of any breach of labor 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 sub-contracting 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 labor standards issued by the ILO.

We adhere to ILO labor 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 Infrastructures Operator), is not consolidated because its revenues are not material in relation to Group revenues.

- 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 practiced within the company.
- The company does not employ any form of forced or compulsory labor.
- No reference is made within the company to any individual's sex, race, color, 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.

5- 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.

5-1 CONSUMPTION OF RESOURCES AND POLLUTION

5-1-1 Consumption of resources

In 2004, the Group consumed natural resources, raw materials and energy in the course of its business, including:

- 1,268,108 cubic meters of water;
- 1,239,252 metric tons of coated materials (crushed stone or gravel coated in asphalt), of which 52% for new motorway sections and 48% for resurfacing and lane extensions on existing sections. In addition 85,683 metric tons of milled fragments recovered during resurfacing work were recycled directly by the Group, and 47,069 metric tons were sold to road-building companies for their own use;
- 21,311 metric tons of road salt;
- 106,118,704 kWh of electricity and 6,974,005 kWh of natural gas (natural gas is now reported in kWh – the unit used for invoicing – as the reporting unit used in previous years led to misinterpretation of the quantity of gas consumed);
- 7,461 cubic meters of automotive fuel and 1,252 cubic meters of heavy fuel oil (including for heating facilities).

Overall consumption of electricity and natural gas (in kWh) rose by 3.8% and the volume of automotive fuel and heavy fuel oil was up 3.6% on 2003. These year-on-year increases were in line with the 3.7% rise in the number of kilometers traveled by drivers on our roads during the year.

As of December 31, 2004, the Group was equipped with the following systems using renewable energy:

- 98 heat pumps with centralized production with a total installed electrical capacity of around 1,800 kW;
- 1,880 heating units with individual production with a total installed electrical capacity of around 3,700 kW.

The calorific power generated by all of these systems is roughly three times the electrical power consumed (11,100 kW of heat versus 3,700 kW of electricity), thanks to:

- 210 square meters of solar panels (corresponding to photovoltaic cells installed the length of the motorways to provide power for 1,722 units that cannot be connected to mains electricity);
- 40 square meters of solar panels for the production of hot water (ESCOTA).

5-1-2 Ground utilization

The total surface area managed by the Group represented approximately 32,511 hectares as of December 31, 2004.

The total includes land given over to motorways built before 1992, representing an average area of 10 hectares/kilometer, 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/kilometer – and technical areas (service areas, drainage ditches, 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/kilometer).

All told, we maintain some 11,110 hectares of green space, taking care to preserve the bio-diversity and ecological balance by applying different management methods depending on the areas' use. The year-on-year difference in this figure may appear slight given the extension of our network in 2004 but this is due to more accurate measurements achieved notably thanks to the Geographical Information System (GIS) used by ESCOTA.

5-1-3 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 24,740 metric tons;
- phytosanitary products that seep into the soil. The quantities involved are very small. Insecticides and fungicides are used only alongside the installations most regularly visited by pedestrians and represent 0.4 liters per kilometer of motorway. Weed killers are used only in the areas around technical installations where weeds cannot be removed mechanically and represent 4.4 liters per kilometer of motorway. In both cases, the products used have a low persistence and their effect on the soil lasts less than one month.

Motorway traffic also represents a major source of pollution:

- releases to the atmosphere: based on the average ratios accepted for vehicles registered in France, the total kilometers traveled on the network in 2004 corresponded to the consumption of around 4.2 million cubic meters of fuel, including 59% for passenger cars and 41% for heavy goods vehicles. The pollution risk in rural areas is low.

In 2004, the French industry association, Association des Sociétés Françaises d'Autoroutes (ASFA), issued a report entitled "Quantifying greenhouse gas emissions on motorways" which ASF used to obtain a more accurate conversion of kilometers traveled into fuel consumption.

The 2004 figure was lower than the previous year as the calculation took into account the fact that drivers travel at a steadier speed on motorways than on other roads. This decrease does not however take into account the reduction in vehicle speeds noted in 2004, as we have not yet assessed the impact of this phenomenon on fuel consumption on motorways.

- For discharges into the water course and the soil, caused by wear to vehicles and the road surface and fuel combustion, 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 2004, there were seven 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.

5-1-4 Noise pollution

The noise pollution experienced by neighbors 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 72 kilometers of motorway opened in 2004, we built noise barriers with a total vertical surface area of 68,800 square meters, sound-proofed the facades of 20 houses and purchased 60 houses exposed to significant noise pollution.
- 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 2004, noise barriers representing a total vertical surface area of 6,800 square meters were installed along the 18 kilometers opened on the A61. We also sound-proofed the facades of 115 houses after lane extension work on the A10 and A62 and purchased 9 houses which would be extremely difficult to protect from noise pollution after the future lane extension work on the A63.
- For older motorways, the perceived noise level in homes built before the motorway opened or before October 31, 1978 may not exceed 70 dB. If the level is higher, the home is classified as a “Noise Black Spot” (NBS).
  - We have identified 1,440 homes that qualify as NBSs based on current traffic or forecast traffic in 2010. A program is underway to sound-proof the facades of the buildings and, where necessary, install noise barriers. It is scheduled for completion in 2007.
  - In 2004, the problem of noise pollution was dealt with for 248 homes classified as NBS. The facades of 208 homes were sound-proofed, six houses were purchased by ASF, and noise barriers with a total surface area of 5,170 square meters were installed.
  - As of December 31, 2004, 897 NBSs had been protected, representing 62% of the program.

In parallel with this program, additional noise protection measures have been taken in partnership with regional authorities. For example, on May 24, 2004 ASF signed a partnership agreement with *Communauté d’Agglomération du Pays d’Aix* relating to the A8 motorway, similar to the one signed by ESCOTA in 2003. Altogether we installed 90 square meters of noise barriers and sound-proofed the facades of 113 houses under the various partnerships in force during the year.

5-1-5 Waste

We manage waste generated by our activities and the waste produced by customers, on the motorways, and in rest and service areas. We treat this waste, sending it for recycling where local programs exist.

In 2004, 8,784 metric tons of waste were produced, including:

- equivalent to household waste: 7,032 metric tons of unsorted waste, mainly collected in the rest and service areas;
- ordinary industrial waste: 1,625 metric tons of sorted waste (scrap metal, plastic, tires, paper and cardboard);
- toxic industrial waste: approximately 126 metric tons, including small batteries, vehicle batteries, electrical and electronic equipment, engine oil, contaminated packaging, aerosols, and dispersed toxic waste (DTW).

In 2004, 34% of the total waste collected was re-used, either through recycling (14%) or through incineration to generate energy (20%).

As of end-2004, eleven districts sorted the waste produced in the course of their activities and collected from the motorways (scrap metal, tires, plastic and DTW). This waste is delivered to local recycling centers. The program 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 38% of ASF administrative centers and all ESCOTA units. In 2004, over 100 metric tons of waste paper and cardboard were recycled.

Concerning household-type waste collected in the rest and service areas, ASF's sustainable development plan includes a program to install containers to encourage customers to sort their waste. This program was launched in 2004 when containers were installed at the Marguerittes Nord and Milhaud Nord rest and service areas on the A9 motorway, resulting in the recycling of around 3 metric tons of glass and packaging.

5-2 MEASURES TO LIMIT DAMAGE TO THE BIOLOGICAL BALANCE

5-2-1 Flora and fauna

In 2004, we installed a further 177 kilometers of fences, including 108 kilometers that are over 1.5 meters high (89 kilometers of which have strengthened bases).

As of December 31, 2004, 6,058 kilometers of fences were maintained, including 2,043 kilometers more than 1.5 meters high designed to prevent deer from straying onto the motorway.

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 tunneling beneath them. The problem mainly concerns ESCOTA. Altogether the Group has strengthened the base of 43% of its fences.

To preserve biodiversity, special crossing points for wildlife are built to avoid cutting off their territory. The sections opened in 2004 include:

- three specific and three mixed bridges and tunnels for large animals;
- one specific and forty-eight mixed bridges and tunnels for small animals.

In all, as of December 31, 2004, the network was equipped with a total of 118 crossing areas for large animals and 195 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 motorway.

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;
- weeds are generally removed manually, to keep the use of chemicals to a minimum (in 2004, the Group used 715 liters of insecticide, 517 liters of fungicide and 15,100 liters of weed killer to maintain 11,110 hectares of vegetation);
- 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.

In 2004, we participated in the following operations in the areas where motorways are under construction:

- in February 2004, as part of conservation measures relating to the A20 motorway, we sold back to the Midi-Pyrénées regional conservation department (*Conservatoire Régional des Espaces Naturels – CREN*) the Combe Nègre site which we had purchased next to the Dordogne viaduct;
- we built a site for Natterjack toads on the Val d'Aran link road (A645 motorway);
- we acquired an additional 7 hectares of wetlands at 4 sites along the route of the A89 between Le Sancy and Combronde.

Also during the year, we entered into a three-year partnership with the Nicolas Hulot Nature Foundation (*Fondation Nicolas Hulot pour la Nature et l'Homme*) to support its biodiversity program. We have demonstrated our commitment to this program by supporting measures to save the Hermann's tortoise – a protected and extremely rare species – in the Maures mountain region (A8 motorway). The program – which is being run in collaboration with Youpi magazine and two wildlife protection associations (SOPTOM and CEEP) with which ESCOTA has been working for a number of years – is focused on:

- raising driver awareness (through specific events);
- restoring natural habitats;
- protecting endangered species.

5-2-2 Protection of water resources

In connection with our water policy, in 2004 we commissioned 104 new structures to prevent water pollution, including:

- 55 grass-covered multiple-function ponds and trenches below road level on the 72 kilometers of new motorways, representing on average one installation per 1.3 kilometers, to settle and contain pollutants and drain excess water where necessary;
- 41 ponds and trenches on the recently widened A61 (Toulouse/Villefranche, A62 (St Jory/Montauban), A68 (Toulouse East toll plaza) and A8 (Brignoles/Cannet des Maures);
- 6 ponds under the compliance program for the A7 North, to protect the Roubion and Bancel rivers;
- 2 ponds – one on the A10 in connection with improvements made to the 32 interchange and the other on the A52 at the time the Aubagne East northern semi-directional interchange was built.

At 31 December 2004, the Group had a total of 1,531 water protection structures. The majority of these structures are located alongside the 1,014 kilometers of motorways built or widened since 1992, and are in full compliance with water laws.

For older motorways, vulnerability studies have been carried out to assess the risk to water resources of accidental pollution and to prioritize action plans. The studies have shown that 54% of the old network (1,033 kilometers) is not exposed to significant risk. For the remaining 46% (890 kilometers), with an average or high vulnerability level, we intend to take assertive action to protect the most exposed areas, particularly drinking water catchments.

For the ASF network, the program concerns 47 sites and 117 kilometers, and will be implemented over the period to 2011. In 2004, 3 kilometers were protected, in the area of the Roubion and Bancel rivers. For the ESCOTA network, 27 kilometers of the at-risk motorway sections is already protected and a program to eliminate the risk of accidental pollution on old motorways is currently being reviewed by government authorities. This program concerns the sections that are most at risk, representing 37 kilometers.

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 32 plans 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. This tool was rolled out across the whole network in 2004.

5-3 REGULATORY COMPLIANCE

We comply fully with all regulatory requirements and standards. A quality control system has been set up for all projects, and standards and guidelines are being drafted setting out the design and management rules to be followed in all areas.

On June 4, 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.

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 5-5 below), by organizing external controls and providing advice on managing procedures, 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 ASF's procedures set up by the Operations Department in application of water laws.

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.

In addition, legal support is provided by the "*Services Communs des Sociétés d'Economie Mixte Concessionnaires d'Autoroutes*", a not- for-profit organization set up by the motorway operators.

5-4 ENVIRONMENTAL EXPENDITURE

Expenditure to limit the environmental impact of our operations falls into four broad categories (all amounts concern 2004):

5-4-1 New motorway construction projects

Environmental expenditure in connection with new motorway construction projects represent on average just under 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 2004, it totaled €28.9 million net of tax, including €2.2 million for work to enhance the landscape (known as the "1% countryside initiative") conducted in partnership with local authorities.

5-4-2 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 2004, as well as work on old motorways to reduce water vulnerability, eliminate Noise Black Spots, improve landscaping, etc. The latter expenditure generally concerns work to comply with new environmental standards, mainly to protect water resources and abate noise pollution.

In 2004, environmental expenditure related to additional investments on existing motorways amounted to €20.6 million, including €16.3 million for ASF and €4.3 million for ESCOTA.

5-4-3 Maintenance of environmental protection installations

Specialized firms deal with the maintenance and repair of environmental protection installations.

In 2004, the related expenditure amounted to €4.54 million, breaking down as follows:

- 31% for green areas, including protection against forest fires, as well as felling and clearing operations;
- 69% for protection structures, such as ponds, screens and fences.

5-4-4 Viability

Viability expenditure corresponds to motorway operation, supervision and maintenance. These services are mostly provided by our own teams.

In 2004, viability expenditure totaled €23 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 equipment and outsourcing costs.

5-5 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 the various aspects of sustainable development, promote the policy and report on its application, and represent ASF with the many external bodies 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 programs.

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 2004, some 559,000 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): 360,600 hours;
  - management of environmental protection installations (drainage systems, fences): 198,400 hours.
- Specific training programs are organized to train staff involved in environment-related activities and raise their awareness of environmental issues. In 2004, a total of 584 hours training was given by the training departments of each company, in association with the ESDD, especially in the following areas:
  - maintaining green areas: 29 staff trained, mainly road workers and supervisors;
  - drainage and environmental protection: 14 staff trained, mainly engineering and construction assistants and construction work supervisors.

- In addition to these programs, we organized management training sessions on sustainable development and protecting the environment. In 2004, the Group's sustainable development approach and specific 21-point plan were presented and explained to district heads and team leaders at 8 regional meetings.

5-6 ENVIRONMENTAL RISKS COVERAGE

In 2004, provisions and guarantees for environmental risks amounted to €3.5 million, and premiums paid under specific environmental insurance policies totaled €225,000. Compensation paid in 2004 for repairs to environmental damage came to €22,922.

5-7 REPORTING PROCESS

The ESDD is responsible for compiling data relating to 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 of Group companies that are fed 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", 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. Having been piloted in 2004, this method will be honed and rolled out as of 2005.

6- Company accounts

6-1 REVENUES

Revenues for 2004 totaled €1,890.0 million, an increase of 7.3% over €1,761.9 million in 2003. Growth was driven primarily by higher toll receipts, which accounted for nearly 97.84% of total revenues. The 7.5% increase in toll receipts to €1,849.1 million from €1,720 million breaks down as follows:

- traffic growth (excluding new sections): 3.4%;
- traffic on new sections: 0.8%;
- March 2003 and February 2004 tariff increases: 3.3%.

In 2004, 359 million vehicles used the ASF network, traveling some 26.012 billion kilometers, compared with 337.8 million vehicles and 24.975 billion kilometers traveled in 2003.

Total traffic growth in 2004, expressed in number of kilometers traveled and including new sections opened during the year, came to 4.1%, including rises of 3.9% for light vehicles and 5.4% for heavy goods vehicles. Excluding new sections, the overall increase was 3.4%, including 3.1% for light vehicles and 4.8% for heavy goods vehicles.

In 2004 – also based on number of kilometers traveled – heavy goods vehicles accounted for 16.3% of total traffic, versus 16.1% in 2003.

Revenues from other businesses eased back to €40.9 million from €41.9 million. The decline was attributable to three factors. First, lower fiber optics and telecommunications revenues, coupled with a decrease in fees from service stations and other service area operators, which contracted 1.4%. Second, a high basis of comparison in 2003, when revenues were boosted by the adjustment of the difference between actual and estimated 2002 billing. And lastly, a sharp fall in the sale of fuel on our network, probably due to a change in driver behavior.

6-2 OPERATING INCOME

Operating income grew 7.4% to €831.8 million from €774.7 million, reflecting the twin benefits of higher revenues and strict cost discipline.

Operating expense rose 7.2% to €1,058.2 million from €987.3 million. Changes in the main components of operating expense were as follows:

- **Purchases and external charges** amounted to €222.1 million compared with €208 million in 2003.
  - The 6.8% rise was primarily due to a 6.1% increase in publicly-owned land tax (€45.4 million in 2004 compared with €42.8 million in 2003), as well as to higher infrastructure maintenance costs, which climbed 8.8% to €60.3 million from €55.4 million.
  - Other external charges grew by €6.9 million, or 11.9%, year-on-year, from €58.2 million to €65.1 million. This strong increase was mostly attributable to the following items:
    - professional fees paid to service providers, which were up €3.7 million over the previous year, stemming from expenses related to the IFRS project and the general inventory of fixed assets carried out in the year, as well as from additional expenditure concerning the Group's business development drive, and estimated repayment of costs incurred by the fire and emergency services;
    - advertising and publications, with a €1.2 million increase in costs related to marketing campaigns for Radio Trafic and electronic toll payments as well as to our drive to raise brand visibility and other promotional measures;
    - travel expenses, which rose by €460 thousand as a result of the fixed-asset inventory;
    - debt issuance costs, which were up €925 thousand following the €450 million in borrowings contracted in 2004;
    - other expenses, which climbed €615 thousand, reflecting a sharp rise in outsourcing costs and mailing costs for *télépéage* bills.

- **Payroll costs** were up 5.2% to €236.5 million from €224.9 million. This increase reflects:
  - A 3.84% rise in total payroll, breaking down as:
    - increases of 2.97 points, 0.36 points and 1.78 points, due respectively to higher average salaries, staff turnover effects (higher salaries of new staff compared with departing staff) and provisions for holiday pay and the company "Time Savings" plan;
    - a 1.27 point decrease resulting from a decline in the average number of employees to 5,543.9 annual equivalent employees in 2004 from 5,615.2 one year earlier. The lower figure for 2004 is attributable to greater automation of toll collection and a reduction in short-term absences, and therefore in replacement staff. The 129.6 decrease in annual equivalent employees primarily concerned fixed-term contracts (down 2.31%), offset by a 0.36% increase following extensions made to the network and a 0.67% rise related to our sustainable development program and drive to enhance customer service.

  - A 10.6% (€7.3 million) increase in payroll taxes, breaking down as follows:
    - €3.2 million as a result of an increase in employee benefits (statutory retirement bonuses, health insurance for retired employees and long service awards);
    - €4.1 million in direct payroll tax increases.

    Total payroll taxes rose to €71.4 million from €67.3 million, outpacing the related growth in overall payroll and reflecting the reduction and abolition of special rates payable on low salaries. Incentive bonuses paid out in 2004 amounted to €5 million.

- **Other income and expenses**, net, corresponding mainly to other revenues, own work capitalized and expense transfers (primarily insurance settlements) represented a net expense of €27.3 million versus €28.8 million in 2003. This 5.2% decrease reflects the combined impact of the lower amount of own work capitalized during the year – compared with 2003 when the new human resources management system and other internally-developed software was implemented – and conversely, an increase in other expenses due to higher costs for noise-proofing the facades of houses neighboring motorways, and to increased radio broadcasting fees as a result of the expanded radio network.

- **Taxes (other than income tax)** amounted to €236.1 million, up 5.7% on €223.3 million in 2003, reflecting a rise in all items. Payroll taxes climbed 11.5%, business and other local taxes rose 9.1% – stemming from higher tax rates, network extensions and changes in the method for calculating apprenticeship tax – and the caption "Other taxes" increased by 33%.

- **Depreciation and amortization** rose 8.6% to €390.8 million from €359.9 million, corresponding to depreciation and amortization of assets commissioned during the year.

6-3 INTEREST INCOME AND EXPENSE

Net interest expense contracted by around 10.6% to €332.5 million from €372.6 million, as follows:

- interest and debt indexing costs amounted to €374.5 million versus €423.5 million in 2003. The 11.6% decrease was due to the twin effects of lower interest rates and endeavors to optimize debt management through the use of financial instruments. Debt management transactions during the year gave rise to €18.1 million in net income;
- interest income reported by ESCOTA climbed to €19.6 million from €5.5 million, driven by a €16.7 million increase in dividends received, relating to 2003;
- capitalized interest fell by 33.6% to €16.2 million from €24.4 million, attributable to a reduction in outstanding debt on new sections undergoing construction;
- other interest income declined 54.4% to €12.3 million from €27 million, as a result of lower interest rates and cash reserves;
- unrealized gains of €63.8 million related to hedging transactions were not recognized in the accounts.

6-4 INCOME FROM ORDINARY ACTIVITIES

Income from ordinary activities grew 24.2% to €499.3 million from €402.1 million.

6-5 EXCEPTIONAL ITEMS

Net exceptional expense was €28.9 million compared with €3.6 million in 2003.

Of this amount, €11 million concerned employee benefits and a provision recorded for a potential tax adjustment relating to the date applied to the deduction of employee benefit obligations.

6-6 NET INCOME

Net income for 2004 came to €294.5 million, up 17.7% over the previous year's €250.2 million. Employee profit sharing amounted to €13.1 million and corporate income tax was €162.7 million.

6-7 BALANCE SHEET

At December 31, 2004, the Company had fixed assets with a net book value of €10,546.4 million. The net increase of €61.6 million over the year-earlier figure of €10,484.8 million primarily reflects capital expenditure for the year less the resulting €363.3 million increase in depreciation and amortization expense.

Investments declined by €139.8 million to €146.2 million due to the reclassification under current accounts of the balance of the advance granted to ESCOTA in accordance with the cash pooling agreement signed with ASF. During the year, ASF acquired a further stake in Transjamaican Highway for €2.7 million, increasing its total investment in the company to €5.5 million at December 31, 2004.

Current assets rose by 6.3% to €872.1 million from €820.4 million, primarily due to an increase in trade accounts receivable and the reclassification under current accounts of the Company's advance to ESCOTA.

Shareholders' equity expanded to €3,669.1 million from €3,528.5 million. The 4% increase corresponds to net income for the year less the 2003 dividend paid in 2004.

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

At December 31, 2004 provisions for contingencies and charges amounted to €84.4 million, versus €45.9 million at year-end 2003. This rise primarily stemmed from:

- a €15.6 million increase in the provision for pensions and other post-retirement benefit obligations;
- a €17 million charge to provisions for corporate income taxes and claims and litigation;
- a €5.9 million rise in provisions for conversion losses and other financial expenses.

Liabilities were reduced by €65.8 million to €7,560.3 million from €7,626.1 million one year earlier.

Borrowings expanded by €10.2 million, as the €450 million in new debt taken on during the year slightly exceeded the level of repayments.

Other liabilities and accruals fell by €82.1 million, primarily reflecting a reduction in amounts due to suppliers of fixed assets and tax due at the year end.

6-8 CASH FLOWS

Cash and cash equivalents at December 31, 2004 amounted to €428.6 million versus €529.6 million at end-2003. The decrease stemmed from a combination of the factors set out below.

- Cash flow increased 16.9% to €731.1 million from €625.6 million;
- Net cash provided by operating activities rose to €661.4 million compared with €514.2 million in 2003. Changes in working capital had a negative effect of €69.8 million versus a positive effect of €74.1 million;
- Net cash used by investing activities increased by 4% to €618.8 million from €594.9 million, mainly as a result of the negative change in amounts due to suppliers of fixed assets;
- In 2004, financing activities generated a net cash outflow of €143.5 million compared with €440.6 million the previous year. The 2004 figure included €450 million in proceeds from a debt issue, which helped to offset the impact of a higher dividend payout (€159.4 million versus €106.2 million in 2003) and an increase in repayments of borrowings which came to €434.5 million, compared with €330.4 million in 2003.

All told, cash and cash equivalents decreased by €100.9 million in 2004.

6-9 APPROPRIATION OF INCOME AND DIVIDEND

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

- note that 2004 net income for the Company amounts to €294,453,621.53;
- approve the distribution of €240,217,121.04 to shareholders, in the form of dividends, representing 60% of the Group's consolidated net income. The dividend per share will amount to €1.04. The full amount of the dividend payment will be eligible for the 50% tax allowance provided for in para. 3 of Article 158 of the French General Tax Code;
- credit the balance of net income, in the amount of €54,236,500.49, to retained earnings, which will then stand at €2,381,116,798.19.

6-10 ALLOCATION OF AMOUNTS RECORDED IN THE SPECIAL LONG-TERM CAPITAL GAINS RESERVE

In accordance with the Amended French Finance Act for 2004 – which requires the special long-term capital gains reserve to be transferred to other reserves by December 31, 2005 – in the fourth resolution shareholders are invited to allocate to "Other reserves" the sum of €1,493,267.09, corresponding to the amount recorded in the special long-term capital gains reserve in the parent company accounts at December 31, 2004.

REPORT OF THE CHAIRMAN OF ASF

(Article 117 of the loi de Sécurité financière of August 1, 2003) appended to the Report of the Board of Directors dated March 10, 2005

contents

Under the provisions of Article 117 of the loi de Sécurité financière of August 1, 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.

This report, appended to the report of the Board of Directors, has been prepared in accordance with the recommendations of the French employers' federations (AFEP/MEDEF) and securities regulator (AMF).

I- 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 fulfill their responsibilities.

In accordance with the recommendations of the Corporate Governance Act of May 15, 2001, concerning the transparency of management decisions, at its meeting on March 13, 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. At its December 15, 2004 meeting, the Board of Directors placed certain limits on these powers. In accordance with these limits, the Chief Executive Officer may sign bids related to motorway concessions and public-private partnerships that are in line with the development strategy and financial framework defined annually by the Board of Directors, provided that the related contracts do not represent investments exceeding €500 million individually and €1,500 million in 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 June 24, 2003 to €5 million, excluding tax, for work contracts and €0.5 million for contracts for supplies and services.

1- The Board of Directors

1-1 MEMBERS OF THE BOARD OF DIRECTORS AT MARCH 10, 2005

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.

There are five independent directors who have no links with the Group, its shareholders or management that could prevent them from independently exercising their judgment. These five directors are Hubert du Mesnil, Michel Davy de Virville, Pierre-Henri Gourgeon, Bernard Maurel and Gérard Payen.

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

1-2 BOARD PROCEDURES AND PROCESSES

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 fulfill 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 decides on Company strategy and monitors 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 Group'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.

1-3 WORK CONDUCTED BY THE BOARD IN 2004

In 2004, there were a number of changes in the composition of the Board of Directors. In March, René Barberye was replaced by Philippe Dumas, Chairman of ADF. In May, Bernard Seligmann was replaced by Chantal Lecomte. In December, Hubert du Mesnil was replaced by Vinci, who named Antoine Zacharias as permanent representative, and Pierre Laugeay was replaced by Magali Debatte.

