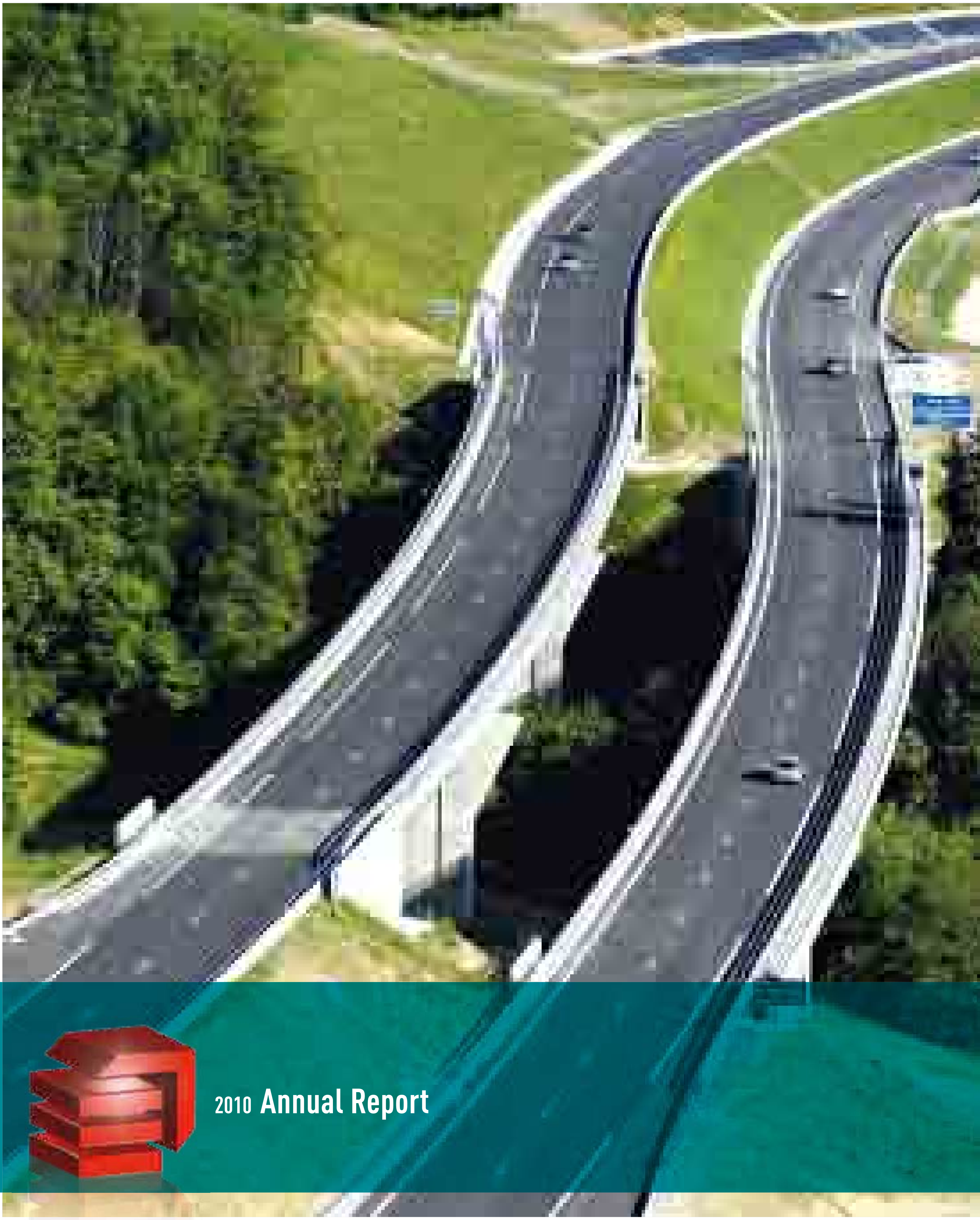


# 2010 Annual Report

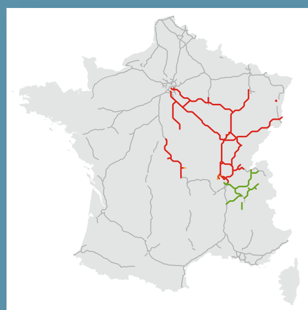
APRR

# OUR NETWORK

**21**
**billion kilometres**
travelled in 2010.

**2.263**
**kilometres**
of operational motorways.





| APRR NETWORK | | 1.850 km |
|---|---|---|
| **A5** | Paris (Francilienne) – Langres (of which A105 – ex-A5b: 10 km) | **248 km** |
| **A6** | Paris (Saint-Germain/École) – Lyon (Limonest) | **401 km** |
| **A19** | Sens – Courtenay | **28 km** |
| **A26** | Troyes-Nord – Troyes-Est | **22 km** |
| **A31** | Beaune – Toul (of which A311: 4 km) | **232 km** |
| **A36** | Beaune – Mulhouse | **217 km** |
| **A39** | Dijon – Bourg-en-Bresse (of which A391: 5 km) | **150 km** |
| **A40** | Mâcon – Bellegarde (Châtillon-en-Michaille) | **104 km** |
| **A404** | Oyonnax link road | **21 km** |
| **A406** | Mâcon south bypass | **9 km** |
| **A42** | Lyon – Pont-d'Ain | **49 km** |
| **A432** | Les Échets – Saint-Laurent-de-Mure | **31 km** |
| **A46** | Anse – Neyron | **26 km** |
| **A71** | Bourges – Clermont-Ferrand (of which A710: 2 km) | **181 km** |
| **A714** | Montluçon link road | **9 km** |
| **A719** | Gannat link road | **10 km** |
| **A77** | Dordives – Cosne-sur-Loire | **101 km** |
| **Maurice-Lemaire tunnel** (of which 4 km of access road) | | **11 km** |

| AREA NETWORK | | 413 km |
|---|---|---|
| **A41** | Chambéry-Sud – Grenoble | **51 km** |
| **A41/A410** | Chambéry-Nord – Annecy – A40 | **77 km** |
| **A41*** | (Liane) Villy-le-Pelloux – Genève | **19 km** |
| **A43/A430** | Lyon – Chambéry – Albertville | **124 km** |
| **A432** | Saint-Laurent-de-Mure – A43 | **4 km** |
| **A48** | Coiranne – Grenoble | **50 km** |
| **A49** | Grenoble – Valence | **62 km** |
| **A51** | Grenoble – col du Fau | **26 km** |

| EXTENSIONS PLANNED UP TO 2015 | | |
|---|---|---|
| **A719** | Gannat – Vichy | **14 km** |
| **A466** | Liaison A6-A46 | **4 km** |
| **A89** | Liaison A89 (La Tour-de-Salvigny) – A6 | **6 km** |

Revenue of

€1,940

million

generated by APRR Group in 2010.

4.000

employees

delivering performance.
service and innovation
365 days a year.

4th largest motorway group in Europe

# Ensuring CUSTOMERS' PEACE OF MIND

Europe's fourth largest motorway group. the APRR group. subsidiary of Eiffarie (a consortium between majority-shareholder Eiffage and Macquarie*). operates a motorway network covering almost 2.300 kilometres.

The network particularly includes the Paris-Lyon axis (A5. A6. A39). a Burgundy - Northern Europe axis (A31. A36). motorways in the Rhône-Alpes region (A40. A41. A42. A43. A48. A49 and A51 north) and motorways in central France (A77 and A71).

This network. a major European traffic hub. recorded 21 billion kilometres travelled in 2010.

APRR** employs 4.000 people and generated revenue of €1.940 million in 2010.

*Macquarie-managed Investment funds. primarily: Macquarie Atlas Roads Limited. Macquarie European Infrastructure Fund L.P. and Macquarie European Infrastructure Fund II L.P.

** APRR refers to the group made up of APRR the company and its subsidiary AREA.

## Roadworks: to ensure customer comfort. APRR works at night

Motorway widening. section renovations. etc.
Works are regularly carried out on APRR and AREA motorways to modernise the network. To reduce driver inconvenience. roadworks are generally carried out at night. These operations require careful planning. lighting and precautions to ensure the safety of all those working on or driving along the motorway.

*"The working hours are determined on a case by case basis and depend on traffic forecasts for the section concerned".* explains Yann Spinnler. APRR safety and traffic manager. Working at night requires works to be broken down into various stages. which means that sites have to be installed and dismantled a number of times.

To ensure driver safety. night-time works are indicated by warning lights visible from a considerable distance. *"There are no more accidents at night than there are during the day because the workers are particularly aware of the increased risk and take considerable care. We also count on our customers to respect the speed limits at roadwork sites."*

ENSURING THAT *mobility* IS MORE THAN JUST AN IDEA

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The new management contracts between the State and APRR & AREA have been duly implemented. Similarly. the commitments pursuant to the previous agreements. which were signed before the State ceased to hold an interest in the capital of APRR. were upheld. notably through the opening of motorway sections improving the bypass northeast of Lyon and south of Macon. Between now and 2013 we will be concentrating on protecting the environment in the areas which border with our oldest stretches of road.

Agreements reached with employee representative bodies facilitated continued toll automation and the installation of drive-through lanes. thereby saving energy and improving the service we provide.

Despite overall traffic growth of 2.6%. HGV traffic was 10% lower at 31 December 2010 than at year-end 2007. Volumes for the first quarter of 2011. meanwhile. have been good.

The company had two snowy periods to contend with in 2010. one at either end of the year. During these periods APRR was able to provide an uninterrupted service thanks to efficient coordination with the public authorities and the ready availability of its employees and equipment. not to mention a good deal of salt.

A rise in the number of fatal accidents (up 8) cast a shadow over the year. following the halving of this number in 2008 and stability in 2009. On a similar note. with accident prevention being our number one objective for 2011 we expect the number of workplace accidents (fortunately all non-fatal thus far) to decrease.

**Accident prevention is our number one objective for 2011.**

**Jean-François Roverato**
*APRR Chief Executive Officer*

# 2010 FACTS AND FIGURES

## Management contracts

In early 2010. the State signed two 2009-2013 five-year management contracts with APRR and AREA.

In all. €500 million of investments are planned to improve customer safety. comfort and service as well as [reducing] the impact of motorways on the environment.

## Safety campaign

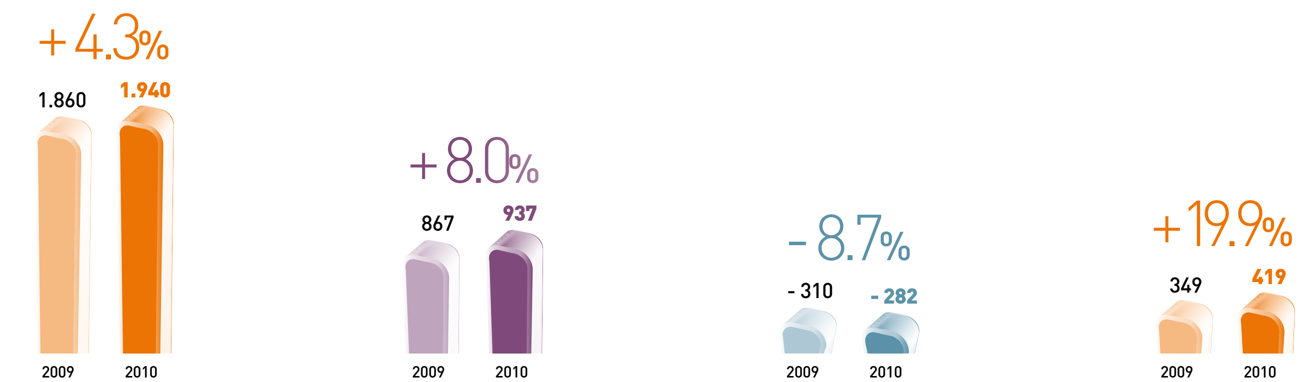
On 4 June. APRR presented its new safety campaign in occasion of the visit by Michèle Merli. interministerial road safety delegate. to Cesar. the AREA control station. The communications campaign. taking the form of posters displayed on the back of vans. places emphasis on the personnel working on the network.

Over 500 employees work around the clock to ensure the well-being and safety of drivers on the APRR and AREA networks.



## Motorway Days

The Motorway Days took place on 25 and 26 June. During these two days. APRR and AREA focused on increasing its customers' safety awareness by organising events at service and rest areas.

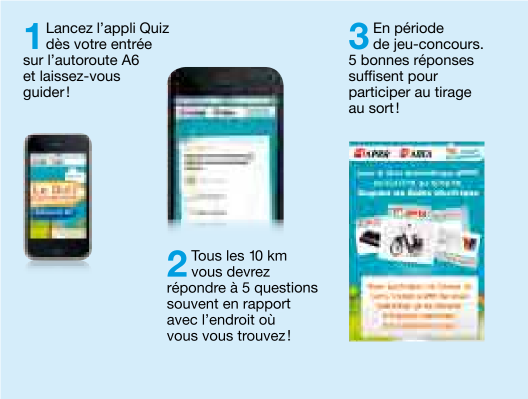



**Revenue excluding construction services** *(€m)*

**Operating profit on ordinary activities** *(€m)*

**Net finance costs** *(€m)*

**Net profit** *(€m)*




# iPhone application

The first motorway iPhone application was launched in July on the A6 motorway.

Thanks to its global positioning system (GPS). the application allows car passengers to amuse themselves by answering questions related to their specific route.

PARTENAIRE OFFICIEL

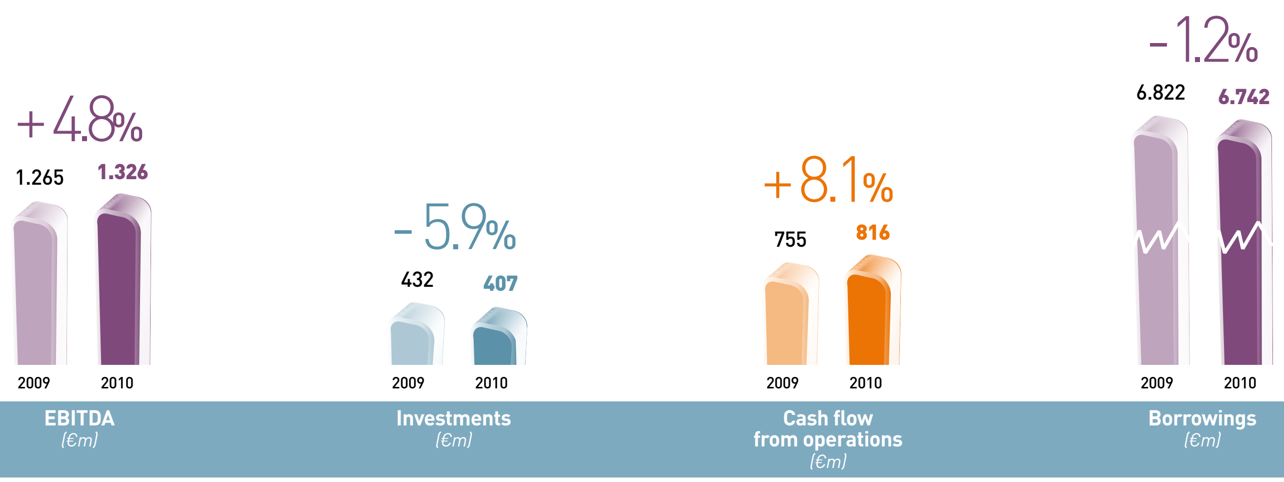
# Official partner

In September 2010. AREA/Eiffage joined nine other official national and international partners giving their support to France's official candidature for hosting the 2018 Winter Olympic and Paralympic Games.

