Annual financial report 2006

1 MANAGEMENT REPORT page 3

2 CONSOLIDATED FINANCIAL STATEMENTS page 16

3 REPORT OF THE STATUTORY AUDITORS page 72

1 MANAGEMENT REPORT

1 - THE GROUP'S ACTIVITY DURING THE PERIOD 4

1-1 KEY EVENTS 4
- 1-1-1 PRIVATISATION OF THE COMPANY 4
- 1-1-2 OPENING OF NEW SECTIONS....4
- 1-1-3 OPERATIONS....4
- 1-1-4 SAFETY....5
- 1-1-5 SOCIAL 5
- 1-1-6 ROAD HAULIERS' VAT, 1996 TO 2000....6
- 1-1-7 DEVELOPMENT....6
- 1-1-8 FINANCING 6

1-2 TRAFFIC....7
1-3 PRICES 7
1-4 TOLLS 7
1-5 INVESTMENTS....8
1-6 OUTLOOK 9
1-7 SIGNIFICANT POST-BALANCE SHEET EVENTS....9

2 – THE CONSOLIDATED FINANCIAL STATEMENTS 10

2-1 ACCOUNTING POLICIES....10
2-2 REVENUE....10
- 2-2-1 TOLL REVENUE 10
- 2-2-2 REVENUE FROM COMMERCIAL PREMISES 11
- 2-2-3 REVENUE FROM OPTICAL FIBRE AND PYLON RENTALS....11
- 2-2-4 REVENUE FROM ANCILLARY ACTIVITIES....11

2-3 OPERATING PROFIT 11
2-4 SHARE-BASED PAYMENT EXPENSE....12
2-5 NET FINANCIAL INCOME/(EXPENSE)....13
2-6 INCOME TAX EXPENSE 13
2-7 SHARES IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD 13
2-8 NET PROFIT 13
2-9 DIVIDENDS PAID DURING THE LAST THREE PERIODS....13
2-10 CONSOLIDATED BALANCE SHEET....13
2-11 CASH FLOW....14

3 - ASF PARENT COMPANY FINANCIAL STATEMENTS 15

3 -1 REVENUE....15
3 -2 NET PROFIT 15

1 – THE GROUP'S ACTIVITY DURING THE PERIOD

1-1 KEY EVENTS

1-1-1 Privatisation of the Company

By a Decree on March 8, 2006, the Government authorised the transfer to the private sector of the State shareholding in ASF, of which it was the majority shareholder with Autoroutes de France. On March 9, 2006, VINCI acquired the shares in ASF held by the State and Autoroutes de France for €51 per share, taking its shareholding in ASF to 73.36%.

After expiry of its standing market offer, on 28 April 2006, VINCI held 97.39% of the share capital and voting rights in ASF, directly or indirectly.

On May 12, 2006, through the offices of Société Générale, VINCI filed a proposed Public Buyout Offer followed by Compulsory Buyout (Offre Publique de Retrait suivie d'un Retrait Obligatoire, or OPR-RO) with the French Stock Market regulator, the AMF.

On June 26, 2006, after various petitions had been filed seeking to cancel the offer, the listing of ASF shares was resumed and the OPR-RO offer was extended.

Several of these petitions were rejected by a decision of the Conseil d'Etat (Council of State) on September 15, 2006 and on October 27, 2006 the Court of Appeal rejected the last petition enabling AMF to close the OPR-RO offer, on November 6, 2006.

At December 31, 2006, VINCI held 100% of the shares of ASF of which 22.99% was through ASF Holding, a 100% subsidiary of VINCI Concessions, and 77.01% through VINCI.

1-1-2 Opening of new sections

On January 11, 2006, ASF opened two new sections of the A89 motorway, one of 51.3 km between St-Julien le Sancy and Combronde, and one of 11.1 km between Terrasson and Brive Nord. At December 31, 2006, the total length of the network operated by ASF and its subsidiary ESCOTA was 3,025.7 km.

1-1-3 Operations

Heavy snow and bad weather affected operations on the ASF and ESCOTA networks in January 2006. However, the efforts of our maintenance teams allowed a usable network to be kept open for our customers with no major interruptions. Some demonstrations also disrupted toll collection at motorway interchanges, but overall these incidents only had a very marginal negative impact on the total revenue for the year. Furthermore, weather at the start of the winter at the end of the year was particularly clement.

On January 3, ASF opened a management and logistics centre for electronic toll payment tags, at St-Martin-de-Crau. The activity of this centre, initially dedicated to handling ASF's own tags, will increase in the short term with the processing of ESCOTA tags and the TIS HGV tags for Axxès.

On February 23, 2006, Parliament passed the Act approving the Rider to the concession specification incorporating the section of the A89 motorway between Balbigny and La Tour de Salvagny in the ASF concession (Act 2006-241 of March 1, 2006). On July 11, 2006, the *Conseil d'État* (Council of State) informed ASF of two petitions alleging action *ultra vires*, filed by the ALCALY association (*Alternatives au Contournement Autoroutier de Lyon*) and the association for the protection of the Lyon hillsides. As at today, the Government has not yet filed its statement in its defence.

On June 8, SAS Truck Etape opened the first integrated, secure HGV parking and services facility in France, at Béziers alongside the A9 motorway. This facility, built on an 8 hectare site, comprises a secure parking area for 350 vehicles, a services area with shops and restaurant, and HGV fuelling and washing.

At December 31, 2006, after acquiring the shares held by SAS PIMO, ASF owned 100% of SAS Truck Etape.

Since the middle of the year, ASF and ESCOTA have been in negotiations with the *Direction Générale des Routes* (the national roads authority) on the next medium-term master plan, for 2007 to 2011. The companies' objective of reaching an agreement that is fair to both parties is well on the way to being achieved.

SAS Axxès, should begin its operations early in 2007. ASF and ESCOTA own 35.5% of this company. Axxès' corporate object is the operation of the interoperable HGV payment tag system at European level. In particular, Axxès has been appointed by ASF and ESCOTA to invoice and collect payments made on their network by HGVs using tags. The installation of the HGV payment tag equipment at interchanges and the development of the appropriate IT systems have been completed at ASF and ESCOTA.

The Algerian national motorway agency (*Agence Nationale des Autoroutes algériennes (ANA)*) has appointed the Canadian engineering consulting firm Dessau-Soprin in a consortium with ASF to provide project management assistance for 50 months in connection with the construction of the East-West motorway.

1-1-4 Safety

ASF and ESCOTA have intensified their actions aimed at improving the safety of their customers and employees. Amongst other initiatives, mention should be made of the generalisation on the A7 of dynamic speed regulation implemented on days of heavy traffic, the installation of crash barriers at the entrance to toll approach lanes, the optimisation of time to send information to service teams and customers, and the renewal of the operation under a partnership with Michelin of 27 tyre-inflation facilities at toll plazas.

Despite the total number of accidents in 2006 being roughly the same as in 2005, these initiatives have led to a 9.4% reduction in accidents involving injury, with 1,260 accidents in 2006 against 1,390 in 2005.

The number of deaths has been reduced by 26.5% to 58 in 2006 against 79 in 2005.

In the area of employee safety, ESCOTA has signed a safety charter with CNAMTS, a national medical insurance body, and DCSR, the government road safety and traffic department, similarly to ASF in 2004.

The successive campaigns to heighten awareness and train employees in safety at work have this year resulted in a marked improvement in worksite accident frequency and severity rates, which are at their lowest level ever. This year, ASF must regrettably report the accidental death of a toll collection employee, knocked down by a vehicle as she crossed toll lanes.

1-1-5 Social

Following privatisation, ASF and ESCOTA employees have invested substantial amounts of savings in the VINCI Group Savings Scheme. In addition to their incentive scheme payments and statutory employee profit-sharing benefits in respect of 2005, employees have made numerous voluntary payments into the Group Saving Scheme's various products and in particular the VINCI employee shareholding plan. The ASF Group Saving Scheme's "ASF employee shareholding fund" has also been transferred almost totally to the VINCI employee shareholding fund.

Several company level employment agreements have been signed during the year, including a new incentive scheme at ASF and ESCOTA, introducing a variable component into ASF management salaries.

This year, ASF has also implemented the working time modulation agreement for toll collection staff signed in 2005. By introducing greater flexibility in jobs across the year, modulation allows management of manual payment lanes at toll stations to be optimised on the basis of traffic levels.

1-1-6 Road hauliers' VAT, 1996 to 2000

Following the ruling against the French derogatory VAT regime by the Court of Justice of the European Communities on September 12, 2000 and the decision by the *Conseil d'Etat* (Council of State) on June 29, 2005, road hauliers have been authorised to recover the VAT on the invoices they paid between 1996 and 2000. In consequence, ASF and ESCOTA, like all the motorway concession operating companies, in agreement with the French tax authorities (the *Direction de la Législation Fiscale)* and after having been assured that they would suffer no financial consequences, have made copies of the invoices for the period in question available to account-holding hauliers, showing the amount of the VAT calculated, on a secure website.

1-1-7 Development

On January 6, 2006, SAS Openly, which is fully owned by ASF, took over the operation of the northern circular boulevard in Lyon that the Greater Lyon authority had granted to ASF for eight years following a call for tenders.

On July 15, 2006, in Jamaica, TransJamaican Highway (a 34% subsidiary of ASF) brought a new, 11 km section of the Highway 2000 motorway into service, between Kingston and Portmore. This section is in addition to the 33 km already operated by the Jamaican Infrastructure Operator (a 51% subsidiary of ASF) between Sandy Bay and Mandela Highway.

In October 2006, ASF sold its 37.50% holding in Lorry-Rail to VINCI Concessions SA (which acquired 28%) and CDC (9.5%).

1-1-8 Financing

On December 18, 2006, ASF signed a loan agreement with a group of banks for a term loan and a renewable credit for a total of €3.5 billion, comprising €2 billion in the form of a revolving credit and €1.5 billion in the form of a term loan, both being for seven years ending in December 2013.

The term loan will be usable through a single drawing of at least €50 million and at most €1.5 billion during the year following the date of signature. The revolving loan may be used until one month before its final maturity date.

This financing is intended to finance the distribution of an exceptional dividend of approximately €3.3 billion at the beginning of 2007 and to finance ASF's general needs, including the financing of its capital expenditure programme.

This supplementary debt has been incurred complying with the ratios to which ASF is contractually committed with the lending banks:

- net debt to cash flow from operations before tax and financing costs* equal to or less than 7;
- cash flow from operations before tax and financing costs to financing costs equal to or greater than 2.2.

* *Cash flow from operations before tax and financing costs corresponds fairly closely to EBITDA** under IFRS in the case of ASF*

** *EBITDA = Earning before interest tax depreciation and amortisation (the difference between Cash flow from operations before tax and financing costs and EBITDA is €1 million)*

1-2 TRAFFIC

Changes between 2005 and 2006 in distance travelled by paying traffic on a comparable network basis, taking both companies together, was:

- +2.17% for all vehicles;
- +2.24% for light vehicles, which accounted for 82.6% of total traffic;
- +1.74 % for heavy vehicles, which accounted for 17.4% of total traffic.

On an actual network basis, 33,467 million kilometers were travelled in 2006 against 32,620 million in 2005, an increase of 2.6% that takes account of the extra traffic arising from the entry into service of new sections.

Heavy vehicle traffic increased by 2.1% in 2006 which was less than the increase in light vehicles (up 2.7%), but nevertheless markedly more than the 0.1% increase in 2005.

The annual average daily traffic on the network as a whole was 30,540 vehicles per day in 2006 compared with 30,380 vehicles per day in 2005, an increase of 0.5%.

1-3 PRICES

In accordance with contractual provisions, ASF and ESCOTA increased their prices on February 1, 2006 by 2.249% for light vehicles of Class 1.

As regards heavy vehicles, the contacts binding ASF and ESCOTA provide for a gradual increase in price coefficients for Classes 3 and 4 until 2006. On this basis, the coefficient for Class 3 vehicles increased in 2006 from 2.13 to 2.17 at ASF and from 2.09 to 2.11 at ESCOTA, and for Class 4 from 2.83 to 2.84 at ASF and from 2.86 to 2.89 at ESCOTA.

1-4 TOLLS

Toll revenue was €2,572.1 million in 2006 compared with €2,427.3 million in 2005, a 6% increase.

The breakdown between ASF and ESCOTA was as follows:

	2005			2006			Change
Revenue	**ASF**	**ESCOTA**	**Group**	**ASF**	**ESCOTA**	**Group**	
Tolls	1,917.0	510.3	2,427.3	2,036.0	536.1	2,572.1	6.0%

The number of paying transactions recorded by the two companies' toll stations increased by 3.4% to 625.8 million in 2006 against 605 million in 2005.

The companies had set themselves the target of achieving at least 60% automation in 2005. The sustained efforts made to inform users about automatic payment lanes, and the marketing of the payment tag system, have allowed this target to be well beaten, as the total number of transactions recorded automatically or by tags reached 66.1% of the total transactions made on the network at December 31, 2006.

The number of tag payment system subscribers for the two companies at December 31, 2006 was 472,725 (which corresponds to 597,482 tags in circulation).

Breakdown of ASF and ESCOTA transactions by collection method:

Type *(in millions of transactions)*	2005	2006	2006 against 2005	Proportion of total 2006
Manual payments	225.57	212.14	(6.0%)	33.9%
Automatic payments	248.45	267.21	+7.6%	42.7%
Payments by tags	130.99	146.48	+11.8%	23.4%
Total	**605.01**	**625.84**	**+3.4%**	

The French motorway operating companies have decided to set up a heavy vehicle electronic payment system throughout the French motorway network as from 2007.

ASF and ESCOTA will halt the marketing of subscriptions for CAPLIS (*Carte PL Inter Sociétés*) magnetic cards from 2007 and will offer subscriptions for tags reserved for heavy vehicles.

The toll collection point software has been modified and additional equipment has been installed on more than 200 lanes, ready for this new method of collecting tolls from heavy vehicles. This system will provide interoperability across Europe.

1-5 INVESTMENTS

At ASF, the new section construction programme included in the company's concession contracts has been pursued satisfactorily and on time. A further 62 km were opened to traffic at the beginning of 2006, on the A89 between Terrasson and Brive Nord and between Le Sancy and the A71.

At the beginning of 2007, 3,025.7 km of the 3,160 km under concession to ASF and ESCOTA were in service. As of today, 34 km are under construction and there remain 100 km to be carried out on the basis of the operations included in the concession contract, including 53 km for the Balbigny to La Tour de Salvagny section that was recently included in the ASF concession under an Act of Parliament dated March 1, 2006.

At the same time, ASF is continuing final work on sections in service, in particular the two brought into service at the beginning of 2006.

In 2006, ASF and ESCOTA made capital investments of €459.6 million, 10.7% less than in 2005 (€514.6 million). This reduction basically reflects the completion of construction work on new sections. On the other hand, investments in motorways in service have increased and the acquisition of operating assets has remained almost the same, as is shown in the following table:

	2005	2006		
Type of investment	**Group**	**ASF**	**ESCOTA**	**Group**
Construction of new sections	235.9	163.9	2.7	166.6
Supplementary investments on motorways in service	186.2	98.9	109.5	208.4
Non-current operating assets	54.2	34.8	20.9	55.7
Capitalised production costs	20.9	16.8	4.6	21.4
Capitalised borrowing costs	17.4	7.6		7.6
Total investments in 2006 *(in € millions)*	**514.6**	**321.9**	**137.7**	**459.6**

1-6 OUTLOOK

While continuing their investments in technological innovation to improve safety and the quality of service to customers, ASF and ESCOTA will intensify their actions to improve their productivity and earnings.

1-7 SIGNIFICANT POST-BALANCE SHEET EVENTS

Prices were increased on February 1, 2007:

- for ASF: by 2.00% for light vehicles (Classes 1, 2 and 5) while the coefficients for vehicles of Classes 3 and 4 increased from 2.17 to 2.18 and from 2.84 to 2.85 respectively;
- for ESCOTA: by 1.81% for light vehicles (Classes 1, 2 and 5) while the coefficients for vehicles of Class 3 is 2.12 and for vehicles of Class 4 is 2.89.

On January 25, 2007, ASF paid an exceptional dividend of €3,298,365,854.28, entirely from the Company's distributable reserves of €3,310,923,181.48 shown in the accounts closed at December 31, 2006.

This dividend payment was split between VINCI (for 77.01%) and ASF Holding (for 22.99%).

2 – THE CONSOLIDATED FINANCIAL STATEMENTS

2-1 ACCOUNTING POLICIES

The consolidated financial statements of ASF for 2006 have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Union at December 31, 2005.

With respect to its concession contracts, ASF has decided to defer application of IFRIC Interpretation 12 on the accounting treatment of the various types of contract. ASF has therefore maintained for this year end the accounting treatments applied under French GAAP in the financial statements for 2005, except as regards the Standards applicable at January 1, 2006.

The policies adopted in application of these new Standards are described in paragraph 2 of the brochure containing the financial statements.

The comments below on the notable changes observed are made referring to this new presentation.

