

*Annual report  
2004*





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## Chairman's message



For Cofiroute, 2004 was a year of commitment and action. The company now has a renewed framework within which to carry out its mission as the operator of an outsourced public service. It is in a position to respond better to the expectations of the French government as the concession awarding authority, as well as those of its motorist customers, the local authorities served by its network and its partners.

We are now set to progress from a sound, healthy foundations. The company has demonstrated its ability to generate sustainable growth in net sales and income. And there is daily proof of its determination to maintain the social dialogue needed to implement its policy of outreach and improvement. In line with its goals, Cofiroute generated net sales of €862 million in 2004, representing 4% growth over the previous year. Net income, meanwhile, rose 18% to €260 million.

On 4 May 2004, the signature of amendment 11 to the concession contract and a master plan covering the period 2004–2008 set the ground rules for a renewed partnership between the French government and Cofiroute. The master plan defines in particular the capital expenditure programme for extending and improving the network, the changes in toll prices and the main operating performance indicators.

With a capital expenditure programme of €3 billion, Cofiroute will be one of France's biggest infrastructure contractors for the next four years. During that period, the inter-city network will increase from 928 km to 1,091 km through the completion of the Alençon–Tours and Vierzon–Tours motorway links, and the A85 Langeais and A11 Angers bypasses. Together, these represent capital expenditure of €1.4 billion. Network

modernisation accounts for a further €500 million. Lastly, having received the final approvals necessary, completion of the A86 underground link on the western side of the Ile de France is now scheduled for 2009.

In 2004, Cofiroute became the first French motorway operator to secure ISO 9001:2000 certification for its entire network operations, thereby confirming its intention to offer a superior and uniform quality of service to all customers. The quality goal applies not only to the infrastructure, signage, information and support on the network, but also to the facilities at rest areas and the services provided by its service station and restaurant operator partners. The top priority for a motorway operator, however, is safety. Cofiroute is an active partner of the government in the quest for increased safety for its customers and employees on the network.

Customer satisfaction is also the driving force behind the policy launched in 2004 to decentralise and empower the operations sectors. Each entity, operating independently and close to its customer base, develops its own strategies for achieving the operating performance targets set at corporate level. And with the renewed momentum in social dialogue, Cofiroute can envisage an even better fit with the realities on the ground, as well as improved job mobility within the company.

The continuous improvement in technological performance is another factor that contributes to satisfying customer expectations, mainly through the growth in France of remote toll payment systems for cars. The successful start of the Toll Collect operator in Germany opens up a new avenue for growth in remote toll payments by heavy goods vehicles. The introduction of this system in France is planned for 2006, in anticipation of the interoperability requirements set by the European Commission.

Lastly, with the success of its new operations, notably in Greece, and the awards won in California and Chile, Cofiroute can move forward and build on its widely acknowledged expertise.

For all these reasons, 2004 was a year when Cofiroute strengthened its position as a leading player in the field of tolled infrastructure operation, both in France and abroad.

Henri Stouff

# Board of Directors

at 25 February 2005

**Henri Cyna**  
Honorary Chairman

**Henri Stouff**  
Chairman and CEO

**Jean-François Poupinel**  
Honorary Chairman

**VINCI Construction**  
represented by Roger Martin

**Colas**  
represented by Alain Dupont

**Guy Maillard**  
Honorary Chairman

**Eiffage**  
represented by  
Jean-François Roverato

**VINCI**  
represented by  
Antoine Zacharias

**Paribas Participations**  
represented by  
Olivier de Vregille

**Patrick Faure**

**Maurice Durand-Dubief**  
Honorary Chairman

**VINCI Concessions**  
represented by David Azéma

**Sogepar**  
represented by Bernard Huvelin

**Société Générale**  
represented by  
Pierre-Jean Brenugat



# Executive Committee

at 1 January 2005



From left to right:

André Broto

Pierre Anjolras

Jérôme Geoffray

Patrick Paris

Henri Stouff

Christian Heurtebis

Odile Georges-Picot

Pierre Duprat

Erik Leleu

## Henri Stouff

Chairman and CEO

Pierre Anjolras

Vice-President, Operations

Odile Georges-Picot

Chief Operating Officer,  
Concessions and Business Development

André Broto

Vice-President, Construction

Pierre Duprat

Vice-President,  
Marketing and Communications

Patrick Paris

Vice-President, Finance

Erik Leleu

Vice-President,  
Human Resources

Christian Heurtebis

Vice-President,  
Business Development

Jérôme Geoffray

Vice-President,  
Operational Systems

## Auditors

at 31 December 2004

Mazars & Guérard

Le Vinci - 4 allée de l'Arche  
92075 Paris La Défense Cedex

RSM Salustro Reydel

8 allée Delcassé  
75378 Paris Cedex 8



# Corporate governance

## ■ Corporate management structures

Cofiroute, a private-sector company and public service operator, is committed to managing its business in a responsible and efficient manner for the benefit of the government awarding the concession, as well as for the company's shareholders, customers and employees.

The principles of corporate governance are applied by the bodies in charge of management, information and control, which are the Technical and Financial, Executive and Investment Committees. In addition, the Board of Directors has created a Remuneration Committee and an Audit Committee. The Audit Committee's mission is to ensure the accuracy and fairness of the parent

company and consolidated financial statements, as well as the quality of financial information.

With regard to the concession granting government, Cofiroute commits to building roads to meet the specified schedule and reports regularly on the progress made to its regulating authority. The roads are defined in the intercity concession contract, of which the eleventh amendment was signed in 2004, and in a master plan, also signed in 2004, for the period 2004–2008.

In 2004, Cofiroute implemented a decentralisation programme which, by empowering operations staff, aims to improve the company's financial and social performance in full compliance with the rules of transparency.

In parallel, the company launched a continuous improvement programme within the framework of ISO 9001:2000 certification, which compels Cofiroute to meet its long-term quality commitments by assessing and reporting on its situation to the appropriate bodies.

With regard to the environment, Cofiroute has created a network of coordinators at sector level and set up performance indicators. These bear out the company's determination to improve its environmental performance.

As to the safety of employees and motorists, Cofiroute is committed to making a sustainable improvement in its performance. The safety indicators are reviewed at the beginning of every meeting of the Executive Committee.

■ **The Board of Directors**

The Board of Director comprises 11 members, appointed for six years.

In 2004, the Board met four times with an attendance rate of almost 100%.

The Board’s operation and its members are governed by a set of regulations, as are the Audit and Remuneration Committees, which are responsible for formulating advice and recommendations to the Board in respect of their areas of competence.

In 2004, the Board of Directors examined the company’s business, principal commitments and outlook.

In particular, it:

- approved the 2003 financial statements and 2004 half-year statements, and examined the draft budget for 2005;
- approved amendment 11 to the concession contract and the second master plan for the period 2004–2008;
- approved the commitment to build the second A86 tunnel;
- approved the chairman’s proposal to implement a concerted effort with the other French motorway companies to set up the remote toll system for heavy goods vehicles within the framework of the European directive on interoperability;
- was informed regularly of the status of the decentralisation programme and empowerment of operations staff.





## Milestones in a 35-year history

**1970** Cofiroute created by a consortium of building and civil engineering companies (SGE, GTM, Colas, Fougierolle and Entreprise Jean Lefebvre) and banks (CCF and Paribas). The company is awarded the concession for 450 km of French motorways between Paris and Poitiers (A10) and between Paris and Le Mans (A11)

**1972** Opening of first two sections, representing 68 km

**1973** Completion of four new sections (A10)

**1974** Orléans–Tours link (A10) completed

**1975** Opening of Chartres–La Ferté Bernard section (A11)

**1977** Opening of Tours–Poitiers (A10)

**1978** Opening of La Ferté Bernard–Le Mans section (A11), by which time Cofiroute has built 462 km of motorways

**1980** Rennes is three hours from Paris as a result of the construction of the A81 (Le Mans–La Gravelle)  
Construction of the Angers–Nantes link on the A11

**1988** Creation of Autoroute FM, the first motorway radio station in France

**1989** Opening of A71 Orléans–Bourges motorway

**1993** Opening of Nantes bypass

**1997** Opening of first two sections of A85 (Angers–Tours–Vierzon)

**1999** Cofiroute is awarded the A86 Ouest concession near Paris

**2000** Opening of Maresché–Ecommoy section (45 km) on the A28

**2001** Opening of Maresché–Alençon section (31.2 km) on the A28 and Theillay–Villefranche sur Cher (Vierzon–Romorantin) section (21.4 km) on the A85

**2002**

- Signature of Toll Collect
- Launch of quality programme

**2003**

- Boring of first part of A86 tunnel completed
- Cofiroute is the first motorway company in France to receive ISO 9001:2000 certification for the operation of its entire network
- Opening of the 32 km Villefranche sur Cher–Saint Romain sur Cher section (A85)

# Highlights of the year

## March 2004

- Henri Stouff appointed chairman and CEO of Cofiroute



## August

- Inauguration of Charilaos Trikoupis bridge (Rion–Antirion) in Greece and start of operation



## April

- Final approval certificates received enabling launch of all work on A86



## September

- Launch of the Universi-t toll subscription plan



## May

- Signature of amendment 11 to the concession contract and the 2004–2008 master plan



## October

- Signature of revolving credit for €1.02 billion
- Cofiroute prospective operator of A19 Artenay–Courtenay



## May

- Start up of work on A11 Angers



## December January 2005

- Launch of Toll Collect, the remote HGV toll payment system in Germany





## Key figures

Cofiroute is the only French motorway concession company that has remained in the private sector since its creation. Over more than 30 years, it has built an efficient growth model based on the design, financing, construction and operation of tolled infrastructure in France and other countries. The company operates 928 km of motorways in western France, with a further 163 km\* under construction. Cofiroute also holds the concession for the underground link of the A86 motorway in the Ile de France, the first part of which will be opened to traffic at the end of 2007.

### ■ Financial performance

Net sales:

€862 million, up 4.0%

Gross operating surplus:

€582 million, up 1.4%

Net income:

€260 million, up 18.2%

Net debt:

€1,995 million, up 17.4%

Shareholders equity\*\* and reserves:

€1,256 million, up 11.7%

Net debt/equity (gearing ratio):

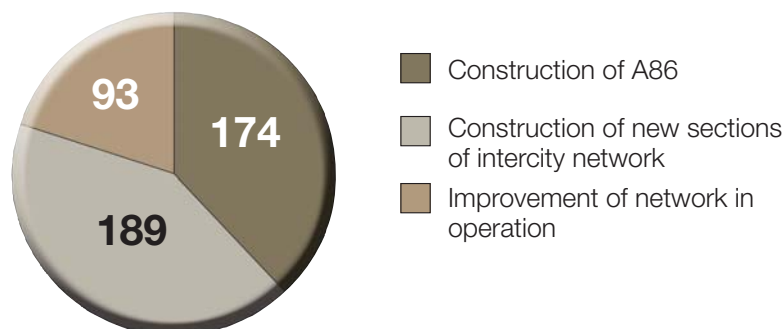
159%

\* 160 km under construction + 3 km built and handed over to Cofiroute by the government when A11 Angers brought into service

\*\* After interim dividend, investment grants and tax-regulated provisions

Capital expenditure:

€456 million





## ■ Network

928 km of motorway in operation

68 rest areas

42 service stations

61 toll stations, including 5 plazas

163 km under construction

## ■ Traffic

Vehicles per day\*

27,540

No. of km travelled\*

8,962 billion, up 1.9%

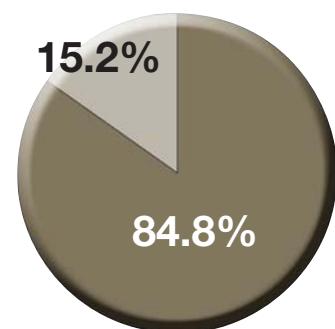
Transactions per day

287,428, up 2.5%

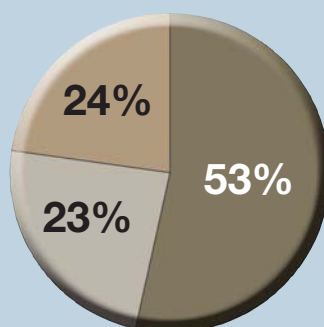
\* on total network (928 km)

### Distribution of traffic

- Light vehicles
- Heavy vehicles (categories 3 and 4)



## ■ Workforce




2,072 employees

(31 December 2004)

- Toll concession
- Services and other
- Maintenance





# 1 Business, social and environmental performance





## Business and financial performance

### ■ Steady growth and strong forward visibility

Cofiroute's performance in 2004 continued the trend set in previous years, demonstrating the company's ability to achieve sustainable growth despite unfavourable economic conditions.

Net sales\* for the year amounted to €862 million (compared with €829 million in 2003), representing 4.0% growth. Traffic increased 1.4% on a constant network basis\*\*, and 2% with the additional 32 km of new sections brought into service in December 2003. Toll prices were raised 1.6% on 7 February 2004.

Net income stood at €260 million, up sharply (18.2%) from the 2003 figure of €220 million.

The 2004–2008 master plan, which was signed in May 2004, provides a clear and long-term framework within which Cofiroute can define its toll policy. It also sets out the company's 5-year capital expenditure programme, where the focus is on constructing new motorway sections (€1,400 million) and modernising the existing network (€500 million).

In 2004, capital expenditure amounted to €456 million. Of this, €174 million was

spent on the A86, €189 million on the construction of new sections of the intercity network and €93 million on improvements to the existing network.

Alongside Deutsche Telekom (45%) and DaimlerChrysler Services (45%), Cofiroute holds a 10% interest in Toll Collect, the company awarded the contract to operate the HGV toll payment system on the German motorway network. Under amendment 2 of the consortium contract signed in 2004, Cofiroute's financial commitment to the project was capped at €70 million. At 31 December 2004, this amount had been paid and the portion booked to assets fully written down.

Toll Collect successfully launched the highly innovative system on 1 January 2005. Cofiroute will be able to capitalise on this expertise in the future.

The reorganisation of the operations division continued in 2004, consolidating its pivotal role within the company. Now comprising more independent, efficient and responsive profit centres, the division is poised to make further strides forward in 2005 in the services it provides to customers, while helping to boost Cofiroute's economic performance.

### ■ Reducing the cost of debt

Through the combined effects of a buoyant market and a dynamic financial strategy, Cofiroute reduced the average cost of its debt to an instantaneous value of 4.23% at 31 December 2004, down from 4.75% at the end of 2003 and 5.87% at the end of 2002. The variable portion of debt increased during the year, reaching 38% at the end of December 2004.

In line with projections, net debt rose to €1,995 million, as against €1,699 million at the end of 2003. The increase of almost €300 million should be compared with 2004 capital expenditure, with amounted to €456 million (excluding financial investments).

Shareholders' equity increased steadily to €1,256 million, as against €1,125 million in 2003, giving the company the capacity needed to finance major investments.

At 159%, the net debt/equity ratio (gearing ratio) remained very good, and compares with 151% in 2003.

Cofiroute's financial strength and the excellent forward visibility of its long-term performance won the company a rating of A+ with stable outlook, a rating that was renewed by Standard & Poor's in 2004.