The Board met seven times in 2004, with an average attendance rate of around 70%. The majority of the meetings were prepared by the Committees of the Board, which made recommendations concerning agenda items.

In 2004, the main activities of the Board of Directors were as follows:

- it approved the financial statements of the Company and the Group for the year ended December 31, 2003, as well as the 2004 interim financial statements;
- it reviewed ASF's financial strategy, including cash and debt management and financing policies, and approved the 2005 budget;
- it authorized the Chief Executive Officer to sign a framework cooperation agreement with Vinci–Concessions, as well as an addendum to the concession contract relating to the southern bypass of Roche-sur-Yon (addendum no. 10), and a support services agreement with Truck Etap;
- it authorized the Chief Executive Officer to negotiate and sign concession bids for the design, construction, repair, maintenance and operation of the Artenay-Courtenay section of the A19 motorway and the Saint-Julien-en-Genevois/Villy Le Pelloux section of the A41 motorway;
- it appointed new directors and new members of the Committees of the Board;
- it set the fixed portion of the compensation paid to corporate officers, as well as performance bonuses and targets, and decided on the terms and conditions for paying attendance fees;
- it was informed of the construction and operating activities carried out under the concession agreement and program contract.

At an exceptional meeting held in November 2004, the Board approved the signature of a shareholders' agreement between the French State, Vinci and ASF, and agreed in principle to an employee share issue in 2005, which will have no impact on the State's interest in the Company.

A specific meeting was also held to discuss ASF's development strategy. At this meeting, the Company's development strategy was approved and a new procedure was established for authorizing contracts requiring investment for development projects. To this end, the Board approved amendments to the internal rules of the Board of Directors, as well as to the charter governing the operations of the Strategy and Contracts Committee.

Also during the year, the Board examined the procedures for assessing its efficiency. Following a presentation by a lawyer on the role of the Board of Directors and the duties of directors, the Board of Directors decided to obtain an independent assessment of its efficiency, performed by outside consultants under the direction of an independent director. This assessment was carried out between December 2004 and February 2005, and will be presented to the Board of Directors for discussion during the first half of 2005.

2- Committees of the Board

2-1 MEMBERS OF THE COMMITTEES

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

- the Audit Committee, comprising five directors in 2004 (compared with four in 2003) appointed by the Board for a renewable three-year term. The current members are Philippe Dumas, Chantal Lecomte, Bernard Maurel, Jean-Louis Girodolle and Jacques Thoumazeau, who was appointed for the first time in 2004. The Committee is chaired by Philippe Dumas;
- the Compensation Committee, comprising three directors in 2004 appointed by the Board for a renewable three-year term: Michel Davy de Virville, Hubert du Mesnil and Gérard Payen. The Committee is chaired by Michel Davy de Virville;
- the Strategy and Contracts Committee, comprising five directors in 2004 (compared with four in 2003) appointed by the Board for a renewable three-year term: Bernard Val, Gérard Payen, Pierre-Henri Gourgeon, Jean-Louis Girodolle and Alain Barkats, who was appointed for the first time in 2004. The Committee is chaired by Bernard Val.

2-2 ROLE OF THE COMMITTEES AND WORK CONDUCTED IN 2004

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.

2-2-1 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 standards for the preparation of the consolidated financial statements, on the appointment or re-appointment 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 Group, notably the Chief Executive Officer, Chief Financial Officer and Internal Audit Director.

- **Work conducted by the Audit Committee in 2004**

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

The Audit Committee met five times in 2004. During the year there were the following changes in membership: Philippe Dumas replaced René Barberye, Chantal Lecomte replaced Bernard Seligmann, and Jacques Thoumazeau was appointed as an additional member.

At its meetings, the Committee reviewed the financial statements of the Company and the Group for the year ended December 31, 2003, and the 2004 interim financial statements. It also examined Group debt management, cash management and financing policy, and the accounting policies applied, and reviewed the work of the statutory auditors and their fees. The Committee was kept informed of progress concerning transition to International Financial Reporting Standards. Also in 2004, 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 2003 and 2004 and follow-up actions, and presented the audit plan for 2005. 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 Group.

2-2-2 Compensation Committee

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

The Committee met twice in 2004, with a 100% attendance rate. There were no changes in membership during the year.

- **Work conducted by the Compensation Committee in 2004**

The Compensation Committee examined issues related to directors' fees and senior management compensation. It made recommendations concerning the fixed portion of compensation, performance bonuses and targets, as well as the terms and conditions for paying directors' fees.

2-2-3 Strategy and Contracts Committee

The role of the Strategy and Contracts Committee is to make recommendations on Group 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 Group concerned by an item on the agenda.

- **Work conducted by the Strategy and Contracts Committee in 2004**

The Strategy and Contracts Committee met five times in 2004. The only change in membership during the year concerned the appointment of Alain Barkats as an additional member.

In 2004, the Committee reviewed and approved the draft framework cooperation agreement with Vinci–Concessions and the draft addendum to the concession contract relating to the southern bypass of La Roche-sur-Yon (addendum no. 10).

The Committee was kept informed of the preparatory work conducted in connection with several concession bids in France and abroad, including those for the design, construction, repair, maintenance and operation of the Artenay–Courtenay section of the A19 motorway and the St Julien en Genevois/Villy Le Pelloux section of the A41 motorway. It reported to the Board on the economic and financial terms and conditions of these bids.

On several occasions in the year the Committee analyzed proposals put forward by senior management concerning strategic development issues and the related implementation procedures. It presented its recommendations to the Board, prior to the December 2004 Board meeting held to decide on strategic goals.

3- Information given to directors and the Directors' Charter

3-1 INFORMATION GIVEN TO DIRECTORS

For directors to be able to fulfill 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.

3-2 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.

II- INTERNAL CONTROL PROCEDURES

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.

Internal control procedures form part of a system designed to manage the accounting, financial and other risks associated with the Company's business. The system must provide reasonable assurance that internal control and risk coverage objectives are met.

However, no control system can provide absolute assurance that all risks have been completely eliminated.

1- Overall organization of internal control

Under ASF's overall organization structure (see organization chart in the Appendix), each operating or corporate department is responsible for establishing and implementing internal control procedures.

These procedures are regularly reviewed as part of the risk management process set up four years ago, on the basis of which recommendations are made on how to improve internal control. This pro-active risk management process was initially carried out by the Management Committee, prior to being extended to all departments within ASF and ESCOTA with a view to establishing risk categories and specific risk management procedures.

The Internal Audit Department – which reports to senior management – coordinates all risk management reviews. It is also responsible for ensuring that internal control procedures are correctly applied. The Audit Committee is informed of the risk management reviews and the outcome of the audit work carried out by the Internal Audit Department.

This report was prepared based on information provided by each operating and corporate department as part of the risk management process. It was presented to the Audit Committee and the Board of Directors.

2- Description of the system of internal control

2-1 FINANCE DEPARTMENT

The Finance Department is divided into the following sub-departments:

- accounting/consolidation
- management accounting
- cash management and financing
- financial communications

• Accounting/consolidation

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

All Group companies use the same accounting and consolidation procedures, based on an integrated accounting software application. The Accounting/Consolidation department ensures that these procedures are correctly applied.

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

The accounts of newly-consolidated subsidiaries are also reviewed.

• Management accounting

This department is responsible for leading a network of management accountants based in the Group's regional operating departments. It performs a monthly analysis of budget variances and draws up a management reporting package. Expense and investment items are broken down in accordance with cost accounting principles, enabling the department to track transactions by both business and cost center.

• Cash management and financing

This department monitors the Group's cash position on a daily basis. It provides estimates, proposes adjustments to authorized overdraft and financing facilities, and presents a monthly management report to the Chief Financial Officer.

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

Payments are secured by electronic encoding and signing of bank instructions, as well as by a segregation of tasks between the person who issues the payment instruction and the person who proceeds with payment.

• Financial communications

The Financial Communications department is split into Institutional Investor Relations and Private Shareholder Relations. Specific internal procedures have been established which have to be applied prior to disclosing any information outside the Group.

A centralized payment procedure was set up in 2004 as part of the integrated software application, together with a procedure for managing user profiles and access authorizations. In early 2005, the Finance Department created the post of Quality and Internal Control Manager.

2-2 CONTRACTS

The Company has set up three systems to ensure that contracts are awarded on the basis of a competitive bidding process and to prevent corruption:

- the Consultation Committee for Company Contracts set up in May 2001, which reports directly to the Chief Executive Officer, issues recommendations concerning work contracts in excess of €5 million, excluding tax, and supply and service contracts in excess of €0.5 million, excluding tax, and also oversees the procedures for awarding contracts. Members of the Committee include three external persons: a Government Auditor, a representative of the competition authorities (DGCCRF), and a contract specialist;
- the Construction Department, which is responsible for awarding the largest contracts (in terms of value), has set up a Competitive Bidding Unit which oversees and centralizes all procedures for the awarding of contracts;
- 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.

2-3 OPERATIONS DEPARTMENT

Internal control procedures within the Operations Department are structured around three key quality management tools:

- a manual setting out business processes and service quality standards relating to motorways, tolls, rest and service areas, and safety and security;
- a "Performance" system that monitors whether service quality targets have been met, and which is rounded out by a customer satisfaction index;
- a yearly Operations Management and medium-term budget rating. This entails a comprehensive review of action points carried out over the year, as well as a risk analysis and description of strategic operating goals and the related action plans.

Based on these measurement tools, the Group can adapt its operating structure and methods to regulatory, contractual and market conditions. In 2004, for example, improvements were made in the area of traffic management operations, through the general application of standards set out in the SDER masterplan drawn up by the French Infrastructure Ministry on road use. Also during the year, the Group launched a major video-surveillance program for monitoring motorways and traffic, strengthened its information chain, and formally documented all procedures related to emergency and support services.

A specific department (DSEP) dedicated to operating safety procedures and future planning has been set up within the Operations Department. DSEP is responsible for initiating discussions on risk management issues, overseeing preventive and corrective measures, and providing the Development Department with technical support when submitting bids, so that these may include the best possible safety guarantees for the potential new concessions.

These action points will be pursued in 2005, especially those concerning operating risk management. At the same time, the business process manual will be fine-tuned, a Group-wide system will be set up for managing operations projects, and management control tools will be honed in order to provide operations staff with an enhanced and more rapid flow of information.

2-4 CONSTRUCTION DEPARTMENT

The Construction Department has deployed a quality management organization and system designed to guarantee control over the design and construction of motorways. In June 2003, these activities obtained ISO 9001:2000 certification.

Internal control procedures related to the Construction Department mainly comprise:

- documentation based on a quality manual, a business process manual, a manual of internal procedures, construction standards, and a guide to official procedures.

- control processes related to the conduct of operations, including:
  - permanent supervision by the Operations Department;
  - monitoring of construction costs by the Cost Controller;
  - checks to ensure compliance with the specifications set out in the concession agreement, and reviews of technical solutions at each stage of the motorway design project;
  - checks of purchasing processes to verify compliance with regulations governing the awarding of contracts for work, supplies and services;
  - controls carried out by the project manager 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.

Improvements made to the Construction Department's internal control procedures in 2004 included setting up a review procedure of awards of major work contracts and regularly carrying out specific Construction Department quality audits.

2-5 DEVELOPMENT DEPARTMENT

The Development Department is responsible for ASF's development projects in France and abroad carried out with a view to achieving organic growth.

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.

The Department is structured around project managers and areas of expertise. 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 2004 and early 2005, an operating manual was drafted relating to the Development Department's working procedures.

2-6 HUMAN RESOURCES DEPARTMENT

The Human Resources Department defines the Group's recruitment, training and career management strategies, and establishes compensation policy guidelines.

Internal control procedures have been set up in the following areas:

- executive career management: career plans, succession planning;
- management of Human Resources units: use of the SIRH software (human resources management, human resources reporting);
- training: training plans, skills enhancement programs;
- compensation: controls over the pay process, approval of budgets by Group senior management;
- employee relations: local empowerment, approval of agreements with employee representatives by Group senior management.

2-7 LEGAL DEPARTMENT

This department ensures that the Group complies with all relevant legal requirements, acting in close cooperation with other departments in the Group. It has established internal control procedures in the following areas:

- centralized file management for contracts, lawsuits and research, which is handled by specialists;
- 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.

In 2005, internal control improvements relating to the Legal Department will involve the drafting of an operating manual and a manual on internal procedures, combined with measures to optimize insurance policies and premiums.

2-8 COMMUNICATIONS DEPARTMENT

This Department is responsible for defining ASF's communications strategy. It gives advice and technical assistance to each of the Group's operating units and corporate functions.

The Communications Department has established internal control procedures to manage reputational risks, covering:

- planned events: management training, regional communications plans, press releases;
- unplanned events: reporting procedure, crisis management unit, press watch;
- radio Trafic programming: approval of programs, editorial committee, systematic information about events;
- corporate communications: national and regional communications plan, validation of published information.

In 2004, the Communications Department strengthened its internal control procedures, notably by drawing up operating rules. In 2005 it will continue to train regional communication managers and will set up a press relations training program.

2-9 ENVIRONMENT AND SUSTAINABLE DEVELOPMENT DEPARTMENT

The Environment and Sustainable Development Department provides support to the other departments on specialist environmental issues, and relays to each entity regulatory rules and standards. Upon request it also offers assistance to the Development, Construction and Operations departments with their projects.

3- Outlook

ASF is committed to continuously improving internal control by:

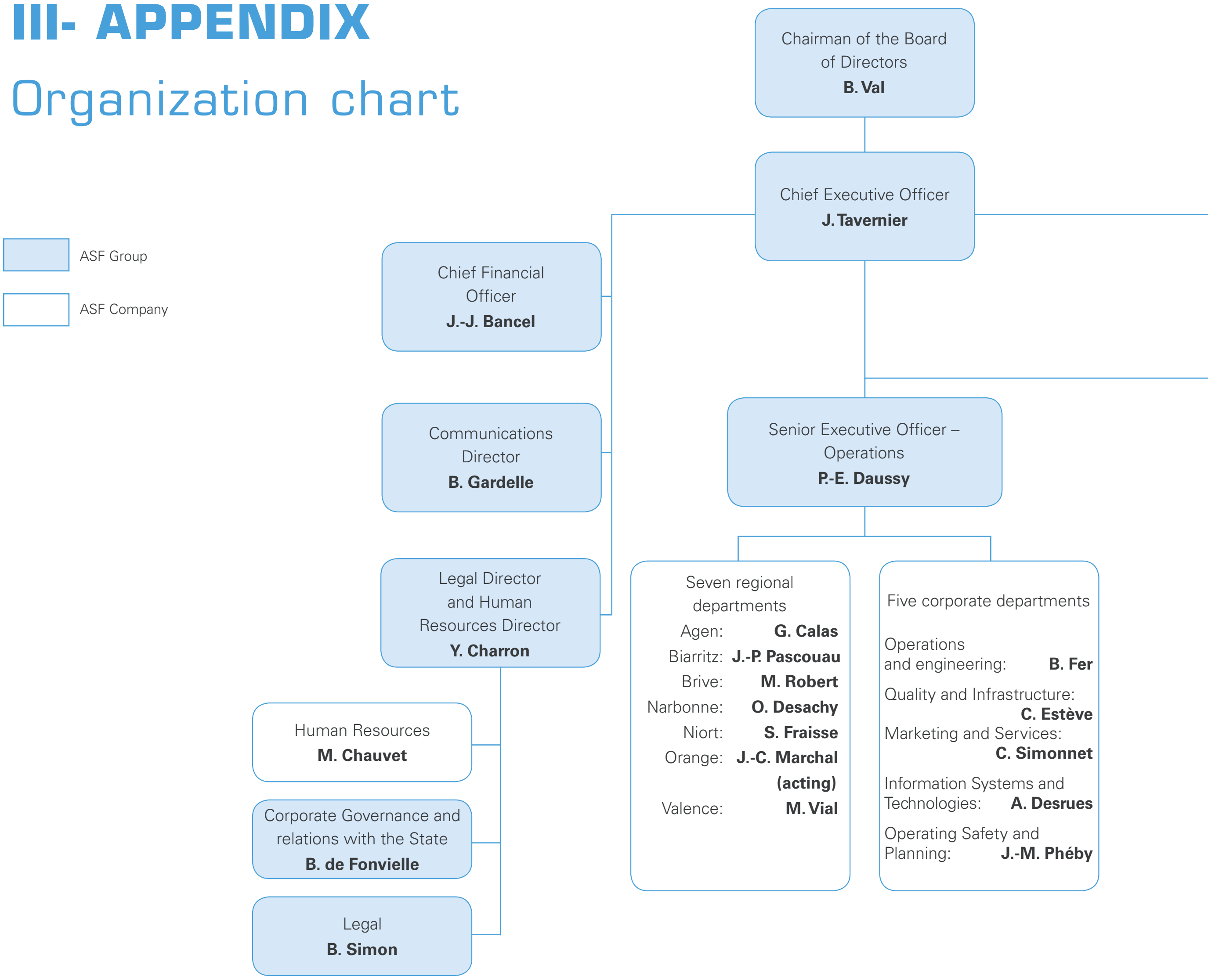
- rolling out its risk-based approach Group-wide;
- implementing an awareness-building and training program in the area of internal control;
- creating two new departments – a Corporate Secretary's Office and a Real Estate Development Department, and setting up an internal control oversight function in the Finance and Operations departments;
- putting in place Group operating rules that specify roles and responsibilities within the Group.

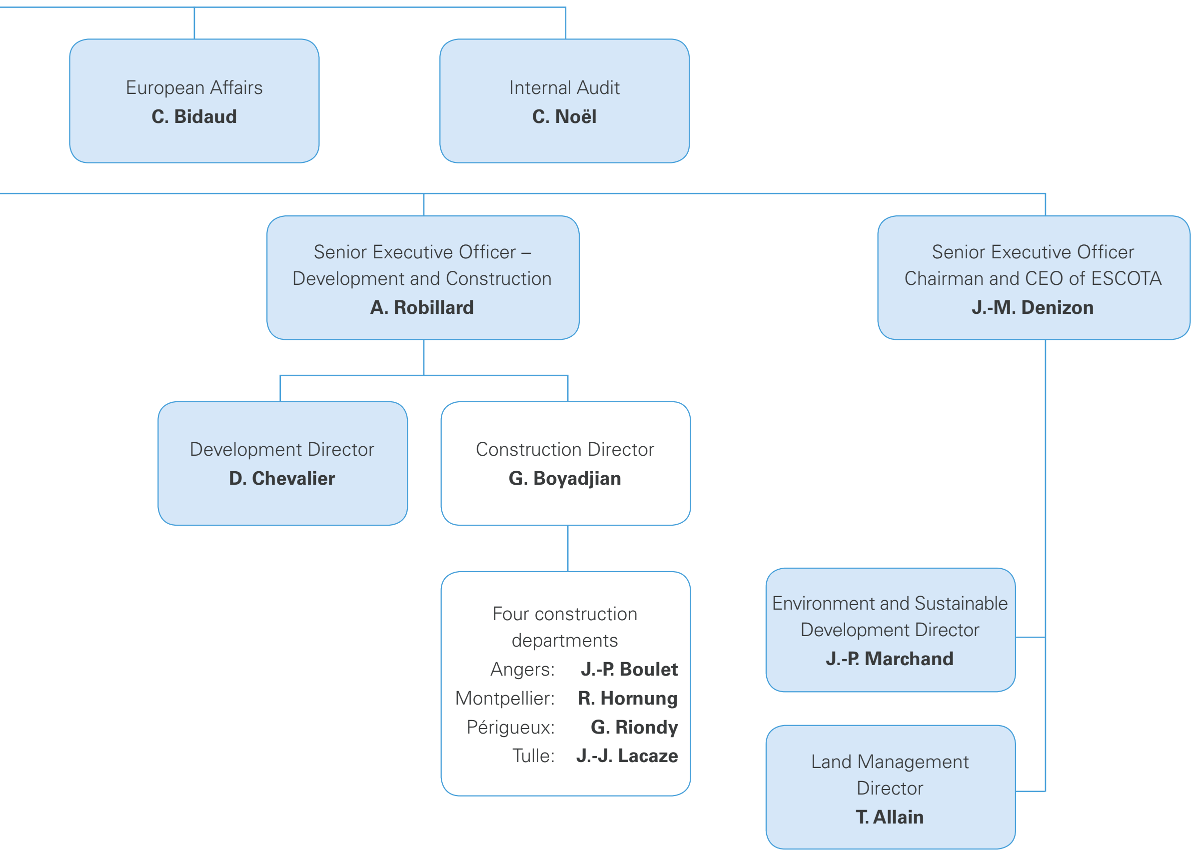
ASF's objective is to gradually build up a system for assessing whether the Group's internal control procedures are appropriate and effective, in order to be able to strictly monitor the quality of these procedures over the long term.

Bernard Val
Chairman of the Board of Directors

III- APPENDIX

Organization chart




European Affairs
C. Bidaud
Internal Audit
C. Noël
Senior Executive Officer – Development and Construction
A. Robillard
Senior Executive Officer Chairman and CEO of ESCOTA
J.-M. Denizon
Development Director
D. Chevalier
Construction Director
G. Boyadjian
Four construction departments
Angers: J.-P. Boulet
Montpellier: R. Hornung
Périgueux: G. Riondy
Tulle: J.-J. Lacaze
Environment and Sustainable Development Director
J.-P. Marchand
Land Management Director
T. Allain

Société des Autoroutes du Sud de la France

Société Anonyme d'Économie Mixte. Share capital €29,343,640.56
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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.

YEAR ENDED DECEMBER 31, 2004

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

PricewaterhouseCoopers Audit
Tour AIG
34, place des Corolles
92908 Paris La Défense Cedex

J P A
7, rue Galilée
75116 PARIS

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 December 31, 2003.

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, March 31, 2005
The Statutory Auditors

PricewaterhouseCoopers Audit
Paul Onillon

JPA
Jacques Potdevin

RISK FACTORS

FACTORS IMPACTING 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 and toll receipts, 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 heavily regulated environment and our results of operations are influenced by government road policies and regulations. 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. For new concessions, including in areas served by our existing network, we are exposed to competing bids from French and foreign operators. 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. On the North/South axis, the A75 motorway between Clermont-Ferrand and Montpellier has created competition with the A7/A9, which is also part of our network, since the opening of the Millau viaduct at end-2004. 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 kilometers 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. As from 2005-2006, certain sections of the A10 will also be faced with competition from the A20, part of which will be toll-free with the toll-paying section managed by our Group.

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.

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 favorable 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.

FINANCING OF FUTURE MOTORWAY CONSTRUCTION

Substantially all of our network has been financed by loans from Caisse Nationale des Autoroutes (CNA), a public body that provides funds for motorway construction in France. 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. If the new financing is raised at higher rates of interest than those charged by CNA, our results of operations may be adversely affected.

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 Group, or that the problems will not lead to new concessions being awarded to competitors.

CONSTRUCTION RISKS

Our large-scale construction projects expose us to the risk of shortages of materials or labor, higher materials or labor 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.

OPERATING RISKS

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. 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.

UNCERTAINTY CONCERNING THE GROUP'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 developing our expertise in this area, and have recently bid for the A19 and A41 concession projects in France, as well as for the Thessalonica tunnel in Greece and the M6 motorway in Hungary.

Our new concessions won in connection with this expansion strategy may be subject to construction, operating, financial and legal risks. We will take measures to ensure that the related investments do not have a material impact on the Group's risk profile.

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 January 1, 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 which 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.

ENVIRONMENTAL, HEALTH AND SAFETY COMPLIANCE COSTS

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), and fire prevention. 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 strictly 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 June 4, 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 February 7, 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.

OFF-BALANCE SHEET COMMITMENTS

International operations

On September 19, 2002, we 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-kilometer phase of the project, including 33 kilometers between Kingston and Sandy Bay, and 11 kilometers between Portmore and Causeway. This phase represents a total investment of US$10.2 million, including US$5.1 million for the 33-kilometer section – which had been paid in full as of December 31, 2004 – US$1.7 million for the 11-kilometer section – of which US$0.9 million had been paid as of December 31, 2004 – and US$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.

Financial instruments

As of December 31, 2004, we had several contracts on financial instruments, as follows:

i) 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. These instruments, which are carried off-balance sheet, had a positive fair value of €74.2 million excluding accrued interest at December 31, 2004;

ii) One 3-month Euribor lender/fixed rate borrower swap on a notional amount of €152.5 million linked to one of the transactions referred to in i) above but with a one-year term, and two 3-month Euribor lender/12-month Euribor borrower swaps on a total notional amount of €100 million, for which the rates are determined quarterly in arrears, linked to transactions referred to in i) above. These instruments, which are also carried off-balance sheet, had a negative fair value of €1.8 million excluding accrued interest at December 31, 2004;

iii) Caps and floors linked to the transactions referred to in i) above, but with shorter terms. At December 31, 2004, these instruments had a negative fair value of €3.5 million, versus a positive fair value of €5.1 million at December 31, 2003.

The instruments referred to in i), ii) and iii) above had an aggregate positive fair value of €68.9 million, excluding accrued interest, at December 31, 2004, compared with a positive fair value of €5.1 million for the underlying balance sheet debt, representing an unrealized profit of €63.8 million. In the financial statements, these instruments are treated as hedging instruments. However, it is probable that the instruments referred to in ii) and iii) above will be qualified as trading instruments under IAS 39.

DERIVATIVE INSTRUMENTS BY TYPE AND MATURITY AT DECEMBER 31, 2004

(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	152.5	0.0	0.0	152.5
Floating-to-floating rate swaps	0.0	0.0	100.0	100.0
Purchased caps	780.4	1,540.7	0.0	2,321.1
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

GROUP EXPOSURE TO INTEREST RATE RISK AT DECEMBER 31, 2004

(in millions of euros)	Less than 1 year	1 to 5 years	More than 5 years	Total
Assets	(418.2)	0.0	0.0	(418.2)
Debt	741.7	2 186.5	5 071.2	7,999.5
Net position before hedging	323.5	2,186.5	5,071.2	7,581.3
Fixed-to-floating rate swaps	1,032.9	(335.4)	(697.5)	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	980.2	2,227.3	4,373.7	7,581.3

In addition to the above disclosures relating to ASF directly, CNA has set up the following swaps on behalf of ASF:

- two interest rate swaps (one for €161.4 million indexed to the money market rate, expiring in 2011 and one for €150 million indexed to the Euribor, expiring in 2015). The swaps are matched, in amount and maturity, to two fixed rate loans.