2-2 REVENUE

2-2-1 Toll revenue

Consolidated revenue, excluding revenue from ancillary activities was €2,625.2 million compared with €2,474.2 million in 2005, an increase of **6.1%.**

Revenue	2006			2005				
(in € millions)	ASF	ESCOTA	Total	ASF	ESCOTA	Total	Change	%
Tolls	2,036.0	536.1	2,572.2	1,917.0	510.3	2,427.3	144.83	6.0%
Commercial premises	33.4	5.3	38.6	27.5	3.7	31.3	7.37	23.6%
Fibres, pylons and other	12.3	2.1	14.4	13.4	2.2	15.6	(1.15)	(7.4%)
Total revenue	**2,081.7**	**543.5**	**2,625.2**	**1,957.9**	**516.2**	**2,474.2**	**151.05**	**6.1%**

This increase mainly reflects the **6**% increase in **toll revenue**, which amounted to €2,572.2 million in 2006, compared with €2,427.3 million in 2005.

This change is due to the combined effect of the following three main factors:

- Effect of traffic on comparable network 2.2%
- Effect of bringing new sections into service 0.4%
- Effect of prices and rebates 3.4%

Toll receipts break down as follows by payment methods:

Revenue	2006 ASF	2006 ESCOTA	2006 Total	2005 ASF	2005 ESCOTA	2005 Total	Change	%
Immediate payment	418.5	147.8	566.3	423.0	150.6	573.6	(7.22)	(1.3)%
Account holders	488.2	89.0	577.3	444.7	81.6	526.3	50.96	9.7%
Electronic payment	229.4	114.7	344.1	191.9	101.9	293.8	50.28	17.1%
Bank cards	701.1	142.2	843.3	667.8	135.2	803.0	40.28	5.0%
Payment cards	197.9	42.1	240.0	188.7	40.8	229.5	10.53	4.6%
Recharging	1.0	0.2	1.2	0.9	0.2	1.2	0.01	1.0%
Toll receipts	**2,036.0**	**536.1**	**2,572.2**	**1,917.0**	**510.3**	**2,427.3**	**144.83**	**6.0%**

2-2-2 Revenue from commercial premises

Revenue from commercial premises was markedly up at €38.6 million in 2006 compared with €31.3 million in 2005.

This strong increase was due to the combination of several factors including the oil price reference index used to charge fees to oil companies, which enabled the fall in the sale of fuel products to be offset, the renewal of 34 sub-concession contracts, and the increase in sales by restaurants and shops.

2-2-3 Revenue from optical fibre and pylon rentals

Revenue from rental of optical fibres and pylons fell 7.7% from €15.6 million in 2005 to €14.4 million in 2006, mainly due to the marked reduction in the quantity of optical fibres rented to a major operator and to the five-fold reduction in the official charging rate for making publicly-owned land under concession available for miscellaneous traffic.

2-2-4 Revenue from ancillary activities

This item mainly comprises engineering and consultancy services and miscellaneous sales. It was markedly down in 2006, standing at €6 million against €13.4 million in 2005. In 2005, ASF recorded sales of goods for export for €0.9 million, rewards for impounding fraudulent bank cards for €1.2 million, income from the passage of an abnormal load on the A9 for €2 million and compensation on cancellation of a major optical fibre rental contract for €4.8 million.

2-3 OPERATING PROFIT

Operating profit increased by 7.7% to €1,150.4 million in 2006 compared with €1,068.0 million in 2005.

Operating profit from ordinary activities was up 8.9% at €1,163.5 million in 2006 compared with €1,068.7 million in 2005.

This increase results from the combined effects of the increase in revenue and changes in operating expenses, which amounted to €1,467.7 million, an increase of 3.4% against 2005 (€1,418.9 million).

Operating expenses break down as follows:

- **purchases consumed, sub-contracting and external services** amounted to €226 million in total in 2006 compared with €231.2 million in 2005, a 2.3% decrease.
- This item includes:
  - purchases consumed of €32.4 million in 2006, down 3% against 2005 (€33.4 million),
  - external expenses, excluding infrastructure maintenance, slightly down at €123.8 million in 2006 against €124.3 million in 2005,

  - infrastructure maintenance, amounting to €69.8 million in 2006 against €73.5 million in 2005. Infrastructure maintenance work makes good the deterioration due to traffic, ageing or natural phenomena.
  - Performance of infrastructure maintenance work is optimised while guaranteeing a level of service that does not endanger users' safety or preservation of the asset;
- **employment costs** amounted to €329.2 million in 2006 compared with €322.9 million in 2005, an increase of €6.3 million (2%).

  This increase was mainly due to the following factors:
  - a 3.6% increase in wages and salaries (€7.1 million) excluding social benefit charges, incentive scheme payments and statutory employee profit-sharing but after re-charging employment costs, to stand at €205.8 million in 2006 compared with €198.7 million in 2005. This change was mainly due to:
    - the change in existing employees' gross pay, estimated at +3.4% (€7.2 million),
    - the impact of re-employment measures, working-time modulation agreements for toll station employees, and other non-recurrent items for €4.7 million,
    - a 2.6% reduction in numbers employed, amounting to a reduction of €5.4 million,
    - other miscellaneous effects (employee turnover and ageing, provisions etc.) for €0.6 million,
  - the increase in social benefit charges (including those on pensions) of €1.7 million (+1.8%),
  - incentive scheme payments, which amounted to €12.1 million in 2006, a €2.9 million increase against 2005 (€9.2 million),
  - statutory employee profit-sharing was €15.5 million in 2006 compared with €21 million in 2005, following implementation of a new agreement using the statutory calculation formula as from January 1, 2006;
- **taxes and levies** amounted to €370 million in 2006 compared with €359.3 million in 2005, a 3% rise due to increases in the rights paid to the government estates authority (standing at €60 million in 2006 against €58.2 million in 2005) and business entity tax (standing at €82.8 million in 2006 against €79.7 million in 2005). The infrastructure tax (the *Taxe d'Aménagement du Territoire*), amounting to 6.86 centimes per paid kilometer travelled, was up 2.7% at €215 million in 2006 against €209.4 million in 2005, in relation to the increase in traffic levels observed between the two years;
- **depreciation and amortisation** expense increased by 7.3% to €542.5 million in 2006 compared with €505.6 million in 2005. The major part of the depreciation and amortisation expense comprises the special concession amortisation charge which, in connection with the investments made, and in particular with the opening of the new sections on the A89 and 2006, increased by 7.7% from €421.7 million in 2005 to €450.9 million in 2006.

2-4 SHARE-BASED PAYMENT EXPENSE

These amounts correspond to shares granted for no consideration and to the benefits paid to employees under the VINCI Group Savings Scheme. For 2006 – the first year of payments by ASF employees to the VINCI Group Savings Scheme – this amounted to €13.1 million, compared with €0.7 million in 2005.

2-5 NET FINANCIAL INCOME/(EXPENSE)

The cost of debt, net of other financial income and expenses, amounted to €406.2 million in 2006, a 1.3% increase from €400.8 million in 2005.

This change breaks down as follows:

- the cost of gross financial debt (net of hedging) was down by €4.8 million (1.1%) at €431.1 million in 2006, compared with €435.9 million in 2005;
- financial income from cash investments amounted to €21.5 million in 2006 compared with €15.2 million in 2005, a 41% increase due to the combined effects of increases in the average amount invested and in interest rates;
- capitalised borrowing costs of €7.2 million in 2006 were markedly lower than in 2005 (€17.4 million) following the opening of the A89 section at the beginning of 2006;
- other financial income and expenses amounted to an expense of €3.8 million in 2006 compared with income of €2.6 million in 2005.

2-6 INCOME TAX EXPENSE

- The income tax expense, comprising corporate income tax, deferred tax and provisions for tax liabilities, has been calculated as €264.7 million in 2006, up 14.3% against 2005 (€231.5 million).

2-7 SHARES IN COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

- ASF's shareholding in the Jamaican company TJH (TransJamaican Highway) has been accounted for using the equity method for the first time at December 31, 2006. The impact was an expense of €3.1 million for the period.

2-8 NET PROFIT

The consolidated net profit for 2006 was €476.4 million, a 9.3% increase compared with 2005 (€435.8 million).

The share attributable to minority shareholders was €1.1 million in 2006, and to shareholders of the parent, €475.3 million.

Earnings per share was €2.058 in 2006 compared with €1.882 in 2005.

2-9 DIVIDENDS PAID DURING THE LAST THREE PERIODS

The dividend paid in 2004 in respect of 2003 amounted to €159.4 million, that paid in 2005 in respect of 2004 to €240.2 million, and that paid in 2006 in respect of 2005 to €277.1 million.

2-10 CONSOLIDATED BALANCE SHEET

– Assets

The total assets in the balance sheet amount to €12,855.3 million net, a decrease of €304.9 million from December 31, 2005 (€13,160.2 million).

This reduction results from:

- the decrease in the carrying amount of non-current concession assets amounting to €11,819.9 million in 2006, down €218.4 million compared with 2005;
- a decrease in current assets of €86.5 million compared with 2005, at €1,035.4 million at the end of 2006, mainly due to a decrease of €125 million in cash management financial assets.

– Liabilities

Equity amounted to €3,803.6 million, up €206.7 million from 2005 (€3,596.9 million), recording the profit for the period less the dividends paid in respect of 2006.

Non-current liabilities amounted to €7,749.2 million at the end of 2006 compared with €8,246 million at the end of 2005, a decrease of €496.8 million, mainly due to debt repayments made in 2006.

Current liabilities amounted to €1,297.8 million, down 1.3% against 2005 (€1,315.5 million).

Net financial debt was €7,354.7 million at the end of 2006.

2-11 CASH FLOW

The ASF - ESCOTA Group cash flow statement shows year-end cash of €626.3 million, slightly up compared with the opening position of €620 million.

Cash flow from operations before tax and financing costs was €1,706.2 million.

The main factors that explain this change are:

- cash flow from operating activities of €1,120.6 million;
- cash flows used in investing activities of €479 million (net outflow);
- cash flows used in financing activities of €707.5 million (net outflow), comprising a dividend payment of €277.2 million and repayments of borrowings in 2006 amounting to €485.6 million.

3 – ASF PARENT COMPANY FINANCIAL STATEMENTS

3-1 REVENUE

In the ASF parent company financial statements, revenue for 2006 amounted to €2,081.7 million compared with €1,957.9 million in 2005, an increase of 6.3%.

3-2 NET PROFIT

Net profit for the period amounted to €374.4 million, compared with €352 million in 2005, an increase of 6.4%.

2

CONSOLIDATED FINANCIAL STATEMENTS at 31 December 2006

CONSOLIDATED INCOME STATEMENT

(in € millions)	Note	2006	2005 restated
Revenue	4	**2,625.2**	**2,474.2**
Revenue from ancillary activities		6.0	13.4
Operating expenses	5	(1,467.7)	(1,418.9)
Operating profit from ordinary activities		**1,163.5**	**1,068.7**
Share-based payment expense	6	(13.1)	(0.7)
Operating profit		**1,150.4**	**1,068.0**
Cost of gross financial debt		(431.1)	(435.9)
Financial income from cash management investments		21.5	15.2
Cost of net financial debt	7	**(409.6)**	**(420.7)**
Other financial income and expenses	8	3.4	20.0,
Share of profit/(loss) of associates		(3.1)	0.0
Income tax	9	(264.7)	(231.5)
Net profit for the period (including minority interests)		**476.4**	**435.8**
Minority interests		**1.1**	**1.0**
Net profit attributable to equity holders of the parent		**475.3**	**434.8**
Number of shares outstanding		230,978,001	230,978,001
Earnings per share *(in euros)*	10	2,058	1,882
Diluted earnings per share *(in euros)*	10	2,058	1,882

CONSOLIDATED BALANCE SHEET — ASSETS

(in € millions)	Note	2006	2005 restated
Non-current assets			
Other intangible assets	11	28.1	23.4
Concession intangible assets	12	11,660.9	11,724.9
Property, plant and equipment	13	109.9	125.2
Investments in associates	14	3.1	0.0
Other non-current financial assets	15	17.9	20.3
Fair value of derivative financial instruments (non-current assets)	23	0.0	144.5
Total non-current assets		**11,819.9**	**12,038.3**
Current assets			
Inventories and work in progress		13.4	13.2
Trade and other operating receivables	16	239.2	219.9
Other current assets	17	34.1	32.8
Current tax assets		9.6	0.3
Fair value of derivative financial instruments (current assets)	23	39.2	37.1
Cash management financial assets	23	73.5	198.5
Cash and cash equivalents	23	626.4	620.1
Total current assets		**1,035.4**	**1,121.9**
Total assets		**12,855.3**	**13,160.2**

CONSOLIDATED BALANCE SHEET — LIABILITIES

(in € millions)	Note	2006	2005 restated
Equity			
Share capital		29.3	29.3
Share premium		860.1	854.2
Consolidated reserves		2,444.3	2,286.7
Net profit for the period attributable to equity holders of the parent		475.3	434.8
Net income recognised directly in equity		(5.4)	(8.1)
Equity attributable to equity holders of the parent	18	**3,803.6**	**3,596.9**
Minority interests		4.7	3.8
Total equity		**3,808.3**	**3,600.7**
Non-current liabilities			
Non-current provisions	20	189.2	166.4
Other loans and borrowings	23	7,383.5	7,888.5
Other non-current liabilities		9.3	9.6
Deferred tax liabilities	9	167.2	181.5
Total non-current liabilities		**7,749.2**	**8,246.0**
Current liabilities			
Current provisions	21	51.5	43.3
Trade payables		46.6	66.1
Fair value of derivative financial instruments (current liabilities)		44.8	7.4
Other current payables	22	450.1	438.7
Current tax payables		39.3	27.1
Current borrowings	23	665.4	730.7
Bank overdraft	23	0.1	0.2
Total current liabilities		**1,297.8**	**1,313.5**
Total equity and liabilities		**12,855.3**	**13,160.2**

CONSOLIDATED CASH FLOW STATEMENT

(in € millions)		2006	2005 restated
Net profit for the period (including minority interests)		**476.4**	**435.8**
Depreciation and amortisation		529.9	499.1
Net increase/(decrease) in provisions		24.1	1.8
Share-based payments and other restatements		7.0	0.7
Gain or loss on disposals		(0.1)	(0.2)
Change in fair value of foreign currency derivatives		(1.1)	
Share of profit or loss of associates and dividends received from unconsolidated entities		2.9	
Capitalised borrowing costs		(7.2)	(17.4)
Cost of net financial debt recognised		409.6	420.7
Current and deferred tax expense recognised		264.7	231.5
Cash flow (used in)/from operations before tax and financing costs		**1,706.2**	**1,572.0**
Changes in working capital requirement and current provisions		(6.1)	(4.2)
Income taxes paid		(264.3)	(207.0)
Net interest paid		(315.2)	(436.5)
Net cash flows (used in)/from operating activities	**I**	**1,120.6**	**924.3**
Purchases of concession fixed assets (net of grants received)		(465.9)	(477.6)
Purchases of other fixed assets		(14.2)	(11.5)
Proceeds from sales of concession assets		2.8	1.6
Purchases of shares in subsidiaries and associates		(1.5)	(5.8)
Dividends received from unconsolidated entities		0.2	
Other		(0.4)	(15.7)
Net cash flows (used in)/from investing activities	**II**	**(479.0)**	**(509.0)**
Dividends paid			
– to shareholders of ASF		*(277.2)*	*(240.2)*
– to minority interests		*(0.3)*	*(0.2)*
Proceeds from new long-term borrowings			550.0
Repayments of borrowings and changes in other current financial debts		(485.6)	(339.9)
Change in cash management assets		124.9	(197.1)
Net cash flows (used in)/from financing activities	**III**	**(638.2)**	**(227.4)**
Change in cash equivalents and net cash	**I+II+III**	**3.4**	**187.9**
Net cash and cash equivalents at beginning of period		**620.0**	**432.1**
Fair value		2.9	
Net cash and cash equivalents at end of period		**626.3**	**620.0**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Capital and reserves attributable to equity holders of the parent							
						Total equity		
(in € millions)	**Share capital**	**Share premium**	**Conso-lidated reserves**	**Net profit**	**Net income recognised directly in equity**	**Attributa-ble to equity holders of the parent**	**Minority interests**	**Total**
Equity at December 31, 2004	**29.3**	**853.5**	**2,128.8**	**398.1**		**3,409.7**	**2.9**	**3,412.6**
Dividend payments			157.9	(398.1)		(240.2)	(0.2)	(240.4)
Share-based payment (Note 6)		0.7				0.7		0.7
Change in fair value of cash flow hedges (Note 18) (a)					(8.1)	(8.1)		(8.1)
Net profit for the period (b)				434.8		434.8	1.1	435.8
Total income and expense recognised in respect of 2005 (a)+(b)				434.8	(8.1)	426.7	1.1	427.7
Equity at December 31, 2005	**29.3**	**854.2**	**2,286.7**	**434.8**	**(8.1)**	**3,596.9**	**3.8**	**3,600.7**
Dividend payments			157.6	(434.8)		(277.2)	(0.3)	(277.4)
Share-based payment (Note 6)		5.9				5.9		5.9
Change in fair value of cash flow hedges (Note 18) (c)					0.6	0.6		0.6
Change in fair value of hedges of available-for-sale assets (Note 18) (d)					2.1	2.1		2.1
Net profit for the period (e)				475.3		475.3	1.1	476.4
Total income and expense recognised in respect of 2006 (c)+(d)+(e)				475.3	2.7	478.0	1.1	479.1
Equity at December 31, 2006	**29.3**	**860.1**	**2,444.3**	**475.3**	**(5.4)**	**3,803.6**	**4.7**	**3,808.3**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note		Page
1.	Presentation of the Group	22
2.	Accounting policies and measurement methods	22
3.	Use of estimates	33
4.	Revenue	34
5.	Operating expenses	34
6.	Share-based payment expense	37
7.	Cost of net financial debt	37
8.	Other financial income and expenses	38
9.	Income tax	38
10.	Earnings per share	39
11	Other intangible assets	40
12.	Concession intangible assets	40
13.	Property, plant and equipment	43
14.	Investments in associates	44
15.	Other non-current financial assets	45
16.	Trade and other operating receivables	46
17.	Other current assets	46
18.	Equity	46
19.	Share-based payment	47
20.	Non Current Provisions	49
21.	Current Provisions	52
22.	Other current payables	52
23.	Net financial debt and financing resources	53
24.	Liquidities and financing resources	55
25.	Financial instruments and management of market risks	57
26.	Transactions with related parties	61
27.	Remuneration and similar benefits paid to members of the governing and management bodies	62
28.	Events after the balance sheet date	62
29.	Disputes and arbitration	63
30.	Changes in the presentation of the primary financial statements, accounting policies and measurement rules	64

1. PRESENTATION OF THE GROUP

ASF and its subsidiary ESCOTA are motorway concession operators. The motorways they operate are 2,649.1 km and 459.1 km long respectively, and the concession agreements end on December 31, 2032 for ASF and December 31, 2026 for ESCOTA, under the Statutory Instrument (*Ordonnance*) of March 28, 2001. ASF also operates the concession, ending on December 31, 2037, for the Puymorens Tunnel, which is 5.5 km long. The total length of the network under concession will increase to 3,160 km once the Lyon-Balbigny section of the A 89 motorway has been included.