\* Incl. toll revenue, sub-concession fees and telecommunications revenue

\*\* 894.3 km at 31 October 2001

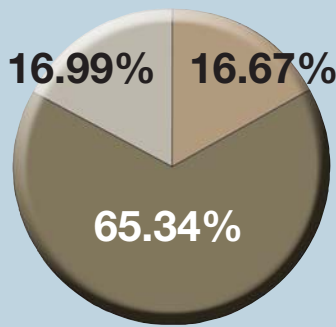


### Diversifying sources of financing

In 2004, Cofiroute took advantage of favourable market conditions to finance a major portion of its capital expenditure programme.

A 5-year, €1,020 million loan contract with a 2-year extension option was signed on 28 October 2004. The transaction was structured as a club deal bringing together partner banks BNP Paribas, Calyon, Ixis Corporate & Investment Bank, Natexis Banques Populaires, SG Corporate & Investment Banking and The Royal Bank of Scotland. The loan, the largest ever contracted by Cofiroute since it was founded in 1970, is part of the company's strategy to diversify its sources of financing so as to provide a solid base for the company's growth.

A second contract to finance the A86, amounting to €200 million, was concluded on 15 December 2004. The new 15-year loan granted by the EIB benefits from the terms and conditions offered by that bank and brings the overall financing of the project to €400 million.

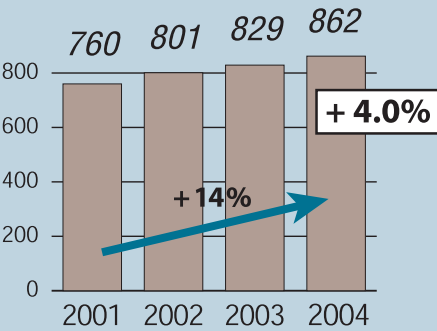


#### Shareholder base

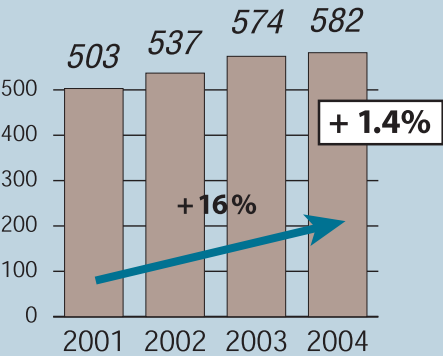
Shareholders owning more than 5% of capital stock

- VINCI Concessions
- Eiffage
- Colas

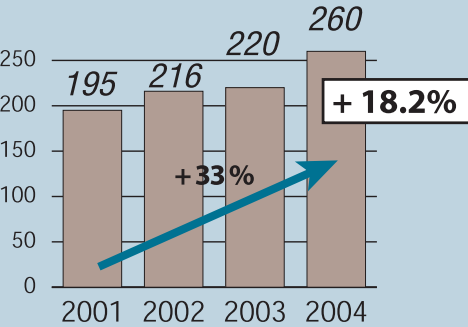
#### Net sales



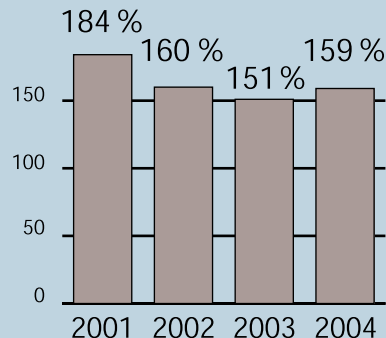
#### Gross operating surplus



#### Net income



#### Net debt/equity (gearing ratio)





# Traffic and tolls

Traffic grew moderately in 2004, while automatic toll lane usage increased steeply.

## Traffic growth

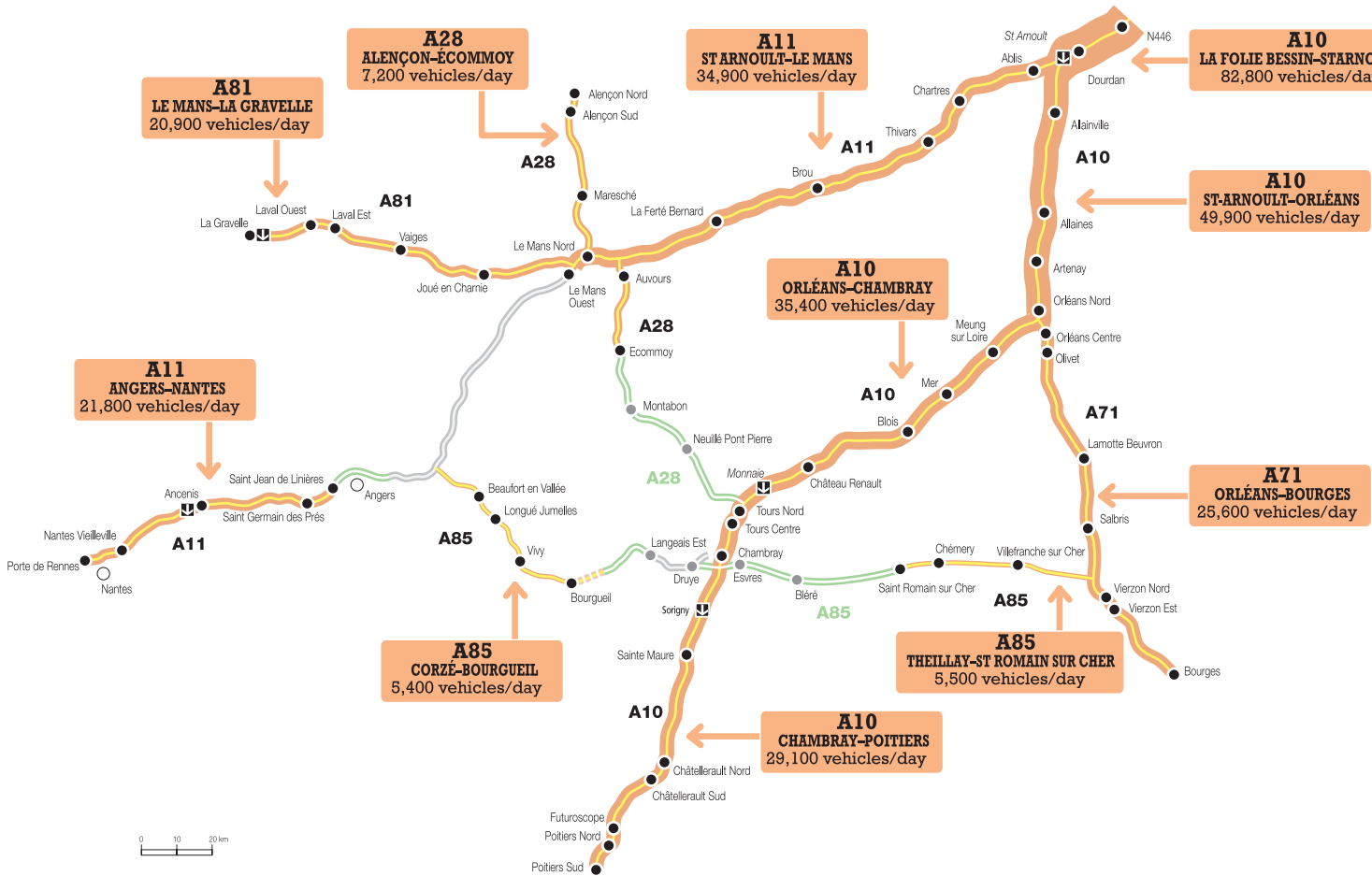
The French economy, more buoyant in 2004 than in 2003, was nevertheless adversely affected by the substantial increase in the price of fuel. The higher

oil price therefore led to a slight reduction in normal traffic growth on Cofiroute's network.

On the 928 km network in service on 1 January 2004, average traffic amounted

to 27,540 vehicles a day. Light vehicles accounted for 84.8% of the total and heavy vehicles for 15.2%.

On a constant network (894.3 km at 31 October 2001), traffic increased 1.4%



Traffic in 2004

over 2003. This average growth rate, equal to the increase recorded between 2002 and 2003, varied from one vehicle category to another. In 2004, the increase in heavy vehicle traffic (2.1%) was higher than that of light vehicles (1.3%). The growth in heavy vehicle traffic is attributable to the high number of working days in 2004, which is a positive factor for this customer segment.

Traffic growth also varied seasonally and geographically.

Snowfall in 2004 caused less traffic disruption than in 2003. However, in the first half of the year, the increase in traffic was only 0.9% (0.7% for light vehicles; 2.2% for heavy vehicles). The steeper growth recorded in the second half (1.4% by comparison with 2003) was concentrated in the fourth quarter, when traffic was 2.5% higher than in 2003.

A geographical breakdown of the network shows that growth was especially strong on the new sections of the A85 and A28 motorways. On the A85, for example, the Corzé-Bourgueil section recorded a 12.1% increase in traffic.

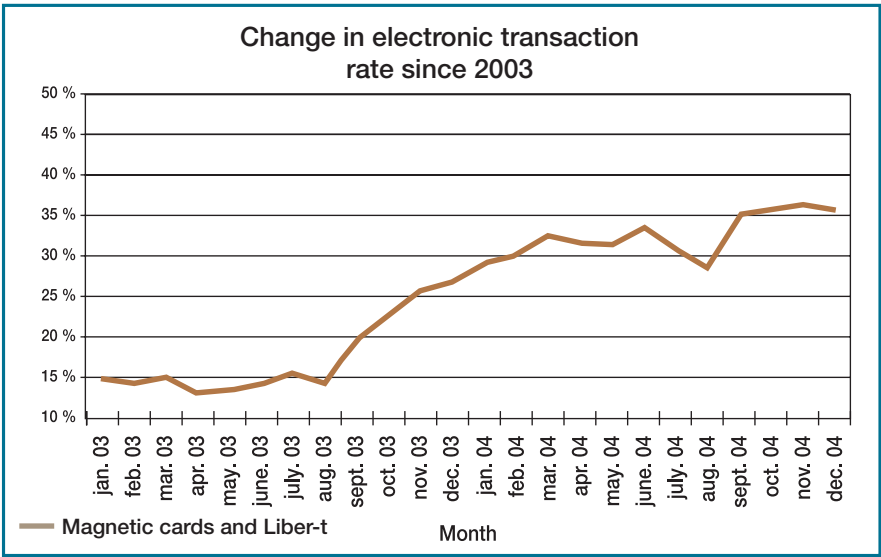
Conversely, traffic growth was lower on the A11 (Saint Arnoult en Yvelines-Le Mans Ouest 0.2% and Angers-Nantes 0.3%) due, in particular, to competition from the new A84 (Autoroute des Estuaires) and A87 (Angers-Cholet) motorways.

The average journey (89 km) was slightly down (0.8%), reflecting a drop in traffic on certain long-distance routes and also good traffic levels on suburban routes.

■ **New toll payment systems**

To cope with peak traffic during holiday periods, Cofiroute installed 47 automatic toll lanes for magnetic card payments in 2003 and 2004. The programme will continue in 2005 and 2006, with the deployment of 23 additional lanes and the installation of two fully automatic toll stations on the A28 at Montabon and Neuillé Pont Pierre.

With this move, automatic toll payment nearly doubled in 2004 and now accounts for 32.6% of all transactions, compared



with 17.0% in 2003. The total number of transactions increased 2.8% in 2004.

The Liber-t electronic toll collection system accounted for 13.8% of total toll payments in 2004, up 2.1 points from 2003 (11.7%). This rate fluctuated between 13.1% and 16.1% over the year, except during the summer months. During that period, the penetration rate of Liber-t declined to 11.3% for July and 9.4% for August because holiday traffic comprises occasional motorway users who, to date, have been less interested in toll subscription plans.

Meanwhile, projects to improve toll station equipment continued. The change-over to tickets in ISO format began in 2004 and will be completed by late 2005, ensuring uniform service to customers at interconnections with other concession networks such as the A89 (via the A71) and the A28 from Rouen (ALIS).

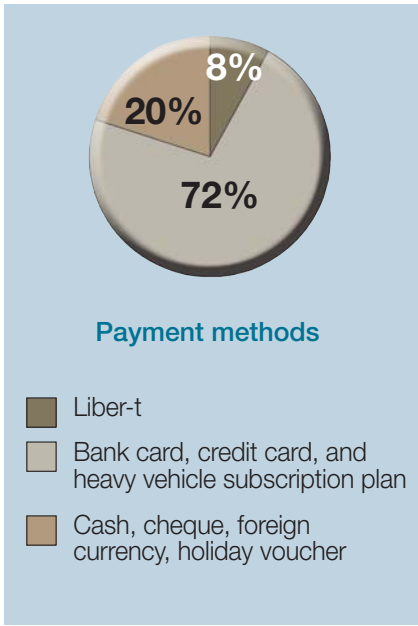
■ **Toll prices and payment methods**

On 1 February 2004, Cofiroute's toll prices increased 1.61% for light vehicles and 2.61% for heavy vehicles. The toll increase will enable the company to pay for network repairs and extensions without resorting to public funds. Over the last five years, Cofiroute has spent an average of €300 million a year to expand and modernise its network.

The breakdown by payment method in 2004 is in line with the trend observed in

2003. By value, payments by bank card, credit card and subscription plan in 2004 accounted for 72%, slightly down from the previous year. The decline, first observed in 2003, is due to the increasing use of Liber-t remote payment (8% in 2004 compared with 6.7% in 2003), which is partially replacing payments by bank card and subscription plan. The impact of this is reduced by the deployment of automatic toll lanes for magnetic card payment.

The proportion of on-the-spot payments (cash, cheque, foreign currency, holiday vouchers) declined from 21% in 2003 to 20% in 2004.





## New momentum in social policy

**Cofiroute is constantly changing to improve its performance and offer employees good working conditions and stimulating career development opportunities. This internal social policy led to the introduction in 2004 of measures aimed at fostering decentralisation, job mobility and the acceleration of social dialogue.**

Implementation of the policy, initiated two years ago within the context of the reorganisation of the operations division, is based on empowering the five sector and 14 centre managers. Each centre operates autonomously, organising its own resources in such a way as to achieve the operating objectives set out in the corporate strategy.

### ■ Decentralisation of social dialogue

On 16 November 2004, Cofiroute signed two pre-electoral memoranda of understanding (MOUs) covering the organisation of employee representative elections within the company in 2005. In addition to the appointment of new Works Council members at the end of the current term of office, the MOUs provide for local elections to be held to select employee representatives within each

sector and at the head office. The signature of these MOUs is the first step towards decentralising social dialogue. The process will continue in 2005 with the decentralisation of the health, safety and working conditions committees (CHSCT). There are now six committees, which will meet regularly to discuss best practices implemented in the sectors with their increased responsibilities. They will, therefore, be in a position to offer customers and employees safety conditions that are even more closely tailored to the local environment.

To provide a framework for the new labour relations organisation, Cofiroute also signed an agreement on trade union rights within the company on 23 November 2004. The agreement, signed by five representative trade unions, reiterates the basic principles governing labour relations and trade union rights

within the company. It introduces changes to the resources provided in order to foster social dialogue in a decentralised organisational structure (financial resources, individual and collective time off for trade union duties and working hours adjustments).