- two cross currency swaps – a sterling-to-euro swap on €6.2 million expiring in 2006, and a Swiss franc-to-euro swap on €301.1 million expiring in 2008. These swaps are matched, in amount and maturity, to two loans totaling GBP 5.1 million and CHF 475.9 million respectively.

Other off-balance sheet commitments

We enter 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:** we consider that our 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 with a €7.6 million ceiling on total claims per insurance year for ASF, and €15 million for ESCOTA. Companies that participate in the construction of motorways are required to carry insurance covering their own liability. We do not carry any business interruption insurance covering the loss of toll receipts due to demonstrations or strikes or other losses. Insurance premiums total around €2 million, excluding personal insurance policies, which are managed by the Human Resources Department.

- **Market risks:** our exposure to currency risks essentially concerns our Jamaican subsidiary and is not material. Our commitments in Jamaica are described in the section "International operations" above.

  Our exposure to interest rate risks is discussed in the notes to the consolidated financial statements (mainly notes 4-22 and 4-25).

- **Liquidity risks:** 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 provides funds for motorway construction in France, in the form of bullet loans that do not include any acceleration clauses. 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. The improvement in our balance sheet ratios, in line with the targets for 2005 announced at the time of the IPO, is important because as from 2005, we will no longer have access to the triple-AAA rated financing currently provided by CNA and will have to borrow directly on the market under our own signature.

  We have a €250 million drawdown facility until July 2006 under a long-term financing contract signed with the EIB. In addition, we recently signed confirmed bilateral 364-day credit lines, for an aggregate amount of €240 million. Lastly, at its December 2004 meeting, the Board of Directors of CNA approved €300 million in financing for ASF for 2005.

  ASF was originally rated AA- by S&P. In April 2003, following a change in analysis methodology (involving a reduction in the projection period from 10 to 5 years), the ratings for all European motorway operators were revised and ASF's rating was adjusted from AA- to A+, with a stable outlook.

- **Interest rate risks:** based on our debt structure at December 31, 2004, and taking into account the caps which protect €780.4 million against a sharp rate increase, a 100 basis point increase in interest rates would have the effect of raising the Group's average borrowing costs by about 11 basis points in 2005, representing an impact of €8.8 million on the Group's net interest expense.

  ASF has a team dedicated to monitoring and managing interest rate risk. A new software application is currently being rolled out with a view to improving this risk control process, especially with regard to new constraints related to IFRS. In addition, ASF not only receives expert financial advice from a large number of banks but also consults external advisors that operate independently from the banks. Lastly, all operations concerning interest rate risk management are governed by a set of internal procedures.

- **Currency risks:** excluding the joint-venture operations in Jamaica, we operate exclusively in Euro zone countries – mainly in France. We are therefore not exposed to any currency risk. Our external financing is denominated solely in euros, as disclosed in Note 4-22 to the consolidated financial statements. We are not therefore exposed to any currency risk in relation to this debt.

- **Government contracts:** we are subject to the procedures covering government contracts and all our contracts are granted under a competitive bidding process. We are not dependent on any individual suppliers, customers or sub-contractors.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

The English language version of these consolidated financial statements 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.

contents

Consolidated income statement

(in millions of euros)	Notes	2004	2003	2002
Revenues	4-1	**2,389.2**	**2,238.7**	**2,104.2**
Operating expenses		**(1,343.7)**	**(1,265.5)**	**(1,215.8)**
Purchases and external charges	4-2	(275.1)	(262.2)	(262.1)
Payroll costs	4-3	(330.6)	(312.9)	(295.4)
Other operating income and expense, net	4-4	29.3	31.7	29.9
Taxes (other than income tax)	4-5	(291.4)	(277.7)	(266.2)
Depreciation, amortization and provisions	4-6	(475.9)	(444.3)	(422.0)
Operating income		**1,045.4**	**973.2**	**888.4**
Net interest expense	4-7	(428.9)	(469.9)	(474.8)
Income from ordinary activities		**616.6**	**503.3**	**413.6**
Exceptional items	4-8	(0.9)	(1.0)	(4.0)
Income tax	4-9	(212.5)	(177.2)	(142.2)
Net income before minority interests		**403.1**	**325.1**	**267.4**
Minority interests		(1.0)	(0.8)	(1.8)
Net income		**402.1**	**324.4**	**265.6**
Earnings per share (in euros)		1.741	1.404	1.213
Average number of shares		230,978,001	230,978,001	218,935,784
Diluted earnings per share (in euros)		1.741	1.404	1.213
Number of shares assuming full dilution		230,978,001	230,978,001	218,935,784

Consolidated balance sheet

ASSETS (in millions of euros)	Notes	2004	2003	2002
Intangible assets	4-11	22.8	23.5	15.6
Property, plant and equipment				
- Concession assets	4-12	16,894.8	16,284.0	15,612.5
- Depreciation	4-12	(4,955.0)	(4,513.8)	(4,109.7)
Investments	4-13	18.4	16.0	14.6
Fixed assets		**11,981.1**	**11,809.7**	**11,533.0**
Inventories and work in progress	4-14	13.3	13.1	12.3
Trade accounts receivable	4-15	134.0	117.9	102.5
Other accounts receivable and accruals	4-16	186.8	160.9	218.2
Cash and short-term investments	4-17	437.2	629.3	1,249.7
Total current assets		**771.3**	**921.2**	**1,582.6**
TOTAL ASSETS		**12,752.3**	**12,730.9**	**13,115.6**

LIABILITIES AND SHAREHOLDERS' EQUITY (in millions of euros)	Notes	2004	2003	2002
Capital stock		29.3	29.3	29.3
Additional paid-in capital and retained earnings		3,027.9	2,876.2	2,716.8
Net income for the year		402.1	324.4	265.6
Shareholders' equity	4-18	**3,459.4**	**3,229.9**	**3,011.8**
Minority interests	4-19	**3.0**	**2.3**	**1.5**
Other equity	4-20	**104.7**	**104.7**	**104.7**
Provisions for contingencies and charges	4-21	**87.9**	**60.7**	**63.6**
Borrowings	4-22	8,310.5	8,487.7	8,980.2
Trade accounts payable	4-23	57.9	49.9	54.4
Other liabilities and accruals	4-24	729.0	795.8	899.4
Total liabilities		**9,097.4**	**9,333.3**	**9,934.0**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**12,752.3**	**12,730.9**	**13,115.6**

Consolidated statement of cash flows

(in millions of euros)	Notes	2004	2003	2002
Net income before minority interests		403.1	325.1	267.4
Adjustments to reconcile net income to cash flow				
Amortization, depreciation and provisions		475.9	444.3	422.0
Changes in deferred taxes		2.7	16.4	41.6
(Gains)/losses on disposals, net of tax		(1.4)	(0.0)	0.2
Other		17.8	15.1	13.4
Cash flow before tax effect of reform-related changes in accounting method		898.1	800.9	744.7
Cash flow	5-4	**898.0**	**800.9**	**744.7**
Changes in operating working capital				
Receivables and inventories		(42.5)	24.4	(14.8)
Payables		(1.9)	76.8	25.3
Other		(33.8)	(7.5)	(16.0)
Net change in operating working capital		**(78.2)**	**93.6**	**(5.5)**
Tax effect of legal reform on working capital	5-2	-	(185.5)	(185.5)
Net cash provided by operating activities		**819.8**	**709.0**	**553.6**
Additions to property, plant and equipment and intangible assets	4-11/4-12	(657.4)	(725.1)	(729.1)
Proceeds from disposals of property, plant and equipment and intangible assets		3.9	1.2	5.8
Acquisitions of investments		-	-	-
Disposals of investments		(0.0)	-	-
Net change in other investments	4-13	(3.5)	8.1	(1.3)
Net change in working capital related to investing activities		(44.0)	(6.9)	(54.2)
Net cash used by investing activities		**(700.9)**	**(722.7)**	**(778.7)**
Dividends paid to parent company shareholders		(159.4)	(106.2)	-
Dividends paid to minority shareholders of consolidated companies		(0.2)	-	-
Issuance of shares paid up in cash		-	-	858.1
Investment grants received		13.2	1.3	4.0
Bond issues	4-22	450.0	-	832.0
Bond redemptions	4-22	(604.3)	(484.7)	(370.1)
Other		(11.1)	(17.2)	(13.5)
Net cash provided/(used) by financing activities		**(311.8)**	**(606.9)**	**1,310.5**
Effect of exchange rate changes on cash and cash equivalents				
Net change in cash and cash equivalents		**(192.9)**	**(620.6)**	**1,085.4**
Cash and cash equivalents at beginning of year	4-17	625.0	1 245.6	160.2
Cash and cash equivalents at end of year (excluding financial instruments)	4-17	432.1	625.0	1,245.6

Statement of changes in consolidated shareholders' equity and minority interests

	Number of shares	Capital stock (€m)	Additional paid-in capital (€m)	Retained earnings (€m)	Net income (€m)	Shareholders' equity (€m)	Minority interests in retained earnings (€m)	Minority interests in net income (€m)	Total (€m)
Balance at December 31, 2002	230,978,001	29.3	853.5	1,863.3	265.6	**3,011.7**	(0.3)	1.8	**3,013.2**
Dividends paid					(106.1)	(106.1)			(106.1)
Appropriation of income				159.5	(159.5)	0.0			0.0
Minority shareholders						0.0	1.8	(1.8)	0.0
2003 net income					324.4	324.4		0.8	325.1
Balance at December 31, 2003	230,978,001	29.3	853.5	2,022.8	324.3	**3,229.9**	1.5	0.8	**3,232.2**
Dividends paid					(159.4)	(159.4)	(0.2)		(159.5)
Appropriation of income				164.9	(164.9)	0.0			0.0
Effect of a change of method				(13.3)		(13.3)	(0.1)		(13.4)
Minority shareholders						0.0	0.8	(0.8)	0.0
2004 net income					402.1	402.1		1.0	403.1
Balance at December 31, 2004	230,978,001	29.3	853.5	2,174.4	402.1	**3,459.3**	2.0	1.0	**3,462.4**

1- Presentation of the group and significant events

Autoroutes du Sud de la France (ASF) and its subsidiary ESCOTA each hold toll motorway concessions, on 2,660 and 459 kilometers respectively. On March 28, 2001, the Government extended the ASF concession to December 31, 2032 and the ESCOTA concession to December 31, 2026. ASF also operates the toll concession for the 5.5 kilometer Puymorens Tunnel through December 31, 2037.

2- Summary of significant accounting policies

The financial statements of the Group 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 April 1, 2003, the Group changed the method of measuring and recognizing deferred employee benefits. In line with this recommendation, cumulative actuarial gains and losses at December 31, 2003 were recognized in the opening balance sheet at January 1, 2004 for an amount of €20.7 million. The net of tax adjustment of €13.3 million was recognized in opening shareholders' equity. Actuarial gains and losses arising since January 1, 2004 are recognized by the corridor method (see note 2-12).

The impact of the transition to International Financial Reporting Standards (IFRS) is described in note 7.

2-1 INTANGIBLE ASSETS

Intangible assets consist mainly of software, amortized over 3 to 5 years.

2-2 PROPERTY, PLANT AND EQUIPMENT

• Property, plant and equipment and depreciation

Property, plant and equipment fall into two categories based on the depreciation period, as follows:

• Construction assets 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 capitalized interest and certain allocated costs.

Their useful life is longer than the concession period and they are therefore subject to financial depreciation (*amortissement de caducité*) over the life of the concession.

Costs incurred to maintain these assets in a good state of repair and highway resurfacing costs are charged directly as operating expenses in the year in which they are incurred.

• Operating assets with a useful life shorter than the concession period.

These assets include toll booth equipment, signage, teletransmission, 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, ranging from 3 to 10 years.

• Concession assets

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 in connection with motorway operations.

The assets supplied by the State or purchased or built by the concession holder fall into three categories:

- 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 State. Returnable assets 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 correspond to 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 are 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. At present, all assets are classified as returnable.

Construction assets and operating assets are subject to financial depreciation, which is calculated by the straight-line method so as to write off the total value of the assets by the concession expiry date. Financial depreciation is charged to operating expense. In order to provide clearer information to the financial community, since 2001, the Group has applied an exception to the October 11, 1998 CNC recommendation relating to motorway operators' accounts, by presenting this depreciation as a deduction from fixed assets in the same way as other depreciation, amortization and provisions.

Financial depreciation of construction assets is calculated by the straight-line method over the period from the date when the assets are placed in service 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.

2-3 INVESTMENT GRANTS

Investment grants used to finance construction assets are deducted from the cost of the assets concerned.

2-4 INVESTMENTS

Shares in non-consolidated companies are stated at the lower of cost and fair value. Fair value is determined based on the net assets and earnings outlook of the company concerned.

2-5 INVENTORIES

Inventories are stated at the lower of cost and fair value. Cost is determined by the weighted average cost method.

2-6 RECEIVABLES

Receivables are stated at nominal value. An allowance for impairment in value is recorded for doubtful receivables.

2-7 SHORT-TERM INVESTMENTS

Short-term investments are stated at the lower of cost and market. Unrealized gains are not recognized.

2-8 DEBT ISSUES

Debt call premiums and debt issuance costs incurred since 1995 are recorded in assets under deferred charges and are amortized by the straight-line method over the life of the debt.

For debt securities issued at a price in excess of their redemption price, the premium is recorded under deferred income and written back to the income statement over the life of the debt. This method achieves a similar result to recognizing premiums on an accruals basis since the securities are redeemed in full at maturity.

2-9 CONVERSION OF FOREIGN CURRENCY RECEIVABLES AND PAYABLES

Receivables and payables in foreign currencies are converted at the year-end exchange rate. Conversion gains and losses are recorded in the income statement.

2-10 MINORITY INTERESTS

Minority interests in 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.

2-11 OTHER EQUITY

Certain assets received from the State under the concession agreement have been recorded under "Property, plant and equipment" at their value on the transfer date, with the contra entry posted to "Other equity". These assets, which are not depreciated over the life of the concession, will be given back to the State on expiry of the concession agreement, along with other returnable assets.

2-12 PENSION AND OTHER POST-RETIREMENT BENEFIT OBLIGATIONS

Pension and other post-retirement benefits include statutory retirement bonuses, supplementary pension benefits, post-retirement medical benefits and long service awards.

Obligations towards active and retired employees that are not funded under insured plans are covered by provisions, except for unrecognized actuarial gains and losses which are disclosed as off-balance sheet commitments.

Pension and other post-retirement benefit obligations are determined by the projected unit credit method, based on end-of-career salary levels.

In 2004, in accordance with French Accounting Board (CNC) recommendation 2003 R 01 dated April 1, 2003, the Group changed the method of measuring and recognizing deferred employee benefits. In line with this recommendation, cumulative actuarial gains and losses at December 31, 2003 were recognized in the opening balance sheet at January 1, 2004 for an amount of €20.7 million. The net of tax adjustment of €13.3 million was recognized in opening shareholders' equity.

In accordance with CNC recommendation 2003-R.01, which is based on IAS 19, actuarial gains and losses arising since January 1, 2004 are recognized by the corridor method. This method consists of recognizing over the estimated remaining average service lives of employees actuarial gains and losses that exceed the higher of 10% of the projected benefit obligation and 10% of the fair value of plan assets.

In 2004, the Group reviewed all of the actuarial assumptions used to calculate pension and other post-retirement benefit obligations. Following this review, the discount rate was reduced to 4.75% from 5.50% in 2003, the inflation rate was increased to 1.80% from 1.50%, and the healthcare cost trend rate was reduced to 4.00% from 4.50%.

Total actuarial gains and losses arising in 2004 as a result of the above changes in assumptions amounted to €10.7 million. This amount is reported as an off-balance sheet commitment (see note 4-25).

The portion outside the 10% corridor to be recognized over the period 2005 to 2021 totalled €3.2 million at December 31, 2004.

The cost of pension and other post-retirement benefit plans is recognized in the income statement under "payroll costs" and the unfunded obligation is recognized in the balance sheet under "provisions for contingencies and charges".

2-13 INFRASTRUCTURE MAINTENANCE

Most of the costs in this category correspond to the routine cost of repairs to road surfaces, embankments, crash barriers, signage, etc., and are charged directly to the income statement in the period in which they are incurred.

2-14 INDEXED ADVANCES FROM REGIONAL AUTHORITIES

Adjustments to advances based on indexing clauses are recorded directly as net interest income or expense.

2-15 DEFERRED TAXES

Deferred tax assets and liabilities are recorded under the liability method based on the latest known tax rate, for temporary differences between the book value of assets and liabilities and their tax basis.

Deferred tax assets are recorded only if it is probable that they can be applied against future taxable income.

Deferred taxes are not discounted.

2-16 CURRENCY RISK AND HEDGING TRANSACTIONS

Apart from the advance to the Jamaican joint venture, all transactions are carried out in the euro area – mainly France – and the Group is not exposed to any currency risk on transactions.

As explained in note 4-22, all external financing is in euros and the Group has no exposure to currency risks on debt.

2-17 INCOME FROM ORDINARY ACTIVITIES

Income from ordinary activities includes operating income, employee profit-sharing and incentive bonuses, and business financing costs. It does not include non-recurring income and expenses or income and expenses not related directly to operations.

2-18 SEGMENT INFORMATION

Substantially all of ASF's businesses relate to the operation of motorway networks in France under concession agreements. Consequently, the Group has only one reportable business segment.

2-19 UNIT OF ACCOUNT

The tables below are in millions of euros, unless otherwise indicated.

3- Methods and scope of consolidation

The ASF Group includes the parent company ASF (*Autoroutes du Sud de la France*) 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 ESCOTA (*Société des Autoroutes Estérel, Côte d'Azur, Provence, Alpes*), whose registered office is at 41 bis avenue Bosquet, Paris 75343, registered in Paris under number 562 041 525.

Both companies have a December 31 year-end.

Other subsidiaries and affiliates have not been consolidated because they are not material in relation to the Group as a whole. The criteria applied to determine materiality are as follows:

- revenues: €10 million.
- net income (absolute value): €2 million.
- shareholders' equity (absolute value): €10 million.

4- Notes to the consolidated income statement and balance sheet

4-1 REVENUES

Revenues break down as follows:

Revenues (in millions of euros)	2004	2003	2002
Toll receipts	2,342.8	2,189.9	2,053.4
Revenue from other businesses	46.3	48.8	50.8
Total revenues	**2,389.2**	**2,238.7**	**2,104.2**

TOLL RECEIPTS

Growth in toll receipts over the three-year period is analyzed below:

Change in toll receipts 2003 vs. 2002	**+6.6%**
Traffic growth based on comparable network	+2.8%
Effect of network extensions	+0.7%
Effect of tariff increases	+3.1%

Change in toll receipts 2004 vs. 2003	**+7.0%**
Traffic growth based on comparable network	+3.1%
Effect of network extensions	+0.6%
Effect of tariff increases	+3.3%

REVENUE FROM OTHER BUSINESSES

Revenues from other businesses (in millions of euros)	2004	2003	2002
Fees from service stations and other service area operators	31.9	32.8	30.2
Fiber optics and telecommunications fees	14.4	16.0	20.6
Revenues from other businesses	**46.3**	**48.8**	**50.8**

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 fiber optic networks and telecommunications installations.

4-2 PURCHASES AND EXTERNAL CHARGES

Purchases and external charges break down as follows:

Purchases and external charges (in millions of euros)	2004	2003	2002
Energy, supplies and spare parts	38.9	38.3	32.6
Infrastructure maintenance	71.3	67.9	76.9
Other maintenance	29.4	29.7	29.1
Publicly-owned land tax	55.8	53.1	50.7
Other external costs	79.6	73.2	72.9
Total purchases and external charges	**275.1**	**262.2**	**262.1**

Publicly-owned land tax is due by motorway concession holders in exchange for the right to occupy public land (Decree 97-606 dated May 31,1997).

The infrastructure maintenance plan for 2003 through 2006 has been reviewed to optimize maintenance operations without compromising road-user safety and without any lowering of maintenance standards.

Infrastructure maintenance costs can be analyzed as follows:

Infrastructure maintenance costs (in millions of euros)	2004	2003	2002
Road surfaces	34.9	33.0	43.9
Bridges and tunnels	12.9	11.1	9.6
Embankments, crash barriers, etc.	23.4	23.9	23.4
Infrastructure maintenance costs	**71.3**	**67.9**	**76.9**

Highway re-surfacing costs are qualified as replacement costs. Effective from 2005, they will be depreciated by the components method, which consists of depreciating individual parts of an asset over their respective useful lives.

Other infrastructure maintenance costs correspond to routine network maintenance and are charged directly to the income statement.

4-3 PAYROLL COSTS

4-3-1 Analysis of payroll costs

Payroll costs for the companies in the ASF Group are as follows:

Payroll costs (in millions of euros)	2004	2003	2002
Wages and salaries	204.5	197.8	192.1
Payroll taxes and deferred benefits	102.1	92.1	90.6
Incentive bonuses and employer contributions to employee savings plan	6.4	8.5	7.1
Employee profit sharing	17.6	14.5	5.6
Total payroll costs	**330.6**	**312.9**	**295.4**

The companies in the ASF Group were required to set up a statutory profit-sharing scheme for the first time in 2001. A special agreement was signed at ASF for the period 2001-2002, providing for higher profit-sharing payments than under the statutory formula. A new Group-level special agreement was signed in 2003 covering the period 2003-2005.

In addition, a new Group-level incentive bonus agreement was signed in 2003, covering the years 2003-2005.

4-3-2 Weighted average number of employees

The detailed information provided below concerns the weighted average number of full-time equivalent employees on the Group's payroll.

	2004	2003	2002
Management	635	607	574
Supervisors	2,289	2,192	2,131
Other	4,417	4,633	4,821
Total employees	**7,341**	**7,432**	**7,526**

The net changes in employee numbers over the period can be explained as follows:

	2003 VS. 2002
Network extensions	+0.27%
Traffic growth and improved service levels	+0.24%
Gains in productivity	(1.76)%
Total	**(1.25)%**

	2004 VS. 2003
Network extensions	+0.27%
Traffic growth and improved service levels	+0.65%
Gains in productivity	(2.14)%
Total	**(1.22)%**

4-4 OTHER OPERATING INCOME AND EXPENSES, NET

This item corresponds mainly to expense transfers and insurance settlements, representing net income.

Other operating income and expenses, net (in millions of euros)	2004	2003	2002
Capitalized expenses	(0.0)	(0.1)	(10.1)
Own work capitalized	(19.2)	(21.8)	(7.4)
Insurance settlements	(10.8)	(9.4)	(10.2)
Other	0.6	(0.4)	(2.1)
Other operating (income) and expenses, net	**(29.3)**	**(31.7)**	**(29.9)**

Own work capitalized breaks down as follows:

Own work capitalized (in millions of euros)	2004	2003	2002
Software (1)	(2.8)	(7.5)	(4.2)
Additional investments on existing motorways and other	(6.8)	(4.2)	(3.2)
New construction (2)	(9.5)	(10.1)	0.0
Own work capitalized	**(19.2)**	**(21.8)**	**(7.4)**

(1) The increase in own work capitalized in 2003 was partly due to the installation of the new human resources management application.
(2) In 2002, these costs were included under "Capitalized expenses".

4-5 TAXES OTHER THAN INCOME TAX

Taxes other than income tax (in millions of euros)	2004	2003	2002
Regional development tax	207.1	199.5	192.5
Business tax and other local taxes	76.9	71.2	67.3
Payroll-based taxes	3.9	4.3	3.9
Other taxes	3.5	2.7	2.5
Total taxes other than income tax	**291.4**	**277.7**	**266.2**

Since January 1, 2000, the regional development tax has been set at €6.86 per 1,000 kilometers traveled by users.

4-6 DEPRECIATION, AMORTIZATION AND PROVISIONS

Depreciation, amortization and provisions (in millions of euros)	2004	2003	2002
Economic depreciation	75.7	70.2	68.5
Financial depreciation	397.1	372.4	352.3
Net allowances for impairment in value	3.2	1.6	1.2
Total depreciation, amortization and provisions	**475.9**	**444.3**	**422.0**

Financial depreciation breaks down as follows:

Financial depreciation (in millions of euros)	2004	2003	2002
Construction assets	394.1	369.3	349.8
Operating assets	3.0	3.1	2.5
Financial depreciation	**397.1**	**372.4**	**352.3**

4-7 INTEREST INCOME AND EXPENSE

Interest income and expense (in millions of euros)	2004	2003	2002
Interest expense and debt indexing costs	(450.9)	(520.9)	(545.6)
Capitalized interest	16.2	24.4	35.9
Amortization of debt issuance costs and premiums	(7.0)	(6.9)	(7.1)
Other interest income and expense	12.8	33.5	42.0
Net interest expense	**(428.9)**	**(469.9)**	**(474.8)**

Interest expense and debt indexing costs include hedging profits and losses (*see note 4-25 "off-balance sheet commitments"*). In 2004, hedging operations generated a net profit of €18.1 million. For the two fixed-to-floating rate swaps based on the 12-month Euribor, for which interest calculations are performed quarterly in arrears, accrued interest at December 31, 2004 was calculated at the forward 12-month Euribor rate at that date.

All derivative instruments at December 31, 2004 qualified for hedge accounting under French generally accepted accounting principles. At December 31, 2004, provisions for unrealized losses were released in the amount of €2.1 million Unrealized hedging gains, in the amount of €63.8 million, were not recognized (*see note 4-25*).

4-8 EXCEPTIONAL ITEMS

Exceptional items (in millions of euros)	2004	2003	2002
Net gains (losses) on disposals of fixed assets	1.4	0.0	(0.3)
Other	(2.4)	(1.0)	(3.6)
Net exceptional items	**(0.9)**	**(1.0)**	**(4.0)**

4-9 INCOME TAX

Income tax (in millions of euros)	2004	2003	2002
Current taxes	209.9	160.8	100.6
Deferred taxes	2.7	16.4	41.6
Total	**212.5**	**177.2**	**142.2**

Reconciliation of income tax to pre-tax income is as follows:

Income tax: actual charge (in millions of euros)	2004	2003	2002
Net income	402.1	324.4	265.6
Income tax	212.5	177.2	142.2
Minority interests	1.0	0.8	1.8
Pre-tax income	**615.6**	**502.3**	**409.6**
Theoretical tax (Tax rate of 35.42%)	**218.1**	**177.9**	**145.1**
Reconciling items			
Effect of changes in tax rates on deferred taxes	(6.9)		
Other	1.3	(0.7)	(2.9)
Actual net income tax	**212.5**	**177.2**	**142.2**

The average corporate income tax rate will be reduced from 35.42% in 2004 to 34.93% in 2005 and 34.43% in 2006.