The 2006 consolidated financial statements of the ASF Group include those of ASF, its subsidiary ESCOTA and account for TransJamaican Highway using the equity method as from January 1, 2006, these companies together forming "the Group" or the "ASF Group".

The Group's consolidated financial statements for the period ended December 31, 2006 are available on request from the Company's registered office at 100 avenue de Suffren - BP 533 - 75725 Paris cedex 15 and on its internet site at www.asf.fr.

2. ACCOUNTING POLICIES AND MEASUREMENT METHODS

2.1. General principles

In application of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002, the Group's consolidated financial statements for the period ended December 31, 2006 have been prepared under the International Financial Reporting Standards (IFRS) as endorsed by the European Union at December 31, 2006.

Certain options taken and methods used by the Group in preparing its 2005 published consolidated financial statements have been reviewed to render them uniform with those of its parent company, VINCI. The 2005 consolidated financial statements have therefore been restated in consequence and details of the changes made are given in Note 29. Furthermore, the implementation of Standards and Interpretations adopted by the European Union and applicable as from January 1, 2006 (see Note 2.1.1.) has had no material impact on the financial statements.

The Board of Directors finalised the consolidated financial statements on February 26, 2007.

2.1.1. New standards and interpretations applicable from January 1, 2006

• **IAS 19** *Amendment – Employee benefits*

The option allowing the full amount of actuarial gains and losses to be recognised in equity, provided by IAS 19 *Employee Benefits (Revised)*, which is applicable as from January 1, 2006, has not been used by the Group. Actuarial gains and losses therefore continue to be amortised using the corridor method.

The IAS 19 Amendment also sets out how to recognise surpluses and deficits on multi-employer plans, and the supplementary disclosures to make in the Notes.

• **IFRIC 4 : Rights to use assets –** *Determining whether an arrangement contains a lease*

IFRIC 4 *Determining whether an Arrangement contains a Lease* aims to identify the contractual terms of arrangements, which without having the legal form of a lease contract, give customers the right to use a group of assets in return for rent that is included in the overall payments made under the contract. If it is concluded that an arrangement contains a lease, this is analysed and accounted for according to the criteria of IAS 17 (making the distinction between a finance lease and an operating lease).

After examination of the situation, this Interpretation has had no impact on the Group's consolidated financial statements for the period ended December 31, 2006.

• **IAS 39** *Amendment – Recognition and measurement of financial instruments*

In 2005, the IASB published three amendments to IAS 39:

• *cash Flow Hedge Accounting of Forecast Intragroup Transactions*

In April 2005, the IASB published an amendment to IAS 39 relating to cash flow hedge accounting of forecast intragroup transactions. The purpose of this amendment is to allow a forecast intragroup transaction in a foreign currency to be shown in the consolidated financial statements, under certain conditions, as an item hedged against foreign currency risk through cash flow hedging;

• *the fair Value Option*

In June 2005, the IASB published the finalised amendment to IAS 39 relating to the fair value option. IAS 39 (the December 2003 version) introduced the possibility of applying the fair value option to any financial asset or liability, allowing them to be valued at fair value through profit or loss. The fair value option amendment aims to restrict the use of the option.

The Group had already elected at December 31, 2005 for the fair value option for its cash management financial assets and cash equivalents. Given the way in which these assets are managed, this option has been maintained under this Amendment;

• *financial Guarantee Contracts*

In July 2005, the IASB published an amendment to IAS 39 relating to financial guarantees and credit insurance. Instruments that meet the definition of a financial guarantee as defined by IAS 39 are now accounted for by the guarantor in accordance with the measurement principles set out in IAS 39.

2.1.2. New standards and interpretations applicable after December 31, 2006

• **IFRIC 11 –** *Group and Treasury Share Transactions***. Guidance on applying IFRS 2 :** *share–based payment*

This Interpretation sets out how to account for share-based payment made to the employees of an entity's subsidiaries in the entity's IFRS financial statements:

• when a parent company grants rights to its equity instruments to employees of a subsidiary, the subsidiary recognises an IFRS 2 expense in its accounts with an opposite entry under equity;

• when a subsidiary grants rights to equity instruments of its parent to its employees, the subsidiary recognises an IFRS 2 expense in its subsidiary's accounts with an opposite entry under liabilities.

In 2006, only the parent company, VINCI, has granted rights to its equity instruments to employees of the ASF Group. The accounting treatment applied by the Group at December 31, 2006 complies with the Interpretation.

• **IFRIC 10 –** *Interim Financial Reporting and Impairment*

This IFRIC Interpretation states that an entity shall not reverse an impairment loss that it recognises in a previous interim period in respect of goodwill, an unlisted equity investment or a financial asset carried at cost.

This Interpretation is not applicable in the Group's financial statements at December 31, 2006.

• **IFRIC 12 –** *Service Concession Arrangements*

On November 30, 2006, the IFRIC published Interpretation IFRIC 12 on accounting for service concession agreements:

- the application scope covers public service concession contracts in which the concession grantor is considered to exercise control over the assets operated;
- the various accounting models applicable depend on the consideration received by the operator:
  - under the intangible asset model, the operator recognises the concession as an intangible asset to the extent that it receives a right to receive fees, tolls or other payments, of which the amount depends on the extent that the public uses the services, in consideration for the financing, construction and operation of the infrastructure. This treatment would apply to the infrastructure concessions operated by the Group,
  - under the financial asset model, the concession operator's rights over the concession asset are recognised as an amortisable interest-bearing financial receivable whenever the operator has an unconditional contractual right to receive payments from the concession grantor or users, independently of how users use the infrastructure. This model would not apply to the Group,
  - whenever only part of the investment is covered by a payment commitment from the grantor, the expense would be recognised as a financial receivable up to the amount guaranteed by the grantor, and as an intangible asset for the balance. This model would not apply to the Group.

The Group has decided not to apply this Interpretation early at December 31, 2006.

The application of IFRIC 12 within the Group requires the accounting rules and procedures applicable to concession agreements to be adapted and this is now in progress. The application of these new procedures might alter the Group's financial statements, in particular because of the methods for recognising provisions for major repairs.

• **IFRS 7 –** *Financial Instruments: Disclosures*

In August 2005, the IASB published IFRS 7 *Financial Instruments: Disclosures*. This new Standard replaces IAS 30 *Disclosures in the Financial Statements of Banks and Similar Financial Institutions* and amends the part of IAS 32 *Financial Instruments: Disclosure and Presentation* that deals with disclosures.

The Group is currently identifying the supplementary disclosures on financial instruments that will be made in future consolidated financial statements in application of this Standard.

• **IFRS 8 –** *Operating Segments*

IFRS 8 sets out the segment information prepared under the management approach, based on an entity's internal management data. Application of this Standard might entail a modification to the presentation of the segment information, but has no effect on the measurement and recognition of the transactions.

On the basis of the transactions effected at December 31, 2006, and in the light of the studies conducted until now, application of the following interpretations should have no effect on the consolidated financial statements of the ASF Group:

- IFRIC 9 *Reassessment of embedded derivatives;*
- IFRIC 8 *Scope of IFRS 2;*
- IFRIC 7 *Applying the Restatement Approach under IAS 29 – Financial reporting in hyperinflationary economies.*

2.2. Accounting policies and methods

2.2.1. Consolidation methods

Companies in which ASF owns the majority of voting rights directly or indirectly are considered as controlled by ASF and are therefore fully consolidated. This relates to ESCOTA only.

Shareholdings in companies over which the Group exercises significant influence are accounted for using the equity method. Only the shares held in TransJamaican Highway are accounted for using this method.

Reciprocal assets and liabilities, income and expenses between consolidated or equity-accounted companies are eliminated in the consolidated financial statements. This also applies to dividends received from fully consolidated or equity-accounted companies.

2.2.2. Income statement

Revenue and revenue from ancillary activities

Consolidated revenue and revenue from ancillary activities is recognised when services are rendered to customers, in accordance with IAS 18.

Revenue comprises tolls received on road infrastructures operated under concessions and ancillary income such as fees for commercial premises, and rent for telecommunication and parking infrastructures.

Revenue from ancillary activities comprises rental income, sales of equipment, materials and merchandise, study work and fees other than those recognised under revenue.

Share-based payment expense

The measurement and recognition methods for share subscription and purchase plans and the *Plans d'Epargne Groupe* – Group Savings Schemes – are defined by IFRS 2 *Share-based Payment*. The granting of share options, shares for no consideration and offers to subscribe to the group savings plan represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration borne by the Group. Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding increase in equity. Benefits are measured on the basis of the fair value at the grant date of the equity instruments granted.

• VINCI share subscription option plans

Options to subscribe to shares are granted to Group employees and officers. The fair value of the options granted is determined at the grant date using a binomial valuation model, of the "Monte Carlo" type. The number of options is adjusted for the probability that the vesting conditions for the exercise of the option will not be satisfied.

• VINCI Group savings scheme

VINCI issues new shares three times a year reserved for VINCI Group employees with a subscription price that includes a discount against the average stock market price of the VINCI share during the last 20 business days preceding the authorisation by the Board of Directors of VINCI. This discount and the employer's contributions are considered as a benefit granted to the employees; its fair value is determined using a binomial valuation model, of the "Monte Carlo" type, at the date on which the Board of Directors sets the subscription price.

Cost of net financial debt

The cost of net financial debt comprises:

- the cost of gross financial debt, which includes the interest expense calculated at the effective interest rate, gains and losses on interest rate hedges in respect of gross financial debt, and net changes in the fair value of interest rate derivatives that are not designated as hedgest
- the line item *financial income from cash management investments* comprises the return on cash investments (interest income, dividends from UCITS, disposal gains and losses, etc.), the impact of interest rate hedges related to these investments and changes in their fair value.

Other financial income and expenses

Other financial income and expenses mainly comprise foreign exchange gains and losses, the effects of discounting to present value, dividends received from unconsolidated entities, capitalised borrowing costs and changes in the value of derivatives not allocated to interest rate risk management.

Borrowing costs borne during the construction of assets are included in the cost of those assets. They are determined as follows:

- to the extent that funds are borrowed specifically for the purpose of constructing an asset, the borrowing costs eligible for capitalisation on that asset are the actual borrowing costs incurred during the period less any investment income arising from the temporary investment of those borrowings;
- when borrowing is not intended to finance a specific project, the interest eligible for capitalisation on an asset is determined by applying a capitalisation rate to the expenditure on that asset. This capitalisation rate is equal to the weighted average of the costs of borrowing funds other than those specifically intended for the construction of given assets.

Income tax

Deferred tax is recognised on the temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax assets are only recognised if their recovery is probable. Deferred tax is calculated using the latest tax rates enacted or substantially enacted. The effects of a change in the tax rate from one period to another are recognised in the income statement

in the period in which the change occurs. Deferred tax assets and liabilities are not discounted. Deferred tax relating to items recognised directly under equity is recognised under equity. With respect to differences relating to investments in equity-accounted entities, a deferred tax liability is recognised unless:

- the group can control the date at which the temporary difference will reverse; and
- the difference is not expected to reverse in the foreseeable future.

Earnings per share

Earnings per share (non-diluted) is the net profit for the period after minority interest, divided by the weighted average number of shares outstanding during the period less treasury shares. In calculating diluted earnings per share, the average number of shares outstanding is adjusted for the dilutive effect of equity instruments issued by the Company, such as convertible bonds and share subscription or purchase options.

2.2.3. Balance Sheet

Intangible assets (other than concession intangible assets)

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

Concession intangible assets

Concession intangible fixed assets comprise the cost of infrastructures constructed as required under the concession agreements. Infrastructures include the non-renewable equipment that is to be returned to the granting authority for no consideration at the end of the contract term.

These assets are initially measured at construction cost, which includes cost of study work, sums paid to construction companies, overheads connected with the construction work, and the financial expenses borne during the construction phase. They are shown in the balance sheet after deduction of investment grants, cumulative amortisation and any impairment losses.

They are amortised on a straight-line basis over the period of the contract, starting at the date of entry into service of the assets.

Grants related to assets

Grants related to assets are presented in the balance sheet as a reduction of the amount of the asset for which they were received.

Property, plant and equipment

Property, plant and equipment mainly relates to renewable equipment used to operate the assets under concession agreements. It is recorded at acquisition or production cost less cumulative depreciation and any impairment losses. Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may however be used when it

appears more appropriate to the conditions under which the asset is used. The estimated periods of use of the various categories of items of property, plant and equipment are as follows:

Estimated periods of use, in years	between	and
Office equipment and furniture	4	15
Computer equipment	3	5
Plant and machinery	3	10
Transport and handling equipment	2	10
Fixtures and fittings	5	10

Supplementary depreciation charges are made in respect of assets that are returned for no consideration to the concession grantor, in order to bring their residual value to zero at the end of the contract.

Impairment of non-financial non-current assets

Impairment tests must be performed on intangible and tangible assets whenever there is an indication that an asset may be impaired. For intangible assets with an indefinite useful life and goodwill, a test is performed at least annually and whenever there is an indication of a loss of value. For other fixed assets, a test is performed only when there is an indication of a loss of value.

Assets to be tested for impairment are grouped within cash-generating units that correspond to homogeneous groups of assets that generate identifiable cash flows from their use independently from the other cash flows generated by the Group. Whenever the recoverable value of a cash-generating unit is less than its carrying amount, an impairment loss is recognised in operating profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The discount rate is determined for each cash-generating unit, taking account of its geographical location and the risk profile of its business.

Investments in associates

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

If there is any reason to believe that an investment has lost value, the recoverable value of equity-accounted investments in associates is tested as described in the note above on impairment of non-financial non-current assets.

Other non-current financial assets

Other non-current financial assets comprise available-for-sale securities and the part at more than one year of loans and receivables measured at their amortised cost. Purchases and sales of financial assets are recognised at their transaction date.

• Available-for-sale securities

Available-for-sale securities comprise the Group's shareholdings in unconsolidated entities.

When these assets are first recognised, they are measured at their fair value plus transaction costs. Their fair value is, in principle, the price paid to the vendor.

At the balance sheet date, available-for-sale securities are measured at their fair value. For shares in listed companies, fair value is determined on the basis of the stock market price at that balance sheet date.

Changes in fair value are recognised directly in equity and are only transferred to profit or loss when the securities in question are sold or when the change represents a loss of value.

For unlisted securities, if their fair value cannot be determined reliably, the securities continue to be measured at their original cost. If there is an objective indication of impairment, an irreversible impairment loss is recognised in profit or loss.

• Loans and receivables at amortised cost

Loans and receivables at amortised cost comprise mainly receivables connected with shareholdings, current account advances to associates or unconsolidated entities, guarantee deposits, and loans and receivables.

When first recognised at transaction date, these loans and receivables are recognised at their fair value plus the directly attributable transaction costs. At each balance sheet date, these assets are measured at their amortised cost using the effective interest rate method.

If there is an objective indication of durable loss of value, an impairment loss is recognised at the balance sheet date. The impairment loss corresponding to the difference between the carrying amount and the recoverable amount (i.e. the present value of the expected cash flows discounted using the original effective interest rate) is recognised in profit or loss. This loss may be reversed if the recoverable value increases subsequently and if this favourable change can objectively be linked to an event arising after recognition of the impairment loss.

Inventories and work in progress

Inventories mainly comprise the necessary supplies for the maintenance and upkeep of motorways, spare parts for equipment (toll booths, electrical equipment, transport, and machinery), and computer and office supplies. Inventories are measured at the lower of cost and net realisable value.

Trade and other operating receivables

Trade and other operating receivables are current financial assets initially measured at their fair value, which is generally their nominal value, unless the effect of discounting is material. They are measured in the balance sheet after deducting allowances to take account of the likelihood of non-recovery.

Other current financial assets

This category is the part at less than one year of the loans and receivables shown under other non-current financial assets.