Cofiroute is one of the few French companies to have signed an agreement on trade union rights. The principles applied in the agreement highlight the recognition of the trade unions' role as a support function within the company.

Cofiroute became a member of the association for motorway operating company employers in January 2005. As such, it participates in sector-level collective bargaining negotiations, in which one of the essential points is the establishment of a classification by job category.

### ■ **Training for continuous improvement in quality of service**

In line with the practice applied in previous years, the 2004 training programme supported operations division projects, thus helping to improve the company's quality of service. Cofiroute dedicated over 4% of its payroll to training, more than double the legal obligation, giving it a very good position among French companies with respect to training.

Prior to installing Magic, the new information system that optimises the information chain and hence the management of events occurring on the network, the staff of two pilot operation centres and the information centre were trained in the new tool's applications. In 2005, training will continue to support the deployment of Magic in the other network centres.

Meanwhile, the operational crisis management training programme enabled some 100 supervisory staff members to hone their decision-making skills. The goal was to better combine operational efficiency and the quality of information provided to customers during major events affecting traffic.

Lastly, a training course on managing trees and plants was organised with a view to conserving green zones along the

motorways, making them more pleasant and environment-friendly.

### ■ **Openness, job mobility and confidence in the company**

Cofiroute's management and social partners initiated a series of discussions and activities in 2004 aimed at preparing for the impact of new technologies on jobs within the company. One example is toll station automation. Carried out within the framework of social dialogue, the activities focused primarily on career opportunities for employees in various job categories and on restructuring the work of supervisory staff. Against this backdrop, the use of forward jobs and skills management is becoming more

widespread. Steps were taken in 2004 to foster greater job flexibility and mobility within the company.

In a demonstration of employee confidence in their company and its major shareholder, VINCI, participation in savings schemes – traditionally high – was outstanding in 2004. Subscriptions to the Castor savings scheme, which is open to all VINCI company employees, rose 63% and the amounts paid in increased sharply (173%) by comparison with 2003.



A traffic officer at work to ensure motorist assistance and protection



# Environment

Cofiroute set up a new cross-functional unit in 2004 so that quality, safety and environmental requirements can be taken into account in its activities more efficiently. A network of quality-safety-environment correspondents, reporting directly to sector managers, will ensure that the company’s over-all environment strategy is applied in all operation centres.

## ■ Factoring the environment into motorway design

For over ten years, Cofiroute has been working with landscaping consultants to adapt motorways to the terrain and regions through which they run. From the project design stage onwards, Cofiroute incorporates environmental protection and natural landscape enhancement into motorway design, while limiting the impact of pollution.

Two meetings of environment monitoring committees took place in 2004 prior to the start of work on the Saint Romain sur Cher–Drue section of the A85 between Tours and Vierzon. Environmental protection measures on this section of the motorway were presented at meetings held in the Loir et Cher and Indre et Loire prefectures in July and September 2004 respectively.

The measures cover natural ecosystems, surface and ground water, agriculture,

forestry, quality of life and housing, cultural heritage, landscape and the execution of works.

After major infrastructure projects are opened to traffic, they undergo a 2-stage environmental review: an interim review, published a year after opening, and a final review, published three to five years after opening. The purpose of the review is to verify compliance with environmental commitments and to take corrective action where appropriate. The review also increases the pool of knowledge derived from impact studies.

To take the environmental factor into account throughout the entire duration of the concession, Cofiroute set up indicators in 2002 to measure progress achieved. The indicators cover water and energy consumption, waste generation and the amount of aggregate used. Over 500 measurements and data were recorded in 2004.

## ■ Noise

Under the 2004–2008 master plan, Cofiroute committed to reducing noise during both the construction and operation of motorways.



A28 motorway, landscaped to blend into its surroundings



Noise screen on the A10 motorway

To protect local residents, Cofiroute takes action at a number of levels: it selects infrastructure routes according to the surroundings, as illustrated by the construction of the A86 tunnel and the cut and cover tunnel of the A11 Nord Angers section; it applies low-noise surfacings to pavements; and it installs protective mechanisms such as noise barriers.

Similarly, the machines used on work-sites are of recent design. They comply with applicable noise standards and employ state-of-the-art noise abatement technologies. Truck routes and worksite access roads are carefully chosen to keep disruption to a minimum and make it possible for work to be carried out during the day in order to avoid disturbing nearby residents at night.

As part of widening work on the motorway between Blois and Tours Nord-Sainte Radegonde, earth embankments and seven wooden screens were installed to protect 23 homes. The maintenance programme for the screens deployed over five years started in 2003 following an environmental review. Some €80,000 was spent on renovation work of this type in 2004. In addition, Cofiroute has installed equipment to track noise levels along the motorway as traffic patterns change.

Cofiroute also participated in consultations with elected officials and local residents, as well as in anti-noise steering committees set up by the prefects of the areas through which the network runs.

### ■ Water

The harmonisation of water meter reading methods at rest areas continued. The move was initiated in 2003 with a view to optimising consumption management. The construction of water treatment plants with reed filter beds, provided for in the master plan, also continued (see *photo page 22*). Four plants were installed in 2004 at the Château de Ricoudet, Aing du Maras, Bellevue and Brusolle rest areas, and the plant at the Gourville rest area was upgraded. Monitoring initiated after commissioning of the first plants in 2003 showed excellent water quality results at the plant outlet (readings much lower than the levels required by current regulations). It has also demonstrated the efficiency of the process, which requires little human intervention and generates no waste – the sludge is converted into compost, which will be removed every ten years. Cofiroute regularly inspects the 970 rain-water retention ponds located throughout the motorway network.

### ■ Selective sorting

Selective sorting – oil, batteries, paper and scrap metal – has been introduced in the operation centres. In 2004, some 12,400 litres of waste oil, 605 batteries and 749 tyres were collected and sent to specialist treatment centres. In addition, six sorting centres were set up at four rest areas in 2004. They sort and recover glass and packaging waste.

## Educational guide

Together with other motorway companies, Cofiroute took part in the campaign organised by the Ministry of Ecology and Sustainable Development to raise environmental awareness among children. An educational booklet was distributed at toll plazas throughout the summer of 2004. It described the 1001 things children can do to protect the environment in the summertime and serves as a reminder of how everyone can help preserve the planet's resources in their day-to-day life.

### ■ Fences

Fencing is installed along the motorway and regularly maintained to ensure user safety and protect large animals living in the vicinity of the motorway. Under the 2004–2008 master plan, Cofiroute committed to installing fences along new and widened sections in order to prevent collisions. The company is also building wildlife crossings for both large and small animals to restore their normal habitat corridors. In 2004, the indicators showed that 90% of the network has now been fenced.



Wildlife crossing on the A28 motorway

# 2 Regional development



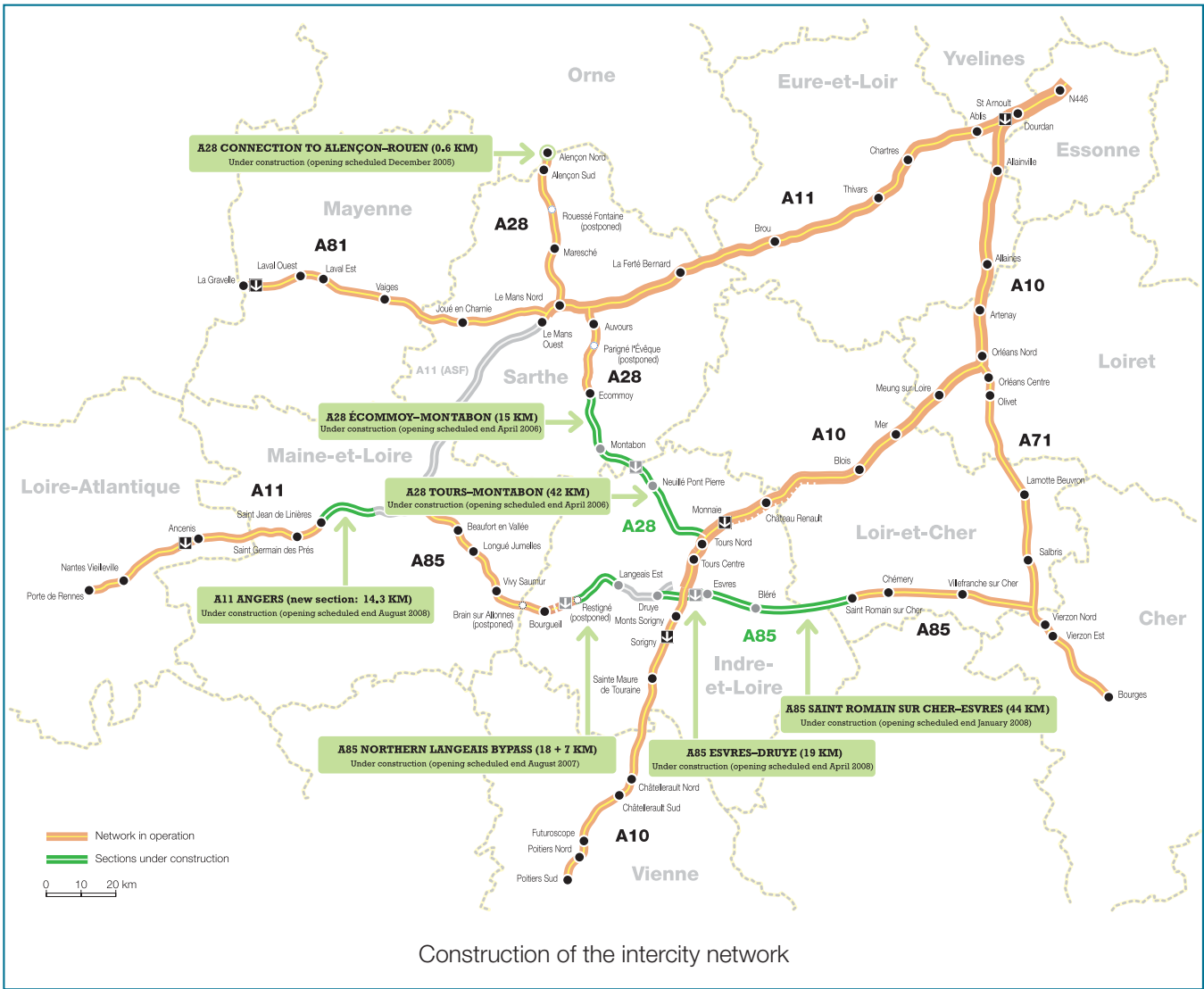




# The intercity network

Cofiroute and the French government have signed amendment 11 to the concession contract and the second master plan covering the period 2004-2008. The company now has precise definitions of the terms and conditions applying to the construction and cost (€1,290 million\*, excluding tax) of new motorway sections (163 km). The current 928 km motorway network will be extended to 1,091 km by August 2008.

\* 2002 value





A11 Angers visitors centre

### ■ Start of work on the A11 Angers

Following the conclusion of consultations carried out in 2001 under the authority of the prefect, the project was finalised and work on the A11 northern Angers bypass started in May 2004. The bypass, which aims to alleviate traffic congestion in greater Angers, will be opened to traffic in August 2008. Following numerous consultations, it will consist of a 14.3 km dual carriageway section, of which 1.7 km run through a cut and cover tunnel. The project also includes a 529 km viaduct over the River Maine. The A11 Angers project represents an investment of €450 million (including tax), with 95% financed by Cofiroute and 5% by local authorities.

In line with the commitments included in the master plan, Cofiroute has opened a visitors centre in Avrillé. The exhibition, which explains the purpose of the project and the progress made, was presented to the head of the Ministry of Infrastructure's highways department and local officials on 22 December 2004. Over 4,000 people have visited the centre since it was

opened. The survey preceding the declaration of public interest and the Berlottier consultations led to the decision to build a 1,700 metre cut and cover tunnel to take traffic underground to a depth ranging between 8 and 11 metres. From an urban development viewpoint, the construction of an underground motorway section offers two advantages: it maintains urban continu-

ity and makes 10 hectares of land available to local authorities. Customer safety will be ensured by installing high performance surveillance systems in the tunnel to detect incidents.

### ■ A28 motorway: all sections under construction

Work is now under way on all sections of the A28 motorway. Major construction work started on the Montabon–Tours section in April 2003. Work on the Ecommoy–Montabon section was re-started in April 2004 after trees serving as the habitat of the hermit beetle had been transferred away from the motorway route in October 2003. Work on the second phase of the Alençon Nord interchange and the connection with the Rouen–Alençon A28 motorway began in April 2004.

Cofiroute's objective is to open the 57 km Tours–Montabon–Ecommoy section four months ahead of the scheduled contrac-

### Keeping a close watch on the hermit beetle



The trees that are home to the hermit beetle (*osmoderma eremita*) were moved away from the route of the A28 motorway in 2003 and are now being monitored by a scientific committee. For experimental purposes, Cofiroute set up a camera to track the behaviour of the beetles so that entomologists can assess how they are adjusting to their new environment and, in particular, see if they are reproducing.



Entry to cut and cover on A11 Angers



Future Vierzon–Tours link

tual date of April 2006.

In anticipation of the opening dates defined in amendment 11 of the concession contract, interchange construction agreements were signed on 10 February and 13 December 2004. The first of these, with the Indre et Loire council, covers the Neuillé Pont Pierre interchange, which will be brought into service at the same time as the A28 motorway; the second, with the Centre regional council and Sarthe council, covers the Parigné l'Evêque and Rouessé Fontaine interchanges, which will be opened in 2006.

The “A28 Link”, a roving exhibition, has been touring throughout the project's duration to keep residents along the route up to date with progress. It has also informed them of the economic impact for the region, as well as the environmental precautions taken by Cofiroute for both the construction and operational phases of the motorway.

## ■ Start of work on the A85 motorway

### From Angers to Tours

On 7 July 2004, the European Commission announced that legal action relating to a Natura 2000 protection area on the A85 route had been dropped. Since then, Cofiroute has been gradually ramping up

work on the northern Langeais bypass. Local officials are keenly awaiting construction of this section, which will ensure continuity of the A85 between Angers and Tours. It is scheduled for opening at the end of August 2007.

Close attention is being paid to the environment on this project, as illustrated by the many measures taken to protect flora

## Environmental monitoring

Five protected plant species grow within the area covered by the A85 project: *aconitum napellus* (monks-hood), *avenula marginata*, *carex depauperata* (starved sedgewood), *thalictrum flavum* (common meadow rue) and *aspidium angulare* (soft shield fern). Cofiroute has adapted its worksites to protect the plants'

biotope and keep them alive during the construction phase. In addition, a special management and maintenance system has been set up in the Roumer Valley. All operations affecting that area are recorded and reported to the government and nature conservation organisations.





Work on the A85 where it crosses the Cher Valley

and fauna, especially in the Roumer Valley.