# New access to the A41 motorway

A new access to the A41 motorway was opened at the end wwbetter access to the business zones south of Annecy and reduces traffic on the RD1201 by a million vehicles a year.

The toll plaza is remotely operated 24 hours a day and has 30 km/h drive-through automatic toll lanes. It is equipped with a canopy integrating photovoltaic solar cells.



# MANAGEMENT BODIES

## BOARD OF DIRECTORS
### on 22 February 2011

**Jean-François Roverato**
Chief Executive Officer of Eiffage

**Bruno Angles**
President France for Macquarie Infrastructure and Real Assets (Europe) Ltd

**Gérard Bailly**
Senator for the Jura

**Pierre Berger**
Deputy Chief Executive Officer of Eiffage

**Edward Beckley**
Chief Financial Officer. Macquarie Infrastructure and Real Assets (Europe) Ltd

**Louis de Broissia**
Senator and Vice-Chairman of the Côte-d'Or General Council

**Philippe Delmotte**
Director. Eiffage

**Robert Galley**
Former Minister

**Thomas Gelot**
*Senior Vice President.* Macquarie Infrastructure and Real Assets (Europe) Ltd

**Arnaud Montebourg**
Member of Parliament and Chairman of the Saône-et-Loire General Council

**Max Roche**
Chief Financial Officer. Eiffage

**Peter Trent**
Chief Executive Officer. Macquarie Atlas Roads

## EXECUTIVE COMMITTEE
### on 1 April 2011

**Philippe Nourry**
Deputy Chief Executive Officer of APRR
Chief Executive Officer of AREA
Chairman of Adelac

**Patrick Boccardi**
Company Secretary
Director of Human Resources

**Vincent Lang**
Chief Financial Officer

**Jean-Charles Dupin**
Director of Strategy and Development

**Xavier Rigo**
Operations Manager. APRR

**Ghislaine Baillemont**
Operations Manager. AREA

# STOCK EXCHANGE AND SHAREHOLDERS

APRR has been listed on the Paris Stock Exchange since November 2004.
At 31 December 2010. the registered share capital amounted to €33.911.446.80. consisting of 113.038.156 shares with a par value of €30 each.

**Place of listing:** Euronext compartment A. Euronext Paris

**Type:** ordinary share. local securities

**ISIN code:** FR 0006 807 004

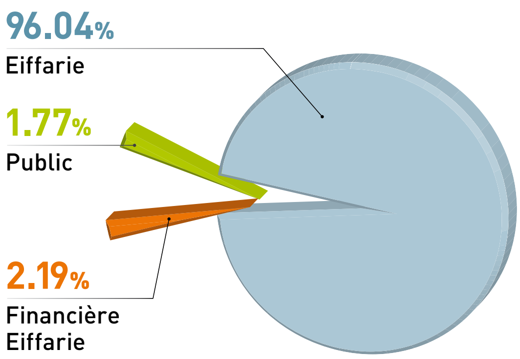
**First listed:** 24 November 2004

**Eligibility:** personal equity plans (Plan d'Epargne en Actions – PEA) and deferred settlement service (Service à Règlement Différé – SRD)

**Index:** CAC AllShares

**Codes:** Bloomberg : ARR FP – Reuters : ARR.PA

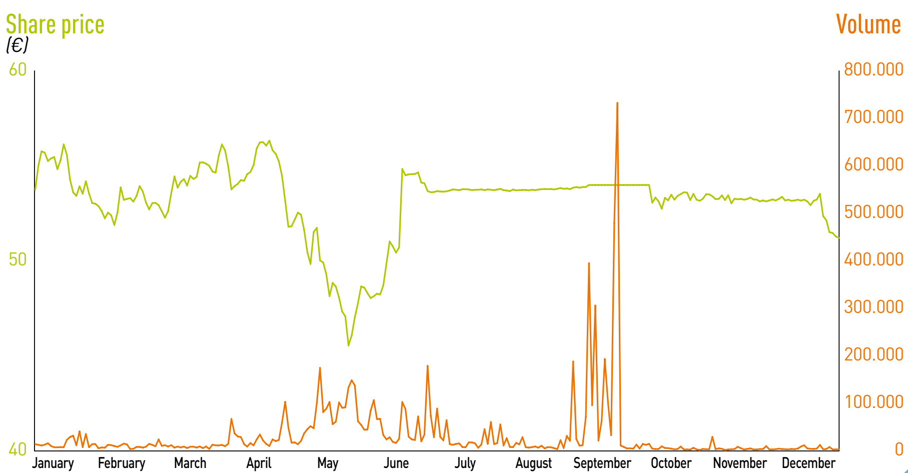
**Breakdown of share capital at 31 December 2010**




The shares of APRR are the object since 10 September 2010 of a public repurchase offer followed by a squeeze-out procedure initiated by Eiffarie. which has controlled more than 95% of the capital of APRR since 23 June 2010.

This offer is the object of a stay of execution. pending the ruling of the Paris Court of Appeal.

**APRR shares - Average share price and trading volumes in 2010**



# PRIORITY GIVEN TO Safety AND MODERNISATION

Despite difficult weather conditions at the beginning and at the end of the year. traffic picked up in 2010. especially for heavy goods vehicles. The year also saw the pursuit of APRR group's four major strategic objectives – improved safety. network development. increased services offer and improved performance .

Difficult meteorological conditions. both at the beginning of the year with an exceptionally snowy 2009–2010 winter and at the end of 2010 with a particularly early winter. naturally weighed on APRR's activity. Nonetheless. 2010 saw a considerable increase in traffic on the network. particularly heavy goods vehicles. thanks to the beginning of an economic recovery.

2010 saw investment get under way on the two APRR and AREA management contracts. which will speed up the development and modernisation of the two networks.

Works on three major projects continued in 2010:

- Les Échets/La Boisse section of the A432. easing traffic to the north-east of Lyon.
- The south Mâcon bypass (A406).
- Link road to Montluçon from the A71 (A714).

## Safety always at the top of the agenda

In 2010. the APRR group continued the efforts made over many years to improve customer and employee safety. The injury accident rate remained stable between 2009 and 2010. but the number of deaths on the network as a whole increased (39 as opposed to 31 in 2009). This was probably due mainly to the considerable recovery in heavy goods vehicles' traffic.

Significant improvements to the network have been made with the completed widening of the A31 motorway to 2 x 3 lanes between Beaune and Langres and the opening of a new interchange at Seynod on the A41 to the south of Annecy.

Apart from these infrastructure investments. a large number of concrete actions have also been taken: development of CCTV systems to improve traffic management. considerable increase in the number of "full scale" safety exercises. especially in tunnels. and increased use of awareness campaigns: wearing of seatbelts in the back seats. driving in wintery conditions and the need to avoid poor concentration at the wheel. this being the cause of 35% of road accidents.

Fundamental to the motorway sector. a sense of service underlies all aspects of APRR's activity. This can be seen in the diversity of actions taken: better management of HGV parking areas using integrated sensors feeding variable message panels upstream from rest and service areas. more friendly welcome in customer reception areas. roadwork information sent by email. enhanced use of and events held in service and rest areas during holiday seasons. etc.

## Continuing the modernisation of the network

In 2010. the APRR group entered into an active toll plaza modernisation phase

Winter service operations on the APRR and AREA networks operate over a **17-week period. from 15 November to 15 March.**

# ZOOM

## Global positioning system. a tool used to increase safety

Accidents. heavy snowfalls. etc. In these situations. the motorway needs to be rapidly cleared so that customers can safely continue their journey. To allow its emergency vehicles to react even more rapidly. APRR has equipped them with high-performance technology: a global positioning system.

### Vehicles located in real time

Emergency vehicles constantly travel up and down APRR motorways to provide a rapid response in the case of an accident or bad weather conditions. Since July 2009. these vehicles can be precisely located 24 hours a day. Where are they? What direction are they travelling in? The answers to these questions are displayed in real-time in the 7 APRR control stations (6 in the regions and 1 central control station near Dijon): the vehicles are shown on the screen as they move. overlaid on a map of the network.

**Traffic management** relies on the continuous involvement of operational employees. They are there to immediately respond to the slightest problem.

with the introduction of drive-through automatic tolls.

The electronic toll system. which represented nearly 45% of transactions over the year (vs. 42.5% in 2009) saw strong growth thanks to the development of subscription formulas adapted to light vehicles.

APRR and AREA continued to actively market electronic toll system badges. resulting in a considerable surge in sales and growth of the subscriber base to 893.000 at 31 December 2010. Five toll plazas have already been equipped with drive-through toll systems (Dijon-Crimolois. Pérouges. Chignin. Saint-Éxupéry and Seynod). prior to a wider scale deployment of the system on toll plazas as from 2011. This new toll system considerably improves driver comfort by cutting burdensome waiting times at toll gates and. as an added bonus. increases safety and reduces $CO_2$ emissions. As of end-2010. 122 toll plazas out of the 145 operated by the Group were either partially or completely remotely operated.

**45%**

of transactions in 2010 used the electronic toll system.

The toll industry saw a significant development with the signature of sector agreements governing changing work specialisations and promoting the development of new skills to provide long-term employment.

## Improvement in financial performances

2010 was marked by yet another increase in the Group's operating results. Overall traffic on the APRR network rose by 2.6%. against the backdrop of a slight economic recovery. while revenue grew by 4.3%.

APRR is sparing no efforts to tap the productivity gains brought about by the modernisation of its toll stations and to encourage its staff's adaptation to the new working practices.

EBITDA increased in absolute as well as in relative terms despite the difficult economic environment and the consequences of the exceptionally heavy snowfalls.

## Improving environmental protection

A significant proportion of investments was devoted to treating runoff water. providing noise protection and measures favouring biodiversity.

These investments concern both new sections under construction and the existing network.

Traffic increased by

**2.6%**

and revenue by

**4.3%**

in 2010

*« Fundamental to the motorway sector. a sense of service underlies all aspects of APRR's activity. »*

**To further optimise traffic fluidity. APRR** has developed a drive-through toll system that has already been successfully tested on its networks. With a Liber-t badge fixed to the windscreen. drivers can pass through toll gates at drive-through stations at 30 km/h!

# EIFFAGE

The third largest French group and Europe's fifth largest player in the concessions and building and civil engineering sectors. thanks to its 70.000 employees Eiffage generates revenue of €11.3 billion from its work sites in France. Europe and across the world. and €2 billion from its concessions and public-private partnerships (PPP).

With assembled expertise in building. civil engineering. energy and metals. particularly within the scope of concessions and public-private partnerships. Eiffage has been behind a large number of flagship construction projects. These include the Millau viaduct. of course. which was crossed by its 28 millionth vehicle in 2010. as well as the A65 Pau-Langon motorway and the high speed railway line between Perpignan and Figueras. which were both opened to traffic in December 2010. and the Grand Stade Lille Métropole the first stone of which was laid as a symbol in September 2010. All these structures. whether completed or under construction. fully reflect the synergy between the Group's various business lines.

All these assets are inseparable from the employee shareholder base that Eiffage first put in place 20 years ago and which is largely responsible for the Group's strength. cohesion and specificity. In France. 85% of the Group's employees are shareholders. an approach unique among major French groups which clearly reflects the confidence that Eiffage employees have in their company.

**The Eiffage credo can be defined as designing and building while enhancing the quality of life of all those concerned.**

13.300
millions
revenue

85 %
of employees in France
are Group shareholders

## The highest possible service quality

APRR and AREA have made customer satisfaction a priority. Customer surveys and quality inspections are regularly carried out to ensure the best possible service quality.

Customer surveys and quality inspections are regularly carried out to ensure the best possible service quality.

*"Our services are carefully vetted. We ask our customers to give their opinions concerning the state of road surfaces. safety. driving conditions. roadworks signage. services available at rest and service areas. the condition and cleanness of washrooms. customer relations. etc."*. explain Thierry Fort. APRR's quality manager and Daniel Vagnon. responsible for commercial installations and customer satisfaction at AREA.

Quality inspections are also regularly carried out on the APRR and AREA networks. Their aim is to ensure that the services offered to customers comply with specifications and the standards defined by the APRR group. What is the purpose of all these initiatives?

To constantly improve service quality. *"Listening to customers and carrying out quality inspections allow us to evaluate the level of the service and. where applicable. implement corrective measures"*. explains Thierry Fort. The result: guaranteed quality for drivers.

# PUTTING EFFICIENCY to work for all NETWORK USERS

# modernising AND expanding THE NETWORK

The construction of new links. increases in the number of traffic lanes and the creation of new network access points lie at the heart of APRR's investment policy. alongside an ongoing commitment to extending the network.

In 2010. network investments represented €406.8 million. broken down into new constructions (€187.5 million). network improvements (€104.2 million). operating assets (€87.8 millions of which €40.1 million for road resurfacing materials). and €27.3 million of related costs. being immobilised production plus interest during construction.

## New constructions

In 2010. construction works on new links concerned:

- The A432 Les Échets – La Boisse motorway (12 km). opened in February 2011.
- The A406 motorway. south Mâcon bypass (9 km). opened in March 2011.
- The A714 motorway. Montluçon link road (9.5 km). opened in spring 2011.

These three operations represent a total length of around 30 kilometres.

Planning work for the A719 (Gannat – Vichy). for which the opinion of the Council of State on its public interest is awaited in summer 2011. and the A466 (A6/A46 link) has begun. Opening to traffic is respectively scheduled for 2014 and 2015. and these sections will cover a total distance of 18 km.

In addition. the Group is monitoring the progress of the State department procedures concerning the A89-A6 link.

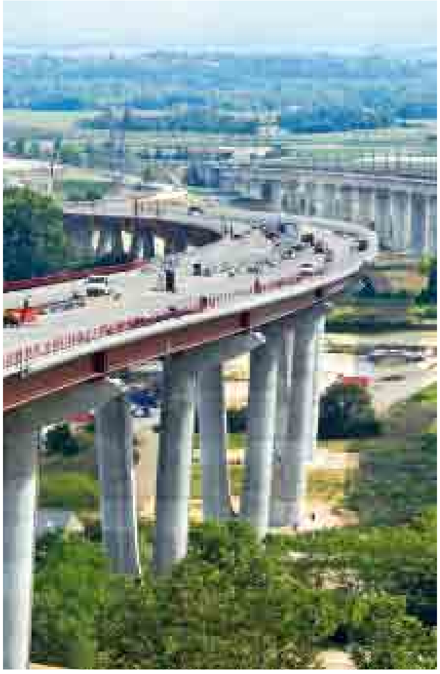
## Additional investments in operational motorways (ICAS).

The Group maintains and improves the network through regular additional investments. These essentially concern:

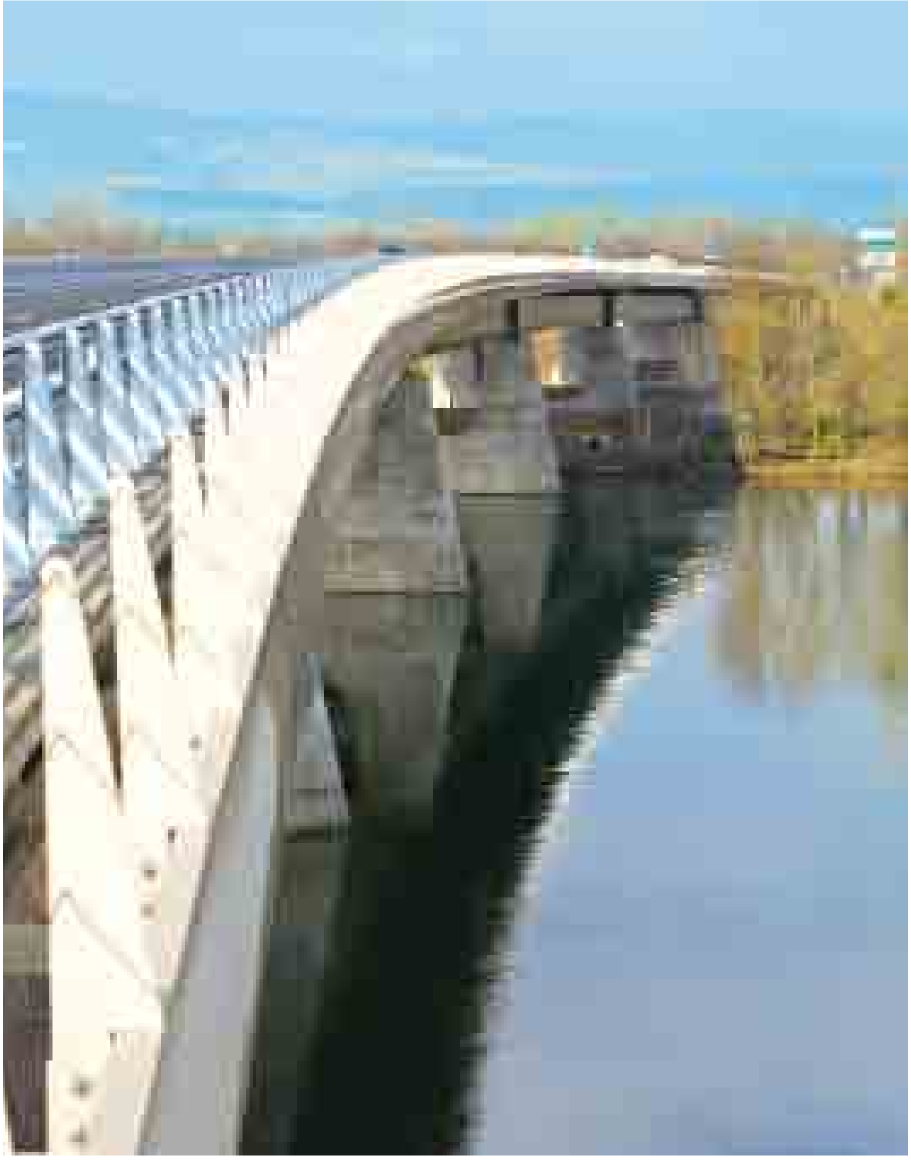
- widening to three lanes.
- new interchanges.
- enlarging and renovating a large number of service and rest areas.
- creating new interchanges and branches.
- increasing the capacity of toll plazas.
- protecting the environment.

The major works carried out during the year in terms of network improvement concern:

- the completion of the Beaune – Langres section. widened to 2 x 3 lanes in 2009.
- the creation of the Mionnay partial interchange on the A46 to the north of Lyon. opened to traffic at the same time as the A432 interchange.
- the construction of the Seynod-Sud interchange on the A41 Nord. opened to traffic in November 2010.



**Running alongside the existing railway line. the A432 motorway** is largely constructed in cuttings or on low-height fill. The Côtière viaduct. a major engineering structure forming part of the new section. links the Dombes plateau to the Rhône valley.



**Over half the route taken by the A406 is located in the Saône's floodplain;** consequently. 1.7 million cubic metres of fill plus 9 hydraulic relief works were needed to allow floodwater to drain over a width of 900 metres below the motorway.

## Amount of investments

| *(€ million)* | 2008 | 2009 | 2010 |
|---|---|---|---|
| Constructions | 80.5 | 159.2 | 187.5 |
| Additional investments on motorways in service | 303.1 | 171.2 | 104.2 |
| Road widening | 182.1 | 112.3 | 40.9 |
| Road interchanges | 4.0 | 8.0 | 16.0 |
| Tolls plazas | 8.4 | 5.7 | 3.2 |
| Rest & service areas | 12.4 | 4.9 | 1.2 |
| Operating systems | 3.8 | 3.7 | 2.3 |
| Tunnels | 52.0 | 6.1 | 4.9 |
| Engineering structures other than tunnels | 2.4 | 5.0 | 6.4 |
| Buildings | 6.2 | 5.4 | 3.8 |
| Roadways | 8.1 | 8.6 | 14.4 |
| Environment (water and noise) | 13.8 | 4.5 | 3.1 |
| Safety | 6.5 | 6.0 | 6.5 |
| Other additional investments on motorways in service | 3.4 | 1.0 | 1.4 |
| Related costs *(immobilised production + interest during construction)* | 22.5 | 18.1 | 27.3 |
| Construction + Additional investments on motorways in service + related costs | 406.2 | 348.5 | 319.0 |
| Operating assets | 59.2 | 55.1 | 47.7 |
| Road resurfacing | 33.0 | 28.5 | 40.1 |
| **TOTAL INVESTMENTS** (excluding subisidies) | **498.4** | **432.1** | **406.8** |
| *Excluding immobilised production and interest during construction* | *475.9* | *414.0* | *379.5* |

**€406.8 million**

invested in new constructions. improving the network and renewing equipment.

Of which:

- **€187.5 million** in new constructions.
- **€104.2 million** in network improvements.
- **€87.8 million** in operating assets (of which €40.1 in road resurfacing materials).
- **€27.3 million** of related costs. being immobilised production plus interest during construction.

# FOCUS ON fluidity

After two difficult years. 2010 was marked by a clear upturn in traffic and increased revenue for APRR.

Over the years. *Liber-t* has also become the main method of payment on the network.

## Upturn in traffic and increased revenue

In 2010. APRR saw an upturn in HGV traffic following a two-year decline. and a progressive increase in light vehicle traffic.

With HGV traffic increasing by 6.1% over the entire network as well as a good level of light vehicle traffic (+2.0%). paid kilometres travelled increased by 2.6% from 2009.

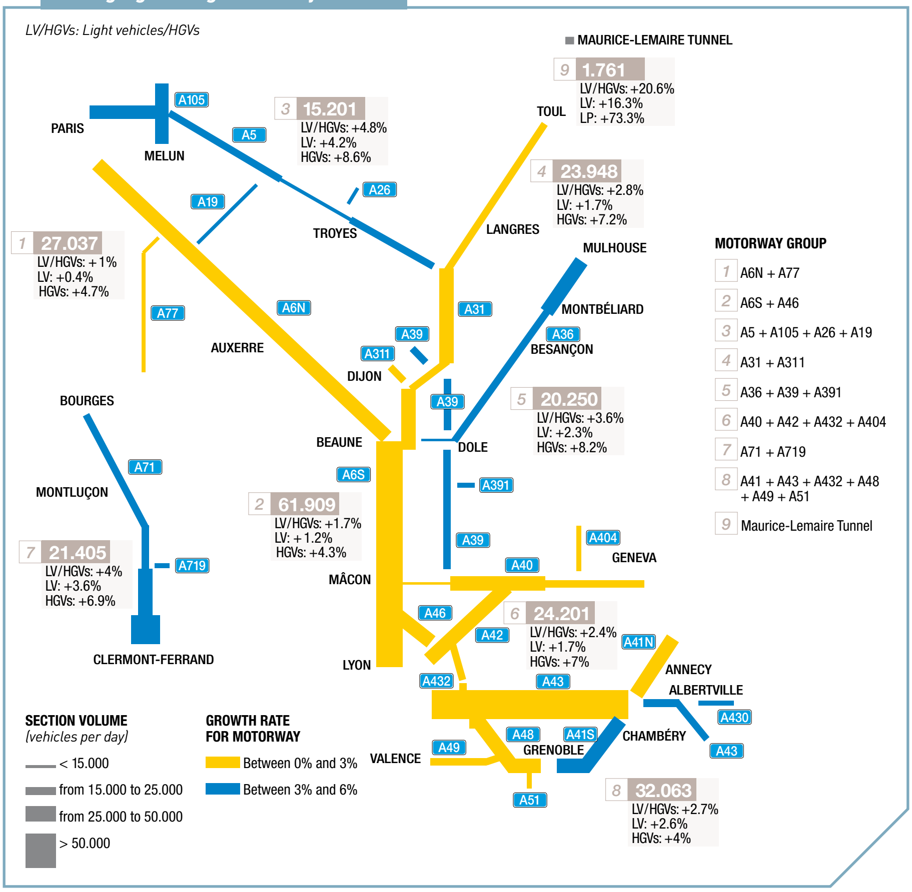
With no additional sections opened. the mileage intensity. which also neutralises calendar effects. also increased by 2.6% when compared with 2009.

With an average travel distance that increased slightly due to the increased HGV traffic level. transactions continued to increase by 2.2%. as did toll revenue (+4.3%).

This increase in revenue can be explained by several factors:

- Increased HGV and light vehicle traffic.
- Price increases in April 2009 and February 2010.

Changing mileage intensity in 2010




## Programmed price increases

APRR and AREA prices are controlled by concession contracts and by five-year management contracts. Their increase includes a proportion indexed on inflation and another part linked to investments for improving and developing the network.

The management contract negotiated for the period from 2009 to 2013 incorporated a 0.5% price increase in 2010 for both HGV and light vehicles on the networks operated by the two companies. This increase took effect on 1 February 2010.

Over the period from 2011 to 2013. the management contract sets price increases at 85% of inflation. increased by a fixed factor of 0.5%.

At the end of 2010. the outcome of negotiations with the State for passing on into toll prices increases in the TAT land use planning tax was the setting of additional toll price increases at 0.33% and 0.29% respectively for APRR and AREA as from 1 February 2011. and at 0.17% and 0.14% as from 1 February 2012.

These price changes are being accompanied by a customer information campaign.

**After a two-year decline.**
HGV traffic is picking up again.


## Continued and increasing use of automation

With its concern to constantly improve safety and traffic fluidity for its customers as they leave the network. APRR has continued its automation of toll plazas and gates.

By successfully introducing drive-through toll systems on the Dijon-Crimolois. Pérouges. Chambéry-Chignin. Seynod and Saint-Exupery toll plazas which now allow subscribers to pass through reserved toll lanes at 30 km/h. the Group has laid the foundations for a vast programme of drive-through toll systems to be introduced on the network's main plazas and gates over the period from 2011 to 2013.

In addition. Liber-t badges are continuing to win over more customers than ever. with 210.000 new badges issued out of a total of 892.000 in circulation at end-2010. being a 21.1% increase over end-2009.

The wealth of distribution channels (customer spaces. major accounts. Internet. Bali interactive terminals) and strong communication campaigns have enabled a healthy inflow of new customers.

Electronic toll systems have now become the favoured means of payment. Their success is also due to deals adapted to individual customer requirements and their increasing number of external uses (certain car parks. the Lyon ring road. etc.).

**+21.1%**
***Liber-t***
**badges sold in 2010.**

**122 toll plazas**
***remotely operated***
**out of the 146 operated by APRR and AREA.**

### Number of transactions by mode of payment

| *(in millions per year)* | 2008 | | 2009 | | 2010 | |
|---|---|---|---|---|---|---|
| Electronic toll | 100.7 | 40.3% | 108.7 | 42.5% | 116.7 | 44.6% |
| Automatic | 68.7 | 27.5% | 78.3 | 30.6% | 85.9 | 32.8% |
| **Subtotal** | | **67.8%** | | **73.1%** | | **77.5%** |
| Manual | 80.4 | 32.2% | 68.8 | 26.9% | 58.8 | 22.5% |
| **TOTAL** | **249.8** | | **255.8** | | **261.4** | |

**77.5%**
of transactions in 2010 were made using an automatic method.

### Group traffic volumes

*(in millions of km per year)*

| Group | LV Kilometres *(in millions)* | Growth *as a % (n - 1)* | HGV Kilometres *(in millions)* | Growth *as a % (n - 1)* | TOTAL Kilometres *(in millions)* | Growth *as a % (n - 1)* |
|---|---|---|---|---|---|---|
| 2008 | 17,107 | - 0.8% | 3,453 | - 3.3% | 20,561 | - 1.2% |
| 2009 | 17,609 | 2.9% | 3,019 | - 12.6% | 20,628 | 0.3% |
| **2010** | **17,953** | **2.0%** | **3,203** | **6.1%** | **21,157** | **2.6%** |
| **Of which APRR** | | | | | | |
| 2008 | 13,145 | - 1.4% | 3,009 | - 3.1% | 16,154 | - 1.7% |
| 2009 | 13,521 | 2.9% | 2,617 | - 13.0% | 16,138 | - 0.1% |
| **2010** | **13,761** | **1.8%** | **2,785** | **6.4%** | **16,546** | **2.5%** |
| **Of which AREA** | | | | | | |
| 2008 | 3,962 | 1.4% | 444 | - 5.0% | 4,407 | 0.8% |
| 2009 | 4,087 | 3.2% | 402 | - 9.5% | 4,489 | 1.9% |
| **2010** | **4,193** | **2.6%** | **418** | **4.0%** | **4,611** | **2.7%** |

Alongside this commercial deployment. the way in which tolls are collected continues to evolve with. by end-2010. the completely or partially remote operation of 122 plazas out of the 146 operated by APRR and AREA.

Since 1 April 2008. four European issuers approved by the ASFA remote toll commission (Axxès. Eurotoll. Total and DKV) also provide sales and management services for heavy goods vehicle subscriber customers.

In 2010. APRR took steps to prevent toll fraud. an act that generates dangerous behaviour. by increasing the reliability of its equipment and taking a harder line in prosecuting lawbreakers.

* *ASFA: professional motorway and road construction association.*

# EVERYDAY safety AND SERVICE

Thanks to the efforts made by the personnel to increase traffic safety, the development of infrastructures and communication campaigns, motorways have become statistically five times safer than other roads.

**Number of accidents**

| | 2008 | 2009 | 2010 |
|---|---|---|---|
| Damage | 5,138 | 4,767 | 5,485 |
| Injury | 415 | 343 | 364 |
| Death | 31 | 31 | 39 |

## Never losing sight of safety

In 2010, APRR confirmed the priority given to safety, customer information and traffic fluidity. However, results obtained in 2010, although reflecting the efforts made over the last few years, have shown a slight decline with a 3.3% increase in the injury accident rate (364 injury accidents for a rate per billion kilometres travelled of 16.6 in 2010 as opposed to 343 injury accidents and a rate of 16.1 in 2009), and an 11.4% increase in the "all accidents" rate compared with 2009 following a fall that had continued over a number of years. The number of deaths also increased (39 in 2010 as opposed to 31 in 2008 and 2009).

Building on the results of regular survey campaigns carried out with our customers, the APRR group has equipped itself to react in real time to events (CCTV cover, global positioning system for emergency vehicles, control stations incorporated into the network and linked up with one another, etc.), and to take actions adapted to each situation and keep customers informed.

This system, completed by in-house management of calls from emergency phones over the entire network, is manned 24 hours a day, seven days a week, with additional resources deployed during severe winter weather conditions.

In 2010, APRR mobilised over 1,000 people to cope with particularly severe winter conditions, during which our teams worked around the clock to reduce bad driving conditions and enable our customers to travel safely.

## Continuing to increase driver awareness

Awareness-raising campaigns aimed at altering driver behaviour patterns were continued on themes such as “improving concentration at the wheel”, “motorway service agents”, “responsible driving”, “politeness at the wheel” and “motorway safety”, within the scope of the Motorway Days organised by ASFA* through special events, posters, radio info-ads, brochures and information on the Internet.

In 2010, the Sécurodrome increased the awareness of and trained 3,500 people (company or school courses within the scope of road safety certification programmes). The Centaure and Minotaure centres, subsidiaries of the Group companies and Groupama, also saw an increasing number of visitors.

## Increasingly well-informed customers

The survey campaigns regularly carried out among customers (results virtually stable in 2010 with a satisfaction level of 7.7/10 as opposed to 7.8 in 2009) allow the Group to constantly be aware of customer needs and adapt itself to their expectations.

Real-time information concerning driving conditions and travel fluidity remains one of APRR’s main concerns. It is relayed by:

- radio: Autoroute Info 107.7,
- the APRR website which was entirely remodelled in 2010,
- dynamic message boards,

# ZOOM

## Facilities to improve network safety

In 2010, the APRR group devoted considerable resources to improving customer safety through its carriageway renovation programme and road widening operations. These particularly included:
- the opening of a third lane between Brognard and Montbéliard on the A36,
- the backfitting of the Uriol and Petit Brion tunnels on the A51,
- work on toll plazas,
- reinforced protection systems and network-sealing barriers (wrong-way driving signs, fencing to prevent wild animals roaming onto the motorways, construction of animal crossings, etc.),
- the introduction of systems intended to increase the safety of customers and the teams working on the network and toll plaza approaches,
- the provision of global positioning systems for emergency vehicles, resulting in faster response times to events.

In addition, given the damage to carriageways caused by bad winter weather and considerable temperature variations (potholes, cracks, etc.), unprecedented measures were taken to increase the safety of the network.

**Between 60% and 70% of restaurants, shops and petrol stations** on service areas will be subject to renovation works as from 2011.

**77.5%**

of transactions in 2010 were completed through an automatic method.

**Commercial installations** *(charges in € thousands)*

| | 2008 | 2009 | 2010 |
|---|---|---|---|
| Petrol stations | 17,697 | 18,843 | 19,395 |
| Restaurant,services | 6,491 | 6,188 | 7,328 |
| Shops | 1,529 | 1,641 | 1,797 |
| Hotels | 341 | 273 | 342 |
| Others | 216 | 191 | 222 |
| TOTAL | 26,274 | 27,137 | 29,084 |

- regular press releases and mail-shots concerning our roadwork zones,
- the new iPhone application,
- our meshed network, offering automatic guidance.

The programmes organised at rest and service areas under the Entract' brand and the "en voiture Simone…" communication campaign proved as popular as ever, especially during the busy summer and winter holiday periods, with over 80 events held in 2010.
These free events are intended to improve customer safety by encouraging drivers to take a break.

### Greater use of automatic toll systems

The development of automation and electronic toll systems continued in 2010 with 77.5% of the Group's toll transactions using an automatic method (electronic toll system, cards and automatic systems), up from 73.1% in 2009.

Similarly, 44.6% of transactions were made using the electronic toll system, up from 42.5% in 2009, thus confirming electronic toll systems as the main payment method chosen by customers.

Works were also carried out to improve customer comfort and safety on toll plazas, especially through the continuing introduction of electronic toll systems and all-vehicle, all-payment-type lanes, improved signage on barriered lanes, and reconfigured and additional lanes.

The creation of the Seynod-Sud interchange on the A41 meets a strong demand from customers and local authorities while incorporating total automation, photovoltaic technology and environmental integration.

** ASFA: professional motorway and road construction association.*

# HIGH PERFORMANCE INFORMATION systems

In order to have ever-higher performance tools, the APRR group accelerated the reengineering of its information and management systems, the renovation of its Internet and Intranet sites, and the upgrading of its telecommunications networks and infrastructures.

€12 million

in revenue derived for the Group from the provision of IT and telecommunications infrastructure

The optimisation of data processing costs remained one of APRR's priorities in 2010. A considerable rationalisation operation of software licenses was carried out to ensure the coherence of software assets and their use.

The pursuit of purchasing synergies with the Eiffage parent company continued with the signing of several framework agreements for office work stations, servers and mobile telephony systems.

In 2010, the engineering and information systems department also introduced several new information system modules.

## Development of information and management systems

One such module was the new temporary staff management system (PIXID), launched in March 2010 alongside the new purchasing workflow system integrated into the financial ERP tool (PRODIGE). At end-2010, this system was parameterised and made available to the ALIÉNOR company (Eiffage motorway subsidiary for the A65) which now uses it for its accounting management.

Developments concerning the first reengineering phase for the Group HR Infocentre (ORISON) are completed. Start-up will take place in January 2011. Additional developments will be carried out in 2011 within the scope of a second project phase.

Several significant changes were made in June 2010 to the HR information system (SAGESS) following the signature of new company agreements in the toll sector.

Modification works aimed at ensuring that the APRR's financial information system complies with the new SEPA banking standard began in 2010 (introduction of a new version of the cash management tool) and will continue through 2011 (transfers) and 2012 (debits).

Developments concerning the ATOS project (management of activity times and rounds), the digitising of invoices and the CHOPIN project (investment transactions management) are under way and will be introduced in 2011.

The new sales information system (SITEL) launched in late 2009 at APRR was equipped with new functionalities (electronic document management, logistical centre for electronic toll system badges, support for new badge models).

At the same time, the merging and modernisation of the APRR and AREA subscriber spaces (EDGAR project) was launched and will be implemented in 2011.

Lastly, foundations were laid for the future of the APRR's information system with the development of new telecoms and office automation master plans covering the next five years.

**The new aprr.fr site, both fun and colourful.** Since June 2010, Internet users have had access to the new information and news space, which contains a wealth of customer information.

## ZOOM

### Providing customers with real-time information

Thanks to the real-time information available on the **aprr.fr** home page, customers can optimise their motorway journeys. Whether concerning the weather, roadworks, traffic conditions or travel times, the site provides exclusive services and practical information.
By consulting the dashboard on the aprr.fr home page, customers can access constantly updated traffic information. The aim is to better prepare motorway journeys and, as a result, travel in the best possible conditions.
Thanks to this information, customers can, for example:

- estimate the time of departure to arrive on time for a business meeting,
- make informed decisions regarding the route to take and what time to leave to reach or return from holiday destinations.


**During the October 2010 Paris Motor Show,** three Autoroute Info journalists broadcast three direct bulletins a day from the ASFA stand, taking listeners backstage to discover all the latest news from the show.

## Modernisation of sites and networks

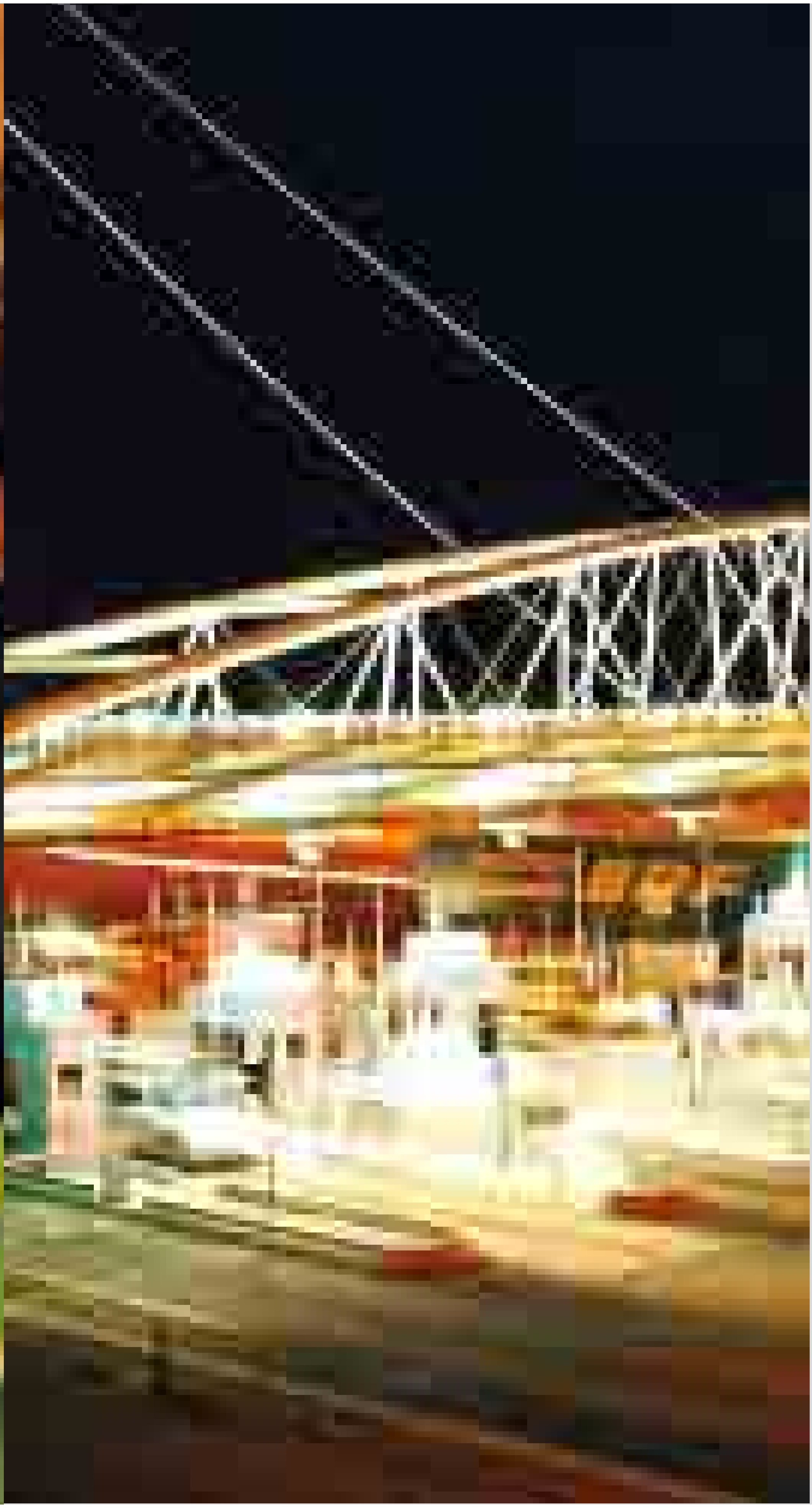
APRR migrated all its Intranet sites to a new, more modern technology (Sharepoint). A Group directory as well as an operations-dedicated collaborative forum (Exploit 2011) were also introduced.

Online, new functionalities (e-service pages, news, etc.) were added to the aprr.fr web site and the autorouteinfo.fr site had a technical upgrade to improve its performance levels during peak use periods (holiday departures, bad weather). This reengineering will be extended to the aprr.fr site in 2011.

Concerning computer infrastructures, APRR and AREA began grouping their capabilities in 2010 within a single datacentre located in Dijon. This complicated process will be completed by April 2011.

As for telecoms, the renovation of the APRR high speed backbone (ARTEMIS) was, as programmed, completed in 2010. This new network will be deployed at AREA in 2011. A number of loopbacks aiming to make the Group's networks more secure were introduced in 2010 in partnership with other motorway infrastructure managers (ATMB and DIR Centre-Est).

Finally, in the field of making telecom infrastructures available to operators, Internet access suppliers and public telecom services concession holders, APRR maintained its revenue at the same level as that for 2009 (approximately €12 million) in an unfavourable market marked by the absence of significant new contracts.

## "Greener" motorway lighting

To reduce motorways' ecological footprint, APRR & AREA are reducing energy consumption linked to lighting on their networks, without in any way compromising driver safety or comfort.

Electronic programming systems are being used to reduce the light intensity at various points throughout the network. Naturally, these changes in lighting level are being studied with due consideration of the safety and comfort of drivers.

*"For instance, for the Fleury-en-Bière toll plaza on the A6 (Paris-Lyon), this represents an approximately 20% to 30% reduction in energy consumption"*, notes Jean-Emmanuel Garel, APRR Nemours district manager.

*"On the A43 (Lyon-Chambéry) at Bron (69), the lighting level is reduced by 25% from 11 p.m. to 6 a.m., whereas between 6 p.m. and 11 p.m. it is kept at full intensity"*, explains Bruno Sudara, AREA electrotechnical and tunnels division manager.

In addition, light emitting diodes (LED) are being increasingly used on the APRR & AREA networks.

BRINGING THE

future

INTO TODAY'S WORLD

# BUILDING ON diversity AN TRAINING

Following the agreements signed concerning diversity and equal rights for men and women, APRR is now placing emphasis on employment for the disabled while also maintaining its policy of providing employees with training and professionalisation courses.

3,952

employees

## Increased diversity and stress prevention

In 2010, APRR continued its approach of encouraging diversity and societal responsibility by signing a company agreement with all social partners concerning insertion and the continuing provision of jobs for persons with disabilities.

In parallel, a national partnership agreement was signed with the *Association pour la Gestion du Fonds pour l'Insertion professionnelle des Personnes Handicapées* – AGEFIPH (association for the management of funds for the professional insertion of disabled persons), a measure supplementing the actions carried out by APRR in favour of diversity, the professional equality of men and women, as well as the continuing provision of jobs for seniors.

APRR also signed a company agreement concerning the prevention of stress and psychosocial risks. The aim is to identify stress factors using social, health and safety indicators. Quality of working life commissions have been given the task of making recommendations that could reduce identified collective stress situations.

## An increasing number of trained staff...

In 2010, over 89,980 hours of training were given to APRR and AREA employees. Over 84% of personnel took at least one training course, illustrating the company's commitment to ensuring that its training budget, which represents 3.95% of the payroll, is distributed among all employees.

Reflecting deployment of the diversity policy, access to training remains virtually proportional to the employment structure as executive employees, supervisory staff and workers respectively represent 14%, 50% and 38% of trainees (14%, 52% and 34% of the personnel). In addition, 40% of trainees are women (out of the 42% of women working for the Group).

Within the context of the changes taking place in the various toll professions (agreements signed in 2009 and 2010 by APRR and AREA) and to ensure continuing employment in this sector, forward management of employment and skills took physical shape during 2010 with the provision of over 200 professionalisation modules involving training courses with receivers and head receivers , combined with the individual work station assistance (tutoring).

## ...and stable staff levels

On 31 December 2010, APRR and AREA had 3,952 open-ended contract employees, representing an overall average weighted staff level of 3,783.7 persons a year.

Remaining with average weighted staff levels, executives represented 14% of employees, supervisory staff 47% and workers 39%.

34% of APRR's employees carry out toll and customer sales functions, 42% road serviceability, safety, maintenance and

**In 2010, APRR's management** concentrated on reinforcing prevention management to emphasise the need for a safety-based culture.

ZOOM

## Induction and training of managers

New methods were used in 2010 to enhance the development of human resources. These included:

- the organisation of an "introductory forum" for new executives, plus induction days for all newly hired personnel in each of the APRR regions and at AREA,
- the setting up of an "incubator for young graduates", providing six young engineers and a business school graduate with a one-year professional integration period within the Group comprising operational assignments leading to a permanent job,
- "management meetings", a series of eight conferences focusing on the latest managerial methods and innovations, proposed to managers on a "self-service" basis and allowing them to supplement their knowledge and take an objective view of their role as managers.

workshop functions, and 24% functional management and support activities.

In 2010, APRR hired 100 open-ended contract employees, of which 19 executives, 20 supervisory staff and 61 workers. Over the same period, 110 employees left the company the majority due to retirement or voluntarily, and 18 employees claimed their right to early departure (CATS*).

APRR and AREA continued to prioritise career advancement. As a result, 78 employees, of which 7 executives and 71 supervisory staff, were able to take on higher-ranking positions.

On 31 December 2010, 101 employees were eligible for the early retirement scheme made available to certain salaried workers (CATS), including 46 new beneficiaries in 2010.

### Falling absenteeism

In 2010, the absenteeism rate saw a new fall to 6.54% as against 6.75% in 2009 and 7.35% in 2008. Absenteeism due to illness also fell, from 4.83% in 2009 to 4.74%. This rate has fallen every one of the last 5 years.

The average salaries of on-site personnel increased by 2.36%, of which 1.28% as individual salary increases and 1.08% as general increases.

In 2010, the special profit-sharing reserve stood at €15.8 million, up by €1 million from a year previously.

The amount set aside for discretionary profit-sharing for 2010 was €6.3 million.

The average annual discretionary bonus paid to Group employees in 2010 was €1,520, while the average amount paid under mandatory profit-sharing was €3,802.

As provided for by the Eiffage and APRR Group Savings Plans , since 2009 the sums available for discretionary profit-sharing are topped up by 50% while those available for mandatory profit-sharing are topped up by 25%.

** CATS: early retirement for certain salaried workers.*

# ABOVE ALL, ENVIRONMENTAL *protection*

Throughout the year, APRR placed considerable emphasis on its actions in favour of biodiversity and continued efforts to reduce its impact on the environment.

## The year of biodiversity

In 2010, International Biodiversity Year, APRR shared its commitments and achievements with a wide public. This approach saw the Eiffage group biodiversity charter being distributed to all APRR and AREA departments and displayed at all customer reception points.

The Venoy and Achères rest areas on the A6 were used to hold an exhibition on this theme. The annual "A fresh approach to biodiversity" staff photo competition also proved extremely popular.

The recent constructed A39 and A51 motorways as well as the A406 and A432 (under construction) were the subject of classes, visits and studies within the scope of the Biodiversity, Environment and Major Infrastructures university courses organised by Paris I – Sorbonne University and Eiffage.

A day looking at current biodiversity issues allowed APRR's environment unit to exchange ideas concerning the problems faced and the methodological tools available, as well as to take stock of the results provided by Copafaune, a scientific research programme partnered by APRR that concerns the connectivity of landscapes from the viewpoint of small animals. A landscape mock-up was made and over 500 samples were taken of newts in their natural environment as well as from the areas surrounding the A6 and the Paris-Lyon high speed railway line in Burgundy.

In mid-2010, an agreement was signed between AREA and the Isère General Council concerning participation in the restoration of the Grésivaudan corridors (A41, A48 and A49).

In the *"Les carnets d'autoroutes…sur le chemin du développement durable"** collection, the publication of the *"Autoroutes et biodiversité, De la chouette effraie au râle des genêts…"*** brochure opened yet another window on this international biological diversity year.

## Reducing impacts at all levels

The environment management system for all APRR operational activities now has ISO 14001 certification, proof of the continuous improvements being made in the control of the impact of its business on the environment. One such improvement is APRR's increased efforts to reduce the use of pesticides for maintaining green spaces in accordance with the Ecophyto 2018 framework agreement signed between ASFA and the State.

Another field of action concerns the increased control of energy consumption. Modifications to lighting equipment at toll plazas and rest and service areas are being continued, for example, and have already led to significant reductions in consumption. The installation of dimmers and LED luminaires has, depending on the specific configuration, resulted in savings ranging from 30% to 80%.

# ZOOM

## Preserving biodiversity

*"Late mowing preserves the fauna and flora along the motorway verges", explains Etienne Cuenot, APRR Civil Engineering and Environment department assistant manager. "Flowers are only cut once they have produced their seeds and grasses only mown once mating and nesting periods are over".* The result is that the life cycle of plants and animals is respected. Birds, small mammals and insects find safety and the food they need for their development in these tall grasses. Looking carefully, it is possible to see colonies of butterflies and birds flying over the embankments.

**22 May 2010: On International Biodiversity Day,** APRR invited drivers and their passengers passing nearby the Porte de la Drôme (A49) rest and service area to discover an innovative experience on the AREA network: a barefoot path, a novel initiative to illustrate the Group's commitments in terms of preserving biodiversity while, at the same time, rediscover the pleasures of being in direct contact with nature.

Concerning buildings, major insulation works have been carried out on the facades of the APRR head office and a solar water heater installed for the company restaurant. A second photovoltaic canopy has been installed at the new A41 interchange.

Multi-year programmes aimed at protecting water resources and shielding local residents from noise nuisances continued to be implemented, with in particular research into major improvements to be carried out in 2011.

*"Motorway diaries – towards sustainable development".
**"Motorways and biodiversity. From the barn owl to the corncrake".

**€5,375 thousand**

invested in active motorways, including as part of widening operations, to reduce environmental impacts and limit risks.

Of which:

- **€3,406 thousand** for water,
- **€2 184 thousand** for noise,
- **€649 thousand** for biodiversity and the landscape,
- **€136 thousand** for waste.

# Regions

## DISCOVERING A HERITAGE

To discover the riches of the regions being driven across in a fun way, APRR came up with an iPhone travel quiz. Featuring the A6 and A40/A43, the game highlights local tourist features and breaks up the boredom of the trip for passengers during the mass summer and winter traffic surges.

At the beginning of 2010, APRR also published a visitors' brochure for the tree garden on the A77, a rest area inspired by the Barres – Arbofolia arboretum which is located nearby and managed by the national forestry authority (ONF).

The European heritage days provided an opportunity for a closer examination of the Château de Fontainebleau (A6), the works of architect Maurice Novarina (A40), and the orchards of the Pays de Filières in Haute-Savoie (A410).

In the Jura region, local stakeholders and APRR representatives met for a day's visit during which the results of a study on the use of animal crossings on the A39 were presented.

Providing access to winter sports resorts is a vital function of the Rhône-Alpin network. It is therefore only natural that AREA and the Eiffage group should be officially backing Annecy's candidature for the 2018 Winter Olympics.

In support of Eiffage's project to build a new motorway near Dakar, APRR contributed to setting up a socio-economic and environmental observatory, as part of which it is sponsoring a thesis by a Senegalese student on "genealogy and the advent of the motorway in Senegal".

**Taxes paid to local and regional authorities**

*(in € millions)*

| | |
|---|---|
| Land and property tax | 2.4 |
| Local business tax | 50.2 |
| Regional development tax | 136.3 |

**50 apple trees, 15 pear trees and two plum trees** were planted on the new Seynod-Sud (A41) interchange and the Crêts-Blancs rest area (A410).

**The Jardin des Arbres rest area (A77)** is one of the most attractive landscaping operations to be found on the French motorway network: a 15-hectare area containing 150 tree species, 6 themed galleries and 5 flowering gardens.

# Customers

## MAKING TRAVEL A PLEASURE

To strengthen its relationship with its customers, APRR conducted an innovative study providing customers with an opportunity to express their experience and perception of motorway journeys. One thing to emerge from this was that the majority of people see the motorway as a space converted for travel purposes, while the lack of understanding of the monitoring and assistance resources available to motorway operators can result in fear of an incident that could result in a breakdown in the middle of the countryside. As a first response, the "Circuler en hiver" (winter driving) volume in the Carnets d'Autoroutes collection was published this autumn.

The Group has come up with new services to strengthen the desire to travel that can be stirred by the motorway. In 2010 and alongside in-house measures, this saw the national sustainable development week providing new events for customers in rest and service areas centred around a regional market, exhibitions and fun ways to discover how to protect the environment.

During the International Biodiversity Day, drivers and their passengers on the A49 were able to enjoy a stroll along a barefoot path to renew their contact with the natural environment in a novel manner.

Lastly, during "mobility and road safety week", AREA helped the employees of a company in Grenoble discover the benefits of a rest break.

**Annual "injury accident" rate**

| | |
|---|---|
| 2008 | 19.5 |
| 2009 | 16.1 |
| **2010** | **16.6** |

**APRR places particular emphasis on the safety of its personnel**
Une campagne interne and, to that end, launched an internal ¨all working to increase safety¨ campaign, involving a specific message every three months [quarter?].

**The introduction of a company agreement** concerning tolls allows the Group to support and manage the changing organisation of work on toll plazas. The overriding priority is to develop broad skills bases through training and personal supervision.

# Employees

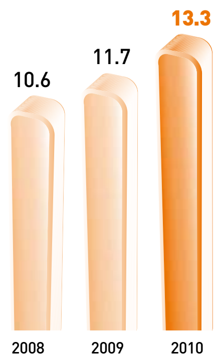
## ON THE PROGRAMME: DIVERSITY, SAFETY AND HEALTH

**The Group approach favouring diversity and equal opportunities** was strengthened in 2010, notably through APRR's signature of an agreement concerning physical disabilities and an accord with Agefiph.
Two other themes were particularly focused on in 2010: "Non-discriminatory hiring" and "Looking after the second half of your career".

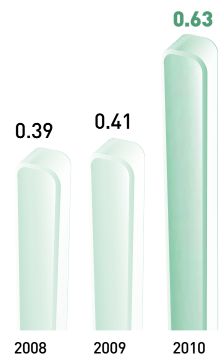
Similarly to APRR in 2009, an agreement was negotiated within AREA **to support the development of automation on toll plazas**. Options for the booth operators concerned include moving into remote operations or commercial and administrative reception tasks.

**"All working to increase safety!"** is APRR's first communication campaign concerning the prevention of work accidents. It features good practice guides encouraging employees to anticipate, coordinate with colleagues, check, warn and take the steps necessary to meet a particular situation.

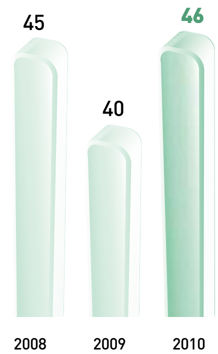
**Eco-driving training courses continue:** over the last two years, almost 200 employees have been able to test how to reduce their environmental impact while driving and, at the same time, increase their safety. A new training course was introduced for those regularly making long trips; "driving health and safety" combines information concerning road safety and the mechanics of how the spinal column works with relaxation exercises adapted to driving.




Work accident frequency rate




Work accident severity rate




Number of employees concerned by CATS* in 2010

* *Early retirement for certain salaried workers.*

# PERFORMANCE INDICATORS

**The tree frog** lives in wetland environments. APRR has created substitution ponds to meet its vital needs.

| Theme | Indicators | Units | Figures 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| **CUSTOMERS** | | | | | |
| Traffic safety | Annual rate of injury accidents | *Number of injury accidents per billion Kilometres travelled* [b] | 19.5 | 16.1 | 16.6 |
| Service quality | Kilometre hours of traffic jam | *Kilometre hour* | 22,328 | 21,894 | 24,282 |
| **EMPLOYEES** | | | | | |
| Training | Training access rate | *Percentage* | 77.5 | 81.7 | 84.2 |
| | Number of hours of training | *Hour* | 90,901 | 92,546 | 89,979 |
| Personnel safety | Work accident frequency rate | *Number of accidents with time off Per million hours worked* | 10.6 | 11.7 | 13.3 |
| | Work accident severity rate | *Number of days lost Per thousand hours worked* | 0.39 | 0.41 | 0.63 |
| **ENVIRONMENT** | | | | | |
| Water consumption 462,000 $m^3$ [a] | Drinking water consumption per 100 km travelled[b] | *Litres/100 km* | 2.29 | 2.33 | 2.09 |
| Energy consumption (electricity and fossil fuels) 152.31 million kWh [a] | Energy consumption per 100 km travelled [b] | *kWh/100 km* | 0.70 | 0.72 | 0.69 |
| Company's greenhouse gas emissions | Company's greenhouse gas emissions per 100 km travelled [b] | *g of $CO_2$/100 km* | 95 | 89 | 93 |
| Customers' greenhouse gas emissions | Greenhouse gas emissions caused by traffic per 100 km travelled [b] | *g of $CO_2$/100 km* | 30,000 | 28,600 | 29,000 |
| Waste | Recycling rate for waste produced | *Percentage* | 16.5 | 29 | 20 |
| Consumption of materials | Proportion of recycled materials used for roadways | *Percentage* | 2.2 | 1.8 | 2.7 |
| **ECONOMY/REGIONS** | | | | | |
| Economic and tourism development of the regions | Proportion of average daily traffic measured on interchanges outside of urban areas [c] | *Percentage* | 17 | 17 | 17 |

*(a) Total consumption for 2009.*
*(b) On the network, by customers.*
*(c) INSEE definition of an urban area: a group of municipalities comprising an urban centre (with at least 5,000 jobs) surrounded by suburbs which, in turn, are made up of rural municipalities or urban sub-centres where at least 40% of employed residents work either in the urban centre or in one of the municipalities in its catchment area.*

## METHODOLOGICAL INFORMATION CONCERNING INDICATORS

*Training access rate*

*This is the number of employees absent for training purposes as a proportion of the workforce weighted for working hours.*

*Water consumption*

*This concerns consumption linked to the Group's activities – including consumption by customers in motorway rest and service areas – per 100 kilometres travelled.*

*Energy consumption*

*This concerns consumption linked to the Group's activities – excluding fuel consumed by customers using the motorway network – per 100 kilometres travelled..*

*Greenhouse gas emissions*

*Generated by the company: estimate produced by application of Industry Ministry conversion factors to the consumption of fuel and combustibles.*

*Generated by traffic: estimate produced by application of the methodology developed by ASFA to the number of kilometres travelled by customers.*

*Recycling rate for waste produced*

*"Waste produced" includes all waste produced by the Group's own activities and by customers in motorway rest and service areas. It includes neither construction waste nor green waste.*

# SUSTAINABLE DEVELOPMENT COMMITMENTS

## Customers

**E1 •** Constantly increase safety on the motorway network and encourage customers to adopt safer, more civic-minded behaviour.

**E2 •** Improve the quality and the range of services offered to customers and strengthen customer relations on themes such as the environment, safety and the countryside.

## Employees

**E3 •** Promote the individual and collective development of employees, foster diversity and reinforce social cohesion.

**E4 •** Further develop professionalism and a preventative approach to work situations, in order to foster a true safety culture.

## Regions

**E7 •** In partnership with the regions concerned, carry out evaluations of the socio-economic and environmental impacts of the motorway and contribute to a better understanding of the impact of the motorway activity on public health.

**E8 •** Promote economic and tourism development actions in the regions served by the network, and fully exploit the potential of motorway rest and service areas.

**E9 •** Participate in the development of projects favouring multimodal transport.

## Environment

**E5 •** In consultation with stakeholders, act to preserve biodiversity and the living environment from the design and construction phases and throughout the service lives of the structures.

**E6 •** Optimise the carbon footprint resulting from the construction and operation of motorways, and improve the energy efficiency of installations.

## Suppliers

**E10 •** Affirm the Group's social and environmental responsibility in dealings with suppliers and subcontractors, and with those managing commercial concerns in service areas.

# innovation AT THE HEART OF NEW PROJECTS

Whether in terms of alternative energies, operational tools or mobility programmes, the APRR group has an active technology and innovation watch policy.

In 2010, the APRR group progressed a large number of research and development projects, including:

- the production of alternative energies to supply equipment (mini wind turbines on the A6, photovoltaic panels on the canopy over the A41 Nord toll plaza following on from the canopy on the A39 in 2009),
- the finalising of drive-through toll systems, resulting in significant environmental gains and, in application of the Grenelle II law, the detection of fraud through the reading of licence plates,
- testing of LED lighting systems, notably in tunnels. Tests were carried out by APRR and AREA in 2010 to develop coordinated specifications by 2011,
- the development of new operational tools (placing and picking up traffic cones, remote controlled maintenance of embankments, etc.),
- experiments with acoustic bitumens by encouraging their improvement with our partners (Nanophone by Eiffage Travaux Publics on two sections of the A41 Nord and the A43),
- the qualification of the structural behaviour of roadways on the AREA motorway network, notably in partnership with ENTPE and the Eiffage Travaux Publics Research and Development Department, in order to optimise planning of maintenance works, and experiments on the recycling of macadam aggregates using hydraulic binders and the addition of fibres as part of the Recyroute project (APRR with Eiffage Travaux Publics),
- additional developments on operational digital radio and the related global positioning system (traceability of response times, remote controlled opening and closing of gates, etc.).

## Industrial and international projects

Within the scope of the construction of the Dakar-Diamniado motorway in Senegal, APRR carried out a study for concession operator SENAC on highly innovative toll systems, remote tolls and VMS displays to ensure their compatibility with the country's socio-economic profile.

APRR and AREA also continued to participate actively in other innovative projects, including:

- programmes for the development of intelligent transport systems in Europe as part of the EasyWay programme whose second phase was launched in 2010 (occupancy of HGV parking spaces, display of travel times, speed control, etc.),
- Co-Drive project (Copilot for an intelligent road and vehicular communication system) in partnership with Valeo, Clemessy, INRETS and INSA,
- Phosphore project, an Eiffage group long-range, multi-skill planning laboratory dedicated to the design of a "High Quality of Life" city, notably through the development of eco-mobility concepts.

**39 sites will be equipped with drive-through toll systems** by completion of the 2009–2013 management contracts, with 32 on the APRR network and seven on the AREA network.

# ZOOM

## No more stopping at tolls!

APRR and AREA are extending drive-through toll systems on their motorways: the installation of these new "rapid" toll stations forms part of the APRR and AREA 2009–2013 management contracts signed with the State.

*"The driver does not even have to stop, he just has to slow down to around 30 km/h on approaching the gate. The vehicle is recognised faster and earlier, the gate raises in anticipation and the traffic light turns to green, allowing the driver to pass through without stopping"*, explains Thierry de Camaret, APRR toll and customer relations manager. Nothing changes for electronic toll system subscribers: they retain their Liber-t badge and contract. What does change is the completely new generation of toll gate. To recognise this new gate, drivers simply have to look out for lanes signalled by the normal orange "t" but accompanied by a "30", indicating the 30 km/h at which the vehicle can drive through.

*"The extra toll fluidity and the additional comfort level when driving through the plazas have been much appreciated by electronic toll system customers, who will be pleased to know that over the next three years, the system will be introduced on 30 toll plazas"*, explains Thierry de Camaret.

**High-tech equipment in the new "white" vans,** equipped with an easy-to-use tactile screen permitting the display of safety and prevention messages to drivers on the lit panel located on the rear of the vehicle.

**The Dakar-Diamniado toll motorway,** conceded to Eiffage: APRR is helping with the operational aspects of this project and installing the fixed equipment (tolls, dynamic message boards and cameras).

# Growing AND consolidating THE GROUP'S EARNINGS IN TOTAL TRANSPARENCY

# CONTENTS

# 1 • Group activities

## 1.1 Traffic volume and toll fares

### 1.1.1 Traffic volume

In 2010, traffic on the network operated by APRR Group (excluding Adelac), as measured by paid kilometres travelled, increased by 2.6% compared with 2009.

This increase in traffic was marked by a sharp recovery in heavy goods vehicle traffic, up 6.1% from 2009 after a two-year decline, but still 10.3% below the peak of 2007.

Kilometres travelled by light vehicles increased by 2.0% compared with 2009, reflecting notably a recovery in summer traffic.

The entire network benefited from this recovery in traffic, the strongest increases being recorded by those motorway sections most used by heavy goods vehicles.

Traffic intensity increased by 2.6% compared with 2009.

The number of transactions at exit toll stations rose by 2.2% year-on-year, slightly less than the increase in kilometres travelled, indicating that the average distance travelled was slightly greater in 2010, after declining for a decade.

### 1.1.2 Tariffs

Toll fares charged by APRR and AREA are regulated by the concession agreements and five-year management contracts entered into by these companies. Fare adjustments comprise a variable portion indexed to inflation and a fixed portion tied to investments to improve and develop the network.

In the management contracts negotiated for the period 2009 to 2013, the tariff increase for 2010 was fixed at 0.5% for both light vehicles and heavy goods vehicles for the motorways networks operated by the two companies. This tariff increase came into force on 1 February 2010.

For the period 2011 to 2013, the management contracts for APRR and AREA set tariff increases at 85% of inflation plus a fixed 0.50% increase tied to the investments that these companies have committed to.

Negotiations with the French State over tariff adjustments to reflect the increase in the regional development tax (Taxe d'Aménagement du Territoire - TAT) resulted in the parties agreeing to additional increases on 1 February 2011 and 1 February 2012, of 0.33% and 0.17% for APRR, and 0.29% and 0.14% for AREA, respectively.

The two concession agreements were amended through riders on 27 January 2011 to reflect these adjustments.

Concurrently, commercial terms were modified for heavy goods vehicles and tariff scales for Europollution classes raised with effect from 1 November 2010.

An information campaign was organised to inform customers of the tariff revisions.

## 1.2 Service and safety

The Group's priority remains to facilitate the movement of goods and persons in optimum conditions in terms of safety, fluidity and comfort on its network (2,215 kilometres at 31 December 2010) as well as on the concession granted to Adelac and managed by AREA (19 kilometres).

In 2010, the priority given to motorway user safety and information was very much to the fore, as was the emphasis on improving traffic fluidity.

In its ceaseless search for excellence, APRR has placed the motorway customer at the heart of the 2011 Ambition company plan dedicated to increasing customer and employee safety, improving customer services and enhancing overall operating performance.

### 1.2.1 Service

Being attentive to the findings of the surveys conducted regularly on the needs of its customers and their satisfaction enables to cater even better to their expectations.

Traffic flow management and information on a real time basis are provided by the personnel manning the command centres, using a wide range of media: variable message signs, route guidance by the mesh network, FM 107.7 radio station, APRR web site (which has been completely overhauled), new iPhone application, roadside panels at sections undergoing roadworks, as well as further speed regulation tests and the communication of travel time information.

Entract', the initiative by APRR aimed at making breaks at service areas more fun, has proven a resounding success. Free organised activities were staged at service areas over the summer and winter holidays, when large numbers of people take to the road, the goal being to improve customer safety by encouraging drivers to break their journey.

More than 80 such events were staged in 2010.

In 2010, there was further progress in the toll collection process as APRR continued to develop remote and automated payment systems. The automation rate at toll stations (remote toll collection, automated toll collection and cards) increased to 77.5% in 2010, up from 73.1% in 2009 and 67.8% in 2008.

Remote toll collection increased to represent 44.6% of transactions, up from 42.5% in 2009 and 40.3% in 2008, confirming that this has become the toll collection method preferred by customers.

To improve further services, notably in terms of throughflow speeds, and capitalising on trials conducted at the Dijon Crimolois, Pérouges, Chignin and Saint-Exupéry toll stations, the Group embarked on a vast programme at the end of 2010 to develop non-stop toll collection lanes enabling customers with special badges to pass through the toll gates while maintaining a speed of 30 kilometres an hour. This ambitious programme will be rolled out from 2011 to 2013.

Other changes were made to improve customer comfort and safety at the toll plazas, notably by continuing to equip these with remote toll collection systems, introducing more all vehicle class, all payment lanes, improving lane signalling at the toll stations, and reconfiguring and extending the number of lanes.

The creation of the Seynod-Sud road exchange on the A41 motorway addressed strong demand from both motorway users and local authorities. Designed to incorporate the latest photovoltaic technology, the new exchange underlines the Group's commitment to environmental integration.

At the year-end, 122 of APRR's 146 toll stations were totally or partially automated compared with 117 at end-2009 and 90 at end-2008.

Thanks to the success of the various subscription packages (Fréquence, Détente, Balade, Evolyon, Diagon'Alpes, Directicimes, Multi-cité, Liane't, student offers and APRR/AREA offers for specific routes), to the dynamic rollout of diversified distribution channels such as the Internet, corporate account fleets (Johnson and Johnson, Rexel, Daiichi Sankyo, Medtronic, SEB, Carestream, etc.) and major partnerships (CIC, Crédit Mutuel), 210,000 Liber-t badges were sold in 2010.

As a result, the number of active Liber-t badges increased to 893,000 at the year-end, up 21.1% over 2009. APRR remains the leading vendor of badges, outperforming other motorway concession operators.

The Group has also been preparing the rollout of the BALI automated badge distributors allowing drivers to obtain a ready-for-use remote toll badge and be on their way in a matter of minutes.

Since 1 April 2008, Axxès, Eurotoll, Total and DKV the four European issuers approved by the ad-hoc commission of the Federation of French Motorway and Toll Facility Companies (Association des Sociétés Françaises d'Autoroutes et d'Ouvrages à Péage - ASFA) are responsible for marketing and managing remote toll services provided to heavy goods vehicles on behalf of the motorway companies.

In 2010, the Group pressed ahead with its efforts to combat motorway toll fraud, which involved improving equipment reliability, mobilising the entire personnel, and successful litigation, with several court cases receiving much media attention.

An information campaign was organised on motorway toll fraud and the risks to which lawbreakers expose themselves.

The Group's operational activities have ISO 9001 quality assurance certification and ISO 14001 environmental certification. A lot of work went into developing an integrated management approach in both areas with a view to achieving greater streamlining and effectiveness.

There were numerous exchanges between the Group's ISO-certified entities to share their experience, notably on the use of key performance indicators for steering operations and on the methods used for audits and surveys.

In 2010, APRR processed the results of the requests for proposal for renewing nearly 60 partnership agreements at its service areas, the objective being to constantly improve quality and the range of available offers.

The quality of the projects selected and the service offer underline APRR's commitment to further improving customer satisfaction and strengthening its image.

These efforts have been rewarded, customer satisfaction (as measured by the survey conducted each year) having held stable at 7.7 in 2010 compared with 7.8 in 2009 and 2008.

### 1.2.2 Network safety and network surveillance

Ongoing improvements in safety remain a paramount concern for the Group, which has harnessed its resources to this end, implementing concrete actions as part of a global strategy aimed at achieving positive results over the short to medium term.

The results obtained, while they remain in line with trends observed during the last three years, did deteriorate slightly, as the proportion of accidents resulting in bodily injuries increased by 3.3% compared with 2009: 364 such accidents at a rate of 16.6 per billion kilometres travelled in 2010 against 343 accidents at a rate of 16.1 in 2009.

The number of fatalities increased to 39 in 2010 from 31 in 2009 and 2008, but numbers were down from 61 in 2007.

The "all accidents" rate also increased, up by 11.4% from 2009.

APRR's goal being to achieve a constant improvement in this area, it has put in place resources to enable it to react to any event in real time. It has installed a remote surveillance system, service vehicles are fitted with global positioning systems, and the command centres are positioned strategically and linked to one another. In this way, the Group can tailor its response to the type of event and keep drivers informed.

In addition to the above measures, all of the Group's emergency call centres are managed in house. All systems and centres operate 24 hours a day, seven days a week, and are on state of heightened alert during the winter months to ensure the viability of the network.

In 2010, more than 1,000 members of staff were mobilised in large-scale operations to ensure the viability of the motorway network during the winter. Our teams braved all weather conditions, 24 hours a day, ensuring that our network remained open to traffic nearly permanently.

### 1.2.3 Acting on customer behaviour

In addition, driver-awareness campaigns are held at regular intervals to improve driver behaviour. These campaigns – covering a variety of topics: "improving concentration at the wheel", "motorway service agents", "responsible driving", "politeness at the wheel" and "motorway safety" – were conducted as part of the Motorway Days organized by Association of French Motorway Companies *(Association des Sociétés Françaises d'Autoroute – ASFA).* They involved canvassing, the display of posters and distribution of handouts, radio commercials and information on the Internet.

In 2010, some 3,500 persons received training or attended awareness raising sessions at the Sécurodrome (including courses held for companies and for schoolchildren in connection with road safety certificates). The Centaure and Minotaure centres set up by the Group in partnership with Groupama recorded increases in attendance.

### 1.2.4 Acting on infrastructure and equipment

The Group devoted significant resources to improving driver and passenger safety through its programme to renovate carriageways, widen motorways (third lane opened between Brognard and Montbéliard on the A36 motorway), perfect infrastructures compliance (Uriol and Petit Brion tunnels on the A51 motorway), improve toll stations and reinforce protection systems and network-sealing barriers (wrong-way driving signs, fencing to prevent wild animals roaming onto the motorways, construction of animal crossings, etc). Other measures included systems to improve safety for drivers and road crews working on the network and toll plazas approaches, and finally use of global satellite positioning to improve responsiveness to events.

The extreme weather conditions over the winter and the important swings in temperatures damaged surface courses (potholes, cracks, etc.) to which the Group responded by mobilising road maintenance crews on an unprecedented scale to maintain high safety standards.

## 1.3 Construction of new motorways

Investments in the construction of new motorway infrastructures amounted to €188 million in 2010 compared with €159 million in 2009 and €81 million in 2008.

Works continued in 2010 for 3 new sections, and ended in 2011 with openings to traffic at the beginning of 2011 :

- Les Echets-La Boisse link on the A432 motorway, a 12 km section, including a 1,200 m viaduct, opened to traffic on 10 February 2011.
- Mâcon southern bypass A406, a 9 km section, opened to traffic on 7 March 2011.
- Work on the Montluçon slip road on the A714 motorway, a 9.5 km section, whose work on the surfaces courses on the southbound lanes are near to completion. Opening is expected in May 2011.

## 1.4 Major works on motorways in service

With work scheduled under the 2004-2008 management contract drawing to a close, the Group made €104 million in additional investments on motorways in service compared with €171 million in 2009 and €303 million in 2008. The main investment projects are presented below:

### 1.4.1 New exchanges (€16 million)

The Chaux-Seynod exchange between Annecy and Rumilly on the A41 motorway was brought into service on 29 November 2010.

Work on the Mionnay partial exchange on the A46 motorway north of Lyon was completed. It was brought into service at the same time as the Les Echets-La Boisse A432 motorway section, in February 2011.

### 1.4.2 Service areas (€1 million)

In 2010, the Group prepared for the renewal of sub-concessions at several service areas and pressed ahead with the programme for the renovation of signalling at APRR rest areas.

### 1.4.3 Road widening (€41 million)

Land purchases have just about been completed for the 7-kilometre section from Montbéliard-Centre to Voujeaucourt on the A36 motorway. Work will commence in 2011.

Ancillary development work to redesign the central reservation after the section of the A31 between Beaune and Dijon was converted to a dual three-lane motorway was completed in 2010. The final surface courses for the last 40 kilometres will be laid in the first half of 2011.

### 1.4.4 Surface courses other than replacement (€14 million)

The bad weather at the start of 2010 resulted in a premature deterioration of surface courses on some motorway sections, prompting the Group to implement an exceptional renovation plan in the second quarter of 2010. The motorway sections most affected were in Burgundy and Franche-Comté, two regions where temperature swings were particularly extreme over short periods of time.

### 1.4.5 Engineering structures and tunnels (€11 million)

Work on engineering structures and tunnels concerned mainly the Uriol and Petit Brion tunnels on the A51 motorway, the strengthening of the Brion, Sermenaz and Sylans viaducts on the A40 motorway, and the ongoing programme for the renovation of ducts throughout the network.

## 1.5 Development of the Group's activities

*Telecommunication and radio networks and infrastructures*

APRR is constantly seeking to modernise its information technology and telecommunication infrastructures to meet all of its current and future needs.

As regard IT infrastructures, in 2010 APRR and AREA started to pool their IT resources at a single data centre located in Dijon. This project is due to be completed in April 2011.

As regards telecommunications, the upgrading of APRR's broadband backbone (ARTEMIS) was completed on schedule in 2010. This new network will be rolled out at AREA in 2011. Several wraparounds aimed at further improving network security were completed in 2010 in partnership with other motorway concession operators (ATMB and DIR Centre-Est).

The upgrading of the field network dedicated to traffic management installations continued at seven regional departments in the Rhône and Paris areas. This programme spanning several years will be completed definitively at the start of 2012.

The telecom security architectures of AREA and APRR were pooled, and APRR's firewalls were upgraded and raised to high availability. A new URL filtering system was also rolled out.

Preparatory work was carried out to upgrade the private exchanges and stage their migration to IP. This project will get under way in 2011 and is scheduled for completion in 2014, which is also the deadline for completing rollout of the IP protocol at toll gates (a precondition for the development of non-stop toll lanes), and for putting in place the new PCI Data Security Standard (PCI DSS) for credit card payments.

APRR makes its telecommunication infrastructures (fibre optics networks and towers) available to telecom operators and Internet service providers under concessions, with several rather modest contracts signed in 2010 in what is now a mature market. At the same time a major contract with Télécom Développement (SFR group) ended so that on balance revenue generated by this activity declined slightly but nonetheless reached €9.6 million in 2010.

# 2 • Governance and corporate life

## 2.1 Board of Directors

The first part of the report by the Chairman of the Board of Directors on the preparation and organisation of the work of the Board of Directors and on the internal control system describes the company's general management and the functioning of the Board of Directors.

On the date of this report, the composition of the Board of Directors was as follows:

- Jean-François Roverato, Chairman of the Board, Chief Executive Officer
- Bruno Angles, Director
- Gérard Bailly, Director
- Edward Beckley, Director
- Pierre Berger, Director
- Louis de Broissia, Director
- Philippe Delmotte, Director
- Robert Galley, Director
- Thomas Gelot, Director
- Arnaud Montebourg, Director
- Max Roche, Director
- Peter Trent, Director

Mr Thomas Gelot was co-opted by the Board of Directors on 21 December 2010. He replaced Mr Andrew Hunter who had tendered his resignation.

Mr Pierre Berger was co-opted by the Board of Directors on 22 February 2011. He replaced Mr François Massé who had tendered his resignation.

Mr Philippe Nourry, as Deputy Chief Executive Officer, is responsible for the Company's management alongside the Chairman and Chief Executive Officer.

## 2.2 Information concerning Directors and Officers

### 2.2.1 Positions and offices held by the Company's Directors and Officers

The list of the positions and offices held by the Company's Directors and Officers is presented below:

| Name, age and office or position held within the Company | Date of initial appointment or date when position taken up | Start and end date of current term of office (year) | Principal position | Other offices and positions held at the time of this report | Other offices and positions held previously outside the company during the last 5 years |
|---|---|---|---|---|---|
| **Jean-François Roverato**<br>Chairman and Chief Executive Officer<br>Director<br>Born 10 September 1944 | From 20 February 2006 to 26 June 2007 and then from 7 January 2008 | 2008-2010 | Chairman and Managing Director, Eiffage | ■ Chairman of the Board of Directors of AREA<br>■ Chairman of ASFA<br>■ Chairman:<br>Financière Eiffarie SAS<br>Eiffarie SAS<br>Apollinaire Participation 1 SAS | ■ Permanent representative of Eiffage on the Board of Directors of Cofiroute |
| **Bruno Angles**<br>Director<br>Born 14 November 1964 | 20 February 2006 | 2008-2010 | President France - Macquarie Infrastructure and Real Assets | ■ Director:<br>AREA<br>SAS Eiffarie<br>SAS Financière Eiffarie<br>SAS Adelac<br>■ Président :<br>SAS Macquarie Autoroutes de France<br>■ Director:<br>MacqPisto SAS<br>MacqPisto GP<br>Pisto SAS<br>■ Member of the Supervisory Board of SAFT Group SA<br>■ In France and abroad, various mandates related to investments managed by members of Macquarie Group | ■ Chairman of the Board of Directors:<br>■ Holding Farnier<br>■ Compteurs Farnier |
| **Gérard Bailly**<br>Director<br>Born 28 January 1940 | 4 May 2004 | 2008-2010 | Senator | | |
| **Edward Beckley**<br>Director<br>Born 17 June 1975 | 23 June 2009 | 2009-2010 | CFO - Macquarie Infrastructure & Real Assets | ■ Director:<br>AREA<br>Eiffarie SAS<br>Macquarie Autoroutes de France SAS<br>■ Abroad, various mandates related to investments managed by members of Macquarie Group | |
| **Pierre Berger**<br>Director<br>Born 9 July 1968 | 22 February 2011 | 2010 | Deputy Chief Executive Officer of Eiffage | ■ Director of AREA | |

| Name, age and office or position held within the Company | Date of initial appointment or date when position taken up | Start and end date of current term of office (year) | Principal position | Other offices and positions held at the time of this report | Other offices and positions held previously outside the company during the last 5 years |
|---|---|---|---|---|---|
| **Louis de Broissia**<br>Director<br>Born 1 June 1943 | 4 May 2004 | 2008-2010 | Ambassador responsible for foreign radio and television | ■ Director:<br>Société Professionnelle des Papiers de Presse<br>France 24<br>SEM Alésia<br>■ Chairman:<br>GIP France Télé Numérique<br>Fondation des Orphelins de Dole<br>■ Member of Fondation pour l'Enfance | ■ Director of France Télévisions SA |
| **Philippe Delmotte**<br>Director<br>Born 10 February 1952 | 5 May 2008 | 2008-2010 | Director, Eiffage | ■ Director:<br>AREA<br>Clemessy<br>Crystal<br>■ Permanent representative of Eiffage TP on the Board of Directors of SMTPC<br>■ Member of the Supervisory Board FCP Eiffage 2011<br>■ Chairman:<br>Verdun Participation 2 SAS<br>■ Director:<br>Verdun Participation 1 SAS<br>Eiffarie SAS<br>Financière Eiffarie SAS<br>■ Managing director of SICAVAS Eiffage 2000 (but not board director)<br>■ Member of the Executive Board of A'lienor<br>■ Chairman of the Board of Norscut (Portugal)<br>■ Director of TP Ferro (Spain) | |
| **Robert Galley**<br>Director<br>Born 11 January 1921 | 4 May 2004 | 2008-2010 | Former Minister | | |
| **Thomas Gelot**<br>Director<br>Born 21 June 1975 | 21 December 2010 | 2008-2010 | Senior Vice President, Macquarie Infrastructure & Real Assets | ■ Director :<br>AREA<br>Eiffarie SAS<br>Financière Eiffarie SAS<br>Adelac SAS<br>Macquarie Autoroutes de France SAS | |
| **Arnaud Montebourg**<br>Director<br>Born 30 October 1962 | 20 June 2008 | 2008-2010 | Member of Parliament and Chairman of the Saône et Loire General Council | | |

| Name, age and office or position held within the Company | Date of initial appointment or date when position taken up | Start and end date of current term of office (year) | Principal position | Other offices and positions held at the time of this report | Other offices and positions held previously outside the company during the last 5 years |
|---|---|---|---|---|---|
| **Max Roche**<br>Director<br>Born 30 January 1953 | 20 February 2006 | 2008-2010 | Finance Director, Eiffage | ■ Permanent representative of APRR on the Board of Directors of AREA<br>■ Permanent representative of Eiffage Travaux Publics on the Board of Directors of SMTPC<br>■ Director:<br>Compagnie Eiffage du Viaduc de Millau (CEVM)<br>Clemessy<br>■ Director:<br>Eiffarie SAS<br>Financière Eiffarie SAS<br>Verdun Participation 1 SAS<br>Verdun Participation 2 SAS<br>■ Permanent representative of Omnium Général Laborde on the Supervisory Board of Prado Sud SAS<br>■ Member of the Executive Board of A'lienor<br>■ Non-shareholding manager:<br>Agenofim<br>Entreprise Sofra<br>Omnium Général Laborde<br>■ Representative of Eiffage and Chairman:<br>EFI<br>SOCFI<br>■ Director:<br>Norscut (Portugal)<br>TP Ferro (Spain) | ■ Member of the Supervisory Board of FCPE Eiffage<br>■ Director, Crystal |
| **Peter Trent**<br>Director<br>Born 30 September 1958 | 28 January 2010 | 2010-2010 | CEO - Macquarie Atlas Roads | ■ Director:<br>AREA<br>Eiffarie SAS<br>Financière Eiffarie SAS<br>Macquarie Autoroutes de France SAS<br>■ Abroad, various mandates related to investments managed by members of Macquarie Group | |
| **Philippe Nourry**<br>Deputy Chief Executive Officer<br>Born 1 December 1958 | 7 January 2008 | | | ■ Chief Executive Officer of AREA<br>■ Permanent representative of AREA on the Board of Directors of Centaure Rhône Alpes<br>■ Chairman and Managing Director of Compagnie Eiffage du Viaduc de Millau (CEVM)<br>■ Chairman of Adelac SAS<br>■ Director:<br>Verdun Participation 1 SAS<br>Verdun Participation 2 SAS | ■ Gérant de SIRA<br>■ PDG de SGTBA |

### 2.2.2 Compensation and benefits in kind paid to the Company's Directors and Officers

#### 2.2.2.1. Compensation paid to Directors and Officers

The Company's two executive directors are its Chairman and Chief Executive Officer and its Deputy Chief Executive Officer.

No compensation was paid to the Company's Chairman and Chief Executive Officer in 2010.

In the case of Mr Philippe Nourry, the Company's Deputy Chief Executive Officer, compensation totalling €489,400, consisting of a fixed salary of €259,400 and a variable amount of €230,000, was paid for the year ended 31 December 2010.

No options to subscribe to or acquire shares in the Company were granted to any of the executive directors.

#### 2.2.2.2. Directors' fees

No directors' fees were paid to members of the Company's Board of Directors or to members of the various committees in 2010.

### 2.2.3 Securities transactions involving Directors and related parties

No options to subscribe to or acquire shares in the Company were granted to any of the directors and officers.

None of the Company's directors or officers owned any share in APRR on 31 December 2010, apart from the qualifying share held by those directors required to do so by Article 11.2 of the Company's Memorandum and Articles of Association.

### 2.2.4 AFEP-MEDEF code of cooperate governance – Disclosure of compensation

When the Board of Directors met on 17 December 2008, it decided by a unanimous vote to adhere to the recommendations issued by the French Association of Private Companies *(Association Française des Entreprises Privées – AFEP)* and the French Confederation of Business Enterprises *(Mouvement des Entreprises de France – MEDEF)* on 6 October 2008 regarding the compensation of the directors and officers of companies whose shares are listed on a regulated market. These recommendations can be consulted on MEDEF's site at www.medef.fr.

The information provided in Notes I.2.2 and I.2.3 above comply with the AFEP-MEDEF recommendations of 6 October 2008 regarding standard disclosure requirements of compensation paid to company directors and officers.

## 2.3 Internal Regulations governing the Board of Directors and Ad-hoc Committees

The Internal Regulations of the Board of Directors prescribe how the Board functions. They determine the scope of responsibility of the Board of Directors and its members and how the Board operates. The Internal Regulations also establish the roles of and rules governing the Audit Committee and the Compensation and Selection Committee as well as the Director's Charter.

More detailed information on this subject is provided in the report on the work of the Board of Directors and on internal control.

## 2.4 Contract Award Commission

A Contract Award Commission, established under the terms and conditions provided by the rider to the Company's concession specifications, meets each month.

This Commission is responsible for defining the internal rules for awarding and performing contracts and issues opinions on the allocation of contracts for work, supplies, and services exceeding certain thresholds defined by the French State.

## 2.5 Audit and Internal Control

At the initiative of the Company's Deputy Chief Executive Officer, assignments relating to Audit and Risk Management have been reorganised, with the gradual transfer of the activities of the Audit and Risk Management department to Eiffage's Audit department from the fourth quarter of 2010. In accordance with applicable procedures at Eiffage, an internal controller has been appointed. He took up his functions officially on 1 January 2011 and will report directly to the Corporate Secretariat.

The internal controller is responsible for monitoring implementation of the action plans to apply the recommendations made by the Audit department. The internal controller is also responsible for monitoring the implementation of the business continuity plan (BCP).

# 3 • Research and development

APRR's policy is to maintain an active technological and innovation watch so as to remain at the forefront of technological developments and to constantly improve its competitiveness in all aspects of its activities as well as the safety of its personnel and customers, and at the same time respond to new customer expectations.

The main projects undertaken in 2010 concerned:

- The generation of alternative energy to power equipment (micro wind energy installations on the A6 motorway, photovoltaic panels on the canopy of toll stations on the northern section of the A41 motorway after the A39 motorway);
- The development of non-stop electronic toll collection systems, expected to procure significant environmental benefits and reduce fraud by reading vehicle number plates, further to the so-called Grenelle II Law;
- Testing of LED lighting systems at certain sites, particularly in tunnels; trials were conducted by APRR and AREA in 2010 to define a common approach for the rollout of this technology in 2011;
- The development of new, more efficient operating processes (installation and recovery of traffic cones, maintenance of embankments using remotely operated equipment, etc.);
- Experimentation with new acoustic coated materials by encouraging improvements to be made to these products by our partners (Nanophone® developed by Eiffage Travaux Publics used on two sections of the A41 Nord and A43 motorways);
- Qualification of the structural behaviour of surface courses on the AREA motorway network, conducted in partnership with École Nationale des Travaux Publics de l'État (ENTPE) and Eiffage's R&D department, aimed at optimising the planning of road maintenance and conducting trials in the recycling of coated material aggregates with cementitious binder and added fibres (Recyroute project conducted by APRR and Eiffage Travaux Publics);
- Enhancements to the digital radio system used in the operations and to the global positioning system (traceability of intervention lead times, remote opening and closing of gates, etc.); and
- Finally, in connection with the construction of the Dakar-Diamniado motorway in Senegal, APRR has been asked by SENAC to perform a critical analysis of highly innovative conventional toll systems, remote toll systems and variable message displays to ensure their compatibility with the country's socio-economic profile.

At the same time, APRR and AREA remain actively involved in:

- Programmes for the development of intelligent transport systems in Europe, notably in connection with the EasyWay programme, for which the second phase was launched in 2010 (HGV parking management, travel time display, speed control systems, etc.)
- The Co-Drive project (Co-Pilot for an Intelligent Road and Vehicular Communication System) in partnership with Valeo, Clemessy, Institut National de Recherche sur les Transports et leur Sécurité (INRETS) and Institut National des Sciences Appliquées (INSA);
- The Phosphore project undertaken by Eiffage (foresight research into sustainable development harnessing the R&D expertise of all of the Eiffage divisions, focused on the concept of a "high quality of life" town, through notably the development of eco-mobility concepts).

# 4 • Group human resources policy,

## 4.1 Human resources management

At 31 December 2010, the Group employed 3,952 persons on permanent contracts, which on an average weighted basis was equivalent to 3,783.7 persons over the year as a whole.

The average weighted headcount represents the number of persons employed on permanent contracts and fixed-term contracts restated on a full-time basis (weighted according to the period of employment and hours worked during the period).

In 2010, the number of employees benefiting from the early retirement scheme *(Cessation Anticipée d'Activité de Certains Travailleurs Salariés - CATS)* increased by 46 to 101. Provided they have worked at least 15 years at night or under a system of shift work or they come within the scope of regulations governing employment of disabled persons, employees who are more than 57 years old have the possibility to apply for early retirement at what are very advantageous conditions in terms of salary.

On an average weighted basis, management grade staff accounted for 14% of the workforce in 2010, supervisor grade staff for 47% and workers and office staff for 39%. At Group level, 34% of the workforce was involved in toll collection and customer sales and 42% in road operation, safety and maintenance or employed at the workshops, while 24% worked in management or support functions at head office.

In 2010, the Group hired 100 persons on permanent contracts, including 19 management grade staff, 20 supervisor grade staff and 61 workers and office staff. At the same time, 110 persons left the Group, mainly upon reaching retirement age or having tendered their resignation, and 18 employees eligible for the early retirement scheme exercised this right. Group companies continued to give preference to internal promotion, and over the year 78 members of staff were promoted, including 7 management grade staff and 71 supervisor grade staff.

The Group uses temporary workers for toll collection and administrative functions mainly in order to fill seasonal jobs or as replacements. In 2010, temporary workers represented the equivalent of 193 full-time employees.

Generally, overtime is worked to carry out unexpected interventions on the network due to extreme weather conditions, to carry out maintenance work on safety equipment or to deal with accidents. A total of 115,107 hours were paid in overtime in 2010.

## 4.2 Work scheduling

In response to the high quality standards expected by customers and its obligations as regards toll collection, traffic management and infrastructure maintenance, the Group's operations run non-stop, 24 hours a day and seven days a week, relying mainly on the following methods of work scheduling:

- Shift work (3x8, 2x8) cycled by day or on an annualised basis for toll station employees;
- Rotating basis from Sunday to Saturday, or staggered shift basis, in particular for teams responsible for roadway operation;
- Variable working hours, mainly for the head office functions.

In 2010, the overall absentee rate declined further to 6.54% from 6.75% in 2009 and 7.35% in 2008. Note that this overall rate includes unpaid leave, business creation leave and sabbatical leave.

The absentee rate due to illness declined sharply to 4.74% from 4.83% in 2009 and has declined steadily for five years in a row.

## 4.3 Compensation and equality of employment opportunities

### 4.3.1 Compensation

The average compensation of current employees increased by 2.36% in 2010, of which 1.28% in the form of individual pay awards and 1.08% in the form of general pay awards.

### 4.3.2 Employee savings plans

Sicavas Eiffage 2000 is the main investment vehicle for both the Group Savings Plan and the individual savings plans of APRR and AREA. The employer's contribution paid by Group companies is reserved for payments into Sicavas Eiffage 2000 in the conditions and limits defined by applicable laws and regulations.

The employer's contribution towards the discretionary employee profit sharing plan is 50%, while since 2009 its contribution towards the mandatory employee profit sharing plan has been 25%, as provided for by the Eiffage and APRR group employee saving plans.

Amounts due in respect of mandatory employee profit-sharing plans came to €15.8 million in 2010. Amounts due in respect of discretionary employee profit-sharing plans came to €6.3 million, down from the previous year.

In 2010, payments made in respect of the mandatory employee profit sharing plans averaged €1,520 per employee and payments made in respect of discretionary employee profit sharing plans averaged €3,802 per employee.

## 4.4 Labour relations

APRR has remained steadfast in its commitment to promoting diversity and corporate social responsibility, signing with all employee representative bodies a company-level agreement relating to the hiring and ongoing employment of disabled persons. At the same time, a national partnership agreement was signed with *Association pour la Gestion du Fonds pour l'Insertion Professionnelle des Personnes Handicapées* (AGEFIPH), the association managing the fund for the professional integration of disabled people. These two agreements define the framework for the active and sustainable policy that APRR intends to pursue so as to promote the recruitment, lasting employment and promotion of disabled people in the Group and to improve their working conditions.
It supplements the measures taken by APRR in favour of diversity, gender equality and the long-term employment of seniors, in line with the measures initiated throughout Eiffage Group. Actions in favour of disabled employees are being coordinated by the two companies so as to optimise costs and share good practices.
APRR has implemented the measures contained in the national inter-branch agreement on stress at work concluded on 2 July 2008, within the framework of a company-level agreement aimed at preventing stress and psycho-social risks. The goal of this agreement is to identify factors of stress through the use of social, health and safety indicators. Ad-hoc commissions have been set up to oversee well-being at work; they will be responsible notably for putting forward recommendations for reducing identified situations of collective stress. In collaboration with the French National Agency for the Improvement of Working Conditions *(Agence Nationale pour l'Amélioration des Conditions de Travail - ANACT),* a questionnaire was sent by APRR to all employees to measure their level of satisfaction concerning the company, work, relations, career prospects and the impact of projects and changes at the company on working conditions and staff motivation. Feedback on the questionnaires will be given at the start of 2011. To the same end, questionnaires were sent out to AREA's employees, in respect of which the Calypso market research firm will present its conclusions in February 2011.
APRR's employee representative bodies (works committees, health, safety and working conditions committees and staff

representatives) were all renewed for three-year terms. Five trade unions represent company employees compared with eight previously.
At AREA, a company-level agreement was reached by all parties in connection with the compulsory annual negotiation for 2010. This agreement provides for a general increase in salaries of 1.3%, in addition to which there will be individual salary adjustments resulting from the application of the GVT *(Glissement Vieillissement Technicité)* to bonuses to reflect length of service and promotions.
At APRR, as no majority agreement could be reached, management decided unilaterally to award a general increase in salaries of 1%.
A rider to the mandatory employee profit sharing agreement was signed to incorporate changes in French law (end of requirement to block amounts set aside in respect of profit sharing, employee disclosure conditions). As employee profit sharing agreements at both companies are about to end, new agreements will be negotiated before 30 June 2011.
At APRR, negotiations over network viability and safety will continue in 2011.

## 4.5 Development and human resources

Against the backdrop of changes in tolling working practices, which gave rise to agreements in 2009 and 2010 at APRR and AREA, and with a view to promoting sustainable employment in this activity, the predictive management of human resources and skills gave rise to more than 200 courses in career advancement during which training was dispensed to toll collectors and head toll collectors, supplemented by individual tutoring at the work place. These initiatives helped round their multi-disciplinary skills.
As part of the implementation of the policy to prevent psycho-social risks, APRR is holding training courses for the members of the ad-hoc commissions overseeing well-being at work and for all managers, to take place from 2010 to 2012. A company-level agreement addressing this issue is being negotiated at AREA. The general economic approach is similar to the one underpinning the agreement reached at APRR. However, the AREA agreement will place more emphasis on factoring in psycho-social risks when implementing organisational changes.
2010 marked the end of the period of implementation of agreements and conventions dealing with diversity (see Section IV.4). Concrete measures were initiated in 2010 that will be completed in 2011 and 2012.
As part of the policy for managing change implemented since 2006, new initiatives have been taken to further improve human resources management:

■ Induction seminars for new recruits have been updated, with the staging of the first forum for new managers recruited by the Group, in addition to induction days for all new recruits at each of APRR's regional headquarters and at AREA.

■ Following the creation of a specific new graduate recruitment scheme, six young engineers and one business school graduate have been recruited who will now follow a one-year professional induction period involving operational assignments and leading to permanent positions within the Group. During this induction periods, management courses will be dispensed to these new recruits and to other young managers identified as having attractive career prospects within APRR.

■ "Management rendezvous", a series of eight conferences focusing on the latest managerial methods and innovations, proposed to managers on a "self-service" basis and allowing them to supplement their knowledge and take an objective view of their role as managers. Staged at APRR's headquarters, these conferences have been a resounding success. Beside their obvious interest in terms of content, they serve as an extremely useful discussion forum.

## 4.6 Training

In 2010, the Group provided more than 89,980 hours of training to its employees, devoted to the acquisition of new skills that will enhance staff employability, bearing in mind job contents are in a state of constant development.

More than 84% of employees attended at least one training course in 2010, underlining the Group's strong commitment to training all employees, with spending on training representing 3.95% of total payroll. Efforts in this area remain very intense and seek to facilitate implementation of the agreements regarding toll working practices reached by APRR and AREA. Innovative training courses are being held to adapt to these changing practices and develop the multi-disciplinary skills upon which the toll system's new organisation is based.

As regards measures to promote diversity within the Group, it will be noted that access to training remains very much proportional to the staff pyramid: managers accounted for 14% of course attendants (vs. 14% of headcount), supervisors for 50% (vs. 52%) and operatives for 38% (vs. 34%). Some 40% of course attendants were women (vs. 42% of headcount).

## 4.7 Other labour issues related to the Group's activities

### 4.7.1 Health and safety conditions

Workplace accident prevention remains a major objective for the Group. The workplace accident frequency rate was 13.30 at group level in 2010 (14.25 at APRR and 11.26 at AREA). The rate of serious accidents was 0.63 (0.64 at APRR and 0.61 at AREA).

Safety conditions thus deteriorated in 2010 compared with the previous three years. Although similar trends have been observed at other motorway concession operators, it is imperative that the Group mobilises around this crucial issue.

The ad-hoc strategic committee in charge of accident prevention will meet at the start of 2011 to restore momentum in this area and to propose a new series of measures to lower accident rates in 2011.

#### 4.7.2 Welfare schemes

Welfare schemes are administered by the works committees at APRR and by the works council at AREA. Each body provides financial assistance in a variety of forms: contributions towards school outings, subsidised holidays for children, holiday vouchers, and rental of holiday accommodation.
In 2010, contributions paid by Group companies towards these welfare schemes amounted to €1,970,196.

# 5 • Environmental protection

## 5.1 Consumption of water, raw materials and energy

### 5.1.1 Water resources

It is estimated that almost 460 thousand cubic metres of potable water were consumed in 2010 by the entire network operated by the Group. Measured in relation to the traffic, water consumption decreased by 10% compared with 2009.

### 5.1.2 Raw materials

Nearly 825 thousand metric tons of materials were used on new and on existing motorway sections, including recycled materials amounting to 25.55 thousand metric tons, or 2.7% of the total.

### 5.1.3 Energy

Total energy consumption (electricity and fossil fuel) came to 152.3 million KWh in 2010. Measured in relation to traffic, energy consumption decreased by 3% compared with 2009. This decrease was due to lower electricity consumption (down 9%), more than offsetting higher fossil fuel consumption (up 2%). Almost 6.5 million KWh of the electricity consumed was certified as renewable energy (supplied under the KWh Equilibre offer signed with EDF). Furthermore, solar panels and mini wind turbines now power certain installations. In 2010, a second toll station equipped with a photovoltaic canopy was brought into service on the A41 motorway in France's Haute-Savoie region. Trials are continuing on the A6 motorway on vertical axis turbines.
As regards the buildings, major work was carried out insulating facades at APRR's headquarters and a solar powered boiler was installed at the staff cafeteria.

## 5.2 Measures to limit the threat to ecological balance and natural environments

### 5.2.1 Environmental pollution

Priority continues to be given to areas distant from water catchments when it comes to environmental protection in zones abutting on APRR's network. The multi-year programme is also aimed at protecting waterways of particular interest.
Four accidents involving hazardous material spills were reported on the network in service. None had an impact outside the motorway boundaries.
Work is being carried out to improve wastewater treatment systems at the service areas.
Additionally, the Group is stepping up efforts to reduce the use of herbicides on the motorway's green areas further to the Ecophyto 2018 framework agreement signed by Federation of French Motorway and Toll Facility Companies *(Association des Sociétés Françaises d'Autoroutes et d'Ouvrages à Péage - ASFA)* and the French State.
The French Agriculture Ministry has designated APRR as a Certiphyto training centre on a trial basis.
All the stocks of snow-clearing salts used during the winter are now stored under cover.

### 5.2.2 Waste materials

All operation centres and 73% of service areas (excluding toll stations) have waste sorting systems at source.

The Group's overall recovery rate for the waste it produces is 20%.

### 5.2.3 Fauna

APRR's existing network and motorway sections under construction are equipped with 148 purpose-built or adapted crossings for animals. There are also 96 structures (roadway or hydraulic installations) that, while helping maintain biological corridors, are not purpose-built for animals. Finally, 20 wildlife extraction systems are also in operation, while in mid-2010, an agreement was signed by AREA with the Isère General Council to participate in the restoration of the Grésivaudan biological corridors on the A41, A48 and A49 motorways.

### 5.2.4 Landscape management

Group practices in landscape management integrate constraints arising from the need to protect water and aquatic environments as well as preserve biodiversity. There is extensive management of the green areas that now covers 50% of their surface area. Landscaped flowered vales have been planted on embankments along the A714 motorway. Research to develop techniques to fight the spread of ragweed and other invasive plants is ongoing.

### 5.2.5 Noise

In 2010 work was completed at 45 noise trouble spots as defined by regulations.
Acoustic coated material was laid along three motorway sections and the related noise reduction and motoring performances are being monitored.

## 5.3 Company environmental impact assessment and certification

### 5.3.1 Environmental certification

As at the end of 2010, all the Group's operational activities had obtained ISO 9001 quality assurance certification. ISO 14001 environmental certification was confirmed for APRR's regional departments, while AREA was certified in December 2010.

### 5.3.2 Specific assessments

Environmentally sensitive areas are assessed at regular intervals in partnership with the competent authorities. This concerns in particular the monitoring of water quality for the various waterways and of effluents.
APRR is a partner in an ongoing scientific research project into landscape connectivity in relation to fauna. After landscape modelling, more than 500 samples of newts living in natural surroundings in the vicinity of the A6 motorway and the Paris-Lyon high-speed rail line in Burgundy were taken.
Concerning motorway under construction or opened recently to traffic, an intermediate environmental assessment has been drawn up for the A51 motorway between Grenoble and Col de Fau. The ad-hoