APRR

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

CONTENTS

FINANCIAL STATEMENTS

1. CONSOLIDATED BALANCE SHEET

1.1. Assets

At 31 December (€ million)	**Notes**	**2007**	**2006**
Non-current assets			
Non-current assets held under concessions	3	7,380.2	7,243.8
Investments in associates	4	1.4	1.4
Other non-current financial assets		30.9	32.3
Other non-current assets		0.2	0.4
Total non-current assets		7,412.6	7,277.9
Current assets			
Inventories		8.5	9.1
Trade and other receivables	5	103.9	115.3
Current tax assets		-	0.2
Other current assets	6	89.9	60.2
Cash and cash equivalents	7	71.8	130.5
Total assets		**7,686.6**	**7,593.1**

1.2. Equity and liabilities

At 31 December (€ million)	**Notes**	**2007**	**2006**
Capital and reserves			
Share capital	9	33.9	33.9
Consolidated reserves		(251.3)	142.4
Profit for the year		340.7	263.1
Group share of shareholders' equity		123.3	439.4
Minority interests		0.2	0.2
Total equity		**123.5**	**439.6**
Non-current liabilities			
Borrowings	8	6,194.2	5,816.3
Deferred tax liabilities	22	212.0	215.1
Provisions	10	20.1	18.3
Other non-current liabilities	13	43.2	47.4
Current liabilities			
Trade and other payables		178.0	150.9
Borrowings	8	188.0	202.4
Non-current borrowings due within one year	8	538.3	548.6
Current tax liability		34.3	-
Provisions	10	13.5	15.7
Other current liabilities	13	141.3	138.8
Total equity and liabilities		**7,686.6**	**7,593.1**

2. CONSOLIDATED INCOME STATEMENT

Year ended 31 December (€ million)	**Notes**	**2007**	**2006**
Revenue	**14**	**1,802.6**	**1,670.2**
Other operating revenue		0.1	0.3
Purchases and external charges	15	(162.3)	(153.2)
Employee benefit expenses	16	(208.9)	(209.3)
Taxes (other than income tax)	17	(228.8)	(231.7)
Depreciation and amortisation expenses	18	(345.5)	(329.2)
Provisions	18	3.3	1.5
Other operating income (expenses) from ordinary activities	19	3.9	(4.9)
Operating profit on ordinary activities		**864.3**	**743.6**
Other income (expenses) from operations	19	1.6	(3.0)
Operating profit		**866.0**	**740.6**
Income from cash and cash equivalents	20	9.5	21.7
Finance costs	21	(352.7)	(359.6)
Net finance costs		**(343.2)**	**(337.9)**
Other financial income (expenses)		(1.7)	0.2
Share of profit of associates		-	(0.1)
Income tax expense	22	(180.2)	(139.6)
Profit for the year		**340.9**	**263.3**
Attributable to:			
- Equity holders of the parent company		340.7	263.1
- Minority interests		0.2	0.2
Earnings per share attributable to equity holders of the parent company			
- Basic earnings per share (euros)		3.01	2.33
- Diluted earnings per share (euros)		3.01	2.33

3. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ million)	Share capital	Share premium	Reserves	Profit for the year	Group share	Minority interest	Total equity
At 1 January 2006	**33.9**	**1,292.9**	**218.3**	**194.6**	**1,739.7**	**0.7**	**1,740.4**
Appropriation of 2005 profit			194.6	(194.6)	-		-
Dividends		(899.9)	(377.4)		(1,277.3)		(1,277.3)
Interim dividends				(292.8)	(292.8)		(292.8)
Profit for the year				263.1	263.1	0.1	263.2
Change in fair value of cash flow derivatives			(5.9)		(5.9)	(0.6)	(6.5)
Total income and charges recognised directly to equity			*(5.9)*	*263.1*	*257.2*	*(0.5)*	*256.7*
At 31 December 2006	**33.9**	**393.0**	**(250.6)**	**263.1**	**439.4**	**0.2**	**439.6**
Appropriation of 2006 profit			263.1	(263.1)	-		-
Dividends		(392.6)	(143.2)		(535.8)	(0.2)	(536.0)
Interim dividends				(116.4)	(116.4)		(116.4)
Profit for the year				340.7	340.7	0.2	340.9
Change in fair value of cash flow derivatives			(4.5)		(4.5)	-	(4.5)
Total income and charges recognised directly to equity			(4.5)	340.7	336.2	0.2	336.4
At 31 December 2007	**33.9**	**0.4**	**(135.2)**	**224.3**	**123.3**	**0.2**	**123.5**

4. CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December **(€ million)**	**2007**	**2006**
Cash and cash equivalents at the beginning of the year	**131**	**617**
- Profit for the year	341	263
- Income tax expense	180	139
- Net interest expense	346	360
- Depreciation and amortisation expense and provisions	349	331
- Share-based payments and other adjustments	2	-
- Gains on disposals	1	3
- Taxes paid	(146)	(153)
- Interest paid	(360)	(368)
Cash generated by operations	712	575
Movement in working capital related to ordinary activities	(13)	(24)
Net cash from operating activities (I)	**699**	**551**
- Purchases of assets held under concessions	(461)	(324)
- Purchases of non-current financial assets	-	3
Total purchases on non-current assets	(461)	(321)
Proceeds from disposals of non-current assets	4	543
Net cash from (used in) investing activities (II)	**(456)**	**222**
Dividends paid	(652)	(1,571)
Repayment of borrowings	(792)	(921)
New borrowings	1,143	1,233
Net cash used in financing activities (III)	**(301)**	**(1,259)**
Net decrease in cash and cash equivalents (I+II+III)	**(59)**	**(486)**
Cash and cash equivalents at the end of the year	**72**	**131**

NOTES TO THE 2007 CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Autoroutes Paris-Rhin-Rhône Group is primarily composed of two companies - Autoroutes Paris-Rhin-Rhône (APRR) and Autoroutes Rhône-Alpes (AREA) - which operate motorway networks whose construction they financed under the terms of two different motorway concession agreements that expire in 2032. Contracting contracts define the investment programmes for the two concessions and practices regarding tariffs for the period 2004 to 2008.