**From Tours to Vierzon**

On 11 October 2004, Cofiroute started work on the three Cher Valley viaducts along the Saint Romain sur Cher–Esvres section of the A85. These structures, with a total length of 1,200 metres, will cross a railroad track and the RN76 highway at the eastern end, near Saint Romain sur Cher, and a trunk road and the River Cher

at the western end, near Mareuil sur Cher. A third viaduct, known as the “water discharge”, will facilitate the flow of water during the spring thaw or periods of heavy rain. The project is a crucial part of the A85 motorway between Vierzon and Tours. The 43 km section between Saint Romain sur Cher and Esvres will be opened to traffic at the end of January 2008; the 19 km section between Esvres and Druye



Archaeological excavations on the A85 (Vierzon–Tours)

**sites is on the A85**

On the 62 km section of the A85 between Saint Romain sur Cher and Druye, some 70 archaeologists were ready to get down to their job on the motorway site when work began on the viaducts over the Cher in September 2004. After completion of the first phase of the archaeological assessment, excavations were ordered at 23 sites between Saint Romain sur Cher and Esvres. One of them is considered to be of European interest by the French Ministry of Culture. The archaeological excavations will continue until the autumn of 2005. To reconcile the archaeological investigations with the contractual requirements of motorway construction, Cofiroute concluded an unusual partnership agreement with INRAP, a public research establishment whose role is to preserve and study any archaeological heritage threatened by regional development. The agreement covers all preventive

**Regional enhancement**

Nearly ten years ago, Cofiroute introduced a policy of designing motorways to blend into their surroundings and optimise the potential of the regions through which they run. As part of the “1 % landscape development” procedure, Cofiroute finances projects aimed at showcasing France’s historic heritage. On the A28, for example, 96 projects were funded and implemented in the Sarthe area, including the illumination of the Yvré l'Evêque church. On the A85, more than 20 projects have been selected to



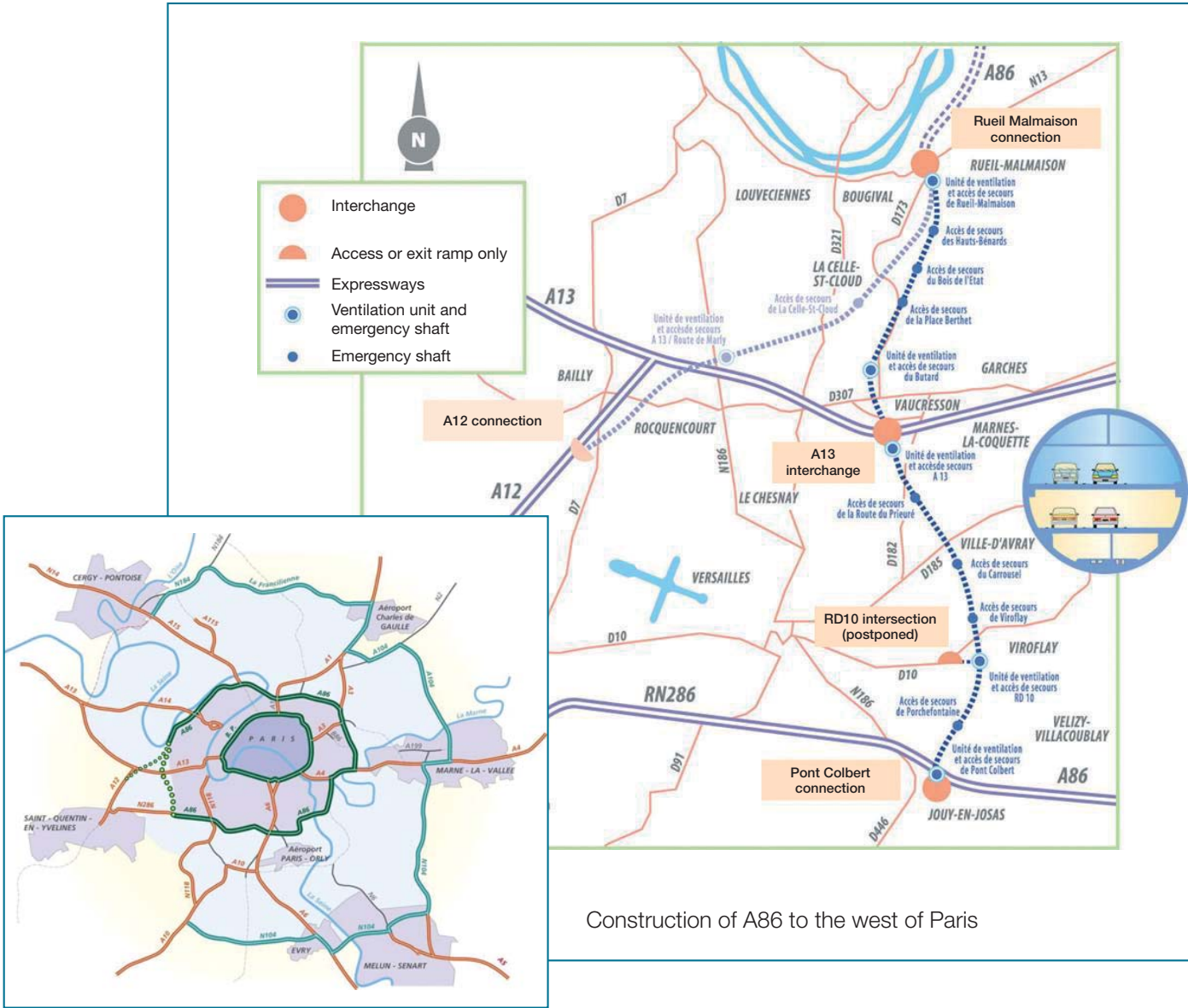
Illumination of the Yvré l'Evêque church

enhance the agricultural heritage of the surrounding regions.



# The A86

All the projects on the A86 Ouest were launched in 2004 following receipt of the final civil engineering and equipment approval certificates between September 2003 and April 2004. This 10 km link, most of it underground, is one of the biggest road structures in Europe. It will complete the super ring road around the Ile de France in 2009.



Construction of A86 to the west of Paris



East 1 tunnel  
Construction of smoke venting niche

### ■ Construction progress

**On the East 1 section** connecting Rueil Malmaison with the A13 motorway, work continued on the A13 interchange site. Construction of the underground access and exit ramps began in March 2004 and temporary detours were set up on the RD182 highway towards Versailles. In parallel, work on the interchange ventilation unit structures was started. The progress made to date suggests that this first section could be opened to traffic at the end of 2007.

In Rueil Malmaison, work on the cut and cover trench south of the RN13 highway got under way in April 2004, as did work on the ventilation unit and toll station.

Between the two interchanges, tunnel development work continued, with a focus on safety-related civil engineering structures. Construction of the escape staircases connecting the tunnel's two traffic levels and the smoke venting niches

(31 structures over a length of 4.5 km began in February 2004 and should be completed by 2006. Two of the niches are being built using a very special ground freezing technique, which required that a temporary tunnel be bored first.

Work on the Bois de l'Etat emergency access shaft in Rueil Malmaison also started in early January 2004 following selection of the access route for work-site trucks. This route was the subject of lengthy consultations between the municipalities concerned: La Celle Saint Cloud, Rueil Malmaison and Vaucresson. Civil engineering work on the Hauts Bénards access shaft in Rueil Malmaison and the Place Berthet and Le Butard access shafts in La Celle Saint Cloud has been completed.

**On the East 2 section**, preparations are under way for boring the tunnel that will link the Pont Colbert and A13 interchange. At the beginning of 2004, the tunnel boring machine was transferred (see box page 32) from the A13 to Pont Colbert, where it will be reassembled.



Artist's impression of Rueil Malmaison toll station



A13 interchange  
Construction of the bottom slab extension of the tunnel at the A13 interchange



A13 interchange on ramp

Starting in June 2005, this 5.5 km section of the tunnel will be bored towards the A13 so that the first section can be opened to traffic more quickly. By adopting this solution, the area occupied by the

construction sites in Rueil Malmaison can be cleared sooner and the municipality will be able to start landscaping work along the Seine.

Trees were cleared north of the RN286 near Pont Colbert in the autumn of 2004 to make way for the temporary national highway detour, which has to be built before construction of the tunnel access and exit ramps can start.

In Viroflay, along the route towards the A13, trees have been cleared from the site of the RD10 emergency access shaft.

## Transporting the TBM

The tunnel boring machine was transferred from the A13 to Pont Colbert over a period of 14 nights between 16 December 2003 and 28 January 2004. Some 50 engineers and technicians working for Cofiroute, the local public works and planning department and Socatop (project manager and contractor), as well as about 20 members of the state security force, escorted the convoy. In fact, 58 wide-load convoys were needed to transport the TBM components, which weighed up to 250 tonnes and were up to 50 metres long and 10 metres wide.

The TBM and worksite equipment (hydraulic spoil treatment plant, mortar unit, gantry cranes to lift segments and load trains) have been installed. Tests and settings were completed at the end of 2004.



## Safety

### On the worksites

To ensure the highest possible level of safety on worksites, rescue drills are scheduled regularly. Cofiroute, Socatop and the emergency services carried out a major fire drill in the A86 tunnel in May 2004. Under the extremely difficult conditions that were simulated, the Hauts de Seine and Yvelines fire brigades “rescued” two crews trapped at the Berthet and Butard shafts in La Celle Saint Cloud.

Regular drills with the fire departments will be organised throughout the tunnel's operation.

In the tunnels

Approval certificates covering the tunnel safety equipment were issued in March 2004, enabling Cofiroute to move ahead.

To meet the very stringent regulatory requirements, "made-to-measure" rescue vehicles will be stationed in the tunnel. The vehicles were designed in accordance with specifications drawn up by a working group made up of the Paris fire department, the Yvelines fire and rescue services and Cofiroute. Each interchange will have two fully equipped vehicles standing by at all times. The vehicles, which will be made available to public emergency services, supplement the vehicles used by the Cofiroute response teams. Trained in first aid for accident victims and equipped with emergency fire fighting gear, Cofiroute's teams are the first to arrive and take action at an accident scene.

Architecture of the structures

At a meeting on 15 November 2004, the Hauts de Seine regional sites commission approved the development projects for both the Rueil Malmaison site and the operations building that will serve both sites.



Rescue vehicle

In June 2004, the Yvelines regional sites commission issued a favourable finding for the construction of the RD10 highway ventilation unit and the emergency access shaft on the East 2 section.

■ Consultation and communication

In accordance with the service commitment charter, the neighbouring municipalities are kept abreast of progress throughout construction work. Consultation meetings are held with local officials and residents, and communication activities are scheduled regularly. In 2004, information and discussion meetings continued with elected officials and civic associations. These meetings focus mainly on the construction work itself and the impact of the structures on the local landscape and architecture.

The roving "A86 West Link" exhibition continued its tour between September and November 2004, visiting towns along the route of the second section of the tunnel (A13, Pont Colbert). Residents of Vélizy Villacoublay, Viroflay, Versailles and Jouy en Josas were provided with information concerning the route, the RD10 ventilation system in Viroflay and the noise abatement measures taken along the parts of the project lying above ground.

Some 300,000 copies of the magazine, *Le Lien A86*, are distributed every six months to update local residents on the project's progress.

Over 18,000 people visited the "A86 West Link" exhibition in 2004, bringing the total number of visitors since it was opened in May 2001 to 65,000.

**Exposition A86 Ouest :**  
*Le tunnel, avant de le prendre venez le comprendre !*



Poster promoting the A86 link exhibition centre

Alter de Rueil-Malmaison à Versailles en moins de dix minutes, en toute sécurité ? Cela sera bientôt réalisable grâce au bouclage de l'A86 à l'ouest de Paris. Cofiroute vous invite à visiter l'exposition spécialement aménagée à Rueil-Malmaison, pour comprendre les caractéristiques de ce grand ouvrage.

L'Expo A 86 Ouest vous propose, sur plus de 1200 m², un parcours vivant et explicatif avec maquettes, bornes vidéos interactives, projections de films et une réplique exacte, sur 30 m de long, du futur tunnel réservé aux voitures.



Entrée libre les lundi, mercredi, samedi et dimanche de 10 heures à 19 heures.  
RN13 Carrefour de la Jonchère 92500 Rueil-Malmaison ☎ N°Azur 1 0 810 86 86 86

[www.a86ouest.com](http://www.a86ouest.com)

3

Superior service quality







## Customer, employee and worksite safety

In January 2004, Cofiroute received ISO 9000:2000 certification for its operations activity. The first BVQI audit was carried out from 15 to 17 December at the head office, Châtellerault and Ancenis, the outcome of which was confirmation of the company's certification. The company's commitment to provide superior quality service applies to several areas, with safety as its top priority.

### ■ Partnership and accident prevention for customer safety

The safety indicators for 2004 improved. There were fewer fatalities, combined with a reduction of almost 20% in the accident rate. In addition, the number of fatalities per 100 million km travelled fell 24%. These results are attributable in

large part to changing driver behaviour, particularly with regard to respecting speed limits.

#### Partnership actions

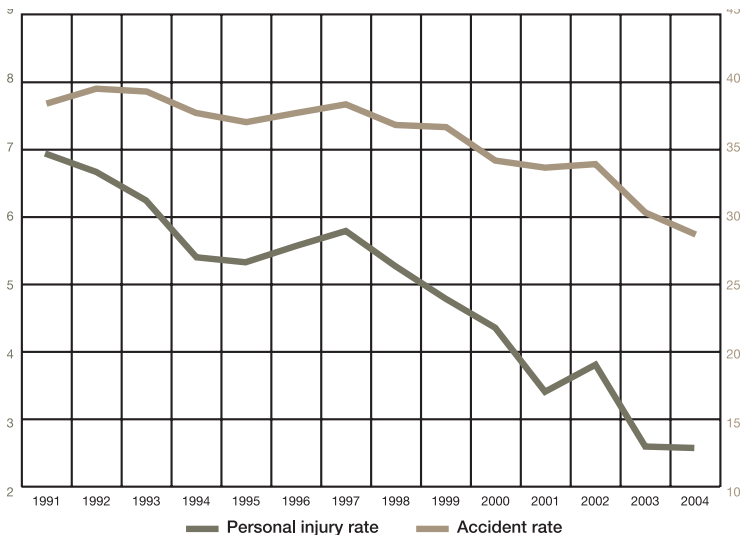
Cofiroute organises exercises aimed at building road safety awareness, participating alongside all partners operating on motorways. These include police, fire

and rescue, paramedic and ambulance (SAMU and SMUR) services, as well as private-sector players from petrol stations, restaurants and breakdown services. The aim of this partnership approach is to gain a better understanding of the expectations and constraints of each partner, and the procedures to be applied for each kind of incident.

In September 2004, the Maine sector initiated a demonstration of the procedures applied when emergency vehicle access to an accident is against the traffic flow. The exercise took place on the A28 motorway between Le Mans and Alençon. Almost 60 observers were mobilised for the simulated accident, which involved a heavy goods vehicle and two cars. This is one of the scenarios specified in the 2004–2008 master plan.

Similarly, *plan rouge* simulations (accidents causing high casualty numbers) are carried out regularly on the network. The most recent took place during the night of 14-15 June on the A10 motorway near Tours. The simulated accident involved an HGV and eight light vehicles,

No. OF ACCIDENTS PER HUNDRED MILLION KILOMETRES TRAVELLED



mobilising 300 people from the fire and rescue service, Gendarmerie, Croix Rouge, SAMU and Cofiroute.