Cash management financial assets

Cash management financial assets comprise monetary and bond securities, and units in UCITS, purchased with a short-term management objective, that do not satisfy the IAS 7 criteria for recognition as cash. They are measured at their fair value. Fluctuations in fair value are recognised through profit or loss. The Group has adopted the fair value option because this financial asset portfolio is managed at fair value.

Purchases and sales of cash management financial assets are recognised at their settlement date. In assessing fair value, the Group uses the market price at the balance sheet date or the cash-in-value for cash invested in UCITS.

Cash and cash equivalents

This item comprises cash equivalents and current accounts at banks that are not subject to any restrictions. Bank overdrafts are not included in cash and are reported under current liabilities.

Those UCITS that meet the criteria given in IAS 7, in particular "monetary euro" UCITS, which were previously shown as cash management financial assets are now reported under cash equivalents.

Treasury shares

Treasury shares held by the Group are booked as a deduction from equity at their cost of acquisition. Any gains or losses connected with the purchase, sale, issue or cancellation of treasury shares are recognised directly in equity without affecting the income statement.

Non-current Provisions

Non current provisions item comprises both provisions for retirement benefit obligations and other non current provisions. They are generally expected to reverse after more than one year.

• Provisions for retirement benefit obligations

Provisions are taken in the balance sheet for obligations arising from defined benefit retirement plans, for both current and former employees (people with deferred rights or who have retired). These provisions are determined using the projected unit credit method on the basis of actuarial assessments made at each annual balance sheet date. Each plan's obligations are recognised separately.

For defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall of the fair value of the assets compared with the present value of the obligations is recognised as an asset or liability in the balance sheet, after taking account of cumulative actuarial gains and losses and any past service cost not yet recognised in profit or loss.

However, surplus assets are only recognised in the balance sheet to the extent that they represent a future economic benefit for the Group.

Past service cost corresponds to the benefits granted either when an entity adopts a new defined benefit plan or when it changes the level of benefit of an existing plan. Whenever new rights to benefit are acquired as from the adoption of the new plan or the change of an existing plan, the past service cost is recognised immediately in the income statement. Conversely, whenever adoption of a

new plan or a change in a plan gives rise to the acquisition of rights after its implementation date, past service costs are recognised as an expense on a straight-line basis over the average period remaining until the corresponding rights are fully vested.

Actuarial gains and losses result from changes in actuarial assumptions and differences between assessments made and what actually occurs (experience adjustments). Actuarial gains and losses that exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of the plan assets are amortised on a straight-line basis over the average expected remaining working lives of the employees participating in the plan.

For defined benefit plans, the expense recognised under operating profit or loss comprises the current service cost, the amortisation of past service cost, the amortisation of any actuarial gains and losses and the effects of any reduction or winding up of the plan. The interest cost (cost of discounting) and the expected yield on plan assets are recognised under other financial income and expenses.

The part of provisions that matures within less than one year is shown under current provisions.

Other non current provisions

This item mainly comprises other employee benefits and provisions for major repairs.

- Provisions for other employee benefits are taken in the balance sheet. These benefits comprise obligations relating to long-service bonuses and medical expense cover. This provision is measured using the projected unit credit method. Actuarial gains and losses relating to measurement of obligations relating to long-service bonuses are recognised through profit or loss as they arise. The part of provisions that matures within less than one year is shown under current provisions.
- Provisions for major repairs are made in respect of contractual obligations to return assets operated under concessions to good condition. These are calculated at the end of each period on the basis of a work programme covering several years which is reviewed annually to take account of planned expenditure.

Current provisions

This item mainly refers to the provisions for major repairs that mature within less than one year.

Financial debt (current and non-current)

Financial debt comprises bonds and other loans and is recognised at amortised cost using the effective interest method. The effective interest rate is determined after taking account of redemption premiums and issuance expenses. Under this method, the interest expense is measured actuarially and reported under the cost of gross financial debt. The amortised cost of loans reported in the balance sheet is determined on the basis of the repayment schedule prepared using the effective interest rate.

The part at less than one year of borrowings is included in current borrowings.

Fair value of derivative financial instruments (assets and liabilities)

The Group uses derivative financial instruments to hedge its exposure to market risks (interest rates, exchange rates, equity prices). Most interest rate and foreign currency derivatives used by ASF may be considered as hedging instruments as understood in IAS 39. Specific accounting arrangements apply to hedging instruments if:

- the hedging relationship is defined and documented at the date when it is set up;

- the effectiveness of the hedging relationship is demonstrated from the outset, and regularly while it is in place.

• Financial instruments designated as hedging instruments

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

- a fair value hedge of an asset or liability or of a firm commitment to buy or sell an asset;
- a cash flow hedge; or
- a hedge of a net investment in a foreign entity.

• Fair value hedge

A fair value hedge enables the exposure to the risk of a change in the fair value of an asset, a liability such as fixed rate loans and borrowings, assets and liabilities denominated in foreign currency or firm commitments not recognised, to be hedged.

Changes in the fair value of the hedging instrument are recognised in profit or loss for the period. The impact of the revaluation of the hedged item is recognised symmetrically in profit or loss for the period. Except for the ineffective part of the hedge, these two revaluations offset each other within the same line items in the income statement.

• Cash flow hedge

A cash flow hedge allows exposure to variability in future cash flows associated with a recognised asset or liability, or a highly probable forecast transaction, to be hedged.

Changes in the fair value of the derivative financial instrument are recognised net of tax under equity for the effective part and in profit or loss for the period for the ineffective part. Cumulative gains or losses in equity must be reclassified in profit or loss under the same line item as the hedged item – i.e. under operating income and expenses for cash flows from operations and under financial income and expense otherwise – whenever the hedged cash flow affects profit or loss.

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

• Financial instruments not designated as hedging instruments

Derivative financial instruments that are not designated as hedging instruments are reported in the balance sheet as current assets or liabilities at fair value and changes in their fair value are recognised in profit or loss.

Derivative instruments designated as hedges of which the maturity is greater than one year are shown as non-current assets or liabilities. Other derivative instruments, not designated as hedges, are classified as current assets or liabilities.

The market value of interest rate and foreign exchange transactions is estimated on the basis of valuations provided by bank counterparties or financial models commonly used in financial markets, using market data at the balance sheet date.

Foreign currency transactions

Transactions in foreign currency are translated into euros at the exchange rate at the transaction date. At the balance sheet date, financial assets and monetary liabilities expressed in foreign currencies are translated at the closing rate. Resulting exchange gains and losses are recognised under foreign exchange gains and losses and are shown under other financial income and expenses in the income statement.

Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency derivatives used to hedge investments in foreign subsidiaries are recorded under translation differences in equity.

Segment reporting

The Group is managed as a single business line, the collection of toll payments, to which ancillary payments are connected for commercial premises, rental of fibre optic facilities, telecommunication equipment, and heavy goods vehicle parking facilities.

3. USE OF ESTIMATES

The preparation of financial statements under the IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in these financial statements. These estimates assume the operation is a going concern and are made on the basis of the information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

Use of estimates relates in particular to the following:

- measurement of share-based payment expense under IFRS 2.

  The Group recognises a share-based payment expense relating to the granting to its employees of share options and offers to subscribe to shares under the Group Savings Scheme. This expense is measured on the basis of actuarial calculations using estimated behavioural assumptions. The main actuarial assumptions (expected volatility, expected return on the share, etc.) adopted by the Group are described for each plan in Note 19 – *Share-based payment*;

- measurement of retirement and similar employee benefit obligations.

  The Group is involved in defined contribution and defined benefit retirement plans. Provisions are also taken in respect of some other post-employment benefits, such as medical expense cover. The actuarial measurement of these obligations is based on assumptions such as the discount rate, the return on the investments dedicated to these plans, future increases in wages and salaries, employee turnover, mortality rates and the rate of increase of health expenses. These assumptions are updated annually. Details of the assumptions used in 2006 and how they were determined are given in Note 20.1

Provisions for retirement benefit. The Group considers that the actuarial assumptions used are appropriate and justified, obligations may, however, change to take account of future changes in assumptions;

- measurement of provisions.

  The factors that materially influence the amount of provisions relate mainly to forecasts of multi-year maintenance and major repairs expenditures used as a basis for measuring provisions for major repairs. The application of Interpretation IFRIC 12 planned for January 1, 2008 at the latest could moreover, entail modifications in the determination of these provisions (see Note 2.1.2.).

- measurement of financial instruments at fair value.

  In order to assess the fair value of unlisted financial instruments, the Group uses the usual valuation models that are based on several assumptions, generally observable in the financial markets.

4. REVENUE

The Group's revenue breaks down as follows:

(in € millions)	2006	2005 restated
Revenue – tolls	2,572.2	2,427.3
Fees for use of commercial premises	38.6	31.3
Fees for use of fibre optics and telecommunication facilities	14.4	15.6
Revenue	**2,625.2**	**2,474.2**

5. OPERATING EXPENSES

Operating expenses before share-based payment expense and non-recurrent items break down as follows:

(in € millions)	2006	2005 restated
Purchases consumed and change in inventory	32.4	33.4
External expenses	193.6	197.8
Taxes and levies	370.0	359.3
Employment costs	329.2	322.9
Depreciation and amortisation for the period	523.1	486.8
Net provision charges	19.4	18.8
Other income and expenses	0.0	(0.1)
Operating expenses	**1,467.7**	**1,418.9**

Detail of certain expense items

5.1 External expenses

(in € millions)	2006	2005 restated
Maintenance of infrastructures	69.8	73.5
Other maintenance	30.9	21.1
Temporary employees	5.4	0.0
Other external expenses	87.5	103.2
External expenses	**193.6**	**197.8**

5.2 Taxes and levies

(in € millions)	2006	2005 restated
Dues paid to government estate authorities	60.0	58.2
Infrastructure tax (TAT Taxe d'aménagement du territoire)	215.0	209.4
Business entity tax	82.8	79.7
Other local taxes	2.2	2.9
Taxes on wages and salaries	4.8	3.0
Other taxes and levies	5.2	6.1
Taxes and levies	**370.0**	**359.3**

Dues payable to the government estate authorities instituted by Decree 97-606 of May 31, 1997 are due by motorway concession operators to the State for the use of State-owned property.

The infrastructure tax (*TAT Taxe d'aménagement du territoire*) is €6.86 per thousand kilometers driven (rate applicable since January 1, 2000).

5.3 Employment costs

Breakdown of employment costs

(in € millions)	2006	2005 restated
Wages, salaries and benefits	205,8	198,7
Social benefit charges on wages, salaries and benefits	95,7	94,0
Incentive schemes and statutory profit-sharing	27,7	30,2
Employment costs	**329,2**	**322,9**

ASF and ESCOTA have been automatically subject to the legislation on statutory employee profit-sharing since 2001. An ASF Group agreement entered into in 2003 under a derogation was applied from 2003 to 2005. Since 2006, the standard method of calculation is again in force.

The incentive scheme is governed by a Group agreement entered into in 2003 which applied from 2003 to 2005. Since 2006, a new agreement has been concluded by ASF and ESCOTA independently, for 2006 to 2008.

Breakdown of number of employees

Weighted average of number of employes: 2006 and 2005	2006	2005
Management	662	655
Supervisory	2,452	2,407
Monthly-paid staff	3,935	4,174
Total	**7,049**	**7,236**

5.4 Depreciation and amortisation

(in € millions)	2006	2005 restated
Amortisation of other intangible assets	9.3	9.9
Amortisation of concession intangible fixed assets	441.6	411.8
Depreciation of property, plant and equipment	72.2	65.1
Depreciation and amortisation for the period	**523.1**	**486.8**

6. SHARE-BASED PAYMENT EXPENSE

Benefits paid to employees break down as follows:

(in € millions)	2006	2005 restated
VINCI Group Savings Scheme, including employer's contribution (Note 19.1.1)	11.1	
VINCI share subscription plan (Note 19.1.2)	0.7	
Allocation of ASF shares for no consideration (Note 19.2)	1.3	0.7
Total in the income statement	**13.1**	**0.7**

The amounts credited to consolidated equity in 2006 and 2005 break down as follows:

(in € millions)	2006	2005 restated
Total expense	13.1	0.7
Employer's contribution paid in cash	(6.1)	
Tax effect	(1.1)	
Impact on equity	**5.9**	**0.7**

7. COST OF NET FINANCIAL DEBT

(in € millions)	2006	2005 restated
Cost of gross financial debt(*)	**(431.1)**	**(435.9)**
Financial income from cash management investments	**21.5**	**15.2**
Cost of net financial debt	**(409.6)**	**(420.7)**

(*) calculated using the effective interest rate

The €11.1 million improvement in net financial expense for the ASF Group was mainly due to changes in the structure of the debt and in interest rates.

The cost of debt, excluding hedging transactions, fell from €466 million to €451 million (a decrease of €15 million). This change arose mainly from the average cost of fixed-rate debt; this debt accounted for €7.6 billion of a total of €8 billion in 2005. In 2006, the ASF Group repaid debt bearing interest at 7.8%, thus reducing financial expenses by approximately €14 million from the 2005 level. On the other hand, the debt of €550 million issued in 2005 at an average rate of 3.82% generated supplementary expense of €9 million, which was offset by a saving of €9.9 million in financial expenses on debt amounting to €414 million repaid in 2005.

The decrease of about €7 million in financial income arising from cash flow hedges and from trading transactions is the consequence of the average increase in short-term floating interest rates of approximately 75bps in 2006.

Financial income from cash investments improved by approximately €9 million, as a result of the average amount invested being €160 million more in 2006 than in 2005 and the average remuneration being 75bps higher in 2006 than in 2005.

8. OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses breaks down as follows:

(in € millions)	2006	2005 restated
Capitalised borrowing costs	7.2	17.4
Dividends received from unconsolidated companies	0.2	4.0
Foreign exchange gains and losses	1.1	0.0
Net change in present values	(5.1)	(3.9)
Other financial income (including reversals of provisions)		2.5
Other financial income and expenses	**3.4**	**20.0**

Capitalised borrowing costs in respect of concession construction work in progress, at an average rate of 3.63%, amounted to €7.2 million at December 31, 2006 against €17.4 million at December 31, 2005 (average rate of 3.82%).

The net change in present values mainly relates to the part at more than one year of retirement benefit obligations and similar.

9. INCOME TAX

Income tax expense breaks down as follows:

(in € millions)	2006	2005 restated
Current tax for the period	267.5	234.0
Tax credits set against tax due in France	(0.4)	(0.2)
Total current tax	**267.1**	**233.8**
Deferred tax	(2.4)	(2.3)
Income tax	**264.7**	**231.5**

Tax relating to items recognised directly in equity amounts to €2.8 million.

The reconciliation of theoretical and effective tax expense is as follows:

(in € millions)	2006	2005 restated
Profit for the period	476.4	435.8
Income tax expense	264.7	231.5
Net profit before tax	**741.1**	**667.3**
Theoretical tax expense (at standard rate in France)	255.2	233.1
Impact of future tax rates in France		(3.3)
Permanent differences (non-deductible expenses)	9.5	1.7
Net income expense	**264.7**	**231.5**

Standard tax rate

(in %)	2006	2005
Standard tax rate in France for the period	**34.43%**	**34.93%**
- change in tax rate in France (34.43% in 2006)	0.00%	(0.50)%
Reconciliation between the standard tax rate in France and the standard rate in the consolidated financial statements	**34.43%**	**34.43%**

Main sources of deferred tax

(in € millions)	2006	2005 restated
Other provisions	34.9	28.3
Provisions for retirement benefit obligations and similar	4.4	3.1
Provisions for paid leave	9.5	10.6
Statutory profit-sharing	6.0	7.0
Discounting of statutory employee housing loans	1.5	1.3
Derivative financial instruments (IAS 39 & 32)	4.5	4.8
Other	0.1	0.0
Provision for major repairs	33.3	30.1
Deferred tax assets	**94.2**	**85.2**
Concession intangible fixed assets (capitalised borrowing costs and other)	241.2	252.3
Tax-deductible archaeological excavation costs	2.7	2.6
Tax-regulated depreciation expense	7.5	7.1
Discounting of provisions, debts and receivables	5.8	4.7
Fair value recognised directly in reserves	2.3	
Other	1.9	0.0
Deferred tax liabilities	**261.4**	**266.7**
Net deferred tax	**(167.2)**	**(181.5)**

Changes in balance sheet items

(in € millions)	2006	2005 restated
Deferred tax assets	0.0	0.0
Deferred tax liabilities	(167.2)	(181.5)
Net deferred tax	**(167.2)**	**(181.5)**

10. EARNINGS PER SHARE

The number of shares outstanding has been 230,978,001 since 2002. The Company has not purchased any of its own shares. The Company has not issued any instrument that could give rights to shares. As a result, the weighted number of shares to take into consideration when calculating basic and diluted earnings per share in 2006 and 2005 is 230,978,001. Basic and diluted earnings per share are the same.

11. INTANGIBLE ASSETS (OTHER THAN CONCESSION INTANGIBLE ASSETS)

Other intangible assets are mainly software, either purchased or written.