The network covers a total of 2,279 kilometres of motorways, 2,215 kilometres of which are in service.

The motorway concession agreements and the related specifications are the principal instruments defining the relations between the French government, Autoroutes Paris-Rhin-Rhône and Autoroutes Rhône-Alpes: they govern the construction and operation of the motorways, the financial provisions applicable, the term of the concessions and the conditions for the return of the facilities at the end of the concession.

The principal provisions that could influence the operating outlook include:

- the obligation to maintain all structures in good service condition and to use every resource to maintain the continuity of traffic flows under good conditions;
- the provisions setting the toll rates and the rules for changing the rates;
- the clauses stipulating the provisions that will apply in the event of a change in the technical regulations or tax rules applicable to motorway companies; if such a change were likely to seriously compromise the financial position of the concessions, the State and the motorway company would come to a mutual agreement regarding compensation;
- the provisions that would guarantee the repair of the concession works at the expiration date, particularly the establishment, seven years prior to the end of the concession, of a maintenance and replacement programme for the last five years;
- the conditions for returning the assets to the State at the end of the concession and the restrictions on the assets: the assets to be returned shall revert to the State without financial consideration and they may not be sold or carry pledges or sureties;
- the authority of the French government to pre-emptively terminate concession contracts and to buy back concession contracts: under public law, the State has a unilateral option to terminate concession in the public interest and under the control of the courts; in addition, the agreement gives the French government a buyback right as of 1 January 2012 on the grounds of the public interest.

A separate concession agreement covers the operation of the Maurice Lemaire Motorway Tunnel by Autoroutes Paris-Rhin-Rhône until 31 December 2022. The operation of this concession has been interrupted since 16 April 2004 in order to allow completion of the work to bring the tunnel into compliance with safety standards. The tunnel is expected to be re-opened in the summer of 2008.

APRR is a limited company (*Société Anonyme* - *SA*) having its registered office at 36, rue du Docteur Schmitt, 21850 Saint-Apollinaire, France.

It is controlled by Eiffage Group through its subsidiary Eiffarie, which is owned jointly by Eiffage Group and the investment funds of Macquarie group.

The 2007 consolidated financial statements were approved by the Board of Directors on 26 February 2008.

Significant events in 2007

None

2. SIGNIFICANT ACCOUNTING POLICIES AND METHODS

2.1. Basis of preparation

The consolidated financial statements of APRR Group for the year ended 31 December 2007 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union on 31 December 2007.

The information contained in the consolidated financial statements is presented in millions of euros unless otherwise indicated.

As a rule, assets and liabilities are reported at cost in the balance sheet, net of any amortisation and depreciation, subject to the following exceptions:

- cash equivalents, financial investments and derivative instruments are measured at fair value;
- provisions for liabilities and charges represent the discounted present value of the estimated expenditure to settle the obligation;
- certain non-current assets are measured at their realisable value if lower than amortised cost;
- provisions for employee benefits provided under defined benefit plans are measured on the basis described in Note 2.11 and section 10.

Changes in International Financial Reporting Standards (IFRS) up to the balance sheet date are summarised below:

a) The following new standards, interpretations and amendments took effect for annual periods beginning on or after 1 January 2007:

   IFRS 7, “Financial Instruments: Disclosures”, and Complementary Amendment to IAS 1, “Presentation of Financial Statements - Capital Disclosures”. These pronouncements introduce new requirements to improve the information on financial instruments given in the financial statements.

   IFRIC 8, “Scope of IFRS 2”, IFRIC 9, “Reassessment of Embedded Derivatives”, and IFRIC 10, “Interim Financial Reporting and Impairment”. These interpretations have no impact on the consolidated financial statements.

b) The following standards, interpretations and amendments were not in effect for annual periods ending on 31 December 2007 and the Group did not elect to apply these pronouncements before their effective date for the preparation of the financial statements.

   IFRIC 11, Group and Treasury Share Transactions”, and IFRS 8, “Operating Segments”. IFRIC 11, which is effective for annual periods beginning on or after 1 January 2008, is not expected to have any impact on the financial statements. As regards IFRS 8, which is effective for annual periods beginning on or after 1 January 2009, its impact has not yet been measured.

   IFRIC 12, “Service Concession Arrangement”. This interpretation, which has been published by the International Accounting Standards Board (IASB), is still under review by the European Union. It is still expected to come into effect for annual periods beginning on or after 1 January 2008.

   At the request of the European Parliament, the European Commission has sent out a questionnaire to measure the potential impact of endorsing this interpretation. The results are expected to be presented in March 2008 and a decision to be taken in mid-2008.

This interpretation makes a distinction between two types of public service concession arrangements, each with its own accounting method:

1) Arrangements under which the operator is directly remunerated by the user and for which it ultimately bears the operating risk. The assets concerned by these arrangements would be recorded as intangible assets, reflecting the right of the concession operator to charge users of the public service. This approach would apply in particular to the motorway infrastructure currently operated by the Group;

2) Arrangements under which the operator is remunerated by the body granting the concession regardless of the conditions of use of the assets. The corresponding assets would be recorded as a financial asset under "Financial receivables" and amortised according to the contractual financial conditions of each arrangement.