On 23 January, Cofiroute signed a new partnership agreement with the Institut Garches, which works with people with a motor handicap to make them independent and get them back to work. The agreement covers the continued supply of computer equipment to handicapped patients in the Raymond Poincaré hospital in Garches to support their social reinsertion.

Accident prevention measures

On 14 May, with a view to reminding motorists of the importance of maintaining a safe distance between two vehicles, Cofiroute installed an experimental automatic alert system on a 15 km stretch of road near Orléans. The operation was purely informative and did not give rise to any police action. It complements the first system installed on the same motorway section in July 2003 to alert drivers not respecting average speeds.



“Pros de la Route” programme

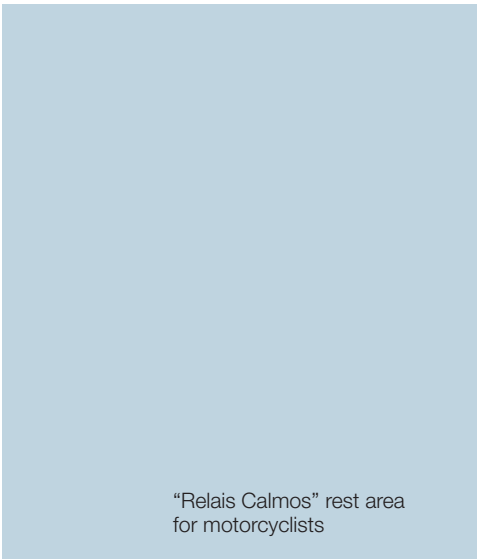
Cofiroute also participates in nationwide accident prevention and safety operations aimed at HGV drivers. For several years, the company has supported the “Pros de la Route” programme by informing HGV drivers about road safety and building their awareness. Launched by the magazine *France Routes*, the programme provided a series of activities on the A10 and A11 motorways on 11 and 12 May and 26 and 27 October. The activities focused on eye tests, the dangers of alcohol and

the need to wear a seat belt. Cofiroute’s support was in the form of a booklet distributed to HGV drivers reminding them of the rules of good conduct on the road.

In the summer of 2004, Cofiroute participated in the information and accident prevention campaign on rear seat belts organised by the French association of motorway and toll companies (ASFA), in collaboration with another road safety association, Prévention Routière. A document outlining advice on wearing seat belts was distributed at toll plazas.

Cofiroute also supported the government initiative launched on 31 October 2004 encouraging people to use dipped headlights during the day. Cofiroute asked its employees to comply with this recommendation and relayed the information to customers throughout the operation, which ended on 31 March 2005.

On 3 and 4 April 2004, the weekend of the 24 hours Le Mans motorcycle race, Cofiroute organised special rest areas for motorcyclists, “Relais Calmos”, in



“Relais Calmos” rest area for motorcyclists



partnership with local public works and planning departments, local branches of the Fédération de Motards en Colère (a motorcyclists' federation) and the Gendarmerie's rapid intervention motorcycle unit. Four rest areas on the A10, A11 and A28 motorways were visited by thousands of motorcyclists.

To help boost the road safety awareness and good conduct of young drivers on motorways, Cofiroute launched a programme in 2002 offering driving schools toll-free trips on its networks. The driving school card ensures free access to the network from Monday morning to Saturday evening on a part of the network chosen by each driving school. Almost 700 cards were in circulation in 2004.

The Anjou Atlantique sector also carried out accident prevention actions targeting younger children. Cofiroute employees, Gendarmes and fire fighters participated in the "Classe Junior" operation, visiting primary schools to talk to children about road accident prevention rules.

**Safety equipment**

Cofiroute's efforts to improve equipment and infrastructure with a view to enhancing safety focused in 2004 on continuing to install fences to stop large animals from straying onto the motorway, and on the introduction of rumble strips on the approach to toll plazas to encourage motorists to slow down. The five toll plazas on the network are now equipped.

**Promoting employee safety**

The identification of risks specific to each type of job, initiated in 2002, led to the development of a single document listing jobs, risks and associated preventive measures. Action plans were drawn up to reduce the risks identified. In 2004, all employees working near moving traffic were given high visibility clothing.

With regard to equipment, protective railings have been erected on all pedestrian walkways at toll plazas. Cofiroute is also continuing to upgrade its vehicle fleet. By the end of 2004, 46% of the

company's fleet had been fitted with ABS and airbags.

**The road safety charter**

In December 2003, Cofiroute, the DSC (French government road and traffic safety department) and CNAMTS (national health insurance organisation) signed a road safety charter. The charter contained several commitments, including a 20% reduction in accidents involving Cofiroute vehicles between 2003 and 2005, and improving the organisation of work.

Following a good result in 2003, Cofiroute recorded a 9% decrease in the number of incidents in 2004. There was also a 35% drop in the number of accidents involving third parties.

**The safety challenge**

Cofiroute launched its first safety challenge in 2004 with a view to engaging all employees in safety issues. The competition rewarded the centre or department that records the lowest accident and incident rates, as well



Traffic officer wearing the new high visibility clothing

as ideas that increase safety by improving the organisation of work.

In support of these operations, employee training was strengthened in 2004: 118 traffic officers and 33 supervisors participated in the “Développer la Sécurité” (increase safety) training programme, which consists of reviewing and applying the procedures for road marking, working near the road and communication.

### Safety on the worksite

In 2004, Cofiroute focused particularly on safety at sites where it is the prime contractor. The company created a network of worksite safety coordinators. Representatives from external companies and Cofiroute meet four times a year to discuss best practices and review safety indicators. Following these meetings, the employees and visitors know how each worksite is performing against the safety rules, and have an indication of – for example – the number of incidents that occurred. In 2004, only a few equipment incidents were recorded.

Cofiroute also participated in the nationwide campaign launched by the French Ministry for Infrastructure to remind motorists of the need for caution near roadworks.



Providing assistance to a motorist on the hard shoulder

A brochure with the title “Je travaille pour vous, faites attention à moi” (I’m working for your benefit, be careful when you’re near me) was distributed on 28 and 29 May at the Saint Arnoult en Yvelines toll plaza and mailed to Liber-t subscribers and companies working on the network.

### Preparing for the future

Cofiroute is participating in numerous international research programmes aimed at developing the tools for the future and implementing the most efficient safety systems possible. One example is Advanced Road Telematics in the South-West (ARTS), which is focused on the design and deployment of intelligent transport systems (ITS) on motorway networks in south-west Europe. The partners working together on this 6-year pro-

gramme, which started in 2001, are French (Cofiroute, ASF and DSCR), Spanish (traffic department) and Portuguese (the institute of Portuguese motorways and BRISA, a motorway operating company).

The areas covered by the programme are the collection, processing and distribution of traffic data, exchanges between operators, traffic management plans, monitoring vehicles transporting hazardous materials and warning systems.

The Advanced Driver Assistance Systems in Europe (ADASE) project aims to improve road safety by developing active systems that anticipate and correct driver errors and use the alert information provided by the infrastructure upstream of incidents.



# Traffic flow

Improving the flow of traffic on the network is one of Cofiroute’s constant concerns. The 2004–2008 master plan defines the company’s priorities, particularly in this area.

Cofiroute has set up indicators to measure its operating performance, improve the flow of traffic and increase the safety of motorists. The indicators show good results for 2004, with an improvement over previous years. Delta-t, for example, which measures the time lapse between an incident being reported on the network and its announcement on Autoroute FM radio, is falling steadily. In 2004, it was less than 4 minutes 30 seconds.

## ■ Anticipation and coordination

Cofiroute organises and participates in coordination exercises with all motorway partners, in particular emergency services and law enforcement. The aim of such exercises is to anticipate exceptional situations and improve the processes for dealing with them.

For the past two years, Cofiroute has been working to strengthen the safety and viability of its network during winter months. Immediately prior to the 2004–2005 winter season (15 November to 15 March), the company organised an awareness-building campaign for employ-

ees working on the motorway in winter. The second “Coup de Lame” (operation snowplough) training course, held on 5 November, was attended by almost 200 specialists from the 14 operation control centres. The course, covering both theory and practice, was the final component of the winter operation refresher programme, which totalled over 6,500 training hours in 2004.

To complement the training programme, Cofiroute is reinforcing its mechanisms for information and coordination between the various motorway players by participating in regional winter action plans drawn up for the Ile de France, south-west and west. The plans, which set the procedures for HGV management in the event of snow, have three objectives: to avert the consequences of a winter episode, to manage traffic in order to avoid customers becoming snowed in, and to coordinate and strengthen emergency service procedures.

Cofiroute has moreover submitted a request to the Ministry of Transport for regular exercises with all motorway players on warning mechanisms and traffic management.

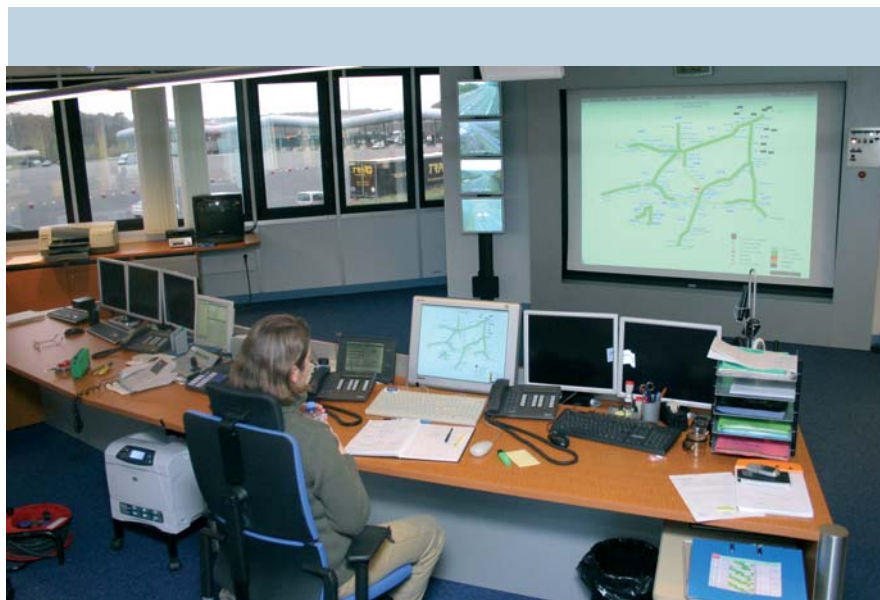
## Winter maintenance equipment



The 770 employees who participate directly in operations on the network in winter have followed special training on aspects such as driving the equipment and weather phenomena. The resources, which are in good working order throughout the period from mid-November to the end of March, include 150 salt spreaders and snowploughs, together with smaller equipment to reach difficult areas; automated salt water sprinklers on the joint A10-A11 approach road to Paris; surveillance cameras; and weather stations.

### ■ Installing more efficient systems

Cofiroute constantly upgrades or changes its systems to keep pace with developments in its sector. In 2004, the company installed its new computer-assisted operation system, Magic, for testing at the Ponthévrard and Thivars operation control centres. The system aims to enhance the quality of service by ensuring greater reliability and effectiveness, as well as shorter response times, both for gathering and distributing information and for incident management. It leads to better allocation of resources in order to optimise mutual support between operation control centres. Magic integrates all sources of information, keeps an electronic log of everything that comes in and goes out from the workstation (telephone calls, faxes, e-mails, 40 MHz radio) and will eventually suggest action plans for dealing with all kinds of event. For major events, Magic will select the measures to be taken and help operation control centre employees diagnose any emergency situation. The traffic officers will thus be able to focus more on the events and have a highly efficient information transmission system. Deployment will continue in stages until 2006.



The new information centre (IC) at Saint Arnoult en Yvelines, near Paris

In addition, to measure the quality of the increasingly widespread automatic toll equipment, Cofiroute has developed Imotep, a new quality control system. Deployed on the network at the same time as the automatic toll lanes for magnetic card payments, the system helps to improve the flow of traffic. Imotep gives control centre supervisory staff real-time information on the activity of each machine.

Cofiroute has also acquired an interest in Autoroutes Trafic, a joint-venture company formed by all French motorway concession companies with a view to selling road information.

In October 2004, Cofiroute launched Transloire-info, a new service to facilitate

Liber-t subscribers' journeys. If they wish, customers can receive free SMS alerts on their cell phones in the event of traffic congestion during peak hours or as a result of an accident. Cofiroute plans to test this service for a year in the Orléans area with Transloire subscribers who, benefiting from a partnership with the local authority, receive an 80% reduction in tolls. Over 500 customers have already subscribed.

Lastly, Cofiroute's capital expenditure programme to widen the roads gradually to three lanes and open additional toll lanes is helping to reduce problems associated with congestion. The roadworks are being carried out at night to reduce pollution and limit their impact on the flow of traffic and motorist safety.



## A user-friendly network

In 2004, Cofiroute confirmed its goal of offering customers a high and uniform level of service throughout the 928 km of its network. The actions taken focused principally on network maintenance, the introduction of new signage and services provided by such partners as fuel companies and restaurant operators.

### ■ A safer, more comfortable network with fluid traffic

To put an end to the disparities on its network due to the age of the various sections, Cofiroute is continuing to invest in resurfacing, the introduction of new signage, creating a more uniform visual environment and improving conditions in rest areas and service stations.

Every year, one-third of the road surface is treated by special equipment and one-

tenth is repaired. In 2004, there were 155 detailed inspections of bridges and tunnels, 800 visits, and 320 hydraulic structures and 40 overhead sign gantries were checked. In all, a budget of €30 million was spent on the upkeep of Cofiroute's 928 km network.

The programme to widen roads to three lanes led to three sections being brought into service on the A10 in 2004: a 5 km stretch between Tours Nord and Sainte Radegonde in April, 15 km between

Château Renault and Blois in May, and 13 km between Tours-Sainte Radegonde and Monnaie in June 2004. The company also installed 2,900 metres of earth embankments and 1,130 metres of acoustic screens along these sections to protect nearby residents from noise.

By building 33 km of new lanes in 2004, Cofiroute helped to significantly improve the flow of traffic on a part of the network used heavily by trucks. Still on the A10, the new Monts-Sorigny interchange south

### le network in figures

- 4,500 km of lanes
- 980 bridges and tunnels
- 2,500 hydraulic structures
- 970 water retention ponds
- 300 overhead sign gantries and posts
- 70 toll stations and plazas



Road inspection vehicle

of Tours was opened to traffic in October 2004. It gives direct access to Isoparc, the new business park build by the Indre et Loire regional council with institutional partners.

Cofiroute replaced the central steel crash barriers with concrete elements over 20 km between Orléans Nord and Artenay, and launched a programme to improve access to emergency telephones.

The installation of safety equipment throughout the network is included in the 2004–2008 master plan, which stipulates that 660 emergency refuge areas must be built by 2008 to give people with reduced mobility better access to the telephones.

In response to the request of local authorities, Cofiroute has started building a motorway bus terminal at Briis sous Forge. The terminal, financed by the Essonne local council, will serve as a park-and-ride facility for motorists wishing to take one of the two bus services operating on the A10. Cofiroute's infrastructure work will be completed in April 2005. The terminal will be brought into service at the end of the summer after the local council has finished the rest of the project.