Current taxes of €209.9 million include a €0.4 million tax benefit on exceptional items.

The main sources of deferred tax assets and liabilities are the following:

Income tax: deferred taxes (in millions of euros)	2004	2003	2002
Deduction of financial depreciation from own work capitalized	76.4	69.1	59.9
Other provisions	11.6	10.7	10.2
Evergreen tax losses	-	-	12.9
Provisions for pensions and other post-retirement benefit obligations	1.7	3.6	4.0
Employee profit-sharing	6.1	5.1	1.9
Total deferred tax assets	95.7	88.5	88.8
Capitalized interest and own work capitalized	328.1	327.3	313.8
Deductible concession fund expenses	2.6	2.4	0.5
Other	6.1	4.6	3.9
Total deferred tax liabilities	336.8	334.3	318.2
Net deferred tax liabilities	**(241.1)**	**(245.8)**	**(229.4)**

Deferred taxes are presented in the balance sheets at December 31, 2004, 2003 and 2002 as follows:

Income tax: deferred taxes (in millions of euros)	2004	2003	2002
Deferred tax assets	0.0	0.0	12.9
Deferred tax liabilities	(241.1)	(245.8)	(242.2)
Net deferred tax liabilities	**(241.1)**	**(245.8)**	**(229.4)**

4-10 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 amortized in the year of acquisition.

Since December 31, 2002, ASF has held 98.97% of ESCOTA.

4-11 INTANGIBLE ASSETS

Intangible assets consist mainly of software amortized over 3 to 5 years.

Intangible assets (in millions of euros)	2004	2003	2002
Intangible assets at cost	88.4	79.8	65.6
Accumulated amortization	(65.6)	(56.3)	(50.0)
Intangible assets	**22.8**	**23.5**	**15.6**

Changes in intangible assets break down as follows:

Intangible assets (in millions of euros)	2002	Acquisitions/ increases	Disposals/ decreases	Commissioned/ transfers	2003
Intangible assets at cost	65.6	15.1	1.4	0.5	79.8
Accumulated amortization	(50.0)	(7.7)	(1.4)	0.0	(56.3)
Intangible assets	**15.6**	**7.4**	**0.0**	**0.5**	**23.5**

Intangible assets (in millions of euros)	2003	Acquisitions/ increases	Disposals/ decreases	Commissioned/ transfers	2004
Intangible assets at cost	79.8	8.0	0.5	1.1	88.4
Accumulated amortization	(56.3)	(9.9)	(0.5)	0.1	(65.6)
Intangible assets	**23.5**	**(1.9)**	**0.0**	**1.2**	**22.8**

4-12 PROPERTY, PLANT AND EQUIPMENT

• **Concession assets**

Property, plant and equipment Concession assets (in millions of euros)	2004	2003	2002
Construction assets	15,505.3	14,778.9	13,952.8
Construction assets in progress	780.4	924.4	1 099.6
Operating assets	801.8	764.2	731.5
Operating assets in progress	31.1	27.0	37.9
Sub-total	**17,118.6**	**16,494.6**	**15,821.7**
Investment grants	(223.8)	(210.5)	(209.3)
Concession assets	**16,894.8**	**16,284.0**	**15,612.5**

At December 31, 2004, approximately 2,943.4 kilometers of motorway were in service, including 71.4 kilometers opened during the year. Construction assets in progress at that date correspond to approximately 81 kilometers of motorway, plus lane extensions to existing motorways ("ICAS").

Changes in property, plant and equipment break down as follows:

Property, plant and equipment Concession assets (in millions of euros)	2002	Acquisitions	Disposals	Commissioned/ transfers	2003
Construction assets	13,952.8	161.3	2.4	667.3	14,778.9
Construction assets in progress	1,099.6	482.0	0.1	(657.0)	924.5
Operating assets	731.5	43.7	29.7	18.7	764.2
Operating assets in progress	37.9	23.0	0.0	(33.9)	27.0
Property, plant and equipment	**15,821.7**	**710.0**	**32.2**	**(5.0)**	**16,494.6**

Property, plant and equipment Concession assets (in millions of euros)	2003	Acquisitions	Disposals	Commissioned/ transfers	2004
Construction assets	14,778.9	200.0	2.6	529.0	15,505.3
Construction assets in progress	924.5	388.2	0.0	(532.3)	780.4
Operating assets	764.2	35.1	21.6	24.1	801.8
Operating assets in progress	27.0	26.2	0.0	(22.1)	31.1
Property, plant and equipment	**16,494.6**	**649.4**	**24.2**	**(1.2)**	**17,118.6**

- **Depreciation of property, plant and equipment**

Property, plant and equipment Accumulated depreciation (in millions of euros)	2004	2003	2002
Economic depreciation	563.2	519.1	487.3
Financial depreciation	4,391.8	3,994.7	3,622.3
Total accumulated depreciation	**4,955.0**	**4,513.8**	**4,109.7**

Changes in depreciation break down as follows:

Property, plant and equipment Accumulated depreciation (in millions of euros)	2002	Increases	Decreases	2003
Economic depreciation	487.3	62.5	30.7	519.1
Financial depreciation	3,622.3	372.4	0.0	3,994.7
Total accumulated depreciation	**4,109.6**	**434.9**	**30.7**	**4,513.8**

Property, plant and equipment Accumulated depreciation (in millions of euros)	2003	Increases	Decreases	2004
Economic depreciation	519.1	65.8	21.7	563.2
Financial depreciation	3,994.7	397.1	0.0	4,391.8
Total accumulated depreciation	**4,513.8**	**462.9**	**21.7**	**4,955.0**

The change in financial depreciation breaks down as follows between construction assets and operating assets:

Property, plant and equipment Financial depreciation (in millions of euros)	2002	Increases	Decreases	2003
Construction assets	3,457.3	369.3		3,826.6
Operating assets	165.0	3.1		168.1
Accumulated financial depreciation	**3,622.3**	**372.4**	**0.0**	**3,994.7**

Property, plant and equipment Financial depreciation (in millions of euros)	2003	Increases	Decreases	2004
Construction assets	3,826.6	394.0		4,220.6
Operating assets	168.1	3.0		171.2
Accumulated financial depreciation	**3,994.7**	**397.1**	**0.0**	**4,391.8**

4-13 INVESTMENTS

Investments (in millions of euros)	2004	2003	2002
Loans	10.9	10.4	11.1
Investments in non-consolidated companies and related receivables	7.2	5.3	2.4
Other investments	0.3	0.3	1.1
Total investments	**18.4**	**16.0**	**14.6**

Investments are reported in the balance sheet at net book value.

Loans primarily correspond to very long-term loans under the government housing scheme, which amounted to €9.3 million in 2004, €8.9 million in 2003, and €8.4 million in 2002.

Changes in investments break down as follows, at cost:

Investments (in millions of euros)	2002	Increases	Decreases	2003
Loans	11.1	1.1	1.7	10.4
Investments in non-consolidated companies and related receivables*	2.9	3.1	0.3	5.8
Other investments	1.1	0.0	0.9	0.3
Total investments	**15.1**	**4.3**	**2.9**	**16.5**

Investments (in millions of euros)	2003	Increases	Decreases	2004
Loans	10.4	1.3	0.9	10.9
Investments in non-consolidated companies and related receivables*	5.8	3.6	0.6	8.7
Other investments	0.3	0.1	0.1	0.3
Total investments	**16.5**	**5.0**	**1.6**	**19.9**

(*) "Investments in non-consolidated companies 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. The 2004 figure is also stated before a €1 million allowance for impairment in value of receivables from GIE SCA.

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 and €2.7 million in 2004 for this interest, which appears in the balance sheet for €2.8 million at December 31, 2003 and for €5.5 million at December 31, 2004.

In October 2003, Truck Etap SAS was set up to design, build and operate – directly or indirectly – road-user service platforms in France, including fee-paying supervised parking facilities for heavy goods vehicles and related services (service stations, food and accommodation services). Truck Etap has share capital of €0.9 million and is 66%-owned by ASF and 34% by Pimo. The interest is carried in ASF's balance sheet at December 31, 2003 and 2004 for €0.6 million.

4-14 INVENTORIES

Inventories consist mainly of motorway maintenance supplies, spare parts for toll booth equipment, electrical equipment and vehicles, and IT and office supplies.

Inventories (in millions of euros)	2004	2003	2002
Inventories and work in progress	13.3	13.2	12.3
Allowances	(0.1)	(0.1)	(0.0)
Net inventories and work in progress	**13.3**	**13.1**	**12.3**

4-15 TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable (in millions of euros)	2004	2003	2002
Toll subscriptions	93.5	80.8	67.2
Receivables from other businesses	48.4	44.5	41.8
Allowances for doubtful accounts	(7.8)	(7.4)	(6.5)
Trade receivables	**134.0**	**117.9**	**102.5**

Allowances for doubtful accounts mainly concern amounts receivable from telecommunications operators.

4-16 OTHER ACCOUNTS RECEIVABLE AND ACCRUALS

Other accounts receivable and accruals (in millions of euros)	2004	2003	2002
Deferred tax assets	0.0	0.0	12.9
Prepaid and recoverable taxes	51.4	44.6	92.7
Other receivables and accrued income	53.4	35.5	24.7
Prepaid expenses	31.5	29.3	28.6
Deferred charges	50.5	51.5	59.3
Other accounts receivable and accruals	**186.8**	**160.9**	**218.2**

Deferred tax assets in 2002 corresponded to evergreen tax losses recognized by ESCOTA before it joined the tax group. The loss carryforwards had beeen utilized in full by ESCOTA as of December 31, 2003.

Prepaid expenses correspond mainly to half of the publicly-owned land tax paid in July of each year in respect of the period from July 1 to June 30 of the following year.

Deferred charges correspond mainly to unamortized debt issue costs and call premiums. Movements for the period break down as follows:

Deferred charges (in millions of euros)	2002	Increases	Decreases	2003
Deferred charges	16.7	0.0	3.2	13.5
Debt call premiums	42.6	0.0	4.6	38.0
Deferred charges	**59.3**	**0.0**	**7.8**	**51.5**

Deferred charges (in millions of euros)	2003	Increases	Decreases	2004
Deferred charges	13.5	0.9	2.8	11.6
Debt call premiums	38.0	5.4	4.5	38.8
Deferred charges	51.5	6.3	7.4	50.5

4-17 CASH AND SHORT-TERM INVESTMENTS

Cash and short-term investments (in millions of euros)	2004	2003	2002
Short-term investments	423.2	595.2	1,211.9
Cash	14.0	34.1	37.8
Total cash and short-term investments	**437.2**	**629.3**	**1,249.7**

Short-term investments break down as follows:

Short-term investments (in millions of euros)	2004	2003	2002
FCP funds	334.6	402.6	730.5
Sicav funds	80.6	117.2	29.3
	415.2	519.8	759.8
Dedicated funds	0.0	42.9	305.9
	415.2	562.7	1 065.7
Retail certificates of deposit	2.9	18.2	142.1
Other certificates of deposit	0.0	10.0	0.0
	418.1	590.9	1 207.7
Financial instruments	5.1	4.3	4.2
Short-term investments	**423.2**	**595.2**	**1 211.9**

The sensitivity of the short-term investment portfolio to changes in interest rates is low, due to the heavy weighting of FCP and Sicav money market funds with a capital guarantee and guaranteed yield at least equal to the Eonia.

The Company did not hold any of its own shares at December 31, 2004.

4-18 SHAREHOLDERS' EQUITY

ASF's capital stock amounts to €29,343,641 represented by 230,978,001 common shares.

At December 31, 2004, there were no dilutive instruments outstanding.

Shareholders' equity (in millions of euros)	2004	2003	2002
Capital stock	29.3	29.3	29.3
Additional paid-in capital and retained earnings	3,027.9	2,876.2	2,716.8
Net income for the year	402.1	324.4	265.6
Total shareholders' equity	**3,459.4**	**3,229.9**	**3,011.8**

There have been no changes in capital stock since 2002.

4-19 MINORITY INTERESTS

Minority interests (in millions of euros)	2004	2003	2002
Minority interests	3.0	2.3	1.5
Total minority interests	**3.0**	**2.3**	**1.5**

4-20 OTHER EQUITY

Other equity (in millions of euros)	2004	2003	2002
Other equity	104.7	104.7	104.7
Total other equity	**104.7**	**104.7**	**104.7**

Other equity corresponds to assets received from the State without consideration, measured at their value on their transfer date.

4-21 PROVISIONS FOR CONTINGENCIES AND CHARGES

Provisions for contingencies and charges (in millions of euros)	2004	2003	2002
Provisions for pensions and other post-retirement benefit obligations	72.9	50.8	49.7
Provisions for long service awards	2.9	2.9	0.0
Provisions pour claims and litigation	4.3	3.0	2.8
Other provision for contingencies and charges	7.2	3.9	11.1
Total provisions for contingencies and charges	**87.9**	**60.7**	**63.6**

Changes in provisions and allowances can be analyzed as follows:

Total provisions (in millions of euros)	2002	Increases	Decreases	2003	o/w releases of surplus provisions
Provisions for contingencies and charges	**63.5**	**7.8**	**10.6**	**60.7**	**1.0**
Provisions for claims and litigation	2.8	0.7	0.4	3.0	0.1
Provisions for foreign exchange losses	-	0.1	0.1	0.0	-
Provisions for pensions and other post-retirement benefit obligations	47.2	6.1	2.5	50.9	0.9
Provisions for long-service awards	2.5	0.4	-	2.9	-
Provisions for corporate income taxes	1.6	0.3	0.1	1.8	-
Other provisions for contingencies and charges	9.5	0.1	7.6	2.1	-
Allowances for impairment in value	**14.5**	**5.1**	**3.8**	**15.8**	**0.6**
Fixed assets	0.5	-	-	0.5	-
Inventories	0.0	0.1	0.0	0.1	-
Trade receivables	6.5	2.1	1.2	7.4	0.3
Other	**7.4**	**2.8**	**2.5**	**7.7**	**0.3**
Total provisions and allowances	**78.1**	**12.9**	**14.4**	**76.5**	**1.6**

Total provisions and allowances (in millions of euros)	2003	Increases	Decreases	2004	o/w releases of surplus provisions
Provisions for contingencies and charges	**60.7**	**39.4**	**12.2**	**87.9**	**0.0**
Provisions for claims and litigation	3.0	2.3	0.9	4.4	0.0
Provisions for foreign exchange losses	0.0	-	-	0.0	-
Provisions for pensions and other post-retirement benefit obligations	50.9	29.4	7.4	73.0	-
Provisions for long service awards	2.9	0.0	-	2.9	-
Provisions for corporate income taxes	1.8	2.7	1.8	2.7	-
Other provisions for contingencies and charges	2.1	5.0	2.1	5.0	-
Allowances for impairment in value	**15.8**	**3.7**	**1.4**	**18.1**	**0.6**
Fixed assets	0.5	1.0	-	1.6	-
Inventories	0.1	-	0.0	0.1	-
Trade receivables	7.4	1.4	1.0	7.8	0.3
Other receivables	-	-	-	-	-
Short-term investments	-	0.0	-	0.0	-
Other	**7.7**	**1.2**	**0.4**	**8.6**	**0.3**
Total provisions and allowances	**76.5**	**43.1**	**13.6**	**106.0**	**0.6**
Charged/credited to operating expense/income		6.8	3.6		
Charged/credited to interest expense/income		4.1	2.1		
Charged/credited to exceptional expense/income		2.8	0.6		
Charged/credited to payroll costs		8.8	7.4		
Charged/credited to equity		20.7	0.0		

Provisions for pensions and other post-retirement benefit obligations:

Provisions for pensions and other post-retirement benefit obligations (in millions of euros)	Pensions	Other post-retirement benefits	Long-service awards	Total
Provisions at December 31, 2002	**11.9**	**35.4**	**2.5**	**49.7**
Cost for the year	(2.9)	6.4	0.4	4.0
Payments to insurance funds				0.0
Provisions at December 31, 2003	**9.0**	**41.8**	**2.9**	**53.7**
Cost for the year	1.6	7.1	0.0	8.8
Payments to insurance funds	(7.3)			(7.3)
Cumulative actuarial gains and losses recognized in equity		20.7		20.7
Provisions at December 31, 2004	**3.2**	**69.7**	**3.0**	**75.8**

The value of the insurance funds was €27.8 million at December 31, 2004, €18.9 million at December 31, 2003 and €17.6 million at December 31, 2002.

The funded status of the plans at December 31, 2004 was as follows:

	Pensions	Other post-retirement benefits	Long-service awards	Total
Total obligation	**34.8**	**76.9**	**2.6**	**114.2**
Insurance funds	27.8			27.8
Unfunded obligation	**7.1**	**76.9**	**2.6**	**86.5**
Provision at December 31, 2004	**3.2**	**69.7**	**2.9**	**75.8**
2004 actuarial gains and losses (recognized off-balance sheet – see note 4-25)	**3.8**	**7.2**	**(0.4)**	**10.6**

4-22 BORROWINGS

Borrowings (in millions of euros)	2004	2003	2002
Fixed-rate CNA loans	7,253.5	7,407.8	7,892.4
Floating-rate CNA loans	746.0	746.0	746.0
Regional authority advances	43.5	55.6	72.7
Other	37.7	28.2	11.0
	8,080.6	**8,237.6**	**8,722.1**
Accrued interest	229.9	250.1	258.1
Total borrowings	**8,310.5**	**8,487.7**	**8,980.2**

• CNA loans

The loans were obtained from the CNA (the National Motorways Fund – *Caisse Nationale des Autoroutes*), an administrative public sector entity, under an agreement between the 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. The loan agreements do not include any acceleration clauses or other early repayment clauses.

In recent years, financing raised by CNA in foreign currency has been converted into euros by means of swaps and the ASF Group therefore has no foreign currency borrowings. At December 31, 2004 the principal amount of foreign currency debt swapped for euros amounted to €307.3 million.

Fixed-rate CNA loans have nominal interest rates ranging from 4.375% to 13.955%.

Certain CNA loans are at floating rates (based on various market rates, including Euribor). At December 31, 2004, they included €53 million in loans issued at floating rates and €311.4 million in loans converted to floating rates by means of swaps. In addition, one loan in the amount of €343.5 million at December 31, 2004 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 December 31, 2004 to floating rate (3-month or 12-month Euribor).

After taking into account the effect of swaps, at December 31, 2004, loans issued at floating rates or swapped for floating rates totaled €1,740.8 million (€707.9 million + €1,032.9 million), representing 21.8% of total borrowings.
For 2005, interest rates have been reset on loans of €152.5 million and capped at 2.25-3.00% on loans of €780.4 million.

After taking into account all these operations, the average nominal interest rate on ASF borrowings was 5.40% at December 31, 2004 and 5.88% at December 31, 2003.

Based on the debt structure at December 31, 2004, and taking into account the caps that protect €780.4 million against a sharp rate increase, a 100 basis point increase in interest rates would have the effect of raising the Group's average borrowing costs in 2005 by about 11 basis points.

• Regional authority advances

These advances were received between 1985 and 1996 and are indexed to the TP01 Public Works index. They are repayable between 2005 and 2010.

Group borrowings and regional authority advances can be analyzed as follows by maturity at December 31, 2004:

Maturities of debt (in millions of euros)	CNA Loans	Regional authority advances	Total
Years			
2005	377.3	14.6	391.9
2006	484.8	11.9	496.7
2007	451.3	6.8	458.0
2008	784.0	4.7	788.6
2009	466.5	2.8	469.3
2010	818.0	2.8	820.8
2011	637.1		637.1
2012	405.9		405.9
Beyond	3,574.6		3,574.6
Total	**7,999.5**	**43.5**	**8,042.9**
Borrowings raised during the year	**450.0**		**450.0**
Borrowings repaid during the year	**604.3**	**12.1**	**616.5**

4-23 TRADE ACCOUNTS PAYABLE

This caption does not include amounts due to suppliers of fixed assets, which are included in "Other liabilities".

Trade accounts payable (in millions of euros)	2004	2003	2002
Total trade accounts payable	**57.9**	**49.9**	**54.4**

This item breaks down as follows:

Trade accounts payable (in millions of euros)	2004	2003	2002
Amounts billed	33.9	29.7	24.8
Amounts not yet billed	24.1	20.2	29.6
Total trade accounts payable	**58.0**	**49.9**	**54.4**

4-24 OTHER LIABILITIES AND ACCRUALS

Other liabilities and accruals (in millions of euros)	2004	2003	2002
Due to suppliers of fixed assets	174.6	219.0	225.9
Accrued taxes and payroll costs	148.0	133.0	126.3
Deferred income	102.4	110.3	110.2
Accrued income tax	49.0	71.5	0.0
Tax arising from reform-related changes of accounting methods	0.0	0.0	185.5
Deferred tax liabilities	241.1	245.8	242.2
Other	14.0	16.3	9.3
Other liabilities and accruals	**729.0**	**795.8**	**899.4**

Amounts due to suppliers of fixed assets correspond to amounts billed or to be billed by suppliers of fixed assets. At December 31, 2004, 2003 and 2002, this item includes all accruals for additional work or price adjustments related to operations carried out prior to the year-end.

Amounts due to suppliers of fixed assets break down as follows:

Due to suppliers of fixed assets (in millions of euros)	2004	2003	2002
Amounts billed	58.6	105.4	69.0
Amounts not yet billed	116.0	113.6	156.9
Due to suppliers of fixed assets	**174.6**	**219.0**	**225.9**

The line "Tax arising from reform-related changes of accounting methods" shows the tax liability arising in 2000 that was payable in 2001, 2002 and 2003.

Deferred income can be analyzed as follows:

Deferred income (in millions of euros)	2004	2003	2002
Deferred income from telecom operators	40.1	44.5	38.7
Deferred income from service area operators	23.9	26.1	27.7
Deferred income on loans	33.1	37.2	41.4
Other deferred income	5.3	2.4	2.4
Total deferred income	**102.4**	**110.3**	**110.2**

4-25 OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments (in millions of euros)	2004	2003	2002
a) Commitments given			
Performance bonds related to international operations	3.0	4.8	4.4
Other guarantees	0.0	0.0	0.4
Commitments relating to financial instruments	1,285.4	937.1	254.2
Post-retirement benefit obligations	10.6	20.7	0.0
Total	**1,299.0**	**962.6**	**259.0**
b) Commitments received			
Bank bid bonds	101.7	121.6	132.1
Other commitments received (from customers)	37.7	34.2	29.7
Total	**139.4**	**155.8**	**161.8**
c) Reciprocal commitments			
Works contracts (signed and unsigned)	320.0	555.3	580.5
Total	**320.0**	**555.3**	**580.5**

No material off-balance sheet commitments have been omitted from the above table, in accordance with current accounting standards.

• Information on international operations

On September 19, 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-kilometer phase of the project, including 33 kilometers between Kingston and Sandy Bay, and 11 kilometers between Portmore and Causeway. This phase represents a total investment of $10.2 million, including $5.1 million for the 33-kilometer section – which had been paid in full as of December 31, 2004 – $1.7 million for the 11-kilometer section – of which $0.9 million had been paid as of December 31, 2004 – 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.

- **Derivative instruments**

As of December 31, 2004, ASF had several contracts on financial instruments, as follows:

i)- 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. These instruments, which are carried off-balance sheet, had a positive fair value of €74.2 million excluding accrued interest at December 31, 2004.

ii)- One 3-month Euribor lender/fixed rate borrower swap on a notional amount of €152.5 million linked to one of the transactions referred to in i) above, and two 3-month Euribor lender/12-month Euribor borrower swaps on a total notional amount of €100 million, for which the rates are determined quarterly in arrears, linked to transactions referred to in i) above. These instruments, which are also carried off-balance sheet, had a negative fair value of €1.8 million excluding accrued interest at December 31, 2004.

iii)- Caps and floors linked to the transactions referred to in i) above, but with shorter terms. At December 31, 2004, these instruments had a negative fair value of €3.5 million, versus a positive fair value of €5.1 million at December 31, 2003.

The instruments referred to in i), ii) and iii) above had an aggregate positive fair value of €68.9 million, excluding accrued interest, at December 31, 2004, compared with a positive fair value of €5.1 million for the underlying balance sheet debt, representing an unrealized profit of €63.8 million. In the financial statements, these instruments are treated as hedging instruments. However, it is probable that the instruments referred to in ii) and iii) above will be qualified as trading instruments under IAS 39.

- **Derivative instruments by type and by maturity at December 31, 2004**

(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	152.5	0.0	0.0	**152.5**
Floating-to-floating rate swaps	0.0	0.0	100.0	**100.0**
Purchased caps	780.4	1,540.7	0.0	**2,321.1**
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**

- **Exposure to interest rate risks at December 31, 2004**

	Less than 1 year	1 to 5 years	More than 5 years	Total
Assets	(418.2)	0.0	0.0	**(418.2)**
Debt	741.7	2,186.5	5,071.2	**7,999.5**
Net position before hedging	**323.5**	**2,186.5**	**5,071.2**	**7,581.3**
Fixed-to-floating rate swaps	1,032.9	(335.4)	(697.5)	**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	**980.2**	**2,227.3**	**4,373.7**	**7,581.3**

• Statutory training obligation

Under the Training Act of May 4, 2004 (Act no. 2004-391 amending Articles L.933-1 to L.933-6 of the Labor Code enacted following the national interprofessional agreement of September 20, 2003), 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.

Employees may choose to take part in training activities outside their working hours, unless otherwise specified in a collective bargaining agreement signed at industry or company level. It is the responsibility of employees to apply for training, and the choice of course is agreed in writing between the employee and the company.

Based on an initial estimate, the accumulated entitlement of Group employees at December 31, 2004 represented approximately 97,000 hours.

• Other off-balance sheet commitments

ASF enters into various contracts with construction companies for the construction or maintenance of the network (see point c) of the above table "*4-25 Off-balance sheet commitments*"). 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, and per insurance year for ASF and to €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 the notes to the financial statements (mainly notes 4-22 and 4-25).

- **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 provides funds for motorway construction in France – in the form of bullet loans that do not include any acceleration clauses. 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. However, ASF can give no assurance about the availability of such financing or the terms on which it may be raised.

- **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.

5- Notes to the consolidated statement of cash flows

5-1 GENERAL

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 easily converted into known amounts of cash. The risk of a change in their value is not material. Financial instruments are not included.

5-2 TAX EFFECT OF REFORM-RELATED CHANGES OF ACCOUNTING METHOD

The effect on working capital of income taxes arising from the 2000 reform is shown as a separate component of cash flows from operating activities. This presentation has been applied to clearly show the nature and effect of this tax liability on the Group's current and future cash flows.