APRR has not elected for the early application of this interpretation at 31 December 2007. The impact of applying this interpretation is currently being assessed. Its application by the Group will require modifications to accounting procedures applicable to service concession agreements, notably regarding the method of accounting for provisions to maintain the various infrastructures in working condition.

In the process of applying the accounting policies, management has relied upon judgements and estimates that affect the amount at which assets, liabilities, contingent liabilities, revenue and expenses were measured at the date the financial statements were drawn up.

In particular, the decision was taken to recognise investments in respect of service concession agreements as property, plan and equipment.

2.2. Basis and methods of consolidation

Companies are consolidated under the full consolidation method when the Group controls directly or indirectly more than 50% of the voting rights or exercises effective control. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of the enterprise so as to obtain economic benefits from its activity.

Companies are accounted for using the equity method when the Group exercises, directly or indirectly, significant influence over the enterprise. When the company is not controlled exclusively, the Group is presumed to exercise significant influence when it controls at least 20% of voting rights.

Enterprises whose activities are not material in relation to the Group are not consolidated.

APRR Group consists of the parent company Société des Autoroutes Paris-Rhin-Rhône (APRR), its 99.82%-owned subsidiary Société des Autoroutes Rhône-Alpes (AREA) and Adelac, a 49.9%-owned subsidiary of AREA that is consolidated under the equity method.

2.3. Non-current assets held under concessions

Nearly all non-current assets in the Group's balance sheet represent assets held under service concession agreements. Most of these assets will be returned to the French government at no charge when the concession expires.

The concession covers the motorways or motorway sections operated by the Group, as well as all land, works and facilities needed to build, maintain and operate each motorway or motorway section, including links to existing roadways, outbuildings and ancillary facilities directly needed to serve motorists or created to improve operations.

Non-current assets under the concessions are either “non-renewable” assets during the term of the concession (particularly infrastructure and civil engineering works), or “renewable” assets, which have a useful life shorter than the concession (surface course, toll equipment, signage, remote transmission and video surveillance equipment, computers, motor vehicles and tooling). These assets are reported on the balance sheet at their historical cost, net of accumulated depreciation.

Non-renewable assets come from initial investments. Subsequent capital expenditure is referred to as supplementary investments on motorways in service. Non-renewable assets held under concessions are reported on the balance sheet at their historical cost, including borrowing costs and certain expenses related directly to construction. They are depreciated using the straight line method over the period between the date they enter service and the end of the concession.

Renewable assets used in the operations are assets with a useful life that is less than the term of the concession. They are depreciated almost exclusively using the straight line method over their useful life, which is estimated at between 3 and 12 years.

In addition, certain sections built by the French government, which are geographically integrated into the Group’s network, have been made available to APRR by the concession authority for the term of the concession, at the end of which, they will be returned to the concession authority. These assets do not appear on the Group’s balance sheet.

Capital-based grants are deducted from the cost of the non-current assets concerned.

Costs incurred during the construction are integrated into the cost of civil engineering works.

The methods describe above comply with IFRS as applied at the balance sheet date. These methods will be reviewed when IFRIC 12 come into effect as explained in section 2.1 b) above.

2.4. Borrowing costs

Borrowing costs that are directly attributable to the construction of a qualifying asset are capitalised as part of the cost of the asset. In the Group’s case, qualifying assets are assets held under concessions for which the period of time to get ready for use exceeded 12 months.

In respect of qualifying assets:

- interest is capitalised on the basis of the average monthly value of the assets or work in progress for which a payment has been made during the year;
- the specific effective interest rate for the loan is applied to this monthly average disbursement, if the qualifying asset has been financed by a specific loan, or the weighted average effective interest rate for other loans for qualifying assets not financed by a specific loan.

2.5. Asset impairment

Given the legal terms of the existing concession agreements and the financial provisions governing these agreements, two cash-generating units (CGU) have been distinguished: one for the two APRR concessions and the other for the AREA concession.

2.6. Other non-current financial assets

Other non-current financial assets comprise notably non-consolidated participating interests that are measured at the lower of cost and fair value.

2.7. Cash and cash equivalents

Cash equivalents are highly liquid investments that are readily convertible to a known amount of cash and that present an insignificant risk of changes in value. In the case of debt instruments, they may not have maturities in excess of three months on the date of purchase.

Cash equivalents are monitored daily at fair value. They are reported at fair value in the balance sheet, with adjustments in value taken directly to profit or loss.

2.8. Inventories

Inventories are valued applying the weighted average cost method. An impairment loss is recognised when net realisable value is less than the cost of acquisition.

2.9. Trade and other receivables

Trade and other receivables have due dates under six months. They are measured at face value. Appropriate allowances for estimated irrecoverable amounts are recognised when it is uncertain whether these amounts can be collected.

2.10. Borrowings

Borrowings are measured at amortised cost using the effective interest rate method, taking into account issue and redemption premiums and issue costs.

2.11. Employee benefits under defined benefit plans

Employee benefits under defined benefit plans concern retirement indemnities and long service medals. The actuarial method used to measure these obligations is the projected unit credit method.

Assets earmarked to cover these obligations are measured at fair value and deducted from the actuarial obligation reported on the balance sheet.

The Group uses the corridor method for recognising actuarial gains and losses.

2.12. Provisions

The non-current portion, i.e. liability in excess of one year, of the provisions relating to retirement indemnities and long service medals was classified under non-current provisions.

The current portion of these provisions and the other provisions were classified as current provisions.

2.13. Leasing agreements

When assets are made available to the Group under operating leases (equipment, offices, buildings and parking lots), lease payments are recognised by spreading all expenses related to these leases, including set-up costs, over the term of the lease agreement using the straight line method.