■ **Signage: using the brand to project a uniform image**

Cofiroute is installing new corporate identity signage to improve the uniformity and quality of service on its motorways. The first phase, which was completed in May 2004, led to a list of some ten applications for signage along the motorway, in rest areas and at toll plazas.



**1,560 signs in total in 2006**

- Traffic
- Autoroute FM radio
- Fuel
- Tourist information
- Services

In July 2004, the company started installing prototypes at key points on the network, one of which was the Saint Arnoult en Yvelines toll plaza. The deployment of the new signage will be ramped up during the first half of 2005 at the network extremities. In total, over 1,500 signs will be erected over the 1,100 km network by 2006. Customer service areas will also undergo significant renovation.

■ **Services offered by network partners**

Cofiroute's policy aimed at making the quality of service uniform across its whole network also applies to the services provided by partners: fuel companies and restaurant operators. Service stations, for example, will offer 24-hour self-service from now on, irrespective of their location.

Cofiroute is also testing an innovative concept for motorways, with the construction of a shopping complex comprising restaurant, boutique and toilet facilities on the A71 and A11. The complex was opened to the public during the summer of 2004.



## A new marketing and service policy

With a view to significantly increasing the number of subscribers and providing a top quality service to all customers throughout its network, Cofiroute launched the diversification and promotion of its commercial offering for cars and HGVs in 2004.

The actions taken, which are part of a structured, proactive approach to improving customer satisfaction, were based on the results of surveys carried out with motorists and haulage operators.

### ■ New goals for Liber-t

This electronic toll collection system, which enables subscribers to drive – without stopping – through all toll stations on the French motorway network under concession, is attracting more and more customers. Over 23,000 people subscribed in 2004, bringing the total number of badges managed by Cofiroute to more than 84,000.

### Diversified subscription plans

Cofiroute adapts its offering to the diversity of its customers and devises toll subscription plans that meet the needs of different customer types. The Mobili-t plan, which gives a reduction of up to 40% on a frequently travelled route, grew to over 8,000 subscribers by the end of 2004.

The Vitali-t plan for customers travelling the same route regularly at weekends, had more than 2,000 subscribers at the end of the year. It has a sliding scale of reductions that go up to 30% depending on the frequency of travel.

In 2004, Cofiroute launched Universi-t, a new plan giving students significant discounts of up to 60% on journeys made during the weekend between their primary residence and university or college.

The company also introduced Duo, which offers a second badge to anyone with two cars. As a result of the Duo marketing effort, the motorway operators were able to celebrate the issue of the one millionth Liber-t badge in December 2004.

In addition, along the same lines as Transloire in the Orléans area, Cofiroute continued its policy of developing subscription plans in partnership with local



authorities. These attractive subscription plans move traffic onto the motorway that would otherwise cause congestion driving through the city centre.

### New partners

As part of the move to promote electronic toll payment, Cofiroute has carried out several operations in partnership with VINCI Park, offering a free subscription to Liber-t for six months through 15 car parks in Paris from 20 May to 30 June 2004, and with Michelin, offering a free subscription for four months against the purchase of tyres between 1 June and 31 July 2004.

Cofiroute also signed an agreement with Total to fix the Liber-t badge to the back of the fuel company's GR-Total loyalty card, making motorway use easier for the holders of that card (more than 1.5 million). The card, which already grouped together fuel and motorway toll expenditure one

one bill, gives holders access to the electronic payment service.



Although Liber-t is attracting increasing numbers of individual subscribers, especially in the Paris and central regions of France, companies only represent 20% of subscribers. Cofiroute therefore launched a series of actions at the end of 2004 aimed at expanding in that potential growth area, and expects the results to be visible in 2005.

In March 2004, Cofiroute created Fideli-t, a club aimed at rewarding subscribers for their loyalty. The club offers special prices for hotels, visits to tourist sites, amusement parks and car rentals. The full Fideli-t catalogue is available on Cofiroute's website at [www.cofiroute.fr](http://www.cofiroute.fr), where on-line subscriptions have been possible since February 2004.

### Services for everyone

Cofiroute has also launched a series of new services to increase the satisfaction of all its customers. Examples are the free SMS alerts in the event of traffic congestion and the availability of Wi-Fi in service stations. The pilot Wi-Fi programme was started in March 2004 on the A10 motorway in partnership with SFR, Total and Elicor. Customers with portable computers or PDAs now have broadband access to the Internet at the Limours, Orléans and Tours service stations.

### Customer satisfaction survey

To improve the quality of service and be ready to meet new customer expectations, Cofiroute carries out customer satisfaction surveys every year. The results of the 2004 survey, in which 2,731 customers (drivers of light and heavy vehicles) participated during two periods (winter 2003–2004 and summer 2004), were very good, with 92% of customers expressing satisfaction. They also identified where improvements are needed, in particular as regards information and the quality of service in rest areas.



Children's activities at rest areas in the summer

### Call centre

The call centre created by Cofiroute in 2003 is open seven days a week from 7 a.m. to 9 p.m. In 2004, almost 60% of the 16,000 calls received were about subscriptions, toll prices and traffic conditions. This service was set up to meet customer expectations for easier access to a wide range of information such as LNG availability at service stations, unforeseen events and diversions. The motorist survey carried out after one year of operation demonstrated the effectiveness of the call centre, which also alerts the company's safety personnel to any events occurring on the network.

### Cofiroute's website

The [www.cofiroute.fr](http://www.cofiroute.fr) website, which has been on line since June 2003, offers Internet users numerous functions, includ-

ing calculating the distance of a route, Webcam images of traffic conditions and tourist information. In addition, Liber-t subscribers can obtain information about their account, change their contact details and access the special offers of the loyalty programme. The website has been providing information about traffic on France's entire motorway network since October 2004. An interactive map, updated in real time by Cofiroute's information centre, allows customers to zoom in to the geographical area selected to find out about traffic conditions and trouble spots to be avoided.

### Customer care centres

In 2004, over 35,000 motorists visited Cofiroute's customer care centres. To meet its goals of improving the quality of service on its network, the company

launched a series of action programmes at the end of the year aimed at achieving a better fit with customer expectations, in particular as regards accessibility, by reorganising the customer care centres and their opening hours. Cofiroute is also working with other French motorway operators on the AFNOR (French standards organisation) customer care centre standardisation process.

### Activities

Cofiroute's programme of activities in 2004 included 15 weekends, representing the peak traffic periods at the start of the Easter, summer and winter holidays, as well as on Mother's day and Saint Valentine's day. The customer satisfaction survey for the year showed that over 80% of the people questioned were very satisfied with the activities, which encourage motorists to take regular breaks during their journeys. Over and beyond their entertainment value, the activities also contribute to accident prevention.

### Autoroute FM radio remains very successful

Cofiroute pioneered motorway radio stations in France when it created Autoroute FM (107.7 MHz) in 1988. In 2003, the radio station celebrated 15 years of broadcasting for the entertainment and safety of over one billion motorists. Launched for the first time in 2004, a Médiamétrie audience survey revealed that Autoroute FM is by far the most popular radio station of Cofiroute customers, with a listening rate of over 52% and an average listening time of 98 minutes.

Autoroute FM confirmed its position as the leading motorway radio station with a penetration rate of almost 80% during peak traffic days at the beginning of holiday periods.

■ **Adapting to meet the new challenges of road haulage**

Road haulage is growing very significantly all over Europe. For Cofiroute, HGV traffic represented 15.2% of the total number of kilometres travelled on its network. To meet this challenge and better satisfy haulage operators, Cofiroute has launched a new comprehensive improvement programme in three areas: preparing for inter-company electronic toll payment, enhancing the commercial offering and better management of break periods in HGV parks.

As a member of the French association of motorway and toll companies (ASFA), Cofiroute is participating in the development of a toll collection system in anticipation of the deadlines specified in the European Directive on interoperability.

On 1 July 2006, therefore, the definition of the European toll service will be “a single contract and a single on-board electronic box”.

In the field of subscription plans, Cofiroute’s goal is to build a commercial policy aimed at better meeting the needs of haulage operators. As part of the reform of the national Caplis subscription service, the company has been offering a simplified toll price grid since February 2005, as well as a new service of on-line monthly statements detailing the journeys made.

Within the framework of its 2004–2008 master plan, Cofiroute has committed to improving the level of service along its network by building a further 934 HGV parking spaces, increasing by one-third the number of spaces available (2,973) in

2004. Cofiroute will take this opportunity to make significant improvements in the quality of customer care and services in rest areas, including better separation of light vehicle and HGV traffic flows, improved lighting and the creation of break areas in service stations.

Lastly, at the end of 2004, to deal with the increasing number of assaults on drivers and thefts of vehicles or goods, Cofiroute opened an experimental pay-to-park HGV facility with security patrols. The facility is located just outside Paris.



HGV park at a service area





## Growth activities

In 2004, Cofiroute's expertise in operating tolled infrastructure was rewarded by two major successes in Germany and Greece.

### ■ Launch of Toll Collect

In Germany, the electronic toll system for HGVs, Toll Collect, developed by the consortium of Cofiroute (10%), Deutsche Telekom (45%) and DaimlerChrysler Services (45%), was successfully brought into service on 1 January 2005 following several months of in-depth testing. The system, which covers the 12,000 km of German motorways, combines GSM and GPS technologies. It will be operated by Toll Collect for 12 years, and is expected

to generate €3 billion in revenue for the German government in 2005. The factors contributing to the success were fitting over 300,000 vehicles with on-board electronic units (OBUs), the deployment of 3,500 payment terminals and employing 5,000 multilingual assistants to work at potentially difficult areas. A second generation OBU will be deployed from 1 January 2006. It will provide new features such as the updating of toll prices and the motorway network. About one million trucks will eventually use the system, which is particularly well suited to the extremely dense and close-knit German network.



OBU (on-board unit)

### ■ Opening of the Charilaos Trikoupis bridge

VINCI Concessions, through Gefyra, holds the 35-year concession for the Charilaos Trikoupis (Rion–Antirion) bridge over the Gulf of Corinth in Greece (*see photo above*). Cofiroute's subsidiary, Gefyra Litourgia, has been operating the bridge since 12 August 2004, when it was officially opened. The operation includes toll collection, traffic monitoring and user safety, as well as routine maintenance.

### ■ Operation of the future A19 motorway

On 14 October 2004, VINCI was awarded the concession contract covering the design, construction, financing and operation of the A19 motorway, which will link Artenay (A10) to Courtenay (A6) by 2009. This project for the missing link between the Atlantic seaboard and Eastern Europe was placed at the top of the government's list of nine priority motorways in December 2003. Arcour, a VINCI Concessions subsidiary, is the prime contractor and is responsible for financing the 101 km of motorway under the terms of a 65-year contract. In 2009, when Cofiroute starts operating the A19, the company's network of motorways managed will increase 9%.

### ■ The Millau viaduct

Inaugurated in December 2004, the Millau viaduct dramatically reduces the time needed to cross the Tarn valley. Cofiroute participated in this Eiffage project by providing its operations expertise during the design phase and the definition of operating tools.

## ■ USA

Cofiroute USA is working on the project to introduce the first toll system in Minnesota. The project involves converting the car pool only lanes into combined car pool and toll lanes. Cofiroute USA is participating in the development and installation of dynamic toll, transaction management and electronic toll subscription systems (back office and call centre) and will operate the motorway until 2010.



In Los Angeles, the SR 91 Express Lanes call centre operated by Cofiroute USA, received the Purdue University certificate for excellence in 2004. The university studies and rewards best practices in customer services and customer care worldwide.

## ■ UK

In September 2004, Cofiroute UK and Severn River Crossing plc, the concession company in which VINCI Concessions is a shareholder, signed a 6-year extension

(with an option for a further six years) to the toll system operating contract for the two bridges over the River Severn.

Le Crossing Ltd, the subsidiary owned jointly by Cofiroute UK (42.86%), Ringway (42.86%) and Jacobs Babbie (14.28%), continued its successful operation of the Dartford Crossing, to the east of London. On 21 April 2004, Le Crossing Ltd received IMS (Integrated Management Systems) certification, which includes ISO 9001 (quality), ISO 14001 (environment), and OHSAS 18001 (health and safety).

## ■ Chile

Operation of the Chillan–Collipulli motorway by Operadora Autopista Del Bosque, a Cofiroute subsidiary, continued satisfactorily. The company won the Chilean government's 2004 road safety award. Thanks to preventive measures taken in collaboration with Chile's Ministry of Transport, the number of accidents on the Chillan–Collipulli motorway dropped 18% between 2003 and 2004, and the number of fatalities dropped 31%. The concession is held by Autopista Del Bosque, a VINCI Concessions subsidiary.

Elsewhere, Cofiroute continued to carry out design study and assistance assignments in 2004, notably in Brazil and Portugal.

## ■ Telecommunications

Cofiroute continued its cooperation with players in the telecommunications sector,

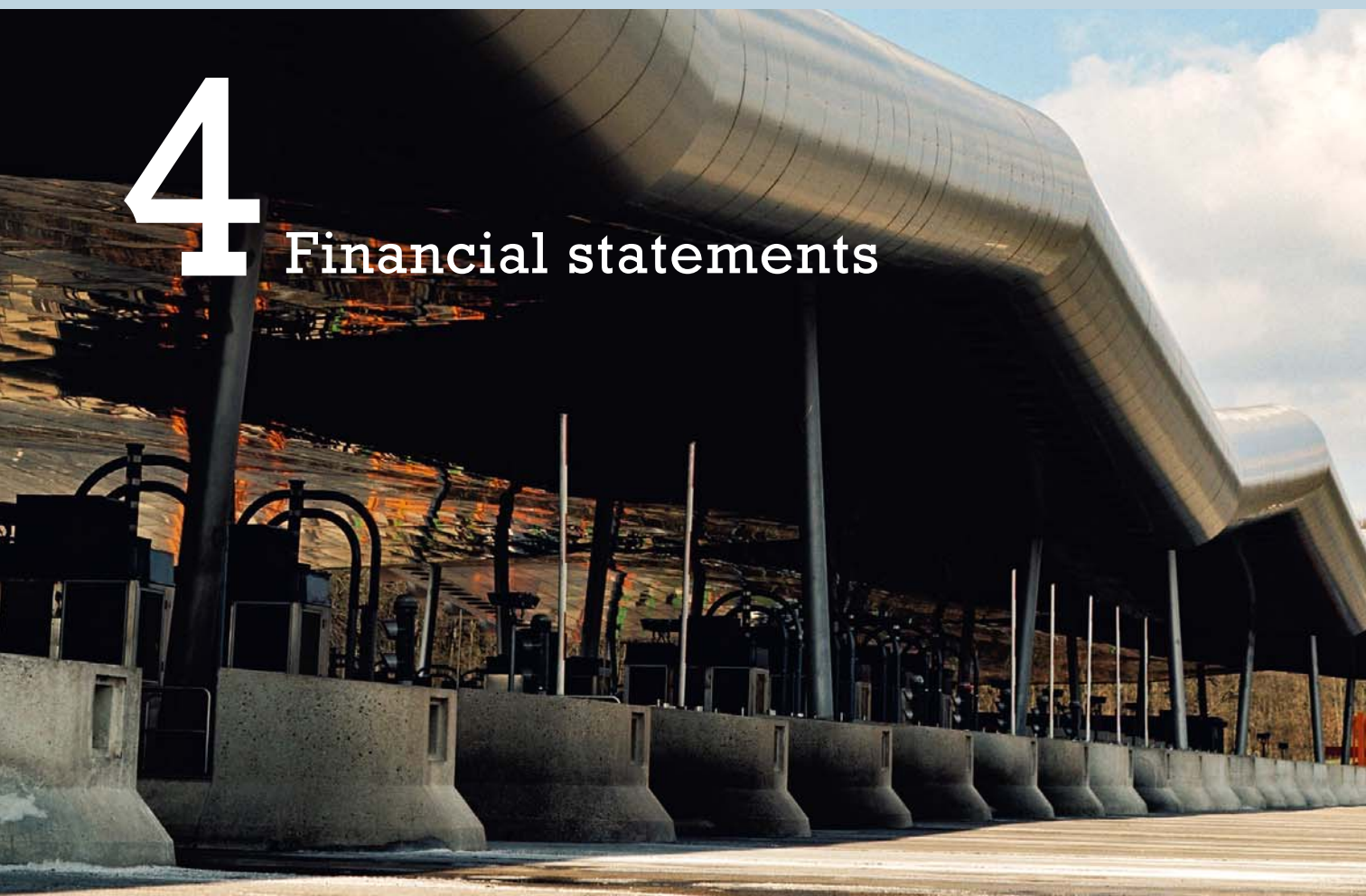
contributing to the growth of the information society. The Mélis@ project – a broadband telecommunications network in the Maine et Loire region – is now a reality. Cofiroute and ASF have made 128 km of optical fibre links (i.e. 25% of the agreed distance) available to the concession company. In addition, Cofiroute supplied almost 500 km of new optical fibre links to 9 Telecom, enabling the operator to establish a presence in Le Mans, Laval, Alençon and Angers.