5-3 CAPITALIZED INTEREST

Fixed assets include capitalized interest over the period of construction. Capitalized interest amounted to €16.2 million in 2004, €24.4 million in 2003 and €35.9 million in 2002.

5-4 OTHER COMPONENTS OF CASH FLOW

Cash flow corresponds to net income before non-cash expenses (mainly provisions, depreciation and amortization) and income (mainly provision write-backs).

The components of cash flow included under the caption "Other" primarily correspond in 2004 to net provision charges deducted from payroll costs (€1.4 million), net provision charges included in interest expense (€2 million) and net provision charges included in exceptional expense (€2.2 million).

6- Additional information

6-1 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 loss-making subsidiaries that surrender their tax losses to ASF, as the parent company of the tax group, "recover" the related tax benefits when they return to profit.

6-2 MANAGEMENT COMPENSATION

The compensation paid to directors and officers of ASF in 2004 for their services to ASF and consolidated subsidiaries amounted to €961,247, including benefits in kind.

6-3 DIRECTORS' FEES

The provisional amount of directors' fees allocated to the members of the Board of Directors of ASF for 2004 was €146,142.

6-4 CLAIMS AND LITIGATION

The ASF Group is involved in a number of claims and legal proceedings in the normal course of its business. At December 31, 2004, ASF considers that there are no claims or litigation in progress relating to the Group's businesses that are likely to have an unfavorable impact on its results of operations, business or financial position.

6-5 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 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 program to be carried out over the last five years of the concession;
- the terms for returning assets to the French 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 January 1, 2012.

6-6 THE PUYMORENS TUNNEL

ASF is the legal holder of two concessions, one for the entire 2.660 kilometer network apart from the Puymorens Tunnel, expiring on December 31, 2032, and the other for the 5.5-kilometer Puymorens Tunnel, expiring on December 31, 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 and, accordingly, does not represent a separate cash generating unit.

6-7 RELATED PARTY TRANSACTIONS

The main related parties are:

- the State, as the grantor of the concession;
- the other toll motorway operators which, 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 6-5.

As explained in note 4-22, *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.

6-8 SUBSIDIARIES AND AFFILIATES

At December 31, 2004

Financial information (in thousands of euros) Subsidiaries and affiliates	Capital stock	Reserves[1]	% Interest	Book value of shares Cost/Net	Loans granted	Last published net revenues	Last published net income (loss)	Dividends received during the year
Subsidiaries (over 50%-owned)								
- SAS Radio Trafic FM	40.0	46.2[a]	99.49%	20.0[a] 20.0[a]		3 344.2[a]	4.5[a]	
- Jamaican Infrastructure Operator	1.5		51.0%					
- Truck Etap SAS	900.0	none[a]	66.0%	594.0 594.0		none[a]	(138.4)[a]	
Affiliates (10 to 50%-owned)								
- Centaure Midi-Pyrénées	375.0	170.3[**]	33.99%	129.5 129.5		835.4[**]	0.1[**]	
- SVM	38.1	(1,268.3)[***]	36.28%	13.8 0.0	495.0	0.0[***]	(1,265.5)[***]	
- Transjamaican Highway	14,751.0	(4,061.0)[a]	34.0%	5,511.55[a] 5,511.55[a]		3 065.0[a]	(496.0)[a]	
- GIE Autoroutes Trafic	349.0	0.0[a]	39.47%	125.5[a] 125.5[a]	103.0[a]	1 098.0[a]	106.3[a]	
- Centaure Méditerranée	870.0	45.0[*]	34.0%	301.0 301.0		619.0[*]	25.0[*]	

(1) Shareholders' equity excluding capital stock and net income.
(a) 2004 data.
(*) 2003 data.
(**) 2002 data.
(***) 2001 data.

6-9 ENVIRONMENTAL DATA

In accordance with CNC recommendation 2003 R-02 dated October 21, 2003, detailed information about the Group's environmental expenditure is presented below. Additional information is provided in the management report.

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 and or surface and underground water;
• preserve air quality and the climate;
• reduce noise pollution;
• protect biodiversity and the landscape.

Environmental expenditure in 2004:

Coverage of environmental risks	2004 total (in millions of euros)
Provisions and guarantees	**3.50**

Investments (in millions of euros)	New motorway construction	Lane extensions to existing motorways	2004 total
Water	4.57	8.06	12.63
Noise	1.57	7.66	9.23
Biodiversity and landscape	14.15	3.41	17.56
Other	8.65	1.47	10.12
Total	**28.94**	**20.60**	**49.54**

Operations (in millions of euros)	Maintenance of protective installations	Operations	2004 total
Planted areas(1)	1.39	13.67	15.06
Protective installations(2)	3.15	6.05	9.20
Total	**4.54**	**19.72**	**24.26**

(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.

Details of expense items:

	Capital expenditure		Operating expense
Description	New motorway construction	Work on existing motorways	Description
Water Water confinement and treatment structures (multi-function tanks, decantation tanks, de-oiling systems, sub-horizontal ditches, specific waterproofing, filters, waste water processing, processing of run-off water in tunnels, etc.) *Does not include: sanitation and highway drainage systems, water course crossing systems, hydraulic transparency systems, water evacuation systems and flood protection systems.*	(Initial protection)	(Compliance and upgrade programs)	- Inspection, monitoring, follow-up (including analyses); - Cleaning, maintenance and repair of these structures.
Noise Noise barriers and embankments, concrete barriers, soundproofing or purchase of homes located alongside the motorway. *Does not include the laying of skid-resistant aslphatic concrete.*	(Initial protection)	(Compliance programs, Treatment of noise black spots, Partnerships, etc.)	- Maintenance and repairs; - Separate account: Resurfacing with skid-resistant materials.
Protection of biodiversity and the landscape Biodiversity: - Crossing points for large animals and specific installations to protect small animals; - Specific raised fencing, reinforced fence bases, small mesh fencing to protect frogs, etc.; - Hedges providing a habitat for birds, specific structures, nesting boxes; - Reclamation and restoration, or replacement, of hydrobiological areas and biotopes. Landscape: - Planting of trees, shrubs and grass; - Specific landscaping models. *Does not include post-motorway construction restoration of existing landscape except where the work relates directly to biodiversity (compensatory measures, substitutions, etc.).*	(Initial measures)	(Additional measures)	- Monitoring and follow-up; - Maintenance and repairs; - Management agreements; - Maintenance of green spaces (including treatment, watering, scything, extensive management) and planted areas, outsourced work (services)
Other - Engineering work and project management (representing on average 12% of capital expenditure in the above 3 categories); - Archeological work; - 1% countryside levy.			

7- Impact of the transition to international financial reporting standards (IFRS)

In accordance with European regulation 1606/2002 dated July 19, 2002 on international accounting standards, the ASF Group is required to apply International Accounting Standards and International Financial Reporting Standards (IASs/IFRSs) as from January 1, 2005. The first IFRS data will concern revenues for the first quarter of 2005, followed by the first-half 2005 consolidated results and the annual consolidated financial statements. In each case, comparative IFRS data will be provided for 2004.

In order to comply as closely as possible with the recommendation of the Committee of European Securities Regulators (CESR) dated December 30, 2003 concerning the transition to IFRS, the Group has identified the resulting changes in accounting methods and estimated their impact on opening equity at the transition date (January 1, 2004) and on consolidated income for 2004.

The analysis has been based on the standards endorsed by the European Union as of December 31, 2004. The resulting estimates may differ in some respects from the amounts reported in the published IFRS financial statements, due to the publication of any new interpretations during 2005 related, in particular, to service concession arrangements.

7-1 SUMMARY OF ADJUSTMENTS

The following table summarizes the adjustments to opening equity at January 1, 2004 and to 2004 results. These are based on French GAAP equity at January 1, 2004 of €3,057.2 million. The difference compared with reported equity at December 31, 2003 of €3,229.9 million is due to:

- the €13.3 million negative effect of a change in the method of accounting for employee befits as of January 1, 2004 (see note 2 to the consolidated financial statements).
- the payment of dividends totaling €159.4 million in 2004.

No account has been taken of the impact on the adjustments of minority interests, as the amounts involved are not considered material.

Summary of adjustments (in millions of euros)	Equity at January 1, 2004	2004 net income	Equity at December 31, 2004
TOTAL – French GAAP	3,057.2	402.1	3,459.3
7.1.1. Cancellation of financial depreciation on replaceable concession assets	168.2	3.0	171.2
7.1.2. Use of the components method to depreciate highway resurfacing costs (IAS 16 and 38)	45.3	(8.6)	36.7
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**

The adjustments shown in parentheses have a negative effect on equity and income.

The net effect on 2004 net income of applying IFRS is a decrease of €8.6 million, as follows:

(in millions of euros)	French GAAP	IFRS adjustments	IFRS
Operating income	1,045.4	(5.6)	1,039.9
Net interest expense	(428.9)	(7.5)	(436.4)
Income tax	212.5	4.5	217.0
Net income	402.1	(8.6)	393.6

7-1-1 Cancellation of financial depreciation on replaceable assets

	Gross impact		
Cancellation of financial depreciation on replaceable assets (in millions of euros)	Equity at January 1, 2004	2004 net income	Equity at December 31, 2004
	168.2	**3.0**	**171.2**

IFRS do not include any standard on service concession arrangements.

In the French GAAP accounts, for replaceable concession assets the Group records both economic depreciation and financial depreciation (*amortissement de caducité*), the purpose of financial depreciation is to recognize over the life of the concession the additional depreciation charges needed to write off the value of returnable replaceable assets over the life of the concession.

The Group believes that the system of financial depreciation does not comply with current IASs/IFRSs (mainly IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets) or with the draft interpretations currently under discussion, and that is should therefore be eliminated from the IFRS accounts. The IFRIC's position concerning the method to be applied to recognize concession holders' obligation to replace concession assets, including during the final years of the concession, is not yet known, but the Group does not expect any resulting adjustment to be particularly material.

7-1-2 Use of the components method to depreciate highway resurfacing costs

	Gross impact		
Cancellation of financial depreciation on replaceable assets (in millions of euros)	Equity at January 1, 2004	2004 net income	Equity at December 31, 2004
Depreciation of initial surfacing costs	(167.0)	(9.7)	(176.6)
Reversal of financial depreciation on initial surfacing costs	64.5	5.4	70.0
Recognition in property, plant and equipment of highway resurfacing costs for the last 10 years	313.6	26.3	339.8
Depreciation of highway resurfacing costs	(165.7)	(30.4)	(196.1)
Other	(0.1)	(0.2)	(0.4)
Gross impact	**45.3**	**(8.6)**	**36.7**

In the French GAAP accounts up to 2004, the portion of the initial motorway construction cost corresponding to highway surfacing was included in the cost of construction assets and was depreciated over the life of the concession, while resurfacing costs were recognized as an expense for the period in which they were incurred.

French accounting standards CRC 2002-10 and 2003-07, applicable from 2005, require property, plant and equipment to be depreciated by the components method. This method, which consists of depreciating individual parts of an item over their respective useful lives, is consistent with the requirements of IAS 16. To calculate the effect of applying this method on the opening IFRS balance sheet at January 1, 2004 it was necessary to:

- determine the historical cost of highway surfacing costs recorded in property, plant and equipment:
  - calculate depreciation on this amount over the surfaces' estimated useful life (10 years), representing an amount of €167 million at January 1, 2004;
  - reverse the financial depreciation recognized over the remaining life of the concession, in the amount of €64.5 million at January 1, 2004;
- recognize in property, plant and equipment highway resurfacing costs recognized in expenses over the last 10 years (€313.6 million at January 1, 2004) and recalculate the depreciation that would have been charged if these costs had been capitalized at the outset (€165.7 million at January 1, 2004).

7-1-3 Impact of IAS 39 and IAS 21 on financial instruments

	Gross impact		
Application of IAS 39 and IAS 21 (in millions of euros)	Equity at January 1, 2004	2004 net income	Equity at December 31, 2004
a) Measurement of certain loans by the amortized cost method	(3.6)	(0.2)	(3.8)
b) Measurement of debt by the amortized cost method	(2.3)	(1.2)	(3.5)
c) Remeasurement of hedged debt	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)**

The Group has elected to apply IAS 32 and IAS 39 on financial instruments as from January 1, 2004. The effects of applying these standards are as follows:

a) Measurement of interest-free loans (corresponding to loans under the 1% government housing scheme) by the effective interest method, leasing to a €3.6 million reduction in the loans' carrying value.

b) Measurement of debt at amortized cost, by the effective interest method. The €2.3 million impact on the opening balance sheet correspond to the difference in cumulative costs arising from application of the straight-line method and the effective interest method to debt issuance costs and call premiums.

c) Recognition in the balance sheet at fair value of interest rate swaps set up by the Group to convert fixed rate debt to floating rate. The 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 (and in opening equity at January 1, 2004). These swaps are almost entirely effective hedges, since changes in their fair value are symmetrical with changes in the fair value of the underlying debt. Consequently, application of hedge accounting has almost no impact on profit.

d) Recognition in the balance sheet, at fair value, of certain derivative instruments that do not qualify for hedge accounting under IAS 39, leading to an adjustment of profit (and opening equity at January 1, 2004).

e) Application of IAS 21 to the two foreign currency loans obtained from Caisse Nationale des Autoroutes, in 1981 for GBP 5 million and in 1998 for CHF 475 million. Currency risks on these loans are hedged by cross-currency swaps. According to IAS 21, foreign currency debt must be remeasured at the year-end exchange rate, leading to an adjustment of profit. At the same time, the cross-currency swaps – which are qualified as trading assets under IAS 39 – are recognized in the balance sheet at fair value, with changes in fair value recognized in profit. The recognized gain or loss only partly offsets the exchange difference on the foreign currency debt, which is only a component of the fair value of the cross-currency swaps.

7-2 CONCESSION AGREEMENTS

Based on the draft interpretation issued by the IFRIC, when the users have the primary responsibility to pay the operator for the concession services, the operator is considered as providing infrastructure or other consideration in exchange for the right to the service concession. The concession assets cannot be considered as being controlled by the operator. As a result, the service concession operator is regarded as receiving an intangible asset from the grantor in exchange for the construction or other services it provides to the grantor. The intangible asset is measured and recognized on completion of the infrastructure.

In view of the long life of the concessions, it may prove difficult to reliably determine the fair value of the intangible asset received and the final interpretation may well recommend using the construction cost of the infrastructure as the measurement basis. The final interpretation may also authorize operators to measure the intangible asset at the adoption date based on the book value of the infrastructure as determined under local GAAP.

All told, the Group believes that – barring any changes to the draft interpretation issued by the IFRIC – the effect of applying this interpretation will be limited to reclassifying the concession assets under intangible assets. The effect on opening equity and profit will not be material, although the recommended accounting treatment of the obligation to replace assets and perrform major repairs is not yet known.

7-3 EXTENSION OF THE CONCESSION PERIODS IN 2000

The Group has also examined the accounting treatment under IFRS of the extension of the concession periods granted in 2000.

In accordance with the terms of the government order specifying the extension, the Group recalculated depreciation recorded in prior years as if the new concession period had applied from the outset. According to IAS 38 – Intangible Assets, the Group, depreciation should not be adjusted retrospectively, but should be calculated prospectively on the net book value of the assets at the extension date based on the new remaining life of the concession.

However, the extension of the ASF and ESCOTA concessions and its accounting treatment represented only one aspect of the overall reform of the toll motorway sector, which was designed to convert the toll motorway operators from government-administered entities to entities with full control over the management of their business and their financial management. The reform can therefore be interpreted as leading to the creation of new economic entities, with the carrying value of the concession assets resulting directly from this reconfiguration. This analysis allows the concession assets to be recognized in the opening IFRS balance sheet at their French GAAP book value at the transition date (January 1, 2004). In addition, as explained above, the IFRIC's interpretation may include transitional measures allowing recognition of an intangible asset based on the French GAAP book value at the transition date.

7-4 OTHER CONSIDERATIONS

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 capitalized as part of the cost of that asset. This accounting treatment is consistent with the method applied in the French GAAP accounts.

Under IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance, government grants may be recognized either as deferred income or as a deduction from the cost of the related assets. The Group has elected to apply the latter method, which is consistent with its current accounting practice.

In the French GAAP balance sheet at January 1, 2004, employee benefit obligations have been revalued and the corridor method has been applied for the recognition of actuarial gains and losses, in accordance with CNC recommendation 2003 R01. The new methods comply with IAS 19 – Employee Benefits.

Certain assets made available to the Group without consideration (motorway sections and on and off-ramps) for use in connection with the concessions have been recognized 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 are not depreciated in the French GAAP accounts, will be returned to the State at the end of the concession. There are no provisions in IFRS dealing with the accounting treatment of assets made available without consideration. Consequently, the asset and liability will be derecognized in the opening IFRS balance sheet at January 1, 2004.

Software and certain operating assets are amortized or depreciated in the French GAAP accounts over useful lives that are shorter than the intended period of use. The amounts involved are not material and the Group has therefore decided to apply longer useful lives only to assets recognized as from the IFRS transition date.

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. The statutory auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.
This report, together with the statutory auditors' report addressing financial and accounting information in the Chairman's report on internal control, should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

YEAR ENDED DECEMBER 31, 2004

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit
Tour AIG
34, place des Corolles
92908 Paris La Défense Cedex

J P A
7, rue Galilée
75116 PARIS

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 for the year ended December 31, 2004.
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.

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 accounting rules and principles applicable in France.

Without qualifying our opinion set out above, and in accordance with Article L.232-6 of the French Commercial Code, we draw your attention to Note 2 of the consolidated financial statements which describes a change of accounting method in 2004 as a result of applying French Accounting Board (CNC) recommendation 2003 RO1 relating to the method of measuring and recognizing employee benefit obligations.

II- Justification of our assessments

In accordance with the requirements of Article L.225-235 of the French Commercial Code, 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 the above-mentioned change in accounting method and the ensuing presentation were appropriate.

- notes 2-2 and 2-11 to the consolidated financial statements describe the rules and methods applied to account for concession assets and the related depreciation.
  We assessed the appropriateness of the above-mentioned accounting methods and the description thereof in the notes, and obtained assurance concerning their correct application;

- note 7 to the consolidated financial statements describes the impact of transition to International Financial Reporting Standards (IFRS) on consolidated equity at January 1, 2004 and at December 31, 2004, as well as on consolidated income for 2004. It also sets out the methods used to prepare the financial statements in accordance with the IFRSs endorsed by the European Union – notably IFRS 1 – and the interpretations in force at December 31, 2004.
  We verified the methods used to prepare the financial statements in accordance with IFRS and ensured that they had been applied correctly. We also obtained assurance that the information in Note 7 to the consolidated financial statements was appropriate.

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 report of the Board of Directors. We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Paris, March 31, 2005
The Statutory Auditors

PricewaterhouseCoopers Audit	**JPA**
Paul Onillon	Jacques Potdevin

CONDENSED COMPANY FINANCIAL STATEMENTS

contents

The Statutory Auditors issued a clean opinion on the Company financial statements for the year ended December 31, 2004. Their report included an observation concerning the change of method applied during the year in application of recommendation CNC 2003 R01 on the recognition and measurement of employee benefits.

The full financial statements of the Company, in French, are available from the Company's headquarters.

Income statement

(in millions of euros)	Note	2004	2003	2002
Revenues		**1,890.0**	**1,761.9**	**1,653.3**
Operating expenses		**(1,058.2)**	**(987.3)**	**(944.2)**
Purchases and external charges		(222.1)	(208.0)	(204.7)
Payroll costs		(236.5)	(224.9)	(218.7)
Other operating income and expense, net		27.3	28.8	27.0
Taxes (other than income tax)		(236.1)	(223.3)	(212.9)
Depreciation, amortization and provisions		(390.8)	(359.9)	(335.0)
Operating income		**831.8**	**774.7**	**709.1**
Net interest expense		(332.5)	(372.6)	(365.4)
Income from ordinary activities		**499.3**	**402.1**	**343.7**
Exceptional items	1-1	(28.9)	(3.6)	(15.9)
Employee profit-sharing		(13.1)	(11.0)	(5.6)
Income tax		(162.7)	(137.3)	(100.5)
Net income		**294.5**	**250.2**	**221.8**

Balance sheet

ASSETS (in millions of euros)	Note	2004	2003	2002
Intangible assets		14.8	17.5	12.7
Property, plant and equipment	1-2			
- Concession assets		14,073.0	13,505.6	12,851.9
- Depreciation		(3,687.6)	(3,324.3)	(2,984.9)
Investments	1-3	146.2	286.0	385.4
Fixed assets		**10,546.4**	**10,484.8**	**10,265.2**
Inventories and work in progress		9.8	9.5	12.9
Trade accounts receivable		113.8	98.2	84.5
Other accounts receivable and accruals		314.8	178.8	194.7
Cash and short-term investments		433.7	533.9	1 055.0
Total current assets		**872.1**	**820.4**	**1,347.1**
TOTAL ASSETS		**11,418.4**	**11,305.2**	**11,612.3**

LIABILITIES AND SHAREHOLDERS' EQUITY (in millions of euros)	Note	2004	2003	2002
Capital stock		29.3	29.3	29.3
Additional paid-in capital and reserves		858.0	858.0	857.5
Retained earnings		2,326.9	2,236.0	2,121.0
Net income for the year		294.5	250.2	221.8
Investment grants		131.3	133.4	137.8
Untaxed reserves		29.1	21.6	13.8
Shareholders' equity	1-4	**3,669.1**	**3,528.5**	**3,381.2**
Other equity		**104.7**	**104.7**	**104.7**
Provisions for contingencies and charges		**84.4**	**45.9**	**39.3**
Borrowings		7,111.0	7,100.8	7,429.9
Trade accounts payable		43.8	37.6	46.5
Other liabilities and accruals		405.6	487.7	610.6
Total liabilities		**7,560.3**	**7,626.1**	**8,087.0**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**11,418.4**	**11,305.2**	**11,612.3**

Statement of cash flows

(in millions of euros)	Note	2004	2003	2002
Net income		294.5	250.2	221.8
Adjustments to reconcile net income to cash flow:				
Amortization, depreciation and provisions		390.8	359.9	335.0
(Gains)/losses on disposals		0.1	(0.1)	0.4
Other		45.8	15.5	30.9
Cash flow		**731.1**	**625.6**	**588.2**
Changes in operating working capital				
Receivables and inventories		(37.7)	5.2	(33.4)
Payables		(7.9)	70.4	8.7
Accruals and other		(24.2)	(1.5)	(15.4)
Net change in operating working capital		**(69.8)**	**74.1**	**(40.1)**
Tax effect of legal reform on working capital		0.0	(185.5)	(185.5)
Net cash provided by operating activities		**661.4**	**514.2**	**362.6**
Additions to property, plant and equipment and intangible assets		(590.2)	(679.7)	(685.1)
Proceeds from disposals of property, plant and equipment and intangible assets		1.5	1.2	1.2
Net decrease/(increase) in advances to ESCOTA		33.9	92.1	(3.4)
Net change in other investments		(3.3)	7.3	(1.3)
Net change in working capital related to investing activities		(60.6)	(15.8)	(55.3)
Net cash used by investing activities		**(618.8)**	**(594.9)**	**(743.9)**
Issuance of shares paid up in cash		0.0	0.0	858.1
Investment grants received		3.1	0.7	4.0
Dividends paid		(159.4)	(106.2)	0.0
Bond issues		450.0	0.0	796.0
Bond redemptions		(434.5)	(330.4)	(331.2)
Other		(2.8)	(4.7)	(11.8)
Net cash provided (used) by financing activities		**(143.5)**	**(440.6)**	**1 315.1**
Effect of exchange rate changes on cash and cash equivalents				
Net change in cash and cash equivalents		**(100.9)**	**(521.3)**	**933.8**
Cash and cash equivalents at beginning of year (excluding financial instruments)		529.6	1 050.9	117.1
Cash and cash equivalents at end of year (excluding financial instruments)		428.6	529.6	1.050.9

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 recognized in the income statement under "payroll costs" and the unfunded obligation is recognized in the balance sheet under "Provisions for contingencies and charges". On January 1, 2004 a change in accounting method was applied which led to all cumulative actuarial gains and losses being recognized at that date. The related expense was recorded under exceptional items.

Deferred taxes:
Deferred taxes are not recognized in the Company accounts.

1- Notes to the income statement and balance sheet

The following information only concerns items that are eliminated in consolidation and therefore not included in the consolidated financial statements.

1-1 EXCEPTIONAL ITEMS

Exceptional items (in millions of euros)	2004	2003	2002
Net gains (losses) on disposals of fixed assets	(0.1)	0.1	(0.4)
Investment grants written back to income	5.2	5.1	4.8
Pension and post-retirement benefit obligations	(11.0)	0.0	0.0
Other exceptional items	(23.1)	(8.7)	(20.2)
Net exceptional expense	**(28.9)**	**(3.6)**	**(15.9)**

Other exceptional items break down as follows:

Other exceptional items (in millions of euros)	2004	2003	2002
Untaxed investment provisions	(2.9)	(1.8)	(6.9)
Net accelerated capital allowances	(4.6)	(6.0)	(5.7)
Other	(15.5)	(1.0)	(7.7)
Other exceptional items	**(23.1)**	**(8.7)**	**(20.2)**

For 2004, the caption “Other” mainly corresponds to a provision recorded for a potential tax adjustment concerning the date applied for the deduction of employee benefit obligations.

1-2 PROPERTY, PLANT AND EQUIPMENT

Qualifying assets are depreciated by the reducing balance method for tax purposes, giving rise to the recognition of accelerated capital allowances.

Changes in the excess of reducing balance depreciation over straight-line depreciation were as follows over the last two years:

Property, plant and equipment Excess of reducing balance depreciation over straight-line depreciation (in millions of euros)	Dec. 31, 2002	Increases	Decreases	Dec. 31, 2003
Operating assets	7.0	6.4	0.4	13.0
Total	**7.0**	**6.4**	**0.4**	**13.0**

Property, plant and equipment Excess of reducing balance depreciation over straight-line depreciation (in millions of euros)	Dec. 31, 2003	Increases	Decreases	Dec. 31, 2004
Operating assets	13.0	6.5	1.9	17.6
Total	**13.0**	**6.5**	**1.9**	**17.6**

1-3 INVESTMENTS

Investments (in millions of euros)	2004	2003	2002
Loans	8.2	7.8	8.1
Investments in subsidiaries and related receivables	137.8	277.9	377.1
Other investments	0.3	0.3	0.3
Investments	**146.2**	**286.0**	**385.4**

Investments in subsidiaries and related receivables are stated net of allowances for impairment in value.