When assets built by the Group are made available under operating leases (fibre optic cables leased to telecommunication operators, commercial facilities leased to operators at rest areas), these assets are recognised as assets in the balance sheet and are accounted for in the same way as other items of property, plant and equipment. Income guaranteed under this lease agreement is recognised over the term of the lease agreement using the straight line method. Conditional rents are recognised when earned.

At the balance sheet date, the Group was not party to a finance lease agreement, either as lessee or as lessor.

2.14. Revenue and other income

Revenue is recognised when the service has been rendered.

2.15. Government grants

Government grants received to finance certain motorway sections are recognised as a deduction from the assets in question.

2.16. Income tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset realised insofar as these rates are known at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset, regardless of the period when expected to reverse, as there is a legally enforceable right to set off current tax assets against current tax liabilities given the existence of a tax group and these assets and liabilities relate to transactions entered into since the election to be assessed on a group basis.

2.17. Derivative instruments

The accounting treatment of derivative instruments depends on whether they qualify as a hedge. Changes in the fair value of a derivative financial instrument that are designated as a cash flow hedge (CFH) are recognised directly in equity for the effective portion. The amounts are reversed to profit or loss in the same period in which the hedged item affects profit or loss.

When a fixed-rate loan is hedged by entering into fixed-for-floating interest swap, this is considered as a fair value hedge (FVH). Changes in the fair value of the hedged item (for the portion of the risk hedged) and in the hedging instrument (in its totality) are recognised to profit or loss.

2.18. Segment reporting

The Group has a single activity consisting of the operation of two motorway networks under concession agreements that expire on the same date in 2032. The two networks are located exclusively in France. Consequently, no information broken down by business segment or by geographic region is provided in the consolidated financial statements.

2.19. Basis of presentation

In the balance sheet, assets and liabilities are analysed and reported as either current or non-current items.

In the income statement, operating expenses are analysed and reported according to their nature.

3. NON-CURRENT ASSETS

2007

(€ million)	**At 1 January**	**Increases**	**Decreases**	**At 31 December**
a) Cost or valuation				
Non-current assets held under concessions	**11,652**	**483**	**(57)**	**12,078**
Investments in associates	**1**	**-**	**-**	**1**
Unlisted participating interests	12	2	(6)	8
Other investments	-	-	-	-
Loans	3	-	-	3
Sundry financial assets	18	5	-	22
Other financial assets	**33**	**7**	**(6)**	**33**
Total	**11,686**	**490**	**(63)**	**12,113**

(€ million)	**At 1 January**	**Increases**	**Decreases**	**At 31 December**
b) Accumulated depreciation and impairment (1)				
Non-current assets held under concessions	**(4,408)**	**(351)**	**62**	**(4,698)**
Investments in associates	**-**	**-**	**-**	**-**
Unlisted participating interests	-	(2)	-	(2)
Other investments	-	-	-	-
Loans	-	-	-	-
Sundry financial assets	-	-	-	-
Other financial assets	**-**	**(2)**	**-**	**(2)**
Total	**(4,408)**	**(353)**	**62**	**(4,700)**
Carrying value (a-b)	**7,277**	**136**	**(2)**	**7,412**

(1) No impairment loss recognised in 2007.

The increase in non-current assets held under concessions in 2007 was due notably to work widening motorway sections and to the work carried out at the Maurice Lemaire tunnel.

Borrowing costs amounting to €12.7 million were capitalised in 2007 (2006: €10.5 million).

2006

(€ million)	**At 1 January**	**Increases**	**Decreases**	**At 31 December**
a) Cost or valuation				
Non-current assets held under concessions	**11,357**	**357**	**(63)**	**11,652**
Investments in associates	**1**	**1**	**-**	**1**
Unlisted participating interests	8	6	(2)	12
Other investments	-	-	-	-
Loans	3	-	-	3
Sundry financial assets	553	6	(541)	18
Other financial assets	**563**	**12**	**(543)**	**32**
Total	**11,921**	**370**	**(605)**	**11,686**

(€ million)	At 1 January	Increases	Decreases	At 31 December
b) Accumulated depreciation and impairment (1)				
Non-current assets held under concessions	**(4,136)**	**(336)**	**64**	**(4,408)**
Investments in associates	**-**	**-**	**-**	**-**
Unlisted participating interests	-	-	-	-
Other investments	-	-	-	-
Loans	-	-	-	-
Sundry financial assets	-	-	-	-
Other financial assets	**-**	**-**	**-**	**-**
Total	**(4,136)**	**(336)**	**64**	**(4,408)**
Carrying value (a-b)	**7,786**	**33**	**(542)**	**7,277**

(€ million)	31 December 2007	31 December 2006
Signed works contracts not executed	278.2	161.8

Furthermore, from 2008 to 2013, the Group is committed to undertaking work to build and widen motorways and to create new exchanges that are expected to cost €1,105 million.

4. INVESTMENTS IN ASSOCIATES

Investments in associates consist of the Group's shareholding in the concession operator Adelac.

AREA owns 49.9% of the capital of Adelac, which in 2005 was awarded a concession by the French State to build a 19-kilometre section of the A41 motorway between Saint-Julien en Genevois and Villy le Pelloux. The concession service agreement, with a term of 55 years, was published in the Official Gazette on 28 October 2005. The work is to be completed within 38 months, with the opening expected to take place at the end of 2008.