Changes break down as follows:

(in € millions)	2006	2005 restated
Gross		
Balance at beginning of the period	97.4	88.4
Acquisitions/Increases	14.2	11.5
Disposals/Decreases	0.8	1.5
Other	(0.1)	(1.0)
Balance at end of the period	**110.7**	**97.4**
Amortisation		
Balance at beginning of the period	74.0	65.6
Acquisitions/Increases	9.3	9.9
Disposals/Decreases	0.8	1.5
Other	0.1	
Balance at end of the period	**82.6**	**74.0**
Net amount at beginning of the period	**23.4**	**22.8**
Net amount at end of the period	**28.1**	**23.4**

12. CONCESSION INTANGIBLE ASSETS

12.1 Main features of concession contracts

The features of the contracts for the main concessions operated by ASF and ESCOTA are as follows:

	Control and regulation of prices by concession grantor	Responsibility for payment	Grant or guarantee from concession grantor	Date of end of contract	Residual value
ASF	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	End of 2032	At the end of the contract term, infrastructures are returned to the grantor for no consideration, except for those assets for which the State has an option to purchase at a price set by a valuer. If the agreement is terminated before the end of its term, the operator receives compensation determined in accordance with the concession agreement.
ESCOTA	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	End of 2026	At the end of the contract term, infrastructures are returned to the grantor for no consideration, except for those assets for which the State has an option to purchase at a price set by a valuer. If the agreement is terminated before the end of its term, the operator receives compensation determined in accordance with the concession agreement.

In application of the asset impairment rules, no loss of value has been recognised in the financial statements at December 31, 2006. It should be noted that the owned assets of the Puymorens tunnel are not considered as a cash generating unit.

12.2 Changes in concession intangible assets

Changes break down as follows:

2005

(in € millions)	Cost of infrastructures	Advances and Outstandings	Investment grants	Total
Gross				
Balance at beginning of the period	15,401.2	780.4	(223.8)	15,957.8
Acquisitions/Increases	64.9	357.9	(14.7)	408.1
Disposals/Decreases	1.1			1.1
Other	182.5	(191.1)		(8.6)
Balance at end of the period	**15,647.5**	**947.2**	**(238.5)**	**16,356.2**
Amortisation				
Balance at beginning of the period	4,291.2		(67.0)	4,224.2
Acquisitions/Increases	414.7		(6.9)	407.8
Disposals/Decreases	0.7			0.7
Other				0.0
Balance at end of the period	**4,705.2**	**0.0**	**(73.9)**	**4,631.3**
Net amount at beginning of the period	**11,110.0**	**780.4**	**(156.8)**	**11,733.6**
Net amount at end of the period	**10,942.3**	**947.2**	**(164.6)**	**11,724.9**

2006

(in € millions)	Cost of infrastructures	Advances and Outstandings	Investment grants	Total
Gross				
Balance at beginning of the period	15,647.5	947.2	(238.5)	16,356.2
Acquisitions/Increases	96.5	284.5	(5.6)	375.4
Disposals/Decreases	3.9	(1.2)		2.7
Other	749.6	(745.7)		3.9
Balance at end of the period	**16,489.7**	**486.0**	**(242.9)**	**16,732.8**
Amortisation				
Balance at beginning of the period	4,705.2		(73.9)	4,631.3
Acquisitions/Increases	449.6		(6.7)	442.9
Disposals/Decreases	2.3			2.3
Other				0.0
Balance at end of the period	**5,152.5**	**0.0**	**(80.6)**	**5,071.9**
Net amount at beginning of the period	**10,942.3**	**947.2**	**(164.6)**	**11,724.9**
Net amount at end of the period	**11,337.2**	**486.0**	**(162.3)**	**11,660.9**

Investment commitments corresponding to contracts for work granted and expected to be carried out as from 2007 amounted to €407.6 million at December 31, 2006 (€341.2 million at December 31, 2005).

The investments that would be required for the A89 motorway between Balbigny and La Tour de Salvagny would be €1.2 billion, to be carried out between now and the end of 2012. These investments are conditional on the dispute between ASF and two associations being resolved (see Note 29).

Borrowing costs included during the period in the cost of motorway assets in service amounted to €7.2 million in 2006 compared with €17.4 million in 2005.

Investment grants received from local authorities – *départements*, *communes*, and regions – in respect of the various infrastructure projects carried out on the network operated by the Group under concessions break down as follows:

- for 2006:
  - La Verrie interchange: €0.3 million,
  - Lyon bypass: €0.2 million,
  - noise-reduction barriers on the A10 in Aquitaine: €1.2 million,
  - SERTI and ARTS European projects: €0.9 million,
  - noise-reduction barriers, Mougins €1.9 million;
- for 2005:
  - La Verrie interchange: €8.8 million,
  - work on Les Herbiers parking and services area: €0.6 million
  - financing of flyover 1131 on the A87 : €1.2 million,
  - noise-reduction barriers on the A10 in Aquitaine: €0.2 million,
  - SERTI and ARTS European projects: €0.3 million,
  - Aix local district: €0.6 million,
  - Monaco interchange : €0.8 million,
  - Laghet partial junction (Alpes Maritimes): €1.4 million,
  - Laghet partial junction (Principality of Monaco): €0.8 million.

12.3 Length of the Group's network

(in kilometers)	2006	2005 restated
Motorways in service at beginning of the period	2,963.3	2,944.4
Entries into service during the period	62.4	18.9
ASF Group network in service	**3,025.7**	**2,963.3**
Sections under construction at end of the period	40.0	81.0
ASF Group network	**3,065.7**	**3,044.3**

On January 11, 2006, ASF opened two new sections of the A89 motorway, one of 51.3 km between St-Julien le Sancy and Combronde, and one of 11.1 km between Terrasson and Brive Nord. At December 31, 2006, the total length of the network operated by the Group was 3,025.7 kilometers.

13. PROPERTY, PLANT AND EQUIPMENT

Changes break down as follows:

2005

(in € millions)	Technical installations – Plant and equipment	Other	Advances and outstandings on equipment and other	Total
Gross				
Balance at beginning of the period	638.1	163.6	30.7	832.4
Acquisitions/Increases	18.8	14.4	47.2	80.4
Disposals/Decreases	10.2	13.0	0.0	23.2
Other	24.8	2.1	(17.1)	9.8
Balance at end of the period	**671.5**	**167.1**	**60.8**	**899.4**
Depreciation				
Balance at beginning of the period	606.0	124.8		730.8
Acquisitions/Increases	50.0	15.5		65.5
Disposals/Decreases	9.6	12.5		22.1
Other	0.0	0.0		0.0
Balance at end of the period	**646.4**	**127.8**	**0.0**	**774.2**
Net amount at beginning of the period	**32.1**	**38.8**	**30.7**	**101.6**
Net amount at end of the period	**25.1**	**39.3**	**60.8**	**125.2**

2006

(in € millions)	Technical installations – Plant and equipment	Other	Advances and outstandings on equipment and other	Total
Gross				
Balance at beginning of the period	671.5	167.1	60.8	899.4
Acquisitions/Increases	19.9	14.2	30.4	64.5
Disposals/Decreases	13.0	20.2	0.0	33.2
Other	37.9	2.9	(45.0)	(4.2)
Balance at end of the period	**716.3**	**164.0**	**46.2**	**926.5**
Amortisation				
Balance at beginning of the period	646.4	127.8		774.2
Acquisitions/Increases	54.8	16.2		71.0
Disposals/Decreases	12.4	19.6		32.0
Other	4.1	(0.7)		3.4
Balance at end of the period	**692.9**	**123.7**	**0.0**	**816.6**
Net amount at beginning of the period	**25.1**	**39.3**	**60.8**	**125.2**
Net amount at end of the period	**23.4**	**40.3**	**46.2**	**109.9**

14. INVESTMENTS IN ASSOCIATES

TransJamaican Highway has been accounted for using the equity method since January 1, 2006.

In 2002, ASF acquired 34% of TransJamaican Highway for €0.8 million, in the context of a partnership developed with Bouygues Construction, through its subsidiary Bouygues Travaux Publics, for the construction of the Highway 2000 motorway in Jamaica. ASF paid in €2.0 million in 2003, €2.7 million in 2004, €0.5 million in 2005 and €0.2 million in 2006. This investment is shown in ASF's financial statements for €2.8 million at December 31, 2003, for €5.5 million at December 31, 2004, for €6 million at December 31, 2005 and for €6.2 million at December 31, 2006.

TransJamaican Highway's financial data is as follows:

	2006
% held	**34.0%**
Financial data (on 100% basis)	
Revenue	16.5
Attributable to Group	*5.6*
Operating expenses	9.0
Attributable to Group	*3.1*
Operating profit	7.4
Attributable to Group	*2.5*
Net profit or loss	(1.9)
Attributable to Group	*(0.6)*
Equity	**7.4**
Attributable to Group	*2.5*
Goodwill	
Goodwill impairment losses to date	
Share of net consolidated profit/(loss) attributable to Group	**(3.1)**
Value of investments in associates	**3.1**
Carrying amount of shares in parent company accounts	6.2
Original cost of shares	6.2
Fair value of shareholdings (stock market value)	
Other balance sheet information:	
Total Assets/Equity and liabilities	226.4
Net financial debt	207.5
Shareholder advances and interest-bearing loans	

As TransJamaican Highway has been accounted for using the equity method since January 1, 2006, the amount of ASF's share of the loss since the beginning (€3.1 million) has been recorded in profit or loss in 2006.

15. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets break down as follows:

(in € millions)	12/31/2006	12/31/2005
Investments in subsidiaries and affiliated companies	13,1	14,6
Loans and other long-term receivables	6,4	7,3
Total gross amount	**19,5**	**21,9**
Impairment allowances	(1,6)	(1,6)
Net total	**17,9**	**20,3**

Investment in subsidiaries and affiliated companies breaks down as follows at December 31 of each year:

(in € millions)	12/31/2006	12/31/2005
Truck Etape SAS	1.0	0.6
Axxès	2.7	1.8
Prado-Carénage tunnel	6.3	3.3
TransJamaican Highway (Note 14)		6.0
Other	3.1	2.9
Investments in subsidiaries and affiliated companies	**13.1**	**14.6**

Truck Etape is a simplified limited liability company (*société par actions simplifiée*) that was formed in October 2003. Its share capital of €0.9 million was owned by ASF (for 66%) and PIMO (for 34%) until December 29, 2006, at which date ASF owned 100% of Truck Etape. This company operates a secure HGV parking facility at Béziers.

Axxès is a simplified limited liability company (*société par actions simplifiée*) that was formed on May 31, 2005 with share capital of €5 million. Its shares are held by ASF and ESCOTA, five other motorway companies (APRR, AREA, ATMB, SITAF and SFTRF) and the Crédit Mutuel bank. Its activity is the promotion, operation and marketing of in-vehicle telecommunication systems and support services for road users (HGV electronic toll collection systems).

On June 10, 2005, ASF increased its shareholding in SMTPC (Société Marseillaise du Tunnel du Prado-Carénage) to 3.11%, for €3.3 million, at December 31, 2005. Of this €0.2 million had been acquired as at December 31, 2004 (on July 9, 2004). At December 31, 2006 these shares were measured at their fair value of €6.3 million.

Long-term loans and receivables mainly relate to the companies' statutory employee housing loans. Loans and receivables measured at amortised cost breaks down as follows:

(in € millions)	12/31/2006	1 to 5 years	Over 5 years
Loans and other receivables at amortised cost	6.4	2.2	4.2

16. TRADE AND OTHER OPERATING RECEIVABLES

This item breaks down as follows:

(in € millions)	12/31/2006	12/31/2005
Customers – Tolls and ancillary activities	167.4	149.4
Impairment loss doubtful debtors	(6.6)	(9.5)
Receivables from disposals of fixed assets	0.2	0.1
Current account balances with related parties	0.0	0.0
Other tax, employment and social benefit receivables	46.2	54.1
Other operating receivables	38.8	34.2
Impairment of other operating receivables	(6.8)	(8.4)
Trade and other operating receivables	**239.2**	**219.9**

The write-down of doubtful debts mainly relates to telecommunication sector operators.

17. OTHER CURRENT ASSETS

Other current assets are mainly deferred expenses which, at December 31, 2006 and December 31, 2005 are mainly the portion of the dues paid to the authorities for the use of State-owned property relating to the next period. This partial advance payment is payable in July for the period from July 1 to June 30 of the next period.

18. EQUITY

18.1. Share capital

At December 31, 2006 and December 31, 2005, ASF's share capital was €29,343,641 represented by 230,978,001 ordinary shares, fully subscribed and fully paid up, all granting the same rights. ASF shares have no nominal value, and may be registered or bearer shares as the shareholder decides.

At December 31, 2006, ASF had issued no instruments granting rights to potential shares, such as share options or convertible loans.

The Group has not acquired any treasury shares under the authorisations granted by the Ordinary General Meetings.

18.2. Events in 2006

By a Decree on March 8, 2006, the Government authorised the transfer to the private sector of the State shareholding in ASF, of which it was the majority shareholder with Autoroutes de France (ADF). On March 9, 2006, VINCI acquired the shares in ASF held by the State and ADF for €51 per share, taking its shareholding in ASF to 73.4%.

On 28 April 2006, after the close of its standing market offer, VINCI held 97.39% of the share capital and voting rights in ASF, directly or indirectly.

On May 12, 2006, through the offices of Société Générale, VINCI filed a proposed Public Buyout Offer followed by Compulsory Buyout (*Offre publique de retrait suivie d'un retrait obligatoire*) with the French Stock Market regulator, the AMF.

In a notice issued on October 26, 2006, the AMF set the expiry date of this Offer at November 3, 2006. On closure of the offer, VINCI owned, directly and indirectly through its subsidiary VINCI Concessions, 227,686,974 shares and voting rights in ASF, representing 98.58% of the shares and voting rights in the Company. The compulsory buyout and delisting occurred on November 6, 2006.

Since that date, VINCI has owned all the shares and voting rights in ASF, directly or indirectly, and its holding has therefore been fully consolidated since March 9, 2006.

18.3 Items recognised directly through equity

The following tables give details of these movements by type of financial instrument:

(in € millions)	2006	2005
Available-for-sale financial assets		
Reserve at beginning of period	0.0	0.0
Changes in fair value in the period	2.1	
Reserve at end of the period	**2.1**	**0.0**

(in € millions)	2006	2005
Cash flow hedge		
Reserve at beginning of period	(8.1)	0.0
Changes in fair value in the period	0.6	(8.1)
Reserve at end of the period	**(7.5)**	**(8.1)**

(in € millions)	2006	2005
Total items recognised directly in equity		
Reserve at beginning of period	(8.1)	0.0
Changes in fair value in the period	2.7	(8.1)
Reserve at end of the period	**(5.4)**	**(8.1)**

19. SHARE-BASED PAYMENT

19.1. Equity compensation benefits paid by VINCI to ASF Group employees

Since the acquisition of the ASF Group by VINCI, the employees of ASF and ESCOTA have been able to subscribe to the VINCI Group Savings Scheme. Eligible employees have also benefited from the May 16, 2006 share option plan.

19.1.1 VINCI savings scheme

As part of the integration into the VINCI Group, employees of the ASF Group have been able to benefit from the VINCI Group Savings Scheme. Under this scheme, they have invested their incentive scheme and statutory employee profit-sharing payments relating to 2005 and voluntary subscriptions in the products proposed by the VINCI Group Savings Scheme and mainly in the VINCI

"Castor" fund. Similarly, the ASF Group Saving Scheme's "ASF employee shareholding fund" has been transferred almost totally to the VINCI employee shareholding fund.

VINCI's Board of Directors defines the conditions for subscribing to the Group Savings Scheme, in accordance with the authorisations granted to it by the Shareholders General Meeting. In this connection, VINCI issues new shares reserved for employees three times a year with a subscription price that includes a discount against the stock market price. Subscribers also benefit from a contribution paid by their employer.

The IFRS 2 expense recognised in this respect at December 31, 2006 in ASF's consolidated financial statements was measured applying the following assumptions:

Tranche	1st four-month period 2007	3rd four-month period 2006	2nd four-month period 2006	1st four-month period 2006
Hoped-for return on VINCI shares	6,50%	6,50%	5,70%	6,30%
Dividend per share				
Dividend payable (interim)	*0.87€*			*0.70€*
Dividend payable (final)			1.30€	
Subscription price	74.39€	64.51€	60.76€	52.78€
Closing price on date of valuation	85.20€	79.55€	80.30€	80.70€
Implied volatility of VINCI share	25%	25%	25%	25%
Estimated number of shares subscribed to	94,788	10,385	291,740	242,827
Estimated number of shares issued (subscriptions+employer's contribution)	94,788	10,385	291,740	340,844

Given the above, the overall expense for 2006 in respect of the VINCI Group Savings Scheme in application of IFRS 2 was €11.1 million.

19.1.2 Options to subscribe to VINCI shares

In accordance with the authorisations granted to it by the Shareholders' General Meeting, VINCI's Board of Directors defines the conditions for the granting of share subscription options and the list of beneficiaries. Each option gives the right to subscribe to one VINCI share. Beneficiaries may exercise two-thirds of their options two years after receiving them and all of their options after three years. Options lapse if they are not exercised at the end of a period of seven years or if the beneficiaries leave the VINCI Group before the end of the granting period, unless specifically authorised otherwise by the Board of Directors.

Following VINCI's acquisition of the ASF Group, the share option plan granted by VINCI on May 16, 2006 was opened to certain beneficiaries amongst ASF employees. The main assumptions used to determine the fair values of the options in question were:

Plan	05/16/2006
Price of the underlying share at grant date	79.55€
Exercise price	80.64€
Lifetime of the options (in years) from grant date	7
Number of options granted	114,845
Options outstanding at 12/31/2006	114,845
Volatility	24.19%
Lifetime of the option (in years)	7
Expected return on share	6.50%
Risk-free rate of return	3.68%
Hoped-for dividend growth rate	2.75%
Fair value of the option	15.48€

These fair values have been calculated at the options' respective grant dates by an external actuary using a binomial valuation model of the "Monte Carlo" type. This model takes account of behavioural assumptions based on past observations.

On the basis of the above, the amount taken as an expense was €0.7 million for 2006.

19.2. Granting of ASF shares for no consideration

The Extraordinary General Meeting of May 12, 2005 authorised the Board of Directors of ASF to grant shares for no consideration to employees of the ASF Group who are members of an ASF Savings Scheme. The Board of Directors, at its meeting on June 23, 2005, decided to set up such a plan.

The features and valuation of the plan are as follows:

	2005 Plan
Date of decision by Board of Directors	06/23/2005
Maturity date	06/22/2007
Expiry date	06/22/2009
Number of beneficiaries	7,300
Exercise price *(in euros)* at June 23, 2005	44.11
Maximum number of shares granted	64,608

A share-based payment expense of €1.3 million in 2006 (compared with €0.7 million in 2005) was recognised through equity in respect of the plan for granting shares for no consideration to employees of the ASF Group.

20. NON-CURRENT PROVISIONS

The non-current provisions break down as follows:

(in € millions)	12/31/2006	12/31/2005
Provisions for retirement benefits obligations	1.7	3.1
Other non-current provisions	187.5	163.3
Total Non-current provisions	**189.2**	**166.4**

20.1 Provisions for retirement benefit obligations

At December 31, 2006, the provision for retirement benefit obligations amounted to 6.2 million euros (including 1.7 million accounted as non-current provision) compared with 3.1 million at December 31, 2005. The provisions for retirement benefit obligations comprise provisions for lump-sums on retirement and provisions for obligations for supplementary pensions.

The actuarial assumptions adopted are detailed below:

	2006	2005
Discount rate	4.75%	4.50%
Inflation rate	2.00%	1.80%
Rate of benefit increases	2.50%	2.00%
Rate of salary increases		
Management	4.20%	4.20%
Non-management	3.80%	3.80%

On the basis of those asumptions, the retirement benefit obligations, provisions taken and expenses recognised can be analysed as follows:

Change from one period to the next

(in € millions)	2006	2005
Present value of benefits for services rendered		
Balance at beginning of the period	**44.3**	**34.8**
Further rights acquired	2.6	5.2
Cost for the period of discounting	2.0	1.9
Services rendered during the period	(1.1)	(1.1)
Actuarial gains and losses	(3.3)	1.1
Actuarial gains and losses as percentage of obligations	(7.4)%	3.2%
Effects of plan closures and alterations	0.3	2.4
Balance at end of the period	**44.8**	**44.3**
Plan assets		
Balance at beginning of the period	**34.5**	**27.8**
Expected return on funds	(1.6)	2.7
Actuarial gains and losses	2.3	3.9
Actuarial gains and losses as percentage of obligations	(4.6)%	9.7%
Balance at end of the period	**35.2**	**34.5**
Deferred actuarial losses		
Balance at beginning of the period	**6.7**	**3.8**
New elements	(2.1)	0.5
Amortisation for the period	(1.2)	2.4
Balance at end of the period	**3.4**	**6.7**
Provisions recognised in balance sheet	**6.2**	**3.1**
Including the non-current part	1.7	3.1

On December 31, 2006, the plan assets are mainly composed of shares and bonds.

Expenses recognised

These expenses for retirement benefit obligations break down as follows:

(in € millions)	2006	2005
Rights acquired by employees during the period	2.6	5.2
Financial expenses on rights acquired	2.0	1.9
Expected return on funds	(1.6)	(1.1)
Amortisation of actuarial gains and losses	1.2	(2.4)
Amortisation of past service cost (rights not vested)		0.1
Other (benefits paid)	(1.1)	(1.1)
Expenses recognised	**3.1**	**2.6**

20.2 Other non-current provisions

During the period, changes in non current provisions reported under balance sheet liabilities were as follows:

(in € millions)	2006	2005
Non-current provisions		
Other employee benefits	90.1	78.6
Major repairs	45.3	44.9
Other non-current liabilities	52.1	39.8
Total non-current provisions	**187.5**	**163.3**

- **Other employee benefits:**

Other employee benefits item comprises the cost of future and current retired employees' medical expenses the Group has to bear part of and the long service bonus.

At December 31, 2006, the provisions related to medical expense and providence insurance amounted to €93.8 million (including €89.8 million of non-current) compared to €75.5 million at December 31, 2005) and have been calculated with the asumptions below:

	2006	2005
Discount rate	4.75%	4.50%
Inflation rate	2.00%	1.80%
Rate of benefit increases	2.50%	2.00%
Medical expenses rate (1)	6.00%	4.00%
Mortality rate for retired employees	TPG	TPG

(1) Following the acquisition of ASF by VINCI, the medical expenses rate amounted to 6%.

On the basis of the asumptions adopted, the participation in medical expenses amounted to 154.1 millions at December 31, 2006 compared to 97.6 millions at December 31, 2005.

Actuarial gains and losses (difference between retirement benefit obligations and provisions recognised in the balance sheet) amounted to €60.3 million at December 31, 2006 compared to €22.1 million at December 31, 2005 and mainly result from changes in the rate of employer's contribution to the medical expense insurance plan. Actuarial gains and losses are amortised on a straight-line basis over the average expected remaining working lives of the employees participating in the plan.

A change of 1% in this rate would entail a change of €33 million in the provision.

Expenses recognised

The expenses in respect of retired employee's medical expenses break down as follows:

(in € millions)	2006	2005
Rights acquired by employees during the period	10.0	4.1
Financial expenses on rights acquired	5.8	3.8
Expected return on funds	0.0	
Amortisation of actuarial gains and losses	4.4	(0.1)
Amortisation of past service cost (rights not vested)		
Other (benefits paid)	(1.8)	(2.0)
Expenses recognised	**18.4**	**5.8**

Furthermore, provisions related to long service bonus have been taken in respect of long-service bonus obligations. At December 31, 2006 the provision amounted to €2.8 million (including the part at less than one year amounting to €2.5 million), compared with €3.1 million at December 31, 2005. These provisions are calculated using the same actuarial assumptions as for retirement benefit obligations.

- **Major repairs and other provisions for liabilities and expenses**

These relate to contractual obligations to return assets operated under concessions to good condition. These are calculated at the end of each period on the basis of a work programme covering several years which is reviewed annually to take account of planned expenditure.

At December 31, 2006, other provisions for liabilities and expenses amounted to €52.1 million.

21. CURRENT PROVISIONS

The current provisions break down as follows:

(in € millions)	2006	2005
Provision for major repairs	47.6	39.7
Other provisions for liabilities and expenses	3.9	3.6
Provisions (current and non-current)	**51.5**	**43.3**

22. OTHER CURRENT PAYABLES

(in € millions)	2006	2005
Amounts owing relating to non-current assets	160.2	160.2
Tax, employment and social benefit liabilities	176.0	176.0
Deferred income	87.5	87.5
Miscellaneous creditors	26.4	15.0
Other current payables	**450.1**	**438.7**

23. NET FINANCIAL DEBT AND FINANCING RESOURCES

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

		12/31/2006			12/31/2005
(in € millions)	Note ref.	Non-current	Current	Total	Total
Loans from financial institutions	23,1	(7,383.5)	(665.4)	(8,048.9)	(8,619.2)
Bank overdrafts (a)	24,2			(0.1)	(0.2)
I - Gross Financial Debts		**(7,383.5)**	**(665.4)**	**(8,049.0)**	**(8,619.4)**
Including fair value hedge impact					(145.5)
Gross Financial Debts before Impact of Fair Value		(7,383.5)	(665.4)	(8,049.0)	(8,619.4)
Financial current accounts (assets)			8.9	8.9	1.5
Current cash management financial assets	24,2		64.6	64.6	197.0
Cash and cash equivalents (b)	24,2		626.4	626.4	620.1
II - Financial assets		**0.0**	**699.9**	**699.9**	**818.7**
Derivative financial instruments - liabilities	25.1-25.2	0.0	(44.8)	(44.8)	(7.4)
Derivative financial instruments - assets	25.1-25.2	0.0	39.2	39.2	181.6
III - Derivative financial instruments		**0.0**	**(5.6)**	**(5.6)**	**174.2**
Net financial debt (I + II + III)		**(7,383.5)**	**28.9**	**(7,354.7)**	**(7,626.5)**
Of which, net cash managed:	24,2				
Cash and cash equivalents (b)	24,2			626.4	620.1
Bank overdrafts (a)	24,2			(0.1)	(0.2)
Net cash managed				**626.3**	**619.9**

23.1 Detail of loans from financial institutions

These loans mainly comprise loans granted by the CNA, (the *Caisse Nationale des Autoroutes*) and by the EIB (the European Investment Bank) for the financing of concession infrastructures.

The loans taken out by ASF and ESCOTA from the CNA were granted under the agreement between these two companies and this public-sector establishment (*établissement public à caractère administratif*) which provides that funds raised by the CNA through bond issues or loans granted by the EIB to the CNA will be made available to motorway operating companies.

The details of the loans from financial institutions are as follows:

(in € millions)	Currency	12/31/2006 Nominal outstanding	Debt recorded on issue (a)	Impact of amortised cost [(1)] (b)	Impact of fair values [(2)] (c)	Carrying amount (a)+(b)+(c)	31/12/2005 Carrying amount	Maturity
ASF et ESCOTA								
ASF and ESCOTA CNA 1994	EUR						208.2	April 2006
ASF and ESCOTA CNA 1991	EUR						117.8	October 2006
ASF and ESCOTA CNA 1994/1995	EUR						166.6	November 2006
ASF CNA 1996	GBP						7.9	December 2006
ASF and ESCOTA CNA 1995	EUR	122.0	120.1	9.7		129.8	129.6	March 2007
ASF and ESCOTA CNA 1996	EUR	146.4	145.7	2.7		148.5	148.5	October 2007
ASF CNA/EIB 1997	EUR	30.5	30.5	0.2		30.7	30.7	November 2007
ASF CNA 1997	EUR	152.5	151.0	1.6		152.6	152.4	December 2007
ASF CNA 1998	CHF	301.1	296.1	8.5		304.6	314.7	February 2008
ESCOTA CNA 1993	EUR	15.2	15.0	1.3		16.2	16.2	March 2008
ASF and ESCOTA CNA 1996/1997	EUR	298.8	294.6	8.0		302.6	305.0	November 2008
ASF and ESCOTA CNA 1995	EUR	168.8	166.2	3.3		169.5	169.2	November 2008
ASF and ESCOTA CNA 1994/1997	EUR	137.2	137.5	7.7		145.2	146.8	January 2009
ASF and ESCOTA CNA 1996	EUR	176.8	175.2	6.8		182.0	181.8	July 2009
ASF CNA 1995	EUR	152.5	149.8	5.4		155.2	158.2	September 2009
ASF and ESCOTA CNA 1996	EUR	153.8	152.6	10.2		162.8	162.7	February 2010
ASF and ESCOTA CNA 1998	EUR	502.4	483.6	27.6		511.1	509.3	April 2010
ASF and ESCOTA CNA 1995	EUR	66.5	65.2	3.5		68.6	68.5	June 2010
ASF CNA/EIB 1998	EUR	95.3	95.3	0.3		95.5	95.6	December 2010
ASF and ESCOTA CNA 1997 à 2001	EUR	498.5	508.8	28.5		537.3	542.8	June 2011
ASF and ESCOTA CNA 1996	EUR	68.6	68.0	1.8		69.8	69.7	September 2011
ASF CNA/EIB 2001	EUR	70.0	70.0	0.7		70.7	70.7	October 2011
ASF and ESCOTA CNA 1997 à 2000	EUR	405.9	406.5	4.5		411.0	411.1	October 2012
ASF and ESCOTA CNA 1998/2001	EUR	397.7	430.5	4.8		435.3	438.0	March 2013
ESCOTA CNA/EIB 2002	EUR	142.7	142.7	6.5		149.3	149.3	April 2013 to 2015
ESCOTA CNA/EIB 1998	EUR	8.5	8.6	0.0		8.6	8.5	December 2013
ASF CNA 1999/2002	EUR	450.0	421.3	21.9		443.2	441.1	May 2014
ASF CNA/EIB 1999	EUR	160.0	160.0	2.8		162.8	165.5	December 2014
ESCOTA CNA/EIB 2000	EUR	20.0	20.0	0.1		20.1	20.1	December 2014
ASF CNA/EIB 2002	EUR	412.6	412.6	18.8		431.4	431.0	April 2015 to 2017
ASF CNA 2000/2001	EUR	382.5	385.9	36.7		422.6	444.7	October 2015
ASF CNA/EIB 2000	EUR	70.0	70.0	1.8		71.8	73.5	December 2015
ASF CNA/EIB 2000	EUR	53.0	53.0	0.1		53.1	53.1	December 2015
ASF CNA 2001	EUR	343.5	338.9	40.9		379.8	372.5	July 2016
ASF CNA/EIB 2001	EUR	75.0	75.0	0.4		75.4	75.4	November 2016
ASF CNA/EIB 2001	EUR	77.0	77.0	0.4		77.4	77.4	November 2016
ASF and ESCOTA CNA 2002	EUR	532.0	527.3	26.9		554.2	554.0	January 2017
ASF CNA 2004/2005	EUR	750.0	769.5	51.2		820.7	844.5	March 2018
ASF EIB 2005	EUR	150.0	150.0	3.2		153.2	153.2	May 2013-2025
ASF EIB 2005	EUR	100.0	100.0	0.2		100.2	100.2	December 2013-2025
Other loans	EUR	25.8	25.8	0.2		26.0	33.0	2007 to 2010
Total		**7,713.2**	**7,699.8**	**349.1**	**0.0**	**8,048.9**	**8,619.2**	

(1) Amortised cost including accrued interest not matured.
(2) Revaluation of the debt in connection with fair value hedging.

The Group did not take out any loans in 2006 (€550 million in 2005) and no drawings were made on credit facilities in 2005 or 2006.

Loan repayments in 2006 amounted to €490.8 million (against €377.3 million in 2005) and the local authority advances repaid amounted to €7.2 million (against €10.5 million in 2005).

24. LIQUIDITIES AND FINANCING RESOURCES

24.1 Maturity of borrowing from financial institutions

At December 31, 2006, the average maturity of the Group's borrowings from financial institutions was 6.37 years, against 7.16 years at December 31, 2005.

The maturity of this borrowing breaks down as follows, by date (at redemption value):

(in € millions)	12/31/2006	12/31/2005
Accrued interest not matured	214.2	228.3
Maturing in less than one year (at redemption value)	451.2	486.0
Current part of financial debt	**665.4**	**714.3**
Maturing in more than 1 year and not after 2 years (at redemption value)	803.8	451.2
Maturing in more than 2 years and not after 5 years (at redemption value)	1,927.6	2,106.4
Maturing in more than 5 years and not after 10 years (at redemption value)	2,950.3	2,865.1
Maturing after 10 years (at redemption value)	1,580.2	2,302.6
Non-current part of financial debt	**7,261.8**	**7,725.2**
Financial debt	**7,927.2**	**8,439.5**

24.2 Net cash and cash management financial assets

Net cash managed and cash management financial assets break down as follows:

(in € millions)	12/31/2006	12/31/2005
Marketable securities and mutual funds (UCITS)	64.6	197.0
Cash management financial assets (A)	64.6	197.0
I – Marketable securities and mutual funds (UCITS)	584.2	585.9
II – Negotiable debt securities and bonds with an original maturity of less than 3 months	0.3	2.3
Cash equivalents (B = I + II)	584.6	588.2
Current Cash Management financial assets (A+B)	**649.2**	**785.2**
Cash	41.8	31.9
Bank overdrafts	(0.1)	(0.2)
Net cash managed	**690.9**	**816.9**

Those UCITS that meet the criteria given in IAS 7, in particular "monetary euro" UCITS, which were previously shown as cash management financial assets are now reported under cash equivalents.

The investment vehicles used by the Group are mainly mutual funds (UCITS) and negotiable debt securities (in particular certificates of deposit) and other such securities. They are measured and recognised at their fair value. (See Note 2.2 *Accounting policies and methods – Cash management financial assets, cash and cash equivalents*).

24.3 Unused credit facilities

The ASF Group has a syndicated credit facility of €1 billion maturing in 2012, subject to various financial covenants set up by a rider in February 2006 in the context of the privatisation of the ASF Group. This facility was not being used at December 31, 2006.

On December 18, 2006, ASF signed an agreement with a banking pool for a new seven-year non-amortising loan facility of €3.5 billion, breaking down as follows:

- €2 billion in the form of a revolving credit;
- €1.5 billion in the form of a term loan.

Its purpose is to finance an exceptional dividend planned for payment at the beginning of 2007 and the general needs of the ASF Group. Default ratios apply to this facility that are equivalent to those of the CNA loans and the existing €1 billion revolving credit facility, namely Net debt to Cash flows from operations before tax and financing costs equal to or less than 7 and Cash flows from operations before tax and financing costs to net financial expenses equal to or greater than 2.2.

This facility was not being used at December 31, 2006.

The maturities of the unused credit lines were as follows at December 31, 2006:

(in € millions)	Amount used at 12/31/2006	Amounts authorised	Maturities		
			within 1 year	1 to 5 years	5 to 7 years
Syndicated loan	0	**1,000**			1,000
Revolving credit facility	0	**2,000**			2,000
Term loan	0	**1,500**			1,500
Total	**0**	**4,500**	**0**	**0**	**4,500**

Taking account of the net cash managed (€690.9 million) and available credit facilities (€4.5 billion), the Group's liquidity position at December 31, 2006 was €3.7 billion and €1.5 billion available only for payment of the exceptional dividend.

24.4 Financial covenants

Early repayment clauses under some of the loan agreements are linked to compliance with the following ratios:

- loans taken out by ASF and ESCOTA with the CNA: (ratios provided for in the rider to the agreement with the CNA, signed at the time of privatisation of the ASF Group):
  - net debt to Ebitda equal to or less than 7, and
  - EBITDA to Net financial expenses greater than 2.2;
- syndicated loan:
  - net debt to cash flows from operations before tax and financing costs equal to or less than 7, and
  - cash flows from operations before tax and financing costs to Net financial expenses greater than 2.2.

- revolving credit and term loan:
  - net debt to cash flows from operations before tax and financing costs equal to or less than 7, and
  - cash flows from operations before tax and financing costs to Net financial expenses greater than or equal to 2.2.

EBITDA=gross operating profit defined as the difference between operating income and operating expenses excluding depreciation, amortisation and provisions.

Cash flows from operations before tax and financing costs is as presented in the cash flow statement.

The above ratios were all met at December 31, 2006.

24.5 Financial ratings

As December 31, 2006, the ASF Group's ratings were:

		Rating			
	Agency	Long-term	Outlook	Short-term	Outlook
ASF	Standard & Poor's	BBB+	Negative	A2	Stable

This rating has not changed as at the date of these financial statements.

25. FINANCIAL INSTRUMENTS AND MANAGEMENTS OF FINANCIAL RISKS

In connection with its financial activities, the Group has set up a framework for the management and control of the various financial risks to which it is exposed, in particular interest rate, liquidity and exchange rate risks. On the basis of an analysis of its various exposures to interest rate market risks, the Group uses various derivative financial instruments to reduce such exposure and optimise its borrowing costs.

The derivative financial instruments used by the Group are recognised in the balance sheet at their fair value regardless of whether they are designated as hedges or not.

Fair value of derivatives, by type:

	12/31/2006					12/31/2005
(in € millions)	Non-current asset	Current asset	Non-current liability	Current liability	Net	Net
Interest rate derivatives[1]	0.0	39.2	0.0	(33.7)	5.5	172.7
Foreign currency derivatives[2]	0.0	0.0	0.0	(11.0)	(11.0)	1.5
Total derivative financial instruments	**0.0**	**39.2**	**0.0**	**(44.8)**	**(5.6)**	**174.2**

(1) see detail in Note 25.1.1.
(2) see detail in Note 25.2.

The derivatives that were designated as fair value hedges at December 31, 2005 (fixed-rate lender/floating-rate borrower swaps) were cancelled in the second half of 2006. The total amount of equalisation payments received in connection with these transactions amounted to €120.5 million (including €34 million of accrued interest not matured). These equalisation payments excluding accrued interest not matured are included in the amount of loans and are amortised on the basis of a new effective interest rate calculated using the amortised cost method.

25.1 Management of interest rate risk

The Group manages the breakdown of its debt between fixed/floating or capped floating rates in order to limit its exposure to interest rate risk while aiming to optimise the cost of its debt. To do this, the Group uses derivative financial instruments in the form of options (caps and floors) or interest rate swaps, in accordance with a management strategy that has been presented to the Audit Committee. The Group's portfolio of derivatives can be divided into those designated as hedges for accounting purposes and those not so designated, in accordance with IAS 39, complying with the Group's risk management principles.

25.1.1 Detail of interest rate derivatives

Interest rate derivative financial instruments at December 31, 2006 break down as follows:

	December 31, 2006					December 31, 2005	
(in € millions)	within 1 year	1 to 5 years	after 5 years	Notional amount	Fair value	Notional amount	Fair value
Derivative instruments allocated to hedge long-term debt							
Fixed lender/floating borrower interest rate swap	0.0	0.0	0.0	**0.0**	**0.0**	1,344.3	170.3
Interest rate options (caps, floors and collars)				**0.0**			
Fair value hedge [1]	0.0	0.0	0.0	**0.0**	**0.0**	**1,344.3**	**170.3**
Floating lender/fixed borrower interest rate swap	0.0	0.0	0.0	**0.0**	**0.0**		
Interest rate options (caps, floors and collars)	0.0	0.0	0.0	**0.0**	**0.0**		
Cash flow hedge [2]	0.0	0.0	0.0	**0.0**	**0.0**		
Derivative instruments not designated as hedges for accounting purposes							
Interest rate swaps	0.0	0.0	100.0	**100.0**	**-0.03**	100.0	-0.5
Interest rate options (caps, floors and collars)	833.5	1,287.1		2,120.6	**5.49**	3,503.5	2.9
Total	833.5	1,287.1	100.0	**2,220.6**	**5.46**	3,603.5	2.4
Total interest rate derivatives	**833.5**	**1,287.1**	**100.0**	**2,220.6**	**5.46**	**4,947.8**	**172.7**

Derivative instruments not designated as hedges for accounting purposes mainly relate to option transactions maturing within five years. At December 31, 2006, their fair value amounted to €5.5 million (including €0.4 million of accrued interest not matured).

The impact of derivative financial instruments designated as hedges (past or current hedging transactions) on long-term debt breaks down as follows, by type of debt:

(in € millions)	Currency	12/31/2006 Market value	Carrying amount	Overall effective rate before taking account of derivatives[1]	Overall effective rate after taking account of derivatives[1]	Contractual rate of interest	Maturity
ASF and ESCOTA							
ASF and ESCOTA CNA 1995	EUR	130.7	129.8	8.21%	8.21%	8.00%	March 2007
ASF and ESCOTA CNA 1996	EUR	151.0	148.5	6.35%	6.35%	6.30%	October 2007
ASF CNA/EIB 1997	EUR	31.2	30.7	5.84%	5.84%	5.84%	November 2007
ASF CNA 1997	EUR	154.3	152.6	5.73%	5.73%	5.60%	December 2007
ASF CNA 1998	CHF	312.8	304.6	5.41%	5.41%	5.407%	February 2008
ESCOTA CNA 1993	EUR	16.9	16.2	8.21%	8.21%	8.00%	March 2008
ASF and ESCOTA CNA 1996/1997	EUR	311.2	302.6	6.17%	5.74%	6.00%	November 2008
ASF and ESCOTA CNA 1995	EUR	180.0	169.5	7.59%	7.59%	7.40%	November 2008
ASF and ESCOTA CNA 1994/1997	EUR	150.1	145.2	5.95%	5.89%	6.00%	January 2009
ASF and ESCOTA CNA 1996	EUR	193.7	182.0	6.86%	6.86%	6.75%	July 2009
ASF CNA 1995	EUR	168.4	155.2	7.71%	7.55%	7.50%	September 2009
ASF and ESCOTA CNA 1996	EUR	174.5	162.8	6.79%	6.79%	6.70%	February 2010
ASF and ESCOTA CNA 1998	EUR	525.1	511.1	4.95%	4.95%	4.50%	April 2010
ASF and ESCOTA CNA 1995	EUR	76.1	68.6	7.73%	7.73%	7.50%	June 2010
ASF CNA/EIB 1998	EUR	97.3	95.5	4.59%	4.59%	4.59%	December 2010
ASF and ESCOTA CNA 1997 à 2001	EUR	551.6	537.3	5.81%	5.12%	5.90%	June 2011
ASF and ESCOTA CNA 1996	EUR	77.4	69.8	6.79%	6.79%	6.70%	September 2011
ASF CNA/EIB 2001	EUR	73.8	70.7	5.09%	5.09%	5.09%	October 2011
ASF and ESCOTA CNA 1997 à 2000	EUR	445.8	411.0	5.78%	5.78%	5.80%	October 2012
ASF and ESCOTA CNA 1998/2001	EUR	453.0	435.3	4.91%	4.91%	5.85%	March 2013
ESCOTA CNA/EIB 2002	EUR	164.9	149.3	6.18%	6.18%	6.18%	April 2013 to 2015
ESCOTA CNA/EIB 1998	EUR	8.9	8.6	4.79%	4.79%	4.79%	December 2013
ASF CNA 1999/2002	EUR	469.8	443.2	5.07%	5.07%	4.375%	May 2014
ASF CNA/EIB 1999	EUR	176.7	162.8	5.60%	5.37%	5.60%	December 2014
ESCOTA CNA/EIB 2000	EUR	22.6	20.1	5.98%	5.98%	5.98%	December 2014
ASF CNA/EIB 2002	EUR	495.1	431.4	6.15%	6.15%	6.15%	April 2015 to 2017
ASF CNA 2000/2001	EUR	439.8	422.6	5.92%	4.67%	6.00%	October 2015
ASF CNA/EIB 2000	EUR	80.5	71.8	6.09%	5.78%	6.09%	December 2015
ASF CNA/EIB 2000	EUR	53.1	53.1	3.57%	3.57%	Euribor,3m	December 2015
ASF CNA 2001	EUR	407.3	379.8	5.99%	5.99%	3.90%,+,inflation	July 2016
ASF CNA/EIB 2001	EUR	81.4	75.4	5.13%	5.13%	5.13%	November 2016
ASF CNA/EIB 2001	EUR	83.2	77.4	5.07%	5.07%	5.07%	November 2016
ASF and ESCOTA CNA 2002	EUR	604.1	554.2	5.34%	5.34%	5.25%	January 2017
ASF CNA 2004/2005	EUR	797.0	820.7	4.23%	3.83%	4.50%	March 2018
ASF EIB 2005	EUR	143.2	153.2	3.77%	3.77%	3.77%	May 2013 - 2025
ASF EIB 2005	EUR	96.5	100.2	3.80%	3.80%	3.802%	December 2013 - 2025
Other loans	EUR	25.8	26.0	5.00%	5.00%	5.000%	2007 to 2010
Total		**8,424.9**	**8,048.9**	**5.59%**	**5.43%**	**5.46%**	

(1) This rate takes account of current or cancelled derivative transactions (see Note 25).

The market values of financial assets and derivative instruments have been estimated on the basis of the methods described in Note 2.2 in the section headed *Accounting policies and methods*.

For financial debts a distinction should be made between:

- unlisted bonds and fixed-rate debt, of which the market value is based on discounted future cash flows, using the interest rates at December 31, 2006, taking account of the credit risk;
- short-term debt and individual items of debt of less than €1 million at December 31, 2006, of which the market value is represented by their carrying amount.

25.1.2 Breakdown of long-term debt between fixed, floating and capped floating rate borrowing

Long-term debt breaks down as follows between fixed and floating rates, before and after taking account of the related derivative instruments, whether designated as hedges or not:

	12/31/2006		12/31/2005	
(in € millions)	Amount	% of total	Amount	% of total
Fixed rate	7,382.0	94%	7,459.9	91%
Inflation rate	399.6	5%	366.2	4%
Floating rate	53.0	1%	419.3	5%
Impact of fair value hedging (past or current) and accrued interest not matured	214.2		373.8	
Total before hedging	**8,048.9**	**100%**	**8,619.2**	**100%**
Fixed rate	7,382.0	94%	6,124.7	75%
Inflation rate	399.6	5%	366.2	4%
Capped floating rate	0.0	0%	1,025.3	12%
Floating rate	53.0	1%	729.2	9%
Impact of fair value hedging (past or current) and accrued interest not matured	214.2		373.8	
Total after hedging	**8,048.9**	**100%**	**8,619.2**	**100%**

On this basis, the average cost of the Group's net debt was 5.41% in 2006 against 5.29% in 2005.

25.1.3 Sensitivity of financial expenses to interest rate trends

At December 31, 2006, the Group's gross floating-rate debt amounted to €53 million, breaking down as follows:

(in € millions)	12/31/2006	12/31/2005
Long-term floating-rate debt after hedging	53.0	1,754.5
Short-term financial debt	–	
Total gross floating-rate financial debt after hedging	**53.0**	**1,754.5**

An 0.1% increase in interest rates would generate extra financial expenses of €0.05 million.

Moreover, the market value of derivative financial instruments, not designated as hedges for accounting purposes, was €5.5 million at December 31, 2006. A uniform increase in interest rates of 0.1% would increase their market value by €0.6 million.

25.2 Foreign exchange risk

Debt breaks down as follows by currency:

(in € millions)	12/31/2006		12/31/2005	
Euro	7,744.3	96.2%	8,297.2	96.2%
Swiss franc	304.6	3.8%	314.7	3.7%
Sterling	0.0	0.0%	7.3	0.1%
Total long-term borrowings	**8,048.9**	**100.0%**	**8,619.2**	**100.0%**

A CHF/EUR swap was taken out in respect of the loan in Swiss francs, issued by the CNA, as soon as it was issued. (The fair value of the CHF/EUR Cross Currency Swap was – €11 million at December 31, 2006, including accrued interest not matured). This loan generates no foreign exchange risk.

26. TRANSACTIONS WITH RELATED PARTIES

26.1 Transactions with the VINCI Group

Transactions in the period between the ASF Group and the VINCI Group break down as follows:

(in € millions)	VINCI Group
Concession fixed assets in progress	46.4
Trade and other operating receivables	0.1
Dividends paid	269.9
Trade payables	11.0
Revenue and revenue from ancillary activities	0.7
Fees	8.7
Other external expenses	9.4

26.2 Other transactions with related parties

The transactions included in the Group's consolidated financial statements with the other entities in which the Group is a shareholder are as follows:

(in € millions)	Other	Truck Etape	Axxès
Trade and other operating receivables	2.6	8.2	1.1
Trade payables	1.0		
External expenses	0.5		
Financial income	0.4		

27. REMUNERATION AND SIMILAR BENEFITS PAID TO MEMBERS OF THE GOVERNING AND MANAGEMENT BODIES

For the Company, "key management personnel" as understood in IAS 24 means Company Officers, and does not include managers and executives who are not Company Officers.

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

Aggregate remuneration and similar benefits paid to the Group's Company Officers, recognised as expenses in 2006 and 2005, break down as follows:

(in €thousands)	2006	2005
Company officers		
Remuneration	1.8	1.2
Employer's social charges	0.9	0.6
Total	**2.7**	**1.8**
Post-employment benefits		
Total obligation	**4.5**	**2.7**
of which, provided for in balance sheet	*2.8*	*2.0*
of which, expense for the period	*0.6*	*0.2*

28. EVENTS AFTER THE BALANCE SHEET DATE

28.1 Payment of an exceptional dividend

As proposed by the Board of Directors on January 3, 2007 and approved by a General Meeting of Shareholders on January 18, 2007, ASF paid an exceptional dividend of €3,298 million on January 25, 007.

28.2. Appropriation of earnings for 2006

The Board of Directors finalised the consolidated financial statements at December 31, 2006, on February 26, 2007. These financial statements will only become definitive when approved by the Shareholders General Meeting. The Board of Directors will propose the payment of a dividend of €1.62 per share in respect of the period under consideration at the Ordinary General Meeting of Shareholders.

29. DISPUTES AND ARBITRATION

Two associations have petitioned against the granting of the A89 Balbigny – La Tour de Salvagny section, requesting the *Conseil d'État (*Council of State) to cancel the Minister of Transport's decision of January 31, 2006, and Rider No. 11 and its regulatory clauses.

The arguments put forward by the two associations are four-fold:

- reclassification of Act No. 2006-241 of March 1, 2006 which the petitioners claim is a ratification act, in that it was enacted with a view to avoiding any judicial cancellation, thus ensuring the project's protection from legal action. The petitioners consider that the recourse to a law was aimed at avoiding the set procedure, in order to satisfy purely financial interests, and its application should therefore be set aside;
- violation of Articles 6 (right to a fair trial) and 13 (right to an effective remedy before a national authority) of the European Convention on Human Rights;
- misuse of procedure based on the violation of Article L. 122-4 of the French Roads and Highways Code which provides that: "(…) the outsourcing agreement and its attached schedule of terms and specifications set the conditions under which the operator performs the duties entrusted to it by the State in consideration of which the operator is authorised to collect tolls";
- non-compliance by the State with the publication and competitive tendering obligations arising from domestic and community law. The Sapin Act, No. 93-122 of January 29, 1993 provides that "outsourcing of public services is subject to a publication procedure that allows several competing offers to be presented".

Likely timetable:

The dispute is currently in its first phase, in which statements of case are exchanged by the parties. The State has not yet submitted its statement of case in response. ASF, acting in support of the State's arguments, will submit its observations after the State submits its case. The total length of the proceedings could be of the order of two years, which would mean that a *Conseil d'État* ruling could be issued at the beginning of 2008.

- **Analysis of the risks:**

As the *Conseil d'État* is not competent to judge the law, this falling within the jurisdiction of the *Conseil Constitutionnel (*Constitutional Council), it should declare that it does not have jurisdiction in this case and declare the petition inadmissible.

However, if the *Conseil d'État* accepts the petitioners' thesis, which is unlikely, the Company has prepared arguments aimed at refuting each of the petitioners' substantive arguments. The Company's argument would basically consist in demonstrating that ASF has been the expected operator of this section since 1987 and that at that time, community law did not require publication and competitive tendering measures.

Cancellation of Rider No. 11 would result in the removal of the Lyon – Balbigny section from ASF's concession, with the following consequences for ASF:

- the loss comprising the expenses already incurred in respect of study and construction work completed at the date of the ruling by the *Conseil d'État*, and in respect of any operations if the section is completed at the date of the ruling;
- the loss of expected profits over the remaining period of the concession.

In the event of cancellation, ASF would of course claim compensation for its damages from the State. Conversely, the State for its part should invoke the theory of unjust enrichment against ASF as the Company receives compensatory price benefits corresponding to the inclusion of this section as from February 1, 2007.

30. CHANGES IN THE PRESENTATION OF THE PRIMARY FINANCIAL STATEMENTS, ACCOUNTING POLICIES AND MEASUREMENT RULES

When VINCI acquired control of the ASF Group, some accounting policies were reviewed to render them uniform with VINCI's. The effects of these restatements (see Note 30.3.) and the reclassifications (see Note 30.2.) on the 2005 consolidated financial statements as described below are shown in the column headed "restated" of the balance sheet, income statement and cash flow statement. The column headed "as published" corresponds to the 2005 published consolidated financial statements presented in the financial statement format adopted by VINCI (see Note 30.1.), before the reclassifications described below.

Readers are reminded that, despite these changes, the financial data resulting from the ASF's consolidated statutory financial statements do not correspond to its contribution to VINCI's consolidated financial statements due to the effect, at the date of acquisition by VINCI, of the restatements connected with the fair value of the ASF Group's assets and liabilities recognised in VINCI's consolidated financial statements.

30.1 Changes to the presentation of the primary financial statements

The format of the primary financial statements adopted by ASF for its 2006 consolidated financial statements is that used by VINCI. The 2005 consolidated financial statements, after reclassification using the new formats, are presented in the column headed "new format – as published" in the balance sheet, income statement and cash flow statement. Amongst the changes introduced by these new formats, the following should be noted:

- the line "Revenue" now includes revenue from tolls and from related ancillary activities that were previously shown separately in ASF's consolidated income statement;
- operating expenses, excluding share-based payment expense, are now grouped together on a single line;
- share-based payment expense is shown below operating profit from ordinary activities, and is included in operating profit; this expense was previously included in employment costs within operating expenses;
- unconsolidated shareholdings, previously shown separately, are now included in "other non-current financial assets".

Classification of monetary UCITS as cash equivalents

- Money-market UCITS falling into the "monetary euro" category are assumed to meet the definition of cash equivalents in IAS 7 *Cash Flow Statements*, namely: *cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value*.
- UCITS other than monetary euro funds must be analysed on a case-by-case basis.

30.2 Reclassifications

In order to maintain uniformity with VINCI in the use of the new primary financial statement formats (see Note 30.1), ASF has made reclassifications of which the effects are taken into account in the column headed "new format – restated" of the balance sheet, income statement and cash flow statement.

The reclassifications relating to the income statement include the following:

- the financial component of the expense related to defined benefit plans is shown under "other financial income and expenses"; this was previously included in the overall expense of these plans and reported under employment costs in operating expenses;
- borrowing costs included in the cost of concession assets are shown on the line "other financial income and expenses"; these were previously deducted in the line "cost of gross financial debt";
- the effects of applying the amortised cost method using the effective interest rate and of measuring derivatives at fair value are included in the line "cost of gross financial debt"; these were previously reported under "other financial income and expenses".

The following reclassifications were made in the balance sheet:

- short-term investments of cash that are not eligible for treatment as cash equivalents are now included in the line "cash management financial assets", separately from the "cash and cash equivalents" line; this alters the amount of cash of which the change is explained in the cash flow statement;
- the effects on the balance sheet of measuring derivative financial instruments at fair value are now reported on separate lines in current assets and current liabilities; these were previously included in "other debtors" and "other creditors";
- deferred expenses, previously reported under " trade and other operating receivables" are now included in "other current assets";
- deposits received, previously reported under "borrowings – part at long-term" are now shown under "other current liabilities";
- current provisions are now shown as current items under liabilities.

30.3 Changes to accounting policies and measurement

Accounting for concession contracts

The ASF Group previously recognised all non-current assets connected with concession contracts as items of property, plant and equipment. In order to comply with the solution adopted by the VINCI Group, non-renewable equipment connected with concession contracts is now classified in the balance sheet under "concession intangible assets".

This change has no effect on the depreciation method and period adopted for either the non-renewable part of infrastructures or for renewable assets.

Recognition of a provision for major repairs

Given its obligations to maintain equipment operated under concession in good condition, ASF has recognised for the first time a provision for major repairs, measured using the same method as VINCI. This provision is recognised in line with the deterioration of the infrastructure asset, which generates the obligation for maintenance and renewal.

The method of measuring this provision may change when IFRIC 12 is implemented (see Note 2.1.).

The provisions taken as at January 1, 2005 and as at January 1, 2006 have been deducted from consolidated reserves.

The supplementary expenses recognised as a result of this change are as follows:

(in € millions)	2006	2005
Provision for major repairs (expense)	9.2	11.7
Income tax effect	(3.0)	(4.0)
Net effect	**6.2**	**7.7**

Modification to the actuarial assumptions used to measure defined benefit obligations

ASF has recalculated its defined benefit obligations to its employees on the basis of the actuarial assumptions used by VINCI to measure its obligations. This new valuation was made at December 31, 2005. The full amount of the difference has been recognised under actuarial gains and losses and deferred in the balance sheet in application of the corridor method used by the ASF Group. The forecast expense for 2006 has been determined on the basis of these new assumptions.

Measurement of receivables and payables not bearing interest

Applying the amortised cost method using the effective interest rate provided for in IAS 39, receivables and payables that do not bear interest have been discounted. The positive impact of this restatement on the results for 2006 was €2.8 million before tax (the impact on the result for 2005 was less than €0.04 million before tax).

30.4 Summary of the changes made: impact on the financial statements (in summary format)

Income statement

(in € millions)	2006	2005 New format(*) Restated(***)	2005 New format(*) As published(**)
Revenue	**2,625.2**	**2,474.2**	**2,474.2**
Revenue from ancillary activities	6.0	13.4	
Operating expenses	(1,467.7)	(1,418.9)	(1,398.5)
Operating profit from ordinary activities	**1,163.5**	**1,068.7**	**1,075.7**
Share-based payment expense	(13.1)	(0.7)	
Operating profit	**1,150.4**	**1,068.0**	**1,075.7**
Cost of gross financial debt	(431.1)	(435.9)	(418.7)
Financial income from cash management investments	21.5	15.2	11.8
Cost of net financial debt	**(409.6)**	**(420.7)**	**(406.9)**
Other financial income and expenses	3.4	20.0	10.2
Share of profit/(loss) of associates	(3.1)		
Income tax	(264.7)	(231.5)	(235.5)
Net profit for the period (including minority interests)	**476.4**	**435.8**	**443.5**
Minority interests	**1.1**	**1.0**	**1.0**
Net profit attributable to equity holders of the parent	**475.3**	**434.8**	**442.5**
Number of shares outstanding	230,978,001	230,978,001	230,978,001
Earnings per share *(in euros)*	2.058	1.882	1.916
Diluted earnings per share *(in euros)*	2.058	1.882	1.916

(*) See Note 30.
(**) See Note 30.1.
(***) See Notes 30.2 and 30.3.

The column headed "as published" corresponds to the 2005 published consolidated financial statements presented using the format adopted by VINCI.

Balance sheet – Assets

(in € millions)	2006	2005 New format(*) Restated(***)	2005 New format(*) As published(**)
Non-current assets			
Other intangible assets	28.1	23.4	23.4
Concession intangible assets	11,660.9	11,724.9	11,720.2
Property, plant and equipment	109.9	125.2	126.1
Investments in associates	3.1	0.0	
Other non-current financial assets	17.9	20.3	13.0
Fair value of derivative financial instruments (non-current assets)	0.0	144.5	154.5
Deferred tax assets	0.0	0.0	
Total non-current assets	**11,819.9**	**12,038.3**	**12,037.2**
Current assets			
Inventories and work in progress	13.4	13.2	13.2
Trade and other operating receivables	239.2	219.9	292.7
Other current assets	34.1	32.8	
Current tax assets	9.6	0.3	
Fair value of derivative financial instruments (current assets)	39.2	37.1	16.2
Cash management financial assets	73.5	198.5	
Cash and cash equivalents	626.4	620.1	820.9
Total current assets	**1,035.4**	**1,121.9**	**1,143.0**
Total assets	**12,855.3**	**13,160.2**	**13,180.2**

The column headed “as published” corresponds to the 2005 published consolidated financial statements presented using the format adopted by VINCI.

Balance sheet – Liabilities

(in € millions)	2006	2005 New format(*) Restated (***)	2005 New format(*) As published (**)
Equity			
Share capital	29.3	29.3	29.3
Share premium	860.1	854.2	853.5
Consolidated reserves	2,444.3	2,286.7	2,328.2
Net profit for the period attributable to equity holders of the parent	475.3	434.8	442.5
Net income recognised directly in equity	(5.4)	(8.1)	
Equity attributable to equity holders of the parent	**3,803.6**	**3,596.9**	**3,653.5**
Minority interests	4.7	3.8	3.8
Total equity	**3,808.3**	**3,600.7**	**3,657.3**
Non-current liabilities			
Non-current provisions	189.2	166.4	94.5
Other loans and borrowings	7,383.5	7,888.5	7,885.3
Fair value of derivative financial instruments (non-current liabilities)	0.0	0.0	
Other non-current liabilities	9.3	9.6	66.5
Deferred tax liabilities	167.2	181.5	238.2
Total non-current liabilities	**7,749.2**	**8,246.0**	**8,284.5**
Current liabilities			
Current provisions	51.5	43.3	
Trade payables	46.6	66.1	66.1
Fair value of derivative financial instruments (current liabilities)	44.8	7.4	
Other current payables	450.1	438.7	391.3
Current tax payables	39.3	27.1	27.0
Current borrowings	665.4	730.7	754.0
Bank overdrafts	0.1	0.2	
Total current liabilities	**1,297.8**	**1,313.5**	**1,238.4**
Total Equity and Liabilities	**12,855.3**	**13,160.2**	**13,180.2**

(*) See Note 30.
(**) See Note 30.1.
(***) See Notes 30.2 and 30.3.

The column headed "as published" corresponds to the 2005 published consolidated financial statements presented using the format adopted by VINCI.

Cash flow statement

(in € millions)	2006	2005 New format(*) Restated (***)	2005 New format(*) As published (**)
Net profit for the period (including minority interests)	**476.4**	**435.8**	**443.5**
Depreciation and amortisation	529.9	499.1	492.3
Net increase/(decrease) in provisions	24.1	1.8	0.8
Share-based payment and other restatements	7.0	0.7	
Gain or loss on disposals	(0.1)	(0.2)	(0.2)
Change in fair value of foreign currency derivatives	(1.1)		
Share of profit or loss of associates and dividends received from unconsolidated entities	2.9	0.0	
Capitalised borrowing costs	(7.2)	(17.4)	
Cost of net financial debt recognised	409.6	420.7	396.7
Current and deferred tax expense recognised	264.7	231.5	235.5
Cash flow (used in)/from operations before tax and financing costs	**1,706.2**	**1,572.0**	**1,568.6**
Changes in working capital requirement and current provisions	(6.1)	(4.2)	(16.2)
Income taxes paid	(264.3)	(207.0)	(207.0)
Net interest paid	(315.2)	(436.5)	(436.5)
Net cash flows (used in)/from operating activities I	**1,120.6**	**924.3**	**908.9**
Purchases of concession fixed assets (net of grants received)	(465.9)	(477.6)	(488.5)
Purchases of other fixed assets	(14.2)	(11.5)	(11.5)
Proceeds from sales of concession assets	2.8	1.6	1.6
Purchases of shares in subsidiaries and associates	(1.5)	(5.8)	(5.8)
Dividends received from unconsolidated companies	0.2	0.0	
Other	(0.4)	(15.7)	48.0
Net cash flows (used in)/from investing activities II	**(479.0)**	**(509.0)**	**(456.2)**
Dividends paid			
to shareholders of ASF	(277.2)	(240.2)	(240.2)
to minority interests	(0.3)	(0.2)	(0.2)
Proceeds from new long-term borrowings	0.0	550.0	550.0
Repayments of borrowings and changes in other current financial debts	(485.6)	(339.9)	(377.3)
Change in cash management assets	124.9	(197.1)	
Net cash flows (used in)/from financing activities III	**(638.2)**	**(227.4)**	**(67.7)**
Change in cash equivalents and net cash I+II+III	**3.4**	**187.9**	**385.0**
Net cash and cash equivalents at beginning of period	**620.0**	**432.1**	**432.1**
Fair value	2.9		
Net cash and cash equivalents at end of period	**626.3**	**620.0**	**817.1**

The column headed "as published" corresponds to the 2005 published consolidated financial statements presented using the format adopted by VINCI.

Statement of changes in equity

(in € millions)	Share capital	Share premium	Consolidated reserves	Net profit (a)	Net income recognised directly in equity (b)	Total	Equity attributable to equity holders of the parent	Minority interests	Total equity
	Capital and reserves attributable to equity holders of the parent								
Equity at December 31, 2004	**29.3**	**853.5**	**2,168.9**	**398.1**		**398.1**	**3,449.8**	**3.0**	**3,452.8**
Recognition of a provision for major repairs			(47.7)			0.0	(47.7)	(0.1)	(47.8)
Discounting of assets and liabilities at more than one year			7.0			0.0	7.0		7.0
Other			0.6			0.0	0.6		0.6
Restated equity at December 31, 2004	**29.3**	**853.5**	**2,128.8**	**398.1**	**0.0**	**398.1**	**3,409.7**	**2.9**	**3,412.6**
Dividend payments			157.9	(398.1)		(398.1)	(240.2)	(0.2)	(240.4)
Share-based payment expense (Note 19)		0.7				0.0	0.7		0.7
Change in the fair value of cash flow hedges (a)					(8.1)	(8.1)	(8.1)		(8.1)
Net profit for the period (b)				434.8		434.8	434.8	1.1	435.8
Restated equity at December 31, 2005	**29.3**	**854.2**	**2,286.7**	**434.8**	**(8.1)**	**426.7**	**3,596.9**	**3.8**	**3,600.7**
Of which - total income and expense recognised in respect of 2005 (a) + (b)				*434.8*	*(8.1)*	*426.7*	*426.7*	*1.1*	*427.7*
Dividend payments			157.6	(434.8)		(434.8)	(277.2)	(0.3)	(277.4)
Share-based payment expense (Note 19)		5.9				0.0	5.9		5.9
Change in the fair value of hedges of cash flows and of available-for-sale assets (c)					2.7	2.7	2.7		2.7
Net profit for the period (d)				475.3		475.3	475.3	1.1	476.4
Equity at December 31, 2006	**29.3**	**860.1**	**2,444.3**	**475.3**	**(5.4)**	**469.9**	**3,803.6**	**4.7**	**3,808.3**
Of which – total income and expense recognised in respect of 2006 (c) + (d)				*475.3*	*(5.4)*	*469.9*	*478.0*	*1.1*	*479.1*

3 REPORT OF THE STATUTORY AUDITORS

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2006

KPMG Audit
1 cours Valmy
92023 Paris La Défense Cedex
France

Deloitte & Associés
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex
France

Autoroutes du Sud de la France (ASF)
100, avenue de Suffren
75015 Paris
France

Report of the Statutory Auditors

Consolidated Financial Statements for the year ended December 31, 2006

To the Shareholders

In accordance with our appointment as Statutory Auditors by your Shareholders General Meeting, we have audited the accompanying consolidated financial statements of Autoroutes du Sud de la France (ASF) for the year ended December 31, 2006.

The Board of Directors is responsible for the preparation of the consolidated financial statements. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with the auditing standards generally applicable in France. Those standards require that we plan and perform the audit in such a way as to obtain reasonable assurance that 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 presentation of the financial statements. 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 financial position, the assets and liabilities and the results of the operations of the companies included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.

2. Justification of our assessments

As required by Article L.823-9 of the French Code of Commerce regarding disclosure of the reasons for our conclusions, we inform you of the following:

As part of our assessment of the accounting policies and methods applied by your Company, we examined the information in paragraph 2.2.3 of the notes to the consolidated financial statement relative to "Concession intangible fixed assets" and "Intangible assets (other than concession intangible fixed assets)", as well as that included in paragraph 30.3 "Accounting for concession contracts" and "Recognition of a provision for major repairs" of the notes to the consolidated financial statements to ensure it gives relevant information about the accounting treatment selected for concession contracts based on your Company's decision not to apply the Interpretation of IFRIC 12 early, as indicated in Note 2.1.2 of the notes to the consolidated financial statements.

These conclusions were formed as part of our audit of the annual consolidated financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this report.

3. Specific procedures

We also performed the procedures to verify the information given in the Board of Directors' report on the Group. We have no comments to make as to its fair presentation and its conformity with the consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, February 27, 2007

The Statutory Auditors

KPMG Audit Department of KPMG SA Benoît Lebrun	Deloitte & Associés Thierry Benoit

This is a free translation into English of the Statutory Auditors' reports issued in the French language and is provided solely for the convenience of English-speaking readers. The Statutory Auditors' report includes for the information of the reader, as required under French law in any auditor's report, whether qualified or not, an explanatory paragraph separate from and presented below the audit opinion 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 caption or on information taken outside of the consolidated financial statements. Such report should be read in conjunction and construed in accordance with French law and French auditing professional standards.

HEADQUARTERS
100, avenue de Suffren - BP 533 - 75725 Paris Cedex 15 - France
www.asf.fr