Lastly, demonstrating its confidence in Cofiroute, BT (British Telecom) signed a long-term contract for the supply of a long-distance optical fibre link for its pan-European network.

## ■ Communicating know-how

Cofiroute participated in several international events in 2004 to promote its know-how and enhance its expertise in the fields of concessions and operating tolled infrastructure. The events included the European and International ITS conferences in Budapest and Nagoya, the ASECAP annual conference in Portugal, and the IBTTA Annual Meeting in Philadelphia.

# 4 Financial statements





# Balance sheet at 31 December 2004

Assets				in euros
	31 December 2004			31 December 2003
	Gross	Depreciation, amortisation and provisions	Net	
INTANGIBLE ASSETS	78,307	0	78,307	78,307
OWNED FIXED ASSETS				
Land	812,167		812,167	791,404
Plant and equipment	9,407,463	6,630,970	2,776,493	3,642,468
Other	27,353,100	15,694,421	11,658,679	12,100,816
	37,572,730	22,325,391	15,247,339	16,534,688
CONCESSION FIXED ASSETS				
Non-renewable assets in service	3,382,327,688	1,309,708,567	2,072,619,121	2,106,348,014
Renewable assets in service	433,765,564	289,345,206	144,420,358	147,573,359
Non-renewable assets in progress	1,129,645,637		1,129,645,637	721,164,277
Renewable assets in progress	31,566,433	318,737	31,247,696	22,763,516
	4,977,305,322	1,599,372,510	3,377,932,812	2,997,849,166
FINANCIAL ASSETS				
Investments in subsidiaries & affiliates and related receivables	49,301,281	47,005,000	2,296,281	2,253,281
Guarantees and deposits	41,404		41,404	271,782
	49,342,685	47,005,000	2,337,685	2,525,063
INVENTORIES	1,354,877	112,149	1,242,728	2,161,764
RECEIVABLES				
Trade receivables	35,042,146	1,805,425	33,236,721	33,398,220
Employees	217,713		217,713	220,468
State	10,856,597		10,856,597	7,343,829
Advances and progress payments made	92,537,536		92,537,536	26,278,631
Other receivables	8,069,735		8,069,735	9,038,087
	146,723,727	1,805,425	144,918,302	76,279,235
PREPAID EXPENSES	9,969,213		9,969,213	10,113,001
BANK ACCOUNTS	634,414,290		634,414,290	819,075,744
TRANSLATION DIFFERENCE, ASSETS	50,332		50,332	0
TOTAL	5,856,811,483	1,670,620,475	4,186,191,008	3,924,616,968

Equity and liabilities

in euros

	31 December 2004	31 December 2003
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	158,282,124	158,282,124
Legal reserve	15,828,212	15,828,212
Other reserves	4,209,755	4,209,755
Retained earnings	839,737,131	744,254,781
<b>NET INCOME FOR THE YEAR</b>	260,209,764	220,200,546
<b>Interim dividend</b>	(104,019,765)	(98,865,450)
<b>INVESTMENT GRANTS</b>	53,252,856	50,310,213
<b>TAX-REGULATED PROVISIONS</b>	28,725,634	30,414,644
	<b>1,256,225,711</b>	<b>1,124,634,825</b>
<b>PROVISIONS FOR LIABILITIES</b>		
Provisions for liabilities	46,111,215	90,812,959
<b>FINANCIAL DEBTS</b>		
Other borrowings	2,617,087,075	2,505,440,703
Central and local government payables	12,093,018	12,729,493
	<b>2,629,180,093</b>	<b>2,518,170,196</b>
<b>LIABILITIES</b>		
Trade payables	75,773,368	52,915,958
Customer guarantee deposits	3,052,973	3,011,402
Employees	19,772,641	17,282,731
Tax and social benefit liabilities	134,817,635	86,736,280
Other liabilities	5,767,513	25,389,588
	<b>239,184,130</b>	<b>185,335,959</b>
<b>DEFERRED INCOME</b>	<b>15,489,859</b>	<b>5,652,105</b>
<b>TRANSLATION DIFFERENCE, LIABILITIES</b>		
	0	10,924
<b>TOTAL</b>	<b>4,186,191,008</b>	<b>3,924,616,968</b>

# Statement of income year ended 31 December 2004

## Operating revenue

in euros

	31 December 2004	31 December 2003
<b>OPERATING REVENUE</b>		
<b>SALES</b>		
Toll revenue	849,062,702	814,825,014
Other income	13,239,380	14,293,733
<b>NET SALES</b>	<b>862,302,082</b>	<b>829,118,747</b>
Provision reversals	24,978,873	28,430,303
Miscellaneous income	8,053,194	15,916,585
<b>TOTAL I</b>	<b>895,334,149</b>	<b>873,465,635</b>
<b>OPERATING EXPENSES</b>		
Purchases of consumables	9,193,002	8,223,843
External investment costs	32,129,311	27,537,720
Major repairs	25,893,278	20,815,586
External operating costs	23,107,014	25,340,926
Taxes and duties	102,379,176	97,656,606
Wages, salaries and social benefit charges	86,580,952	85,207,204
Statutory profit-sharing	7,121,029	5,171,117
Other current management expenses	1,674,565	949,496
Depreciation of owned fixed assets	4,729,698	4,888,414
Depreciation of renewable assets	31,004,798	30,775,458
Special concession amortisation	84,318,406	76,331,800
Provisions for operating expenses	6,634,582	17,127,100
<b>TOTAL II</b>	<b>414,765,811</b>	<b>400,025,270</b>
<b>1. OPERATING INCOME (I- II)</b>	<b>480,568,338</b>	<b>473,440,365</b>
<b>FINANCIAL INCOME</b>		
Intermediate interest charges	55,884,339	46,911,562
Other financial income	52,975,699	35,975,412
Provision reversals	0	684,932
<b>TOTAL III</b>	<b>108,860,038</b>	<b>83,571,906</b>
<b>FINANCIAL EXPENSE</b>		
Finance charges	146,885,427	137,331,291
Provision for impairment of securities	34,502,600	12,502,400
Provision for exchange losses	50,332	
Other financial expenses	29,178	27,772
<b>TOTAL IV</b>	<b>181,467,537</b>	<b>149,861,463</b>
<b>2. NET FINANCIAL INCOME /(EXPENSE) (III - IV)</b>	<b>(72,607,499)</b>	<b>(66,289,557)</b>
<b>3. OPERATING INCOME AFTER NET FINANCIAL EXPENSE (1 + 2)</b>	<b>407,960,839</b>	<b>407,150,808</b>
<b>EXCEPTIONAL INCOME (V)</b>	<b>47,477,393</b>	<b>7,828,639</b>
<b>EXCEPTIONAL EXPENSES (VI)</b>	<b>32,971,126</b>	<b>69,021,499</b>
<b>4. NET EXCEPTIONAL INCOME /(EXPENSE) (V - VI)</b>	<b>14,506,267</b>	<b>(61,192,860)</b>
<b>CORPORATE INCOME TAX, DEFERRED TAX AND CONTRIBUTIONS (VII)</b>	<b>162,257,342</b>	<b>125,757,402</b>
<b>TOTAL INCOME (I+ III+ V)</b>	<b>1,051,671,580</b>	<b>964,866,180</b>
<b>TOTAL EXPENSES (II + IV + VI + VII)</b>	<b>791,461,816</b>	<b>744,665,634</b>
<b>NET INCOME</b>	<b>260,209,764</b>	<b>220,200,546</b>

# Notes to the financial statements

## for the year ended 31 December 2004

### ■ 1 – Key events during the year

#### **Signature of amendment 11 and second master plan for the period 2004–2008**

Amendment 11 to the intercity concession contract and the second master plan for the period 2004–2008 were signed at the beginning of 2004 with the French minister for infrastructure on the basis of a renewed partnership with the government, grounded in transparency and the clarity of reciprocal commitments.

#### **Syndicated loan**

On 28 October 2004, Cofiroute entered into a syndicated loan agreement for €1.02 billion over five years, with an option on two further years.

#### **The Toll Collect project**

The Company has a 10% interest in the Toll Collect consortium formed with Deutsche Telekom, DaimlerChrysler Services and others. This consortium has a contract to develop and operate an automated heavy goods vehicle toll collection service on the German motorway network. Entry into service, initially planned for 31 August 2003, was postponed for technical reasons related to the highly innovative nature of the project. As a result of this delay, the German government made various claims, in particular in respect of penalties, against the Consortium.

An agreement was reached on 29 February 2004 with the German government under which the Consortium will continue the project and a two-stage entry into service was set: 1 January 2005 for a provisional version and 1 January 2006 for the final version.

The second amendment to the Consortium agreement signed in 2004 between Cofiroute and its partners confirmed the €70 million ceiling on Cofiroute's financial commitments in respect of the Toll Collect project. At 31 December 2004, this €70 million commitment had been paid in full and the Company's interest in the consortium fully written down.

### **International Financial Reporting Standards (IFRS)**

The Company has studied all the effects of the application of the IFRSs to concessions; clarifications should be made regarding certain standards, and these are expected in the first half of 2005.

### ■ 2 – Accounting policies

Cofiroute's annual financial statements are denominated in euros and comply with the provisions of the French chart of accounts (ministerial order dated 22 June 1999).

#### **2 - 1 Fixed assets**

These are divided into two categories: concession fixed assets and the Company's own assets.

#### **Concession fixed assets**

Concession fixed assets are the movable and immovable assets that are directly necessary for the design, construction and operation of the motorway network. They are financed by the concession operator and will be returned free of charge to the French government at the end of the concession.

They are recognised at their historic cost and comprise:

- land, research studies, works and subsequent improvement;
- pre-operational expenses and borrowing costs: loan issuance expenses and premiums, redemption premiums and intermediate interest;
- the cost of staff allocated to monitoring construction of the asset.

They are subject to special concession amortisation so as to charge the financing costs over the remaining life of the concession.

There are two kinds of concession asset:

- **Fixed assets that are not renewable** during the period of the concession: these are subject to this special amortisation only. As they do not have to be renewed, they are not subject to depreciation charges but may require major repairs to maintain them in good condition until the end of the concession. Interest expense borne during the construction of assets is capitalised as part of their cost until they enter service.
- **Renewable assets:** since their economic life is less than the term of the concession, they must be renewed at least once during the term of the concession. These assets are therefore subject to a depreciation charge which is intended to cover the cost of their replacement during the term of the concession and the special concession amortisation charge, calculated on the basis of their book value.

#### Intermediate interest

Intermediate interest is interest that has been capitalised during the construction period and deducted from finance charges; it is capitalised under the cost of construction until the assets enter service and is therefore included under assets in the balance sheet.

- When funds are borrowed specifically for the construction of a motorway section, the amount of capitalisable borrowing costs corresponds to the actual costs incurred on the related borrowing during the year, net of any income obtained from temporarily investing these borrowed funds.
- When the funds are borrowed for general purposes and used for the construction of several sections, the amount that may be capitalised as part of the cost of the section is determined by applying a capitalisation rate to the expenses borne during the construction phase. This capitalisation rate is equal to the weighted average of the borrowing costs on outstanding borrowings by the company for the year, excluding specific borrowings.

#### Depreciation and amortisation

- Special concession amortisation applies to all sources of financing – except subsidies – used to finance the gross cost of the concession in service. The straight-line method is applied over the remaining duration of the concession, namely 27 years at 1 January 2004.

- The difference between the replacement value and the acquisition value of renewable assets does not give rise to the creation of a provision for renewal, because their net amount is amortised by the special amortisation charge.

- Depreciation is calculated using either the straight-line or diminishing balance method in accordance with article 39A of the French Tax Code. The difference between depreciation for accounting and for tax purposes is booked under “tax-regulated provisions”, under liabilities.

- Depreciation periods are between 10 and 30 years for buildings, and from 3 to 10 years for fittings, equipment, furniture and vehicles. Software is written off over one year for tax purposes.

#### Owned fixed assets

These fixed assets are Cofiroute’s property and comprise all the fixed assets not used for the operation of the motorway concession. They are recognised at cost and depreciated on a straight-line basis over their useful economic life, i.e. 3 to 10 years for software, fittings, equipment, furniture and vehicles.

#### Financial assets

Shares in subsidiaries and affiliates are recognised in the balance sheet at historic cost. A provision is recognised if their fair value, based primarily on that company’s net book value, is lower than cost.

### 2 - 2 Inventories

Chlorides and fuel are measured on a FIFO basis.

Other inventories are measured at acquisition cost using the “weighted average unit cost method”. A provision for impairment is recognised whenever their carrying amount is less than their cost.

## **2 - 3 Trade and other operating receivables**

Trade and other operating receivables are valued at their nominal value less provisions to take account of the probability of recovery.

## **2 - 4 Marketable securities**

Marketable securities (money-market OEICs) are recorded at acquisition cost and measured at their market price.

## **2 - 5 Borrowings**

Loan issuance expenses are written off on a straight-line basis over the duration of the corresponding loans.

## **2 - 6 Financial instruments**

The Company manages the risk of interest rate fluctuations on its borrowings using derivative financial instruments such as interest rate swaps. As these transactions are carried out for hedging purposes, any gains and losses are recognised over the same period as the item covered.

## **2 - 7 Investment grants**

Grants received to finance fixed assets are recognised under shareholders' equity. They are deducted from concession fixed assets for the purposes of calculating the special concession amortisation.

## **2 - 8 Provisions**

Provisions are liabilities of uncertain timing or amount but are intended to cover expenses that at the balance sheet date have become likely or certain to occur as a result of a past or present event.

A provision for major repairs is calculated at the end of the period, based on a multi-year works plan drawn up by the Company's technical department and revised annually to take account of changes in costs and in the corresponding spending plans.

## **2 - 9 Corporate income tax**

Cofiroute recognises a provision for deferred tax in its annual financial statements based on the tax rate in force at the year end. This provision is determined by taking into account timing differences relating to intermediate interest, statutory employee profit-sharing and the Organic sales-based tax.

Corporate income tax is calculated on the basis of the tax group comprising Cofiroute (parent company), Cofiroute Participations, SPTF et SERA (companies included in the tax group). The tax charge borne by these subsidiaries is equal to that which they would have borne had they not been part of a tax group. Any savings, other than those relating to carry forward tax losses, are retained by the parent company.

## **2 - 10 Consolidation**

Cofiroute does not prepare consolidated financial statements because of the non-recurring nature of revenue from subsidiaries to date.

Cofiroute's financial statements are fully consolidated in the consolidated financial statements of VINCI, a "Société Anonyme" (French public limited company) with share capital of €828,733,670 and its registered office at 1 cours Ferdinand de Lesseps, 92851 Rueil Malmaison Cedex, France.

■ 3 – Notes to the accounts

3 - 1 Assets

3 - 1 - 1 Fixed assets – gross

Fixed assets in progress mainly relate to work on the A86, A85 and A28 motorways, and intermediate interest.

	€ millions			
	Movements in the period			
	1 January 2004	Increases	Decreases	31 December 2004
Intangible assets	0.1	0.0	0.0	0.1
Owned fixed assets:	35.5	3.6	1.5	37.6
Concession fixed assets	4,494.0	508.8	25.5	4,977.3
in service	3,752.0	92.5	19.6	3,847.7
in progress	742.0	416.3	5.9	1,129.6
Financial assets *	17.0	35.1	2.8	49.5
<b>TOTAL</b>	<b>4,546.6</b>	<b>547.5</b>	<b>29.8</b>	<b>5,064.3</b>
* The loans made to SAFER in respect of sections in progress have been reclassified under concession fixed assets in progress.				

3 - 1 - 2 Depreciation and amortisation

Following the decree dated 26 September 1995 approving the eighth amendment to the concession agreement made between the French government and Cofiroute, the end of the concession of motorways A10, A11, A28, A71, A81, A85 and A821 is set at 31 December 2030. The special concession amortisation is therefore calculated on this basis.

	€ millions			
	Movements in the period			
	1 January 2004	Increases	Decreases	31 December 2004
Intangible assets	0.0	0.0	0.0	0.0
Owned fixed assets:	18.9	4.7	1.3	22.3
Concession fixed assets				
- Special concession amortisation	1,225.4	84.3	0.0	1,309.7
- Renewable assets	272.5	31.0	14.1	289.4
<b>TOTAL</b>	<b>1,516.8</b>	<b>120.0</b>	<b>15.4</b>	<b>1,621.4</b>

3 - 1 - 3 Subsidiaries

	€ millions
	<b>SUBSIDIARIES*</b> <b>Cofiroute Participations</b> <b>6 to 10 rue Troyon</b> <b>92316 SEVRES cedex</b> <b>Siret Number:</b> <b>352 579 353 00025</b>
SHARE CAPITAL	2.2
Shareholders' equity other than capital (1)	0.9
Percentage of capital owned	99.99 %
Book value of shares owned	
- Gross	2.2
- Net	2.2
Outstanding loans and advances made by the Company	-
Guarantees given by the Company	-
Net sales excluding taxes (2) in the last financial year	5.2
Earnings for the last financial year	3.9
Dividends received by the Company during the period (3)	4.9
Comments	-

(\*) 2004 revenues  
(1) including earnings for the year  
(2) financial income  
(3) received by the parent company (Cofiroute Participations)

3 - 1 - 4 Maturity dates of receivables

All operating receivables are due within one year and amount to €146.7 million, including €92.5 million progress payments on sections of the A28, A85, Angers bypass and A86 under construction.

3 - 1 - 5 Provisions for impairment

Provisions for impairment changed during the period as follows:

	€ millions			
	Movements in the period			
	1 January 2004	Increases	Decreases	31 December 2004
Renewable assets	0.3	0.0	0.0	0.3
Equity interests	12.5	* 34.5	0.0	47.0
Inventories	0.0	0.1	0.0	0.1
Trade receivables	3.8	0.6	2.0	1.8
<b>TOTAL</b>	<b>16.6</b>	<b>34.6</b>	<b>2.0</b>	<b>49.2</b>

\* Provision for impairment of shares in Toll Collect

3 - 1 - 6 Prepaid expenses

Prepaid expenses mainly comprise the *redevance domaniale* concession fee for €9.8 million.

3 - 2 Equity and liabilities

3 - 2 - 1 Capital stock

Capital stock is represented by 4,058,516 shares of €39 nominal, fully paid-up.

3 - 2 - 2 Provisions

				€ millions
	Movements in the period			31 December 2004
	1 January 2004	Increases	Decreases	
Provisions for major repairs	53.1	6.4	22.1	37.4
Provisions for retirement obligations	0.9	0.0	0.9	0.0
Provision for financial commitments	36.3	0.0	36.3	0.0
Other provisions	0.5	8.2	0.0	8.7
<b>TOTAL</b>	<b>90.8</b>	<b>14.6</b>	<b>59.3</b>	<b>46.1</b>

The Company's retirement obligations to its employees are covered by a specific insurance policy.

3 - 2 - 3 Maturity dates of payables

Operating payables include deferred tax for €80.4 million.

				€ millions
	Gross	Within one year	Payable after one year and within five years	Payable after five years
Borrowings	2,629.2	100.0	1,213.4	1,315.8
Trade and other operating payables	239.2	239.2		
Deferred income	15.5	3.0	8.4	4.1
<b>TOTAL</b>	<b>2,883.9</b>	<b>342.2</b>	<b>1,221.8</b>	<b>1,319.9</b>

3 - 2 - 4 Borrowings

Fixed-coupon debenture bonds have been issued for €2,194.6 million. European Investment Bank (EIB) loans have been taken out at a floating rate for €325 million and at a fixed rate for €75 million.

Interest rate swaps on a notional amount of €1,275 million have changed fixed rates into floating rates. Caps were put in place at the same time as the interest rate swaps made in 2004 in order to protect the company from interest rate rises.

Derivative interest rate instruments have the same maturity dates as the items hedged.

Taking into account the swap transactions and the variable portion of the EIB loans, 53% of the Company's gross borrowings are floating rate and not capped.

There are no financial ratio covenants that may affect interest rates or trigger early repayment of borrowings.

	€ millions			
	Gross	Within one year	Payable after one year and within five years	Payable after five years
Bond loans	2,194.6	76.2	1,208.4	910.0
Other borrowings (EIB)	400.0			400.0
Accrued interest	22.5	22.5		
<b>TOTAL</b>	<b>2,617.1</b>	<b>98.7</b>	<b>1,208.4</b>	<b>1,310.0</b>

3 - 2 - 5 Deferred income

Deferred income mainly comprises:

- Operating rights invoiced to a telecommunications operator recognised as revenue over the duration of the agreement granting these rights, for €3.6 million.
- Financial income corresponds to payments received by the Company in connection with swaps:
  - €9.6 million corresponding to the payment of €11.8 million (initial amount received) following cancellation of offsetting swaps on 7 October 2004;
  - €2.2 million corresponding to the payments received when interest rate swaps were set up in respect of the bond loans dated November 1997, November 1999 and April 2003.

These payments are apportioned over the period of the loans.

3- 3 Statement of income

3 - 3 - 1 Exceptional income and expense

Exceptional items comprise:

	€ millions	
	31 December 2003	31 December 2004
<b>Exceptional income</b>	<b>7.8</b>	<b>47.5</b>
on operating transactions	0.5	0.0
on capital transactions	1.4	0.4
reversals of provisions, transfers of charges *	5.9	47.1
<b>Exceptional expenses</b>	<b>69.0</b>	<b>33.0</b>
on operating transactions	21.1	4.3
on capital transactions	2.2	11.5
depreciation, amortisation and provision charges	45.7	17.2
<b>Net exceptional income/(expense)</b>	<b>(61.2)</b>	<b>14.5</b>
* including €36.3 million in respect of Toll Collect in 2004		

3 - 3 - 2 Corporate income tax

The tax charge of €162.3 million comprises:

- corporate income tax arising on ordinary operations for €136.5 million;
- deferred tax for €17.2 million;
- the 3% exceptional levy for €4.1 million and the 3.3% social contribution levy for €4.5 million.

3 - 3 - 3 Unrealised tax position

The Company has recognised cumulative tax-regulated supplementary depreciation of €28.7 million as at 31 December 2004 which results in an unrealised tax liability of €9.9 million, applying the 33.33% tax rate and the 3% exceptional levy.

3 - 4 Additional information

3 - 4 - 1 Off balance sheet commitments

- Commitments given to third parties either in the form of guarantees issued by banks on behalf of Cofiroute or directly: €11.3 million;
- Completion guarantees in connection with Toll Collect: a joint and several commitment was issued with all of the Company's partners in favour of the German government to guarantee complete execution of the German contract. However, during the first half of 2004, Cofiroute received release of the bank guarantees that had been issued in connection with this commitment ;
- Commitments received in the form of guarantees issued by banks on behalf of toll subscribers in favour of Cofiroute: €14.6 million;
- Commitments received in the form of guarantees issued by banks on behalf of SAFER in favour of Cofiroute: €2.5 million;
- Financial commitments: signature of a syndicated loan of €1.02 billion ;
- Investment commitments: under the terms of its concession contracts, the Company is committed to undertaking investments of €2,887 million over the next five years.

3 - 4 - 2 Average numbers employed

	Employees	Staff made available (1)
Management	202	
Supervisory	352	
Other clerical and manual	1,458	7
<b>TOTAL</b>	<b>2,012</b>	<b>7</b>

(1) Head office (temporary staff)

# Five-year financial summary

	2000	2001	2002	2003	2004
<b>1. CAPITAL STOCK AT THE END OF THE YEAR</b>					
Capital stock (€)	158,282,124	158,282,124	158,282,124	158,282,124	158,282,124
Number of shares in issue	4,058,516	4,058,516	4,058,516	4,058,516	4,058,516
<b>2. OPERATIONS AND NET INCOME FOR THE YEAR</b>					
Net sales (1) (€)	788,962,601	740,813,796	787,098,646	829,118,747	862,302,082
Income before tax, employee profit-sharing, depreciation and provisions (€)	390,117,576	429,776,875	452,478,797	503,507,687	535,894,862
Income tax at 33.33% (€)	94,178,736	96,708,539	104,107,072	104,113,407	136,464,521
Supplementary income tax levies (€)	12,500,618	8,828,894	6,533,566	6,533,965	8,572,086
Income after tax and levies, employee profit-sharing, depreciation and provisions (€)	188,956,764	195,128,442	215,768,279	220,200,546	260,209,764
Earnings distributed for the period (€)	102,954,471	105,521,416	116,479,409	124,718,197	138,557,736
Long-term debt (€)	1,504,805,501	1,734,022,063	1,802,007,360	2,405,258,360	2,529,169,270
Cost of the concession (€)	3,749,068,519	4,058,277,615	4,279,084,434	4,494,056,141	4,977,305,322
<b>3. INCOME STATED PER SHARE</b>					
Income after tax and employee profit-sharing, but before depreciation and provisions (€)	68.43	78.48	82.82	95.52	94.55
Income after tax, employee profit-sharing, depreciation and provisions (€)	46.56	48.08	53.16	54.26	64.11
Dividend paid per share (€)	25.37	26.00	28.70	30.73	34.14
<b>4. EMPLOYEES</b>					
Average number of employees during the period	1,928	1,981	1,962	1,991	2,012
Wages and salaries (€)	53,654,361	56,100,117	57,245,897	57,231,894	59,271,947
Social security costs and other social benefit expenses (€)	25,059,804	25,082,735	26,605,385	27,975,310	27,309,005
(1) Until 2002, net sales comprised toll income only.					

# Cash flow statement

	€ millions	
	31 December 2004	31 December 2003
Cash position at the beginning of the year	819.1	249.8
<b>OPERATING ACTIVITIES</b>	260,209,764	220,200,546
Cash flow from operations, excluding transfers of expenses	321.8	326.5
Change in working capital requirement	(14.1)	(48.2)
<b>A. Net cash flows from operations</b>	<b>307,7</b>	<b>278,3</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(488.8)	(208.4)
Investment grants	2.9	4.5
Disposal of fixed assets	0.4	1.4
<b>B. Net cash outflow used in investing activities</b>	<b>(485.5)</b>	<b>(202.5)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(129.9)	(127.8)
Borrowings and advances	204.0	681.0
Repayment of borrowings and advances	(81.0)	(59.7)
<b>C. Net cash flows from /(used in) financing activities</b>	<b>(6.9)</b>	<b>493.5</b>
<b>Change in cash position (A + B + C)</b>	<b>(184.7)</b>	<b>569.3</b>
Cash position at the end of the year	634.4	819.1

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**Statutory Auditors’ report  
on the annual financial statements  
for the year ended  
31 December 2004**

To the Shareholders,

In accordance with our appointment as auditors by your Shareholders General Meeting, we hereby report to you for the year ended 31 December 2004 on:

- the audit of the accompanying financial statements of Cofiroute;
- the reasons for our conclusions; and
- the specific verifications and information required by law.

These annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

**I. Opinion on the financial statements**

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures contained 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 statements. We believe that our audit provides a reasonable basis for our opinion, which follows.

In our opinion, the financial statements give a true and fair view of the company’s financial position and assets and liabilities as of 31 December 2004 and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

**II.- Reasons for our conclusions**

As required by article L. 225-235 of the French Code of Commerce regarding disclosure of the reasons for our conclusions, we bring the following matters to your attention:

Cofiroute has a holding of 10% in the “Toll Collect” consortium. The agreements and risks arising from the postponement of the entry into service of the project, and the financial and accounting consequences, are presented in Note 1 to the financial statements. On the basis of the information currently available, our assessment of the provisions was based on the contractual agreements within the consortium.

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

**III - Specific verifications and information**

We have also carried out, in accordance with the professional standards applicable in France, the procedures required by law on the financial information provided by the Board of Directors.

We have no comments as to the fair presentation and conformity with the annual financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders, with respect to the financial position and the annual financial statements.

Paris, 5 April 2005  
The Statutory Auditors

**Salustro Reydel**  
Benoît Lebrun  
Michel Berthet

**Mazars & Guérard**  
Xavier Charton

**Compagnie Financière et Industrielle des Autoroutes - Cofiroute**

French public limited company ("Société Anonyme") with share capital of €158,282,124  
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