Key financial data regarding this company are as follows:

- Revenue for the year: not material
- Loss for the year: €0.2 million

- Shareholders' equity at 31 December 2007: €4.1 million
- Borrowings: €635.7 million
- Total assets: €702.7 million

5. TRADE AND OTHER RECEIVABLES

(€ million)	31 December 2007	31 December 2006
Trade receivables - Tolls	64.9	76.0
Trade receivables - Other activities	47.6	48.5
Impairment losses	(8.6)	(9.1)
Total	**103.9**	**115.3**

6. OTHER CURRENT ASSETS

(€ million)	31 December 2007	31 December 2006
State - Value added tax	22.5	17.9
Sundry receivables	43.7	15.7
Prepayments	22.6	23.0
Sundry current assets	1.1	3.5
Total	**89.9**	**60.2**

7. CASH AND CASH EQUIVALENTS

(€ million)	31 December 2007	31 December 2006
Cash at bank and in hand	25.7	25.2
Cash equivalents	46.1	105.3
Total	**71.8**	**130.5**

8. ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY MATURITY

At 31 December 2007 (€ million)	Less than 1 year	From 1 year to 5 years	After 5 years	Total
Financial assets: cash and cash equivalents				
Cash at bank and in hand	25.7			25.7
Cash equivalents	46.1			46.1
Financial assets	**71.8**	**-**	**-**	**71.8**
Financial liabilities: current and non current				
Long-term borrowings		2,006.1	4,188.1	6,194.2
Long-term borrowings due within 1 year	538.3			538.3
Short term borrowings and other debts	188.0			188.0
Financial liabilities	**726.4**	**2,006.1**	**4,188.1**	**6,920.6**

At 31 December 2006 (€ million)	Less than 1 year	From 1 year to 5 years	After 5 years	Total
Financial assets: cash and cash equivalents				
Cash at bank and in hand	25.2			25.2
Cash equivalents	105.3			105.3
Financial assets	**130.5**	**-**	**-**	**130.5**
Financial liabilities: current and non current				
Long-term borrowings		1,999.0	3,817.0	5,816.0
Long-term borrowings due within 1 year	548.6			548.6
Short term borrowings and other debts	202.4			202.4
Financial liabilities	**751.1**	**1,999.0**	**3,817.0**	**6,567.1**

Four new loans were entered into in 2007:

- Two loans with Caisse Nationale des Autoroutes (CNA) totalling €24 million;
- One loan with European Investment Bank (EIB) amounting to €100 million; and
- One credit line with a banking pool amounting to €500 million.

At 31 December 2007, the Group had drawn down €955 million (2006: €685 million) against the €1,800 million syndicated loan.

9. SHARE CAPITAL

At 31 December 2007	Number of shares	€
Ordinary shares issued and fully paid	113,038,156	33,911,447

The share capital consists of shares of €0.30 each.

The number of shares in issue and their nominal value has not changed since 1 January 2006.

The company does not hold any of its shares in treasury. No particular right, preference or restriction is attached to the shares.

10. PROVISIONS

(€ million)	At 1 January 2007	Additional provisions in the year	Provisions utilised	Provisions reversed	Other	At 31 December 2007
Provision for retirement indemnities	16.7	2.4	-	-	(0.2)	18.9
Provision for long service medals	1.6	-	(0.2)	-	-	1.3
Non-current provisions	**18.3**	**2.4**	**(0.2)**	**-**	**(0.3)**	**20.2**
Provision for retirement indemnities	0.1	-	-	-	0.2	0.3
Provision for long service medals	0.2	-	-	-	-	0.2
Other provisions for liabilities and charges	15.4	5.7	(3.3)	(4.8)	-	13.0
Current provisions	**15.7**	**5.7**	**(3.3)**	**(4.8)**	**0.3**	**13.5**

A provision amounting to €4.8 million was set aside in respect of the commitments given by the Group in connection with the early retirement agreement signed in 2007. Payments that are to be made are accounted for as termination benefits.

The provision was calculated on an actuarial basis for the population concerned. The average retirement was estimated at 60 years (given the particular characteristics of the population). The provision was restated at its present value applying the same hypotheses as for retirement indemnities and based on the assumption one in two eligible employees would ask to leave on early retirement.

The provision covers the bonus paid to the employee on agreeing to take early retirement as well as the part of the replacement indemnity to be paid until the employee leaves on retirement that is borne by the employer.

11. EMPLOYEE BENEFITS PROVIDED UNDER DEFINED BENEFIT PLANS

These benefits consist of retirement indemnities and long service medals.

Assumptions

	Retirement indemnities		Long service medals	
	2007	**2006**	**2007**	**2006**
Discount rate	5.25%	4.00%	5.25%	4.00%
Expected rate of inflation	2.00%	2.00%	2.00%	2.00%
Expected rate of salary increases	3.00%	3.00%	3.00%	3.00%
Mortality tables for men	TH 03-05	TD 00-02	TH 03-05	TD 00-02
Mortality tables for women	TF 03-05	TV 00-02	TF 03-05	TV 00-02
Retirement age for managers	63 years	65 years	63 years	65 years
Retirement age for non-managers	63 years	63 years	63 years	63 years
Social security charges	45.00%	45.70%	-	-

The expected return on plan assets was 5.25% in 2007 (2006: 4.0%).

The actual return on plan assets was 4.70% in 2007 (2006: 4.76%).

Changes during the year

(€ million)	**Retirement indemnities**		**Long service medals**	
	2007	**2006**	**2007**	**2006**
Actuarial obligation at 1 January	22.7	21.8	1.6	1.5
Cost of past services	1.7	1.7	0.2	0.1
Interest on actuarial obligation	0.9	0.9	0.1	0.1
Benefits paid	(1.0)	(1.3)	(0.2)	(0.2)
Actuarial losses (gains) generated	(2.6)	(0.3)	(0.2)	0.1
Actuarial obligation at 31 December	**21.7**	**22.7**	**1.5**	**1.6**

Charge for the year

(€ million)	**Retirement indemnities**		**Long service medals**	
	2007	**2006**	**2007**	**2006**
Cost of past services	1.7	1.7	0.2	0.1
Interest on actuarial obligation	0.9	0.9	0.1	-
Expected return on plan assets	(0.2)	(0.3)	-	-
Actuarial losses (gains) not recognised	-	-	(0.2)	0.1
Charge (income) recognised	2.4	2.3	-	0.3

The corresponding charge is included under employee benefit expenses in the income statement.

Plan assets

(€ million)	Retirement indemnities		Long service medals	
	2007	2006	2007	2006
Plan assets at 1 January	5.1	6.5	-	-
Expected return on plan assets	0.2	0.3	-	-
Actuarial losses (gains)	(0.2)	(0.3)	-	-
Benefits paid	(1.0)	(1.3)	-	-
Plan assets at 31 December	**4.1**	**5.1**	**-**	**-**

(€ million)	2007	2006	2005	2004
Actuarial obligation in respect of retirement indemnities	21.7	22.7	21.8	19.5
Fair value of plan assets	4.1	5.1	6.5	1.8
Difference	**17.6**	**17.6**	**15.4**	**17.7**

Deferred items

(€ million)	Retirement indemnities		Long service medals	
	2007	2006	2007	2006
At 1 January	0.8	0.9	-	-
Losses (gains) on assets	0.2	0.3	-	-
Losses (gains) on actuarial obligation	(2.6)	(0.3)	-	-
Actuarial losses (gains) at 31 December	(1.6)	0.8	-	-

Reconciliation of provision recognised in the balance sheet to the actuarial obligation

(€ million)	Retirement indemnities		Long service medals	
	2007	2006	2007	2006
Provision recognised in the balance sheet	19.2	16.8	1.5	1.6
Actuarial differences	(1.6)	0.8	-	-
Plan assets	4.1	5.1	-	-
Actuarial obligation	**21.7**	**22.7**	**1.5**	**1.6**

Benefits in respect of retirement indemnities and long service medals totalling €0.5 million are expected to be paid in 2008.

12. FINANCIAL INSTRUMENTS AND DERIVATIVE INSTRUMENTS

Currency risk

The Group operates principally in the countries of the euro zone, essentially in France. It is therefore exposed to a limited currency risk on the transactions to which it is party.

All of the Group's borrowings are denominated in euro.

Liquidity risk

This liquidity risk is mitigated by the recurring nature of the cash flow and debt repayments.

The Group has given undertakings to Caisse Nationale des Autoroutes (CNA) and the members of the banking pool to comply with the following ratios:

- Net debt will be less than 7 times EBITDA
- EBITDA will be more than 2.2 times net financial charges

These two ratios were 5.7 times and 3.4 times, respectively, at 31 December 2007.

To finance its day-to-day operations, the Group has negotiated a €1,800 million syndicated loan bearing a variable interest rate. At 31 December 2007, an amount of €955 million had been drawn down against this facility.

In 2007, the Group also arranged two new loans: one 7-year variable rate loan amounting to €500 million and one 15-year fixed rate (EIB-European Investment Bank) loan amounting to €100 million.

The Group also set up a Euro Medium Term Note (EMTN) programme amounting to €6,000 million. The prospectus was filed with the Luxembourg Stock Exchange on 3 October 2007.

For the purpose of managing its cash position and hedging transactions, the Group entertains relations only with financial institutions enjoying an outstanding reputation.

Interest rate risk

Essentially all of the Group's borrowings bear fixed interest rates.

The Group does not have significant exposure to a rise in interest rates.

	31 December 2007		**31 December 2006**	
(€ million)	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Assets				
Cash and cash equivalents	71.8	71.8	130.5	130.5
Loans	2.6	2.6	2.6	2.6
Interest rate swaps	21.9	21.9	17.2	17.0
Other financial assets	6.3	6.3	12.5	12.5
Trade and other receivables	103.9	103.9	115.3	115.3
Other current assets	89.9	89.9	60.2	60.2
Liabilities				
Variable-rate borrowings	2,203.8	2,294.8	1,429.8	1,517.4
Fixed rate borrowings	4,467.3	4,829.2	4,892.7	5,436.5
Interest rate swaps	43.5	43.5	24.9	24.9
Other financial liabilities	206.0	206.0	220.0	220.0
Trade and other payables	178.0	178.0	150.9	150.9
Other non-current liabilities	43.2	43.2	47.4	47.4
Other liabilities	141.3	141.3	138.8	138.8

Fair value of the derivative instruments was determined by reference to the mark-to-market value communicated by the different counterparties.

At 31 December 2007, the Group was party to several derivative agreements:

- Two swaps (one contracted in 2004, for which the company receives a fixed rate on the nominal value and pays a fixed rate on the inflated nominal value at maturity, the other contracted in the first half of 2005 to offset it), whose total fair value is considered to be zero.

- A group of nine derivative contracts (including five swaps receiving fixed rates and paying variable rates, qualifying as fair value hedges, and four options contracts aiming to limit exposure to an interest rate increase, which were treated as autonomous instruments) entered into in the second half of 2005 as part of a variable rate programme concerning €450 million of loans matched for:

- €208.4 million against the CNA 4.50% line maturing 28 March 2018;
- €150.0 million against the CNA 5.25% line maturing 30 January 2017; and
- €91.6 million against the CNA 4.50% line maturing 25 April 2010.

A sensitivity analysis was performed on the basis of the borrowings at 31 December 2007.

This determined that a change of 100 basis points in the variable rates would have an impact of €19.8 million on finance costs and of €13.0 million on the profit for the year.

Inflation risk

Toll fares are reviewed annually on the basis of formula whereby the adjustment is indexed to the rate of inflation.

As a hedge against the risk of weak inflation, the Group put into place two swaps during the first half of 2005 for total nominal revenues of €150 million (of which €90 million maturing in April 2018 for APRR and €60 million maturing April 2012 for AREA) under which the Group swaps cash flows calculated on the basis of the toll indexation formula defined in the terms of the concession applying a fixed inflation rate of near to 2% to inflows and the actual inflation rate to the annual outflows.

Additional information on derivative financial instruments

Regarding derivative financial instruments, the two revenue swaps were designated as cash flow hedges (CHF) while the five fixed-for-floating interest swaps were designated as fair value hedges (FVH).

As it was determined that the revenue swaps were totally effective, all changes in the fair value of these swaps were recognised directly to equity. This resulted in a debit of €6.9 million in 2007 (2006: credit of €10.1 million) before taking into account deferred tax.

Changes in the fair value of the fixed-for-floating interest swaps were recognised directly to the income statement. For accounting purposes, the interest rate risk covered by these fair value hedges was determined to represent a €5.5 million loss in 2007 (2006: €16.0 million loss) before taking into account deferred tax. As it was determined that these fair value hedges were totally effective, no entries were recorded in respect of hedge ineffectiveness.

The other derivative financial instruments were not designated as hedging instruments and accordingly are accounted for applying general accepted accounting principles for derivative instruments. The change in the fair value of these instruments is recognised directly to profit and loss. In 2007, this resulted in the recognition of a €1.9 million loss (2006: €2.6 million loss).

Credit risk

(€ million)	2007
Past dues: up to 3 months	1.7
Past dues: between 3 and 6 months	1.1
Past dues: over 6 months	11.1
Total past dues	13.8

The provisioning rate in respect of past dues is around 75%.

Past dues in excess of 6 months include an amount of €7.8 million receivable from France Télécom that is the object of a dispute and which has been provisioned in full.

Apart from the above amount, past dues concern a very large number of customers given the activities carried on by the Group. It is therefore impossible to assess the overall financial solidity of these customers.

Risk management

Risk management is aimed at identifying, assessing, processing and monitoring the risks to which the Group is exposed. These risks are of diverse nature: operational, financial, strategic, human, regulatory and reputational.

Risk management is based on a structured process that is documented and on the risk management policy as defined by top management.

2007 was marked by the effective implementation of the risk management policy defined in 2006. In particular, the mapping of the risks to which the Group is exposed was updated.

13. OTHER CURRENT AND NON-CURRENT LIABILITIES

(€ million)	31 December 2007	31 December 2006
Payments on account	2.2	2.4
Tax and social security	117.4	112.8
Deferred income	8.4	8.5
Other debts	13.4	15.0
Other current liabilities	**141.3**	**138.8**
Deferred income	43.2	47.4
Other non-current liabilities	**43.2**	**47.4**

14. REVENUE

Year ended 31 December (€ million)	2007	2006
Toll revenue	1,752.6	1,623.6
Rental income from commercial facilities	31.6	28.6
Revenue from leasing telecommunication installations	11.2	11.8
Other	7.1	6.1
Total	**1,802.6**	**1,670.2**

Rental income from commercial facilities is collected from third parties that operate the commercial establishments located at the rest areas.

Revenue from leasing telecommunication installations corresponds essentially to leases entered into with telecommunication operators for the use of fibre optic cables and towers.

15. PURCHASES AND EXTERNAL CHARGES

Year ended 31 December (€ million)	**2007**	**2006**
Energy	(11.0)	(11.3)
Supplies	(9.3)	(11.3)
Spare parts	(6.0)	(4.9)
Infrastructure maintenance	(49.1)	(35.5)
Routine maintenance	(17.2)	(17.5)
Other external charges	(69.7)	(72.7)
Total	**(162.3)**	**(153.2)**

16. EMPLOYEE BENEFIT EXPENSES AND HEADCOUNT

Year ended 31 December (€ million)	**2007**	**2006**
Wages and salaries	(113.4)	(119.4)
Social security contributions and deferred benefits	(69.8)	(67.2)
Discretionary employee profit sharing and employer's contribution to savings plan	(12.4)	(13.1)
Mandatory employee profit sharing	(13.3)	(9.6)
Total	**(208.9)**	**(209.3)**

Headcount Year ended 31 December	**2007**	**2006**
Management grade	526	544
Supervisor grade	1,727	1,652
Workers and office staff	1,784	1,963
Total	**4,036**	**4,159**

17. TAXES (OTHER THAN INCOME TAX)

Year ended 31 December (€ million)	**2007**	**2006**
Regional development tax	(134.7)	(131.1)
Local business tax	(45.3)	(53.0)
Fee for the use of public property	(42.9)	(42.0)
Other taxes and duties	(5.9)	(5.6)
Total	**(228.8)**	**(231.7)**

18. DEPRECIATION AND AMORTISATION EXPENSE AND PROVISIONS

Year ended 31 December (€ million)	**2007**	**2006**
Depreciation and amortisation	(345.5)	(329.2)
Other provisions	3.3	1.5
Total	**(342.2)**	**(327.7)**

19. OTHER OPERATING INCOME AND EXPENSES

Year ended 31 December (€ million)	**2007**	**2006**
Impairment losses recognised in respect of current assets	0.5	(0.3)
Gains on disposals	2.0	0.4
Other	1.3	(5.0)
Other operating income (expenses) from ordinary activities	**3.9**	**(4.9)**
Other operating income (expenses) from operations	**1.6**	**(3.0)**

20. INCOME FROM CASH AND CASH EQUIVALENTS

Year ended 31 December (€ million)	**2007**	**2006**
Net proceeds from the disposal of marketable securities	7.0	19.6
Income from debt-related derivative instruments	0.1	0.1
Other financial income	2.4	2.1
Total	**9.5**	**21.7**

21. FINANCE COSTS

Year ended 31 December (€ million)	**2007**	**2006**
Interest and other financial charges	(362.9)	(367.0)
Charges on debt-related financial instruments	(2.6)	(3.3)
Financial charges transferred	12.7	10.6
Total	**(352.7)**	**(359.6)**

Fees for the credit lines made available but not used by the Group were paid amounting to €1.1 million (2006: €1.2 million).

The investment in the Park + subsidiary and the amounts receivable from this subsidiary gave rise to a provision amounting to €2.1 million.

22. INCOME TAX EXPENSE

Tax charge for the year

Year ended 31 December (€ million)	**2007**	**2006**
Current tax	(180.9)	(137.0)
Deferred tax	0.7	(2.6)
Total	**(180.2)**	**(139.6)**

Reconciliation of theoretical tax charge to effective tax charge

Year ended 31 December (€ million)	2007	2006
Net profit for the year	340.9	263.3
Income tax expense	180.2	139.6
Share of profit of associates	-	0.1
Profit before tax	**521.1**	**403.0**
Applicable tax rate	34.43%	34.43%
Tax on the profit before tax determined above	179.4	138.7
Permanent differences	0.7	(0.3)
Other differences	0.1	1.2
Income tax expense recognised	**180.2**	**139.6**

Analysis of deferred tax assets and liabilities

(€ million)	2007	2006
Assets resulting from		
Provisions for retirement indemnities	(8.3)	(5.8)
Provisions for holiday pay	(5.5)	(5.4)
Employee profit sharing	(4.6)	(3.3)
Swap reversals	(8.6)	(10.4)
Other	(2.0)	(1.5)
Deferred tax assets	**(29.0)**	**(26.4)**
Deferred tax liabilities arising from		
Charges capitalised, net of depreciation	188.1	187.4
Depreciation of renewable fixed assets	41.4	41.4
Other	11.5	12.7
Deferred tax liabilities	**240.9**	**241.5**
Net deferred tax liabilities	**212.0**	**215.1**

23. EARNINGS PER SHARE

The average number of shares was calculated taking into account the number of days elapsed since the dates of the last transactions having affected the capital.

Earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Year ended 31 December (€ million)	2007	2006
Basic earnings per share		
Net profit for the year attributable to ordinary equity holders of the parent entity	340.9	263.1
Weighted average number of ordinary shares outstanding during the year	113,038,156	113,038,156
Basic earnings per share	**3.02**	**2.33**
Diluted earnings per share		
Net profit for the year attributable to ordinary equity holders of the parent entity	340.9	263.1
Weighted average number of ordinary shares outstanding during the year	113,038,156	113,038,156
Diluted earnings per share	**3.02**	**2.33**

There are no potentially dilutive instruments in issue.

24. DIVIDEND

During the year, the company distributed a dividend of €4.74 per share in respect of 2006, of which €3.48 was drawn from the share premium account.

In December 2007, an interim dividend of €1.03 per share was distributed in respect of 2007.

25. COMMITMENTS

Commitments given

(€ million)	**31 December 2007**	**31 December 2006**
Sundry guarantees	133.7	133.7
AREA tax reintegration	4.9	6.6
Work to be performed (1% landscape)	0.2	1.2
Total	**138.8**	**141.5**

Commitments received

(€ million)	**31 December 2007**	**31 December 2006**
Bank guarantees	86.1	68.4
Other	-	-
Total	**86.1**	**68.4**

Amounts payable under operating leases

(€ million)	**31 December 2007**	**31 December 2006**
Within 1 year	0.5	1.3
Between 1 and 5 years	0.2	1.5
After 5 years	-	-
Total	**0.7**	**2.8**

Amounts receivable under operating leases

(€ million)	**31 December 2007**	**31 December 2006**
Within 1 year	31.6	28.5
Between 1 and 5 years	104.5	104.1
After 5 years	69.0	69.5
Total	**205.1**	**202.1**

26. RELATED PARTY TRANSACTIONS

Related parties include: (i) entities over which the Group exercises exclusive control, joint control or significant influence (i.e. joint ventures and associates); (ii) shareholders exercising joint control over group joint ventures; (iii) minority shareholders exercising significant influence over the group subsidiaries; and finally (iv) the directors, officers and managers of the Group and the companies over which they exercise exclusive control, joint control or significant influence or in which they hold significant voting rights.

Material transactions with related parties are summarised in the table below:

Company	**Nature**	**Type**	**Amount (€ million)**	**Payable (Receivable)**
Eiffage Group	Sundry services	Income	0.9	
	Works	Charges	9.3	
	Works	Investments	116.2	9.5
Eiffarie	Staff made available	Charges	0.7	0.1
Axxès	Heavy goods vehicles remote toll collection	Charges	0.7	(18.0)
	Cash advance	Receivable		(1.0)
Sira	Radio services (Autoroute Info)	Charges	2.1	
	Sundry services	Income	0.4	(0.3)
Park +	Cash advance	Income	0.2	(3.2)
Adelac	Sundry services	Income	0.3	
	Works	Investments	3.3	(0.1)

Work carried out by Eiffage group is negotiated on an arm's length basis and after inviting tenders from other construction and civil engineering groups.

27. MANAGEMENT INDICATORS

(€ million)	**2007**	**2006**
Operating cash flow	688	593
EBITDA	1,208	1,068
EBITDA margin	67.0%	64.0%

Earnings before interest, tax, depreciation and amortisation correspond to operating profit before amortisation, depreciation and provisions.

28. EVENTS AFTER THE BALANCE SHEET DATE

No significant event has occurred since 31 December 2007.