On April 29, 2004, ASF and ESCOTA signed a cash pooling agreement. Consequently, the €142.6 million advance granted by ASF to ESCOTA which was recorded under loan-term loans at December 31, 2003 has been transferred to "Other accounts receivable". The balance of this receivable, following repayment by ESCOTA in the amount of €33.9 million on December 31, 2004, amounts to €108.7 million.

1-4 SHAREHOLDERS' EQUITY

Since 2002, ASF's capital stock has amounted to €29,343,641 thousand, divided into 230,978,001 shares.

No dilutive instruments were outstanding at December 31, 2004.

Shareholders' equity (in millions of euros)	2004	2003	2002
Capital stock	29.3	29.3	29.3
Additional paid-in capital and reserves	858.0	858.0	857.5
Retained earnings	2,326.9	2,236.0	2,121.0
Net income for the year	294.5	250.2	221.8
Investment grants	131.3	133.4	137.8
Untaxed investment provisions	11.5	8.6	6.9
Accelerated capital allowances	17.6	13.0	7.0
Total shareholders' equity	**3,669.1**	**3,528.5**	**3,381.2**

There have been no changes in capital stock since 2002.

Changes in shareholders' equity in 2003 were as follows:

Shareholders' equity (in millions of euros)	At December 31, 2002	Appropriation of prior-year net income	Dividends paid	Net income for the year	Investment grants	Untaxed provisions	At December 31, 2003
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	2.5	0.5					2.9
Long-term capital gains reserve	1.5						1.5
Retained earnings	2,121.0	221.3	(106.2)				2,236.0
Net income	221.8	(221.8)		250.2			250.2
Investment grants	137.8				(4.4)		133.4
Untaxed investment provisions	6.9					1.8	8.6
Accelerated capital allowances	7.0					6.0	13.0
Total shareholders' equity	**3,381.2**	**0.0**	**(106.2)**	**250.2**	**(4.4)**	**7.7**	**3,528.5**

Changes in shareholders' equity in 2004 were as follows:

Shareholders' equity (in millions of euros)	At December 31, 2003	Appropriation of prior-year net income	Dividends paid	Net income for the year	Investment grants	Untaxed provisions	At December 31, 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**

2- Change in accounting method

- The financial statements of ASF for the year ended December 31, 2004 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 April 1, 2003, the Group changed the method of measuring and recognizing deferred employee benefits. In line with this recommendation, cumulative actuarial gains and losses at December 31, 2003 were recognized in full in the opening balance sheet at January 1, 2004 in the amount of €11 million. The provision adjustment was recognized in exceptional items and not in shareholders' equity in order to comply with tax-deductibility rules. Actuarial gains and losses arising since January 1, 2004 are recognized by the corridor method.

3- Additional information

3-1 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.

3-2 SUBSIDIARIES AND AFFILIATES

The following table is presented in thousands of euros.

At December 31, 2004

Financial information / Subsidiaries and affiliates	Capital stock	Reserves[1]	% interest	Book value of shares Cost/ Net	Outstanding loans and advances	Guarantees given	Last published net revenues	Last published income (loss)	Dividends received
Subsidiaries (at least 50%-owned)									
- ESCOTA	131,544.90	65,421.66	98.97%	130,885.50 130,885.50	108,714.50		499,140.1[a]	74,030.6[a]	
- Jamaican Infrastructure Operator	1.5		51.00%						
- Truck Etap SAS	900.00	N/A[a]	66.00%	594.00 594.00			N/A[a]	(138.4)[a]	
Affiliates (10% to 50% owned)									
- SAS Radio Trafic FM	40.00	46.2[a]	50.00%	20.0[a] 20.0[a]			3,344.2[a]	4.5[a]	
- 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)[***]	
- Transjamaican Highway	14,751.00	(4,061.0)[a]	34.00%	5,511.55[a] 5,511.55[a]			3,065.0[a]	(496.0)[a]	
- GIE Autoroutes Trafic	349.00	0.0[a]	31.38%	125.5[a] 125.5[a]	103.0[a]		1,098.0[a]	106.3[a]	

(1) Shareholders' equity excluding capital stock and net income for the year.
(a) 2004 figures. (*) 2003 figures. (**) 2002 figures. (**) 2001 figures.

AUDITORS' FEES

Services	PriceWaterhouseCoopers Audit				Jacques Potdevin & Associés			
	Fees in €		%		Fees in €		%	
	2004	2003	2004	2003	2004	2003	2004	2003
Audit:								
Sub-total audit	356,776	376,801	100%	97%	267,848	215,952	100%	100%
Other:								
Sub-total Other		12,927						
Total	**356,776**	**389,728**			**267,848**	**215,952**		

The above amounts are stated in euros, net of tax, including reimbursements of out-of-pocket expenses.

Société des Autoroutes du Sud de la France

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YEAR ENDED DECEMBER 31, 2004

STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS

PricewaterhouseCoopers Audit
Tour AIG
34, place des Corolles
92908 Paris La Défense Cedex

J P A
7, rue Galilée
75116 PARIS

To the shareholders

In our capacity as Statutory Auditors of Autoroutes du Sud de la France, we present below our report on regulated agreements.

I- 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 authorized 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 March 23, 1967 decree, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

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 March 17, 2004.

Payments in 2004:

For the year ended December 31, 2004:
- services billed by ASF to Truck Etap amounted to €14 thousand, excluding tax;
- services to be billed for 2004 total €193 thousand, excluding tax;
- total accounts receivable from Truck Etap amounted to €230 thousand, including tax.

Directors, shareholders, or senior managers concerned:

ASF, represented by its Chief Executive Officer, Jacques Tavernier.

II- Agreements entered into in prior years which remained in force in 2004

In application of the Decree of March 23, 1967, we were duly advised of the following agreements authorized in prior years which remained in force during 2004.

Short-term advances to ESCOTA

Main terms of the agreement:

Up until the cash-pooling agreement was signed on April 29, 2004, the Company continued to implement the short-term financing agreement entered into with ESCOTA on December 22, 1994.

Interest on advances was based on the EONIA rate.

Payments in 2004:

Interest for 2004 came to €957 thousand.

Contract with Radio Trafic FM (formerly SRT-Société Radio Trafic)

Main terms of the agreement:

On December 21, 1994, the Board of Directors authorized an agreement with SRT SARL. In 2004, SRT was renamed Radio Trafic FM (RFTM), following its merger with Soriase. The agreement describes the services to be performed by ASF and RTFM and the basis to be used to determine the related remuneration.

RTFM radio broadcasting services are billed to ASF at cost.

ASF bills to RTFM the cost of supplying information, administrative assistance and logistics services, also without any mark-up.

The agreement also provides for the granting of current account advances at an annual interest rate of 5%.

Payments in 2004:

For the year ended December 31, 2004:
- services billed to ASF by RTFM amounted to €1,018 thousand, excluding tax;
- services billed by ASF to RTFM amounted to €491 thousand, excluding tax;
- total accounts payable to RTFM amounted to €494 thousand, including tax;
- total accounts receivable from RTFM amounted to €789 thousand, including tax.

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.

Paris, March 31, 2005
The Statutory Auditors

PricewaterhouseCoopers Audit
Paul Onillon

JPA
Jacques Potdevin

RESOLUTIONS PRESENTED AT THE ANNUAL AND EXTRAORDINARY SHAREHOLDERS' MEETING

OF MAY 12, 2005

ORDINARY RESOLUTIONS

1st RESOLUTION

Approval of the financial statements of the Company for the year ended December 31, 2004

The Annual Shareholders' Meeting, having considered the Board of Directors' report on its management of the Company during the year ended December 31, 2004 and the Auditors' report on the financial statements, approves the 2004 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 fulfillment of their duties during 2004.

2nd RESOLUTION

Appropriation of income

The Annual Shareholders' Meeting, having noted that net income for the year amounts €294,453,621.53, resolves, in accordance with the recommendation of the Board of Directors, to:

- distribute €240,217,121.04 to shareholders, in the form of dividends.

  The net dividend paid on each of the shares carrying rights to the 2004 dividend will amount to €1.04. 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 €54,236,500.49 to retained earnings. Following this appropriation, retained earnings will amount to €2,381,116,798.19, including the balance at December 31, 2003 of €2,326,880,297.70.

The Annual Shareholders' Meeting notes that 230,978,001 shares were issued and outstanding at March 10, 2005, as follows:

Unrestricted shares	**230,978,001**
Shares held in treasury stock	**0**
Total shares issued and outstanding at March 10, 2005	**230,978,001**

The Annual Shareholders' Meeting resolves that if the Company holds any shares in treasury stock on the dividend payment date, the dividends on these shares will be credited to retained earnings.

The Annual Shareholders' Meeting decides that the dividend will be paid as from May 25, 2005.

3rd RESOLUTION

Dividends paid in prior years

The Annual Shareholders' Meeting, having considered the Board of Directors' report for the year ended December 31, 2004, notes that the Company (i) did not pay any dividend for 2001, (ii) paid a dividend for the year ended December 31, 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, and (iii) paid a dividend for the year ended December 31, 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.

4th RESOLUTION

Allocation of the amounts recorded in the special long-term capital gains reserve

The Annual Shareholders' Meeting, having considered the Board of Directors' report, and in accordance with the Amended French Finance Act for 2004 – which requires the special long-term capital gains reserve to be transferred to other reserves by December 31, 2005 – resolves to allocate to "Other reserves" the sum of €1,493,267.09, corresponding to the amount recorded in the special long-term capital gains reserve in the parent company accounts at December 31, 2004.

5th RESOLUTION

Approval of the consolidated financial statements for the year ended December 31, 2004

The Annual Shareholders' Meeting, having considered the Board of Directors' report on its management of the Group during the year ended December 31, 2004 and the Auditors' report on the consolidated financial statements, approves the 2004 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 fulfillment of their duties during 2004.

6th 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.

7th RESOLUTION

Authorization to implement a share buyback program

The Annual Shareholders' Meeting, having considered the Board of Directors' report, cancels, with immediate effect, the unused portion of the authorization to implement a share buyback program given in the sixth resolution of the Annual Shareholders' Meeting of May 13, 2004, and gives a new authorization to the Board of Directors to implement a share buyback program governed by Articles L.225-209 *et seq*. of the French Commercial Code, as follows:

- shares may 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 (without limitation) and the use of warrants, options and other derivative instruments – at any time including while a public tender and/or exchange offer is in progress, subject to the applicable regulations;
- the maximum purchase price per share is set at €55 (excluding acquisition costs) and the minimum sale price at €25 (excluding disposal costs). In the case of corporate actions, including bonus share issues paid up by capitalizing retained earnings, or a stock-split or reverse stock-split, these prices will be adjusted based on the ratio between the number of shares issued and outstanding before and after the transaction;
- the number of shares bought back under this authorization may not exceed 10% of the Company's capital;
- the total amount invested in the buyback program – based on an average price of €40 per share – may not exceed €920 million;
- Shares may be bought back for the following purposes:

  - to be allocated and/or sold to employees or senior management of the Company or the Group, including in relation to profit-sharing schemes, in accordance with Articles L.225-197-1 to L.225-197-3 of the French Commercial Code, under stock option plans or through employee stock ownership plans;

  - to be held in order to be subsequently transferred or exchanged in payment for shares of another company in connection with an external growth transaction or on conversion, redemption, exchange or exercise of share equivalents;

  - to maintain a liquid secondary market for the Company's shares under a liquidity contract that complies with a code of ethics recognized by the *Autorité des Marchés Financiers*, through an investment firm.

This authorization is given for a period of 18 months commencing on the date of this Meeting.

The Annual Shareholders' Meeting gives full powers to the Board of Directors – including the power to delegate to the Chief Executive Officer, or with his agreement to one or more Senior Executive Officers in accordance with the law – to use this authorization and to decide the terms and conditions of the buybacks, to place buy and sell orders, to enter into any and all agreements, to carry out any and all publication and other formalities, and generally do whatever is necessary.

The Board of Directors shall report to the Annual Shareholders' Meeting on all transactions carried out under this authorization, including the precise allocation of shares acquired for the various permitted purposes.

8th RESOLUTION

Issuance of bonds and equivalents

The Annual Shareholders' Meeting, having considered the Board of Directors' report, cancels, with immediate effect, the unused portion of the authorization to issue bonds and equivalents given in the seventh resolution of the Annual Shareholders' Meeting of April 29, 2003.

9th RESOLUTION

Directors' fees

The Annual Shareholders' Meeting, having considered the Board of Directors' report, decides to set the annual amount of directors' fees for the current year and subsequent years at €240,000. This amount shall remain unchanged until the Annual Shareholders' Meeting decides otherwise.

10th RESOLUTION

Ratification of the appointment of a Director

The Annual Shareholders' Meeting, having considered the Board of Directors' report, ratifies the Board's December 15, 2004 appointment of Vinci as a Director. Vinci, a French joint stock company (société anonyme) whose registered office is at 1 cours Ferdinand-de-Lesseps, Rueil-Malmaison, registered with the Nanterre Companies' Registry under number 552 037 806 replaces Hubert du Mesnil, for the remainder of his term of office, expiring at the 2008 Annual Shareholders' Meeting held to approve the 2007 financial statements.

11th RESOLUTION

Ratification of the appointment of a Director

The Annual Shareholders' Meeting, having considered the Board of Directors' report, ratifies the Board's March 10, 2005 appointment of Hubert de Mesnil as a Director. Hubert de Mesnil, born on September 24, 1950 at Bayonne in France and whose address is Aéroports de Paris, 291 boulevard Raspail, Paris 75014, replaces Jacques Oudin, for the remainder of his term of office, expiring at the 2008 Annual Shareholders' Meeting held to approve the 2007 financial statements.

12th 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 necessarily legal and regulatory formalities.

EXTRAORDINARY RESOLUTIONS

13th RESOLUTION

Authorization to grant bonus shares to employees and officers of the Company and other Group companies

The Extraordinary Shareholders' Meeting, having considered the Board of Directors' report and the Auditors' special report, authorizes the Board of Directors to allocate bonus shares out of existing shares held in treasury stock to officers and certain employees, in accordance with Articles L.225-197-1 and L.225-197-2 of the French Commercial Code.

The total number of bonus shares allocated under this authorization may not exceed 1% of the Company's capital at the date of this meeting. Subject to this ceiling, the Board of Directors may adjust the number of bonus shares granted further to corporate actions approved by the Extraordinary Shareholders' Meeting.

In accordance with the law, employees or officers holding over 10% of the Company's capital stock may not be granted any further shares. In addition, bonus shares may only be allocated provided they do not result in employees or officers holding over 10% of the Company's capital.

Under this authorization, the Board of Directors is entitled to issue bonus shares to:

- corporate officers;
- and employees of companies or economic interest groupings of which the Company holds at least 10% of the capital or voting rights, either directly or indirectly.

Title to the bonus shares granted shall only be transferred to the beneficiaries after a minimum vesting period of two years. Beneficiaries may not transfer any shares granted to them under this authorization for a minimum period of two years from the said transfer of title (the holding period).

The Board of Directors may increase the duration of the vesting period and/or the holding period.

Bonus shares shall be allocated out of existing shares held in treasury stock by the Company.

The Board of Directors shall determine the list of beneficiaries, the terms and conditions of the bonus share issues, and, where appropriate, any applicable allocation criteria.

This authorization may be used on one or more occasions for a period of thirty-eight months commencing on the date of this Meeting.

14th RESOLUTION

Authorization to issue shares to employees who are members of a PEE employee stock ownership plan set up by ASF or by other Group companies

The Annual Shareholders' Meeting, having considered the Board of Directors' report, and the Auditors' special report, in application of Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and Article L.443-5 of the French Labor Code, (i) notes that shares held by the employees of the Company and related companies within the meaning of Article L.225-180 of the French Commercial Code, represent less than 3% of the Company's capital, (ii) authorizes the Board of Directors, with a power of delegation in accordance with the law, to increase the Company's capital on one or several occasions by a maximum nominal amount of €1 million, either through the issuance of new shares to be paid up in cash by current and former employees (retirees or early retirees) who are members of an employee stock ownership plan (PEE) of the Company or any related companies or groups within the meaning of Article L.233-16 of the French Commercial Code; or through capitalizing income, retained earnings or additional paid-in capital and granting bonus shares to the said current or former employees.

The Annual Shareholders' Meeting resolves to waive the pre-emptive subscription rights of existing shareholders in relation to the shares to be issued for cash under this authorization and to waive their rights to bonus shares allocated in accordance with this resolution.

This authorization is given for a period of 26 months commencing on the date of this Meeting.

The Annual Shareholders' Meeting gives full powers to the Board of Directors to use this authorization in accordance with the applicable law and regulations, and particularly:

- to determine – in accordance with the law – the companies of which the current and former employees are entitled to subscribe to the shares issued;
- to determine whether the issues may be subscribed directly by beneficiaries or through collective investment vehicles;
- to determine the form and characteristics of the related capital increase(s), including the timing and conditions relating to subscription, delivery and cum-rights dates, subject to the applicable legal and regulatory requirements;
- to set the subscription price for shares purchased in cash in accordance with Article L.443-5 of the French Labor Code;
- to set the time limit for beneficiaries to pay up their shares. In accordance with the law, at the request of the Company or the beneficiary, shares may either be paid up by way of periodical payments or by equal and regular deductions from the beneficiary's salary;
- to set, if it deems appropriate, seniority limits for participants, subject to the applicable legal limits;
- to determine, where required, the amounts to be capitalized subject to the above-mentioned ceilings, as well as the items of shareholders' equity from which said amounts will be deducted and the allocation conditions;
- to place on record the capital increase(s) in line with the number of shares effectively purchased under issues carried out in accordance with this authorization;
- to charge the share issuance costs against the related premiums and deduct from the premiums the amounts necessary to raise the legal reserve to one-tenth of the new capital after each issue;
- generally, to enter into any and all agreements, take all appropriate steps and carry out all formalities necessary for the issue, listing and service of the shares issued in accordance with this authorization and for the exercise of any related rights;
- amend the Company's bylaws accordingly, and generally do whatever is necessary.

15th RESOLUTION

Amendment of Article 2 of the Company's bylaws – Corporate Purpose

The Extraordinary General Meeting, having considered the Board of Directors' report, resolves to amend Article 2 of the Company's bylaws relating to the corporate purpose and to replace it with the following wording:

"**Article 2 – Corporate purpose**

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, 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 centers, 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."

16th RESOLUTION

Amendment of Article 5 of the Company's bylaws – Capital stock

The Extraordinary General Meeting, having considered the Board of Directors' report, resolves to amend Article 5 of the Company's bylaws relating to the Company's capital stock and to replace it with the following wording:

"**Article 5 – Capital stock**

The Company's capital stock amounts to €29,343,640.56, divided into 230,978,001 shares, all in the same class."

17th RESOLUTION

Amendment of Article 6 of the Company's bylaws – Capital increases

The Extraordinary General Meeting, having considered the Board of Directors' report, resolves to amend Article 6 of the Company's bylaws relating to capital increases and to replace it with the following wording:

"**Article 6 – Capital increases**

The Company's capital may be increased through the issuance of ordinary or preferred shares, either through an increase in the par value of existing shares or through the conversion, redemption, exchange or exercise of share equivalents, in accordance with the law.

New shares shall be issued either at par or at a premium. They shall be paid up in cash or by capitalizing callable debts of the Company or by capitalizing income, reserves or additional-paid in capital. They may also be issued in payment for assets contributed to the Company, in connection with a merger or de-merger, or on conversion, redemption, exchange or exercise of share equivalents subject to payment of any sums due under the terms of issue of said share equivalents.

The Extraordinary Shareholders' Meeting shall have exclusive power to approve an immediate or future capital increase and may delegate this power to the Board of Directors if it deems fit.

Where the Extraordinary Shareholders' Meeting approves a capital increase, it may authorize the Board of Directors to set the terms and conditions of the related issues, subject to the applicable law. "

18th RESOLUTION

Amendment of Article 9 of the Company's bylaws – Form of shares

The Extraordinary General Meeting, having considered the Board of Directors' report, resolves to amend Article 9 of the Company's bylaws and to replace it with the following wording:

"**Article 9 – Form of shares**

1. Shareholders may choose to hold their shares in either registered or bearer form, subject to compliance with the provisions of the law. Registered shares may be converted into bearer form or vice versa subject to the provisions of the law.

Shares are registered in an account in accordance with the terms and conditions set down by law.

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 name/company name, nationality, date of birth/incorporation and address of the holders, as well as the number of securities held in each case and any restrictions applicable to the securities.

2. 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 capital stock 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, 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.

The same disclosure formalities must be carried out whenever the proportion of the capital stock or voting rights held is increased to more than any multiple of 1% or reduced to less than any such multiple.

In the case of failure to comply with these disclosure rules, the shares not disclosed pursuant to the provisions 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. This measure will be implemented at the request of one or several shareholders representing at least 1% of the Company's capital stock or voting rights, duly recorded in the minutes of the Shareholders' Meeting."

19th RESOLUTION

Amendment of Article 11 of the Company's bylaws – Share transfers

The Extraordinary Shareholders' Meeting, having considered the Board of Directors' report, resolves to amend Article 11 of the Company's bylaws entitled "Share transfers", by replacing the reference to paragraph 3 of Article L.228-1 of the French Commercial Code in the second paragraph of the said article of the bylaws, with a reference to paragraph 7 of Article L.228-1 of the said Code.

The remainder of this Article remains unchanged.

20th RESOLUTION

Amendment of Article 16 of the Company's bylaws – Organization of the Board of Directors

The Extraordinary General Meeting, having considered the Board of Directors' report, resolves to amend Article 16 of the Company's bylaws relating to the organization of the Board of Directors and to replace it with the following wording:

The final line of paragraph I entitled, "The Chairman" shall be amended to read as follows:

"The Chairman of the Board of Directors shall organize and manage the work of the Board and report thereon to Shareholders' Meetings. He shall ensure that the Company's corporate governance structures function effectively and obtain assurance that directors are in a position to fulfill their responsibilities."

The remainder of Article 16 remains unchanged.

21st RESOLUTION

Amendment of Article 17 of the Company's bylaws – Powers of the Board of Directors

The Extraordinary General Meeting, having considered the Board of Directors' report, resolves to amend Article 17 of the Company's bylaws relating to the powers of the Board of Directors and to replace paragraph I of the said article with the following wording:

"**I – Principles**

The Board of Directors determines the Company's strategy and oversees its implementation.

Subject to the powers expressly reserved to Shareholders' Meetings and within the limits of the corporate purpose, the Board of Directors deals with any issues relating to the efficient functioning of the Company and makes any and all decisions relating thereto.

In its relations with third parties, the Company shall be bound by any actions of the Board of Directors which fall outside the remit of the Company's corporate purpose, unless it can be demonstrated that the third party knew that said action was outside the corporate purpose or that, in view of the circumstances, the third party had constructive knowledge thereof. The publication of the Company's bylaws alone may not be relied upon to demonstrate such knowledge.

The Board of Directors shall perform any necessary checks and controls that it considers appropriate.

The Chairman of the Board and/or the Chief Executive Officer of the Company are required to provide each Director with all documents and information needed to fulfill their duties.

The Board of Directors may grant to its Chairman (either with or without the possibility of sub-delegation) or to any representative of its choice, all delegations of powers, subject to the limitations set down by law."

The remainder of this Article remains unchanged.

22nd RESOLUTION

Amendment of Article 20 of the Company's bylaws – Regulated agreements

The Extraordinary General Meeting, having considered the Board of Directors' report, resolves to amend Article 20 of the Company's bylaws entitled "Agreements between the Company and directors, or the Chief Executive Officer, or a Senior Executive Officer" and to replace it with the following wording:

"**I – Agreements subject to prior authorization**

Any agreement entered into, directly or through an intermediary, between the Company and its Chief Executive Officer, one of its directors, a Senior Executive Officer, or one of its shareholders holding a percentage of the Company's voting rights in excess of the ceiling set down in Article L.225-38 of the French Commercial Code, or with the controlling shareholder of a corporate shareholder within the meaning of Article L.233-3 of the French Commercial Code, shall be subject to prior approval by the Board of Directors and subsequent approval by the Annual Shareholders' Meeting based on a special report prepared by the Statutory Auditors.

The same applies to agreements that indirectly concern one of the above parties.

These provisions also apply to agreements between the Company and another entity/enterprise if the Company's Chief Executive Officer, one of its Senior Executive Officers, or one of its directors is the owner, a general partner, legal manager, director, member of the Supervisory Board or generally holds a senior management position in the said enterprise.

II – Prohibited agreements

Individual directors, the Chief Executive Officer, Senior Executive Officers and permanent representatives of corporate directors shall not be entitled to enter into any form of borrowing agreement with the Company. In addition, said persons may not be granted any form of overdraft or receive any form of guarantee from the Company in relation to commitments to third parties. Any such contract entered into shall be null and void.

These provisions shall also apply to spouses, ascendants and descendants of the above-mentioned persons as well as any intermediaries acting on their behalf.

III – Routine agreements

Routine agreements entered into on arms' length terms are not subject to the legal authorization and approval procedure. However, the party concerned shall inform the Chairman of the Board of Directors of any such agreements. This duty to inform the Chairman shall not apply to agreements which are not material for either of the parties concerned in light of their purpose or financial implications. A list of the said agreements, along with the purpose thereof, shall be provided by the Chairman to the members of the Board of Directors and the Statutory Auditors."

23rd RESOLUTION

Amendment of Article 24 of the Company's bylaws – Shareholders' Meetings

The Extraordinary General Meeting, having considered the Board of Directors' report, resolves to amend Article 24 of the Company's bylaws relating to Shareholders' Meetings and to replace paragraph 1 of the said article relating to Ordinary Shareholders' Meetings with the following wording:

"1. The Ordinary Shareholders' Meeting shall receive the Management Report prepared by the Board of Directors and the reports of the Statutory Auditors, shall approve and make any applicable amendments to the annual financial statements and shall decide on income appropriation and dividend payments. The Ordinary Shareholders' Meeting shall be responsible for electing Directors and removing them from office and shall set their remuneration in accordance with the conditions laid down by law and the Company's bylaws. The Ordinary Shareholders' Meeting shall also appoint the Statutory Auditors.

The Ordinary Shareholders' meeting may grant to the Board of Directors any authorizations it may consider appropriate, subject to the powers expressly reserved to the Extraordinary Shareholders' Meeting.

More generally, it shall decide on all issues which do not require any direct or indirect amendments to the Company's bylaws.

An Ordinary Shareholders' Meeting shall be held at least once each year within six months of the close of the preceding fiscal year, and additional meetings may be called at any other time when required."

The remainder of this Article remains unchanged.

24th RESOLUTION

Amendment of Article 26 of the Company's bylaws – Agendas for Shareholders' Meetings

The Extraordinary General Meeting, having considered the Board of Directors' report, resolves to amend Article 26 of the Company's bylaws relating to the agenda of Shareholders' Meetings and to replace paragraph 1 of the said article with the following wording:

"1. The agenda of Shareholders' Meetings shall be drawn up by the person who issues the notice of meeting.

However, one or more shareholders, or the Works Council or any association of shareholders that comply with the applicable legal conditions may table a draft resolution to be included in the agenda of a Shareholders' Meeting, subject to the conditions set down by the applicable law and regulations."

The remainder of this Article remains unchanged.

25th 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 necessarily legal and regulatory formalities.

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.

YEAR ENDED DECEMBER 31, 2004

STATUTORY AUDITORS' SPECIAL REPORT ON THE ALLOCATION OF BONUS SHARES TO CORPORATE OFFICERS AND CERTAIN EMPLOYEES (13TH RESOLUTION) ANNUAL AND EXTRAORDINARY SHAREHOLDERS' MEETING HELD ON MAY 12, 2005

PricewaterhouseCoopers Audit
Tour AIG
34, place des Corolles
92908 Paris La Défense Cedex

J P A
7, rue Galilée
75116 PARIS

To the shareholders

In our capacity as Statutory Auditors of ASF and in accordance with Article L. 225-197-1 of the French Commercial Code, we hereby present our report on the planned allocation of bonus shares to corporate officers and certain employees of ASF and related companies within the meaning of Article L. 225-197-2 of the French Commercial Code. The bonus shares will be allocated from shares held in treasury stock.

The Board of Directors is asking shareholders for an authorization to grant bonus shares to be allocated from shares held in treasury stock. It is the Board's responsibility to prepare a report in relation to the planned operation. Our responsibility is to report to shareholders our comments on the information thus provided.

As there were no specific professional standards in force under any legal provisions applicable at December 30, 2004, we performed the procedures that we deemed necessary. Those procedures included verifying that the planned terms and conditions as explained in the Board of Directors' report comply with the applicable legal provisions.

Based on our procedures, we have no comment to make on the information provided in the Board of Directors' report relating to the planned allocation of bonus shares.

Paris, April 8, 2005
The Statutory Auditors

PricewaterhouseCoopers Audit
Paul Onillon

JPA
Jacques Potdevin

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
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YEAR ENDED DECEMBER 31, 2004

STATUTORY AUDITORS' REPORT ON EMPLOYEE SHARE ISSUES (14TH RESOLUTION) ANNUAL AND EXTRAORDINARY SHAREHOLDERS' MEETING HELD ON MAY 12, 2005

PricewaterhouseCoopers Audit
Tour AIG
34, place des Corolles
92908 Paris La Défense Cedex

J P A
7, rue Galilée
75116 PARIS

To the shareholders

In our capacity as Statutory Auditors of ASF and in accordance with Article L. 225-135 of the French Commercial Code, we hereby present our report on the planned capital increase of a maximum nominal amount of €1 million through the issuance of shares to be subscribed by employees and former employees of the ASF Group who are members of an employee stock ownership plan (PEE), or through capitalizing income, retained earnings or additional paid-in capital, and granting bonus shares to the said current or former employees, as submitted to shareholders for approval.

In the fourteenth resolution, based on its report, the Board of Directors is inviting shareholders to authorize it to set the terms and conditions of any such issue. Shareholders are also being asked to waive their pre-emptive rights to subscribe for any shares to be offered to current and former employees for subscription as well as their entitlements to any bonus shares granted. Total capital increases resulting from shares issued under this authorization may not exceed €1 million.

The subscription price of any shares issued under this authorization will be determined in accordance with Article L. 443-5 of the French Labor Code.

We conducted our review in accordance with the professional standards applicable in France. Those standards require that we carry out the necessary procedures to review the methods used for determining the issue price of new shares.

Subject to the future examination of the terms and conditions of these issues, we have no comment to make on the methods used to determine the issue price of new shares, as presented in the report of the Board of Directors.

As the issue price of new shares is to be determined by the Board of Directors when the operations are carried out, we are not in a position to comment on the final terms and conditions under which these issues will be conducted, nor, in consequence, on the proposed waiver of shareholders' pre-emptive rights to subscribe for the issues concerned, the principle of which is in keeping with the nature of the proposed operations.

In accordance with Article 155-2 of the decree of March 23, 1967, we will issue a supplementary report at the time of each such issue conducted by the Board of Directors.

Paris, March 31, 2005
The Statutory Auditors

PricewaterhouseCoopers Audit
Paul Onillon

JPA
Jacques Potdevin

LEGAL AND FINANCIAL INFORMATION

GENERAL INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

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 September 6, 1957 and will be automatically dissolved on September 6, 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 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 perform any and all studies and any and all engineering services related to the construction, maintenance or operation of transport infrastructures other than those referred to above.

(c) To design, build and operate freight centers, vehicle parking areas and multimodal platforms.

(d) To build and operate telecommunications infrastructures related directly to the business of transport infrastructure operator.

(e) 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 operation or construction of transport infrastructures.

(f) 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.

Subject to the adoption of the 15th resolution at the Extraordinary Shareholders' Meeting of May 12, 2005, the wording of Article 2 of the bylaws relating to the Company's corporate purpose will be amended in order to allow ASF to expand its operations relating to transport and communication infrastructures and to extend the scope of its operations.

THE NEW WORDING OF ARTICLE 2 WILL BE AS FOLLOWS:

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, 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 centers, 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.

At the Shareholders' Meeting of May 12, 2005, the shareholders will also be asked to approve further amendments to the Company's bylaws relating to the following:

- ensuring that Articles 5, 6, 11 and 24 comply with Government Order no. 2004-604 of June 24, 2004 amending the legal provisions applicable to securities issued by commercial companies (16th, 17th, 19th and 23rd resolutions);
- ensuring that Article 9 complies with the Financial Security Act of August 1, 2003 (no. 2003-706) and Government Order no. 2004-604 of June 24, 2004 amending the legal provisions applicable to securities issued by commercial companies (18th resolution);
- ensuring that Articles 16, 17 and 20 comply with the Financial Security Act (no. 2003-706) of August 1, 2003 (20th, 21st and 22nd resolutions), amending Article 26 of the bylaws relating to the agenda of Shareholders' Meetings (24th resolution). As other amendments are being made to the bylaws for compliance with various new legal provisions, this amendment is being proposed in order to make Article 26 of the bylaws more fully reflect the above-mentioned Financial Security Act.

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 January 1 to December 31.

APPROPRIATION OF INCOME (ARTICLE 34 OF THE BYLAWS)

At least five percent (5%) of 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 capital stock. This requirement also applies if the legal reserve falls to below one-tenth of capital stock 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 capital stock.

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-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 authorized to act in this capacity by the Board of Directors. Failing that, the Shareholders' Meeting will elect its own chairman.

DISCLOSURE THRESHOLDS (ARTICLE 9 OF THE BYLAWS)

Pursuant to the resolutions voted at the Shareholders' Meeting of March 13, 2002 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 capital stock 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, by registered letter with return receipt requested, or by any equivalent method outside France in the case of non-resident shareholders.

The same disclosure formalities must be carried out whenever the proportion of the capital stock 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 French company law, any individual or legal entity acting alone or in concert that comes to hold a number of shares representing more than 5%, 10%, 20%, 33 1/3%, 50% or 66 2/3% of the Company's capital stock 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 capital stock or voting rights, duly recorded in the minutes of the Shareholders' Meeting.

IDENTIFICATION OF HOLDERS OF BEARER SHARES (ARTICLE 9 OF THE BYLAWS)

Article 9 of the bylaws stipulates that the Company may implement a "*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 capital stock or voting rights details of the individuals or legal entities that hold, directly or indirectly, more than one third of the entity's capital stock or voting rights.

At the Extraordinary Shareholders' Meeting on May 12, 2005, shareholders will be asked to adopt a resolution to amend Article 9 of the bylaws to ensure that it complies with the Financial Security Act of August 1, 2003 (no. 2003-706) and Government Order no. 2004-604 of June 24, 2004 amending the legal provisions applicable to securities issued by commercial companies (18th resolution).

GENERAL INFORMATION ABOUT THE COMPANY'S CAPITAL STOCK

CHANGES IN CAPITAL AND VOTING RIGHTS ATTACHED TO SHARES

Any changes in capital or in the voting rights attached to shares are subject to the rules prescribed 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 March 13, 2002, the Company was authorized 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 authorization given at the Shareholders' Meeting of March 13, 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 April 29, 2003 (sixth resolution), the unused portion of the authorization was cancelled and a new authorization was given to implement a buyback program.

The Company did not use the April 29, 2003 authorization during 2003.

At the Shareholders' Meeting of May 13, 2004 (sixth resolution), the unused portion of this authorization was cancelled and a new authorization was given to implement a buyback program.

The Company did not use the May 13, 2004 authorization during 2004.

At the Shareholders' Meeting of May 12, 2005 (seventh resolution), shareholders will be asked to cancel the existing buyback program and to authorize a new program (see Resolutions presented at the Annual Shareholders' Meeting of May 12, 2005).

CAPITAL STOCK

As of the date of this report, the Company's capital stock 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.

OPENING UP OF THE COMPANY'S CAPITAL AND IPO IN 2002

On October 16, 2001, the Minister of the Economy, Finance and Industry announced plans to open up the Company's capital. This was achieved in the first half of 2002, in the form of an initial public offering (the "IPO") on the *Premier Marché* of Euronext Paris S.A. ("Euronext Paris"). The IPO included an open price retail offering and a global offering. The prospectus for the IPO was approved by the *Commission des Opérations de Bourse* on March 27, 2002 under visa no. 02-283 (the "IPO Prospectus").

Following these transactions, in accordance with the authorization given at the Shareholders' Meeting of March 13, 2002, the Company's capital stock amounted to €29,343,640.56, divided into 230,978,001 common shares.

AUTHORIZED, UNISSUED CAPITAL

Authorizations voted at the Shareholders' Meeting of March 13, 2002

Type of securities	Duration of authorization and expiry date	Maximum issuance amount (in millions of euros)	Maximum capital increase (in millions of euros)	Utilizations
Issuance of shares and share equivalents, with pre-emptive subscription rights*	26 months, expiring May 13, 2004	1,000	15	Issuance of 29,137,964 shares on exercise of warrants attributed to shareholders at the time of the IPO (see para. 3.2.4.1)
Issuance of shares and share equivalents, without pre-emptive subscription rights*	26 months, expiring May 13, 2004	1,000 (not cumulative with the above amount)	15 (not cumulative with the above amount)	—
Issuance to HSBC of 5 million warrants without pre-emptive subscription rights, in connection with the IPO	6 months, expiring September 13, 2002	—	0.635 (not cumulative with the above amount)	Issuance of 2,512,569 shares on exercise of warrants (see para. 3.2.4.1)
Issuance of shares to be paid up by capitalizing retained earnings, additional paid-in capital or income*	26 months, expiring May 13, 2004	—	3 (cumulative with the above amount)	—

Type of securities	Duration of authorization and expiry date	Characteristics	Utilizations
Employee share issues			
Issuance of shares to members of a PEE or PPESV employee stock ownership plan, or to be paid up by capitalizing retained earnings, additional paid-in capital or income*	26 months, expiring May 13, 2004	Maximum aggregate par value of €2 million	Issuance of 5,430,388 shares for cash to members of a PEE or PPESV employee stock ownership plan (see para. 3.2.4.1)

(*) No resolutions concerning new authorizations to increase the Company's capital have been presented at Shareholders' Meetings since March 13, 2002.

The authorizations given at the Shareholders' Meeting of March 13, 2002 have been used to issue approximately €870 million worth of shares. Consequently, authorized, unissued capital currently amounts to €130 million.

AUTHORIZATIONS PRESENTED FOR APPROVAL AT THE EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 12, 2005

Authorization to carry out employee share issues (14th resolution)

At the May 12, 2005 Extraordinary Shareholders' Meeting, shareholders will be invited to approve the fourteenth resolution relating to employee share issues in order to comply with legal requirements. The purpose of this resolution is to authorize the Board of Directors to increase the Company's capital through the issuance of shares to current and former employees (retirees or early retirees) who are members of an employee stock ownership plan (PEE) of the Company or any related companies or groups within the meaning of Article L. 233-16 of the French Commercial Code (i.e. consolidated companies) subject to a ceiling of €1 million.

Under Article L. 225-129-6 of the French Commercial Code and Article 165 of the Decree of March 23, 1967, this type of resolution must be tabled to shareholders in the third calendar year following the previous Shareholders' Meeting adopting a resolution dealing with capital increases in accordance with the conditions set out in Article L. 443-5 of the French Labor Code, where the number of shares held by employees of the Company and related companies represents less than 3% of total capital stock. As the last Shareholders' Meeting to adopt such a resolution was held on March 13, 2002 at the time of the Company's IPO, it is now necessary to invite shareholders to adopt a resolution dealing with this issue.

Authorization to grant bonus shares to employees of the Company and the Group (13th resolution)

The French Finance Act for 2005 (Act no. 2004-1484 of December 30, 2004) introduced new provisions to the French Commercial Code, including Articles L. 225-197-1 to L. 225-197-3 whose purpose is to authorize joint stock companies to set up medium-term remuneration plans, including share ownership for employees and senior management. These provisions – which came into force on January 1, 2005, allow companies to immediately set up bonus share plans for all or certain categories of employees and for corporate officers (Chairman of the Board of Directors, Chief Executive Officer and Senior Executive Officers). Employees and corporate officers from companies related to the issuing company may also be granted bonus shares under these plans. In the same way as for stock options, under this resolution, the Board of Directors will determine the list of beneficiaries and the applicable related conditions.

In the thirteenth resolution, shareholders at the Extraordinary Shareholders' Meeting to be held on May 12, 2005 will be asked to use these new provisions to authorize the Board of Directors to grant bonus shares to employees of the Company and related companies, in accordance with the conditions set down by law, in order to reward them for earnings growth achieved by the Company and the Group and to foster loyalty within the ASF Group.

Authorizations presented for approval at the Annual Shareholders' Meeting of May 12, 2005

Type of securities	Duration of authorization and expiry date	Characteristics
Share buyback program		
Share buybacks	18 months, expiring Nov. 12, 2006	Shares representing a maximum of 10% of the shares issued and outstanding

Share equivalents

There are currently no other securities outstanding that are convertible, redeemable, exchangeable or otherwise exercisable for shares. However, at the Shareholders' Meeting of March 13, 2002, the Board of Directors was authorized to issue shares and other securities carrying rights to a stake in the Company's capital (see "Authorized, unissued capital", pages 191 to 192).

Changes in capital stock over the last five years

Date	Transaction	Par value[1]	New capital stock (in €)	New number of shares	Number of shares issued	Premiums (in €millions)
June 26, 2001*	Conversion of capital stock into euros (Shareholders' Meeting of June 26, 2001)[2]	—	24,632,849	1,615,809	—	—
March 13, 2002	120-for1 stock-split (Shareholders' Meeting of March 13, 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
May 28, 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 capital stock between 1997 and 2001.

(1) When the capital stock was converted into euros, pursuant to the decision of the Shareholders' Meeting of June 26, 2001, the reference to the shares' par value was deleted from the bylaws.

(2) The conversion of capital stock into euros was decided at the Extraordinary Shareholders' Meeting of June 26, 2001. The amount in euros was rounded down to 24,632,849, leading to a 0.41 reduction in capital, credited to retained earnings.

CURRENT OWNERSHIP STRUCTURE

Ownership structure at December 31, 2004

Changes in ownership structure since December 31, 2001

	At December 31, 2002			At December 31, 2003			At December 31, 2004		
Shareholders	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	41.5%	41.5%
Autoroutes de France	20,427,400	8.8%	8.8%	20,427,400	8.8%	8.8%	20,427,400	8.8%	8.8%
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%
Employees	5,543,472	2.4%	2.4%	5,244,842	2.3 %	2.3%	4,317,617	1.9%	1.9%
Board members and Senior Executive Officers**	602	n.m.	n.m.	2,047	n.m.	n.m.	2,239	n.m.	n.m.
ASF	40,000	n.m.	n.m.	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	23.0%	23.0%
Public***	66,108,609	28.7%	28.7%	61,161,007	26.5%	26.5%	55,418,551	24.0%	24,0%
Total	**230,978,001**	**100%**	**100%**	**230,978,001**	**100%**	**100%**	**230,978,001**	**100%**	**100%**

* Four regional authorities, twenty-one départements, one commune and three Chambers of Commerce and Industry.

** Excluding ADF, but including Philippe Dumas, permanent representative of ADF on the ASF Board of Directors. Corporate officers hold 2,232 shares and senior management hold 207 shares.

*** Excluding interests declared under the disclosure threshold rules.

The Shareholders' Meeting of March 13, 2002 approved a 120-for-1 stock-split effective March 13, 2002.

At March 16, 2005, shares held by the public included 106,442 registered shares (source: EEF).

CONTROLLING SHAREHOLDERS

The Company's capital and voting rights are 50.3%-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 December 30, 1982.

MARKET FOR THE COMPANY'S SHARES

ASF share price and trading volumes on the *Premier Marché* of Euronext Paris:

Date	High (in €)	Low (in €)	Year-end (in €)	Average closing price (in €)	Trading volume (shares)	Trading volume ((in € millions)
July 2003	27.88	24.85	26.79	26.51	9,554,508	253.07
August 2003	26.80	25.61	25.75	26.22	5,559,167	145.73
Sept. 2003	27.90	25.51	26.60	26.34	13,491,577	356.62
October 2003	27.10	25.92	26.50	26.58	11,027,462	293.04
Nov. 2003	27.20	25.75	27.00	26.57	7,653,191	202.98
Dec. 2003	27.19	25.40	26.60	26.85	11,993,277	319.26
January 2004	27.80	25.90	27.36	26.72	5,323,129	141.85
February 2004	28.94	27.30	28.73	28.12	4,395,317	122.74
March 2004	30.59	28.22	29.78	29.43	5,978,288	175.76
April 2004	32.94	29.45	32.43	31.49	8,995,098	283,207.00
May 2004	32.50	30.50	31.19	31.39	4,526,523	141,817.00
June 2004	32.79	30.10	32.64	31.86	6,415,467	204,593.00
July 2004	33.59	32.49	32.91	33.18	4,776,584	158,176.00
August 2004	36.04	32.12	35.90	34.30	5,164,855	177,067.00
Sept. 2004	37.74	35.62	36.80	36.90	7,757,836	286,975.00
October 2004	38.40	36.05	36.19	37.34	5,388,767	200,472.00
Nov. 2004	37.99	36.22	36.97	37.14	7,683,008	285,049.00
Dec. 2004	37.65	36.76	37.00	37.10	12,066,227	445,582.00
January 2005	42.09	37.00	41.75	39.16	6,590,982	258,983.00
February 2005	43.19	38.11	39.59	41.34	7,149,513	291,451.00

Source: Euronext Paris.

INSURANCE

ASF has taken out property and casualty insurance for varying amounts depending on the type of claim. For 2005 the program includes €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 are €30 million, €4 million and €1.5 million respectively. ASF and ESCOTA also have liability cover. ASF's program provides cover 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 €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 amounts to €7.6 million per claim and for total claims per insurance year at ASF and €15 million at 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 uses a certain number of proprietary trademarks. The Radio Trafic FM and Web Trafic trademarks are registered and the ASF, ESCOTA and Radio Trafic FM logos are also protected.

EXCEPTIONAL EVENTS, CLAIMS AND LITIGATION

The Group is party to a certain number of claims and lawsuits in the normal course of business. To the best of the Company's knowledge, 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.

In accordance with the recommendations of the Auditors, 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 the last ten years. These analyses show that the actual cost per claim averages 10% of the amount originally claimed. Accordingly, the basic rule followed by the Group consists of booking provisions for 10% of the amount of all claims in progress at December 31. 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.

PERSON RESPONSIBLE FOR THE *DOCUMENT DE RÉFÉRENCE* AND AUDITORS

Person responsible for the *document de référence*
Monsieur Jacques Tavernier, Chief Executive Officer

STATEMENT BY THE PERSON RESPONSIBLE FOR THE *DOCUMENT DE RÉFÉRENCE*

"To the best of my knowledge, the information contained in this *document de référence* is correct and includes all the information required by investors to form an opinion about the assets and liabilities, business, financial position, results of operations and outlook of Autoroutes du Sud de France. No information has been omitted that would be likely to alter an investor's opinion."

Jacques Tavernier,
Chief Executive Officer

AUDITORS

Statutory Auditors

Befec-Pricewaterhouse, renamed **PricewaterhouseCoopers Audit** by decision of the Extraordinary Shareholders' Meeting of December 20, 2002 – member of PricewaterhouseCoopers

34, place des Corolles
92808 Paris La Défense Cedex

Represented by Paul Onillon.

Date of first appointment and current appointment: Shareholders' Meeting of June 27, 2000.
Current term of office expires at the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2005.

JPA
7, rue Galilée
75116 Paris

Represented by Jacques Potdevin.

Date of first appointment: Shareholders' Meeting of September 27, 1994.
Date of current appointment: Shareholders' Meeting of June 27, 2000.
Current term of office expires at the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2005.

Substitute Auditors

Socodec Exco Bourgogne
5, avenue Garibaldi
21000 Dijon

Represented by Jean-Noël Parot.

Date of first appointment at the Shareholders' Meeting of June 28, 1988.
Date of current appointment at the Shareholders' Meeting of June 27, 2000.
Current term of office expires at the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2005.

SCP Guyot Varona et Autres
105, avenue Raymond Poincaré
75116 Paris

Represented by Gérard Varona.

Date of first appointment: Shareholders' Meeting of September 27, 1994.
Date of current appointment: Shareholders' Meeting of June 27, 2000.
Current term of office expires at the Annual Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2005.

Statement by the Auditors on the *document de référence*

PricewaterhouseCoopers Audit
Tour AIG
34, place des Corolles
92908 Paris La Défense Cedex

J P A
7, rue Galilée
75116 PARIS

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 and as required by Articles 211-1 to 211-42 of the General Regulations of the *Autorité des Marchés Financiers*, we have examined in accordance with French professional standards the information about the financial position and the historical accounts included in the *document de référence* for the year ended December 31, 2004.

This *document de référence* is the responsibility of Bernard Val, Chairman of the Board of Directors. Our responsibility is to express an opinion on the fairness of the information about the financial position and the accounts contained in the *document de référence*.

Our procedures, which were performed in accordance with French professional standards, consisted of assessing the fairness of the information about the financial position and the accounts and verifying that this information agrees with the audited financial statements, reading the other information contained in the *document de référence* in order to identify any material inconsistencies with the information about the financial position and the accounts, and reporting any manifestly incorrect information that came to our attention, based on our overall knowledge of the Company, as acquired during our audit. The *document de référence* does not contain any forward looking information determined according to a structured process.

We also audited the financial statements of the Company and the Group for the year ended December 31, 2004, as approved by the Board of Directors. Our audits were performed in accordance with auditing standards generally accepted in France. Our reports on these financial statements did not contain any qualifications but did contain an observation relating to the change of accounting method applied during the year as a result of the first-time application of CNC recommendation 2003 R01 relating to measuring and recognizing deferred employee benefits.

We also audited the financial statements of the Company and the Group for the years ended December 31, 2003, and December 31, 2002, as approved by the Board of Directors. Our audits were performed in accordance with auditing standards generally accepted in France. Our reports on these financial statements did not contain any qualifications or observations.

Based on the procedures described above, we have nothing to report with respect to the fairness of the information about the financial position and the historical financial statements contained in the *document de référence*.

Paris, April 20, 2005
The Statutory Auditors

PricewaterhouseCoopers Audit
Paul Onillon

JPA
Jacques Potdevin

Additional information:

The *document de référence* also includes:

The Statutory Auditors' reports on the financial statements of the Company and the Group for the year ended December 31, 2004 (in section 6 of the Financial Report). These reports contain justifications of the assessments made by the Statutory Auditors in accordance with Article L.225-235 of the French Commercial Code.

The Statutory Auditors report provided in section 3 of the Financial Report, prepared in application of Article L.225-235, final paragraph, of the French Commercial Code, on the report prepared by the Chairman of Société des Autoroutes du Sud de la France about internal control procedures related to the preparation and processing of accounting and financial information.

SOCIÉTÉ DES AUTOROUTES DU SUD DE LA FRANCE

Société Anonyme d'Économie Mixte. Share capital €29 343 640,56

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INFORMATION OFFICER

Ms. Solène Allain

Head of Investor Relations

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Information concerning ASF can also be viewed on the Company's website – www.asf.fr

AMF CHECKLIST

Section 1: Person responsible for the *document de référence* and Auditors

Section 2: Not applicable

Section 3: General information about the Company and its capital stock

Section 4: Information about the business

Section 5: Assets and liabilities – financial position – results of operations

Section 6: Corporate governance structures

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In accordance with Articles 211-1 to 211-42 of the General Regulations of the *Autorité des Marchés Financiers (AMF)*, the *document de référence* in France was registered by the AMF on April 20, 2005, under visa no. R05-043. The *document de référence* may not be used in connection with a financial transaction, unless it is accompanied by an information memorandum also approved by the AMF. The *document de référence* was prepared by the issuer and is the issuer's responsibility. It was registered by the AMF after a review of the appropriateness and consistency of the information given about the Company's situation. Said registration does not imply approval of the accounting and financial data set out therein.

Technical Report 2004

asf

TECHNICAL REPORT

- Motorway concessions in France and Europe
- Concession agreements
- Regulatory environment
- Traffic and toll growth
- ASF Group network in service as of December 31, 2004

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 concession-holder.

The French system of motorway concessions and toll motorways was established by the Motorways Act of April 18, 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 concession-holder 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 Nord 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 concession-holders' 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 concession holder over the four-year period, in the areas of pricing policy, capital expenditure, development strategy, marketing and customer service policies, financial targets, social and environmental policies.

Another major reform, introduced in 2001 based on European Commission guidelines dated October 24, 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.

Concession agreements

MOTORWAY CONCESSION AGREEMENTS

General

The ASF Group builds, maintains and operates its 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 listed in the "ASF Group network in service as of December 31, 2004" section of this Technical Report, 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 concession-holder, 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 concession-holder ("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 concession-holder has the exclusive right to operate the motorways or motorway sections covered by the concession, and to collect tolls. As of December 31, 2004, the Concession Assets had been allocated among the above three categories by agreement between ASF and the French State.

Duration of concessions and recovery of assets on expiry of concessions

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

On expiry of each concession, the State will take possession of the Returnable Assets. The concession-holder 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 concession-holder 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 concession-holder must fulfill all the undertakings made and conditions imposed in the Declaration of Public Interest.

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

Motorway operation

The concession-holder 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 concession-holder at its own expense.

The concession-holder 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 concession-holder is required to maintain a minimum service, as defined by the Infrastructure Minister.

The concession-holder 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 concession-holder's control.

Financial terms and conditions

The concession-holder 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 Group'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 concession-holder to determine toll charges.

Operation of service area outlets and other commercial installations

The concession-holder 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 concession-holder 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 concession-holder will mutually agree on the amount of any compensation to be paid to the concession-holder.

Taxation

The concession-holder 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 concession-holder will mutually agree on any compensatory measures to be taken to permit the continued provision of the public service.

Buyback Option

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

If the buyback option is exercised, the concession-holder 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 concession-holder during the seven years that precede the one in which the buyback notice is sent to the concession-holder, and
- net concession income for the year preceding the one in which the buyback notice is sent to the concession-holder.

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 June 30 of the buyback year, he concession-holder 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 concession-holder'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 concession-holder to fulfill 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 concession-holder will be required to pay a penalty, unless such failure is due to circumstances beyond the concession-holder'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 concession-holder.

If the concession-holder 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 concession-holder 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 concession-holder (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 concession-holder's control;
- the concession-holder transfers the concession without prior and express authorization of the State;
- the concession-holder 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 concession-holder 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 June 2, 1994 for a period expiring on December 31, 2037. An addendum may be signed bringing forward the expiry date, following completion of the new Andorran road linking the tunnel to the RN 320. Starting in 2013, the concession may also be revoked by the government on January 1 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, the ASF Group 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 concession-holder, 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 concession-holder 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 January 1, 1998, new motorway sections are put out to tender on a European scale, in compliance with European Union law on awarding public contracts (Law of January 29, 1993 and European Directives 92/50/EEC of June 18, 1992 and 93/37/EEC of June 14, 1993).

Public works and services contracts

Contracts awarded by the ASF Group to sub-contractors and suppliers for the construction, operation and maintenance of motorways a nd the purchase of assets required to operate the service must be publicly announced and put out to tender, in accordance with the Act of January 29, 1993 on the prevention of corruption and the transparency of public procedures (public works, civil engineering and project management), European Directives no. 92/50 of June 18, 1992 (public service contracts), no. 93/36 of June 14, 1993 (public supply contracts) and no. 93/37 of June 14, 1993 (public works contracts), and the texts transposing these directives into French law.

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.

Cmmercial 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 (see "Our Businesses/Diversifying our Business Base/Contracts with Commercial Outlet Operators").

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

Traffic

Between 2002 and 2004, traffic on the ASF Group network, measured by the number of kilometers traveled, grew by 7.4%, or an average of roughly 3.6% a year.

In 2004, ASF Group network traffic volume (expressed in millions of kilometers traveled) broke down as follows:

- Light vehicles 27,400
  (representing (84.96%)
- Heavy goods vehicles 4,851
  (representing (15.04%)
- Together 32,251

Appendix A:
ASF Group network traffic volume (in millions of kilometers traveled)

	Light vehicles		Heavy Goods vehicles[1]		Total	
	million km	% growth	million km	% growth	million km	% growth
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**
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**
TOTAL GROUPE ASF						
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**

(1) - Including the Puymorens Tunnel.

Appendix B:
ASF Group network traffic volume, by main motorway and motorway section (in millions of kilometers traveled per year)

Year ended December 31	2002	2003	2004
ASF network			
A46 South-A7-A8 Lyon - Orange - Aix-en-Provence	**6,972**	**7,020**	**7,051**
A46 South-A7 Vienne - Orange	5,044	5,051	5,042
A7 Orange - Coudoux	1,517	1,549	1,575
A7 Coudoux - Berre	78	83	87
A8 Coudoux - Aix-en-Provence	333	337	347
A9 Orange - Le Perthus (Spanish border) (La Languedocienne/La Catalane)	**5,167**	**5,256**	**5,400**
A9 Orange - Narbonne	4,070	4,135	4,219
A9 Narbonne - Le Perthus	1,097	1,121	1,181
A10/A83/A837 - Nantes-Poitiers-Rochefort-Bordeaux	**3,095**	**3,191**	**3,336**
A10 Poitiers - Bordeaux	2,198	2,233	2,313
A83 Nantes - A10 Niort	790	848	916
A837 Rochefort - A10 Saintes	107	110	107
A11 Le Mans - Angers	**579**	**605**	**625**
A20 Brive - Montauban	**431**	**567**	**686**
A20 Brive - Cahors North	251	302	345
A20 Cahors-nord - Cahors South		56	104
A20 Cahors-nord - Montauban	180	209	237
A54 Nîmes - Salon-de-Provence	**493**	**509**	**542**
A54 Nîmes - Arles	275	280	299
A54 Saint-Martin-de-Crau - Salon-de-Provence	218	229	243
A61 Narbonne - Toulouse	**1,741**	**1,825**	**1,891**
A62 Bordeaux - Toulouse	**2,004**	**2,077**	**2,155**
A63 Basque Coast	**683**	**712**	**768**
A64 Bayonne - Toulouse	**1,421**	**1,486**	**1,564**
A64 Briscous - Martres Tolosane + A645 Val d'Aran*	1,287	1,343	1,409
A64 North Toulouse - Muret	134	143	155
A66 Pamiers - junction A61-A66	**75**	**105**	**118**
A68 Toulouse - Gémil	**175**	**187**	**201**
A87 Angers - junction A87-A83 (Les Essarts)	**125**	**206**	**285**
A72/A89 Saint-Étienne - Clermont-Ferrand	**829**	**857**	**874**
A89 West Bordeaux - Clermont-Ferrand	**283**	**370**	**513**
A89 Libourne - Thenon*	167	183	293
A89 Saint-Germain-Les-Vergnes - Tulle East - Le Sancy	116	187	220
Total ASF network	**24,073**	**24,973**	**26,009**
ESCOTA network			
A8 Aix-en-Provence - Italian border	**4,065**	**4,136**	**4,209**
A51 Aix-en-Provence - Gap	**592**	**629**	**648**
A52/A50 Aix-en-Provence - Aubagne - Toulon	**1,090**	**1,136**	**1,157**
A57 Toulon - A8	**194**	**201**	**209**
A500 A8 - Monaco	**16**	**16**	**16**
Total ESCOTA network	**5,957**	**6,118**	**6,239**
Puymorens Tunnel	**3**	**3**	**3**
Total ASF Group	**30,033**	**31,094**	**32,251**

* The Périgueux East – Thenon section of the A89 was brought into service in January 2004, the Val d'Aran link (A645) in September 2004 and the Mussidan – Périgueux section of the A89 in October 2004.

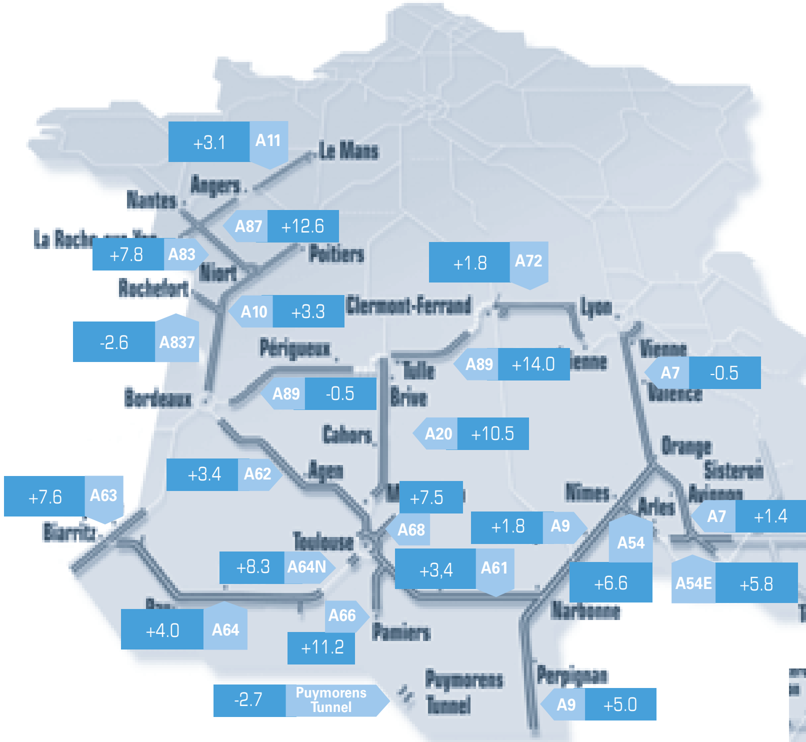
Appendix C:
Annual average daily traffic ("AADT")* on the ASF Group motorway network

Year ended December 31	2002	2003	2004	% CHANGE 2004/2003
ASF network				
A46 South-A7 direction Saint-Priest - junction A43-A46 - Orange	69,890	69,992	69,663	(0.5)
A7 Orange - Coudoux	52,268	53,354	54,117	+1.4
A9 Orange - Narbonne South	57,595	58,507	59,534	+1.8
A9 Narbonne South - Le Perthus	34,599	35,378	37,154	+5.0
A10 Poitiers South - Bordeaux	25,963	26,378	27,253	+3.3
A83 Nantes - junction A10-A83	14,797	15,884	17,116	+7.8
A837 Junction A10-A837 - Rochefort	8,066	8,233	8,016	(2.6)
A11 Le Mans - Angers	19,494	20,364	20,987	+3.1
A20 Montauban - Brive	11,226	13,263	14,648	+10.5
A54 Nimes - Arles	31,505	32,052	34,166	+6.6
A54 Saint-Martin-de-Crau - Salon-de-Provence	23,912	25,111	26,567	+5.8
A61 Narbonne South - Toulouse South	32,871	34,456	35,621	+3.4
A62 La Brède - Toulouse North	24,588	25,494	26,372	+3.4
A63 Basque Coast (Saint-Géours-de-Maremne - Biriatou)	28,142	29,348	31,571	+7.6
A64 Briscous - Martres Tolosane, A645 Bretelle Val d'Aran**	15,322	15,996	16,636	+4.0
A64 North Toulouse - Muret	26,983	28,763	31,153	+8.3
A66 Pamiers - junction A61-A66 (Toulouse)	6,264	7,414	8,245	+11.2
A68 Toulouse - Gémil	26,969	28,856	31,033	+7.5
A87 Angers - junction A87-A83 (Les Essarts)	6,556	7,547	8,497	+12.6
A72/A89 Saint-Étienne - Clermont-Ferrand	17,897	18,503	18,834	+1.8
A89 Libourne - Thenon**	6,611	7,217	7,178	(0.5)
A89 Saint-Germain-Les-Vergnes - Le Sancy	4,179	5,105	5,818	+14.0
Puymorens Tunnel	1,620	1,650	1,606	(2.7)
ASF network average	**28,765**	**29,023**	**29,232**	**+0.7**
ESCOTA network				
A8 Aix-en-Provence - Italian border	54,089	55,036	55,848	+1.5
A51 Aix-en-Provence - Gap	12,509	13,273	13,637	+2.7
A52/A50 Aix-en-Provence - Aubagne-Toulon	39,913	41,612	42,486	+2.1
A57 Toulon - A8	11,589	11,972	12,425	+3.8
A500 A8 - Monaco	14,519	14,729	15,523	+5.4
ESCOTA network average	**35,528**	**36,483**	**37,105**	**+1.7**

* Annual average daily traffic ("AADT") for each motorway section, expressed in kilometers traveled, divided by the number of kilometers of motorway in service.

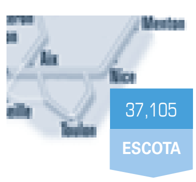
** The Périgueux East – Thenon section of the A89 was brought into service in January 2004, the Val d'Aran link (A645) in September 2004 and the Mussidan – Périgueux section of the A89 in October 2004.

2003–2004 traffic growth by motorway and tunnel (“AADT”)*



* % change “AADT” (“AADT” for each motorway section, expressed in kilometers traveled, divided by the number of kilometers of motorway in service).

2004 annual average daily traffic (“AADT”)*



* Annual average daily traffic (“AADT”) for each motorway section, expressed in kilometers traveled, divided by the number of kilometers of motorway in service.

Toll receipts

Toll receipts are calculated for each motorway section between two interchanges and, in the case of interconnected motorways, for the total sections between two interchanges, and not by motorway.

Appendix D:
ASF Group toll receipts (€ millions net of tax)

Year ended December 31	2002	2003	2004	% CHANGE 2004/2003
ASF network				
A7 Vienne - Berre; A8 Coudoux - Aix-en-Prov.; A9 Orange - Montpellier; A46 sud de Lyon; A54 Nîmes - Salon-de-Provence	596.3	622.3	651.5	+4.7
A9 Montpellier - Le Perthus; A61 Narbonne - Toulouse; A66 Toulouse - Pamiers**	352.3	376.0	401.6	+6.8
A10 Poitiers - Bordeaux; A83 Nantes - A10 Niort; A837 Rochefort - A10 Saintes	204.3	216.3	235.1	+8.7
A11 Le Mans - Angers	41.5	44.5	46.9	+5.4
A87 Angers - junction A87-A83 (Les Essarts)**	7.8	13.0	18.3	+40.8
A20 Brive - Montauban**	32.2	43.0	54.0	+25.6
A62 Bordeaux - Toulouse	129.4	137.7	145.9	+6.0
A63 Saint-Géours-de-Maremne - Biriatou	71.6	76.7	82.4	+7.4
A64 Briscous - Martres Tolosane; A64 N Toulouse - Muret; A645 Val d'Aran**	82.6	88.1	95.7	+8.6
A68 Toulouse - Gémil	10.8	11.5	12.9	+12.2
A72/A89 East Clermont-Ferrand - Saint-Étienne	55.2	58.6	61.3	+4.6
A89 West Bordeaux - Clermont-Ferrand**	21.8	29.1	40.5	+39.2
Total ASF* network	**1,605.8**	**1,716.8**	**1,846.1**	**+7.5**
ESCOTA network				
A8 Aix-en-Provence - Italian border	306.1	329.6	347.1	+5.3
A51 Aix-en-Provence - Gap	39.7	42.8	45	+5.1
A52/A50 Aix-en-Provence - Aubagne-Toulon	71.7	74.6	77.5	+3.9
A57 Toulon - A8	18.6	13.9	14.8	+6.5
A500 A8 - Monaco	8.7	9.0	9.3	+3.3
Total ESCOTA network	**444.8**	**469.9**	**493.7**	**+5.1**
Puymorens Tunnel	2.9	3.2	3.0	(6.3)
Total ASF Group	**2,053.5**	**2,189.9**	**2,342.8**	**+7.0**

* ASF subscriber revenues included in the above table take account of estimated discounts for heavy-goods vehicles and the estimated cost of managing subscriber accounts. These "statistical" revenues do not match the toll receipts reported in the ASF income statement, which reflect actual discount rates and subscriber account management costs. Discounts and subscriber account management costs are allocated among the various motorways based on toll receipts by motorway.

** Motorway sections brought into service:
A20 – Cahors North – Cahors South in June 2003,
A66 – Pamiers – Junction A66-A61 (near Toulouse) in February 2002,
A87 – Angers – Cholet South in January 2002,
A87 – Cholet South – Junction A87-A83 (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.

Growth in toll revenues in the period 2002-2004 was attributable to the opening of 289 kilometers of new motorway, 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 2004, 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 22.9% of the year's total. On some motorway sections, tolls are charged only for through traffic, with local traffic using the motorway free of charge.

Appendix E: Toll receipts by vehicle category

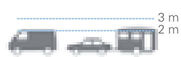
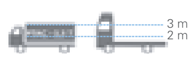
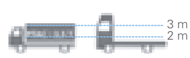
(€ millions net of tax)	2002	2003	2004
ASF*			
Category 1	1,055.4	1,121.6	1,197.3
Category 2	80.5	83.7	90.1
Category 3	51.9	55.0	58.7
Category 4	418.0	456.6	500.0
Category 5	2.9	3.1	3.0
Total ASF	**1,608.7**	**1,720.0**	**1,849.1**
ESCOTA			
Category 1	332.0	348.6	363.0
Category 2	19.2	20.0	21.5
Category 3	19.8	20.9	22.3
Category 4	72.0	78.5	84.9
Category 5	1.8	1.9	2.0
Total ESCOTA	**444.8**	**469.9**	**493.7**
Total ASF Group	**2,053.5**	**2,189.9**	**2,342.8**

* Including the Puymorens Tunnel.

Calculation of toll charges

The average toll rate per kilometer ("TKM") is calculated by vehicle category and within the limits specified in the concession agreements.

Since the beginning of 2001, there are five vehicle categories:

Category	Vehicle type	Total height (excluding load)	Number of axles	Pictogram
Category 1	LIGHT VEHICLES or car and trailer	TH ≤ 2m and GVW ≤ 3.5mt*	2 or more	
Category 2	INTERMEDIATE vehicle or car and trailer	TH 2 to 3m and GVW ≤ 3.5mt*	2 or more	
Category 3	HEAVY GOODS VEHICLES AND BUSES	TH ≥ 3m or GVW > 3.5mt*	2	
Category 4	HEAVY GOODS VEHICLES AND BUSES	TH ≥ 3m or GVW > 3.5mt*	more than 2	
Category 5	TWO-WHEELERS motorcycles, side cars, trikes	not applicable	not applicable	

*GVW: Gross Vehicle Weight Rating; mt: metric tons.

Appendix F:
ASF Group traffic, by vehicle category

(in millions of kilometers traveled)	2002	2003	2004
ASF			
Category 1	19,157	19,899	20,676
Category 2	940	957	1,003
Category 3	536	540	555
Category 4	3,348	3,485	3,689
Category 5	92	92	86
Total ASF	**24,073**	**24,973**	**26,009**
ESCOTA			
Category 1	5,150	5,283	5,376
Category 2	196	200	210
Category 3	154	156	158
Category 4	415	433	449
Category 5	42	46	46
Total ESCOTA	**5,957**	**6,118**	**6,239**
Puymorens Tunnel	**3**	**3**	**3**
Total ASF Group	**30,033**	**31,094**	**32,251**

A basic toll charge is set for category-1 vehicles. The rates for the other categories are then calculated by multiplying the category-1 rate by a factor called the "tariff coefficient" which is specified in the concession agreements and may be periodically revised at the initiative of the concession-holder.

ASF Group tariff coefficients(1)

	2001	2002	2003	2004	2005
ASF network					
Category 2	1.55	1.55	1.55	1.55	1.55
Category 3	1.97	2.01	2.07	2.10	2.13
Category 4	2.67	2.70	2.77	2.80	2.83
Category 5	0.60	0.60	0.60	0.60	0.60
ESCOTA network					
Category 2	1.50	1.51	1.51	1.51	1.51
Category 3	1.93	1.96	2.03	2.06	2.09
Category 4	2.66	2.70	2.77	2.83	2.86
Category 5	0.62	0.62	0.62	0.62	0.62
Puymorens Tunnel					
Category 2	2.00	2.00	2.00	2.00	2.02
Category 3	2.91	2.94	2.94	3.00	3.06
Category 4	4.79	4.88	4.88	4.98	5.07
Category 5	0.61	0.60	0.60	0.58	0.57

(1) These figures correspond to the new toll charges introduced during the year. Changes in toll charges are usually made in February. In 2002, the change was made on March 1.

The program contract for the period 2002-2006 provides for a gradual increase of 5% to 10% in the coefficients for categories 3 and 4, to a maximum of 2.17 and 2.84, respectively, for ASF and 2.11 and 2.90, respectively, for ESCOTA by 2006.

For closed-system motorways – defined as motorways where toll stations exist at all entry and exit points – the category-1 toll is calculated by motorway section (i.e., for each section of the motorway between two interchanges or toll plazas), based on an average toll rate per kilometer ("TKM").

The TKMs currently applied by the ASF Group are based on the rate fixed when the motorway section was opened, plus any increases applied since then. The original TKM is calculated by reference to the section's construction costs, and is capped at 120% of the TKM of adjacent sections. It follows from this that the TKM for older motorway sections is lower than that for more recent sections. For example, as of February 1, 2004, the category-1 TKM was €0.0658 on the oldest section (Vienne-Orange) compared with € 0.1071 on the Toulouse-Muret section opened in March 1996.

Under the concession agreements, the toll rate per kilometer on a given section of motorway for a given vehicle category may not be over 50% more or less than the TKM for the category concerned, unless specifically authorized by the Minister of the Economy and the Infrastructure Minister.

The pricing schedule is drawn up by the ASF Group, based on distance. As a general principle, the tariff payable for a journey by a category-1 vehicle on a given section is equal to the section's TKM multiplied by the number of kilometers represented by the section. ASF Group toll charges, like those of most motorway concession-holders, are rounded up to the nearest tenth of a euro. In addition, tariffs for some sections are adjusted to maintain consistency in the overall pricing schedule.

On open-system motorways – defined as motorways where there are no toll stations at the entry and exit points, and tolls are paid at toll plazas located on the motorways –the toll charge is the TKM for the section multiplied by a "tariff distance" which is the average distance of all possible journeys within that section. Tariffs for open sections of motorway are determined by vehicle category, regardless of the vehicle's points of entry and exit, because unlike in the case of closed-system motorways, one of the factors used to calculate the tariff (i.e., the distance traveled by the motorist) is unknown.

ASF Group TKMs

	2001	2002	2003	2004
	(TKM in force at the end of the year concerned) (in euro cents including tax)			
ASF network	6.19	6.31	6.45	6.62
ESCOTA network	8.21	8.37	8.55	8.73
Puymorens Tunnel	84.0	84.0	86.67	88.33

Since February 1, 2005, the TKM for category-1 vehicles is €0.0564 (before tax) for ASF, and €0.0745 (before tax) for ESCOTA (€0.0675 and €0.0891 respectively including tax).

Under the concession agreements, tariffs are revised each year, usually on February 1. The program contract signed with the French government fixes the tariff increases for the duration of the contract. Under ASF Group concession agreements, the annual tariff increase for category-1 vehicles fixed under the program contract may not be less than 85% of the increase in consumer prices (excluding tobacco) for the period since the tariffs were fixed the previous year.

In March 2002, we signed a program contract for the period 2002-2006 providing for an annual increase in each company's TKM (excluding tax) equal to 85% of the increase in consumer prices (excluding tobacco), plus a specific average annual increase of 0.625% to ensure the financial viability of the concession and help finance the Group's capital expenditure program.

If no program contract is signed, the annual increase in tariffs (excluding tax) may not be less than 70% of the increase in consumer prices (excluding tobacco) for the period since the tariffs were fixed the previous year.

Appendix G:
Toll receipts by methods of payment

	2001		2002		2003		2004	
	millions	%	millions	%	millions	%	millions	%
ASF network								
Immediate payments	120.8	40.2%	112.7	34.8%	112.2	33.2%	112.6	31.4%
Subscriptions	55.0	18.3%	70.8	21.9%	83.4	24.7%	96.0	26.7%
Bank and credit cards	95.8	31.9%	109.1	33.7%	110.5	32.7%	117.1	32.6%
Corporate cards	26.9	9.0%	28.8	8.9%	29.7	8.8%	31.3	8.7%
Other	1.8	0.6%	2.0	0.6%	2.0	0.6%	2.0	0.6%
	300.3	**100%**	**323.4**	**100%**	**337.8**	**100%**	**359.0**	**100%**
ESCOTA network								
Immediate payments	99.3	46.5%	89.8	40.5%	88.6	39.0%	85.8	36.8%
Subscriptions	60.8	28.3%	68.2	30.7%	73.8	32.3%	78.9	33.8%
Bank and credit cards	36.4	16.9%	44.7	20.1%	45.9	20.1%	48.1	20.6%
Corporate cards	10.8	5.0%	11.4	5.1%	11.8	5.1%	12.2	5.2%
Other	7.1	3.3%	7.8	3.6%	8.1	3.5%	8.4	3.6%
	214.4	**100%**	**221.9**	**100%**	**228.2**	**100%**	**233.4**	**100%**
ASF Group								
Immediate payments	220.1	42.8%	202.5	37.1%	200.8	35.5%	198.4	33.5%
Subscriptions	115.8	22.5%	139.0	25.5%	157.2	27.8%	174.9	29.5%
Bank and credit cards	132.2	25.7%	153.8	28.2%	156.4	27.6%	165.2	27.9%
Corporate cards	37.7	7.3%	40.2	7.4%	41.5	7.3%	43.5	7.3%
Other	8.9	1.7%	9.8	1.8%	10.1	1.8%	10.4	1.8%
	514.7	**100%**	**545.3**	**100%**	**566.0**	**100%**	**592.4**	**100%**

ASF Group network in service as of December 31, 2004

	Total	Of which three or more lanes (in km)
ASF Network		
A46 Sud/A7/A8 Lyon - Orange - Aix-en-Provence (Autoroute du Soleil)	**303.4**	
A7 Vienne - Berre	263.4	255.8
A7/A46 - A7/A9	176.2	
A7/A9 - A7/A8 (Coudoux)	79.3	
A7 Coudoux - Berre	7.9	
A7/A8 Coudoux - Aix-en-Provence	18.1	16.8
A46 South (South Lyon 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**	**16.5**
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 A68 (including A620 South)	**150.6**	**38.3**
A62 Bif. 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**	**14.9**
A64 Briscous - Martres Tolosane	223.1	
A64 Nord Toulouse - Muret	13.8	
A66 Toulouse - Pamiers	**39.0**	
A68 Toulouse - Gémil	**17.7**	**2.9**
A72/A89 Saint-Étienne East – Clermont-Ferrand + section to Balbigny	**120.9**	**9.6**
A83 Nantes - Niort (A10)	**146.7**	
A837 Saintes - Rochefort	**36.5**	
A87 Angers - Les Essarts	**91.4**	
A89 West Bordeaux - Clermont-Ferrand	**242.7**	**5.5**
A89 Libourne - Thenon	138.9	
A89 Saint-Germain-Les-Vergnes - Le Sancy	103.8	
Other sections of the ASF network (A680 Verfeil link, A641 Peyrehorade. A710 Lussat, A711 Aulnat, A645 Val d'Aran link)	**34.6**	
Total ASF network	**2,478.8**	**633.3**
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	**2,943.4**	**829.2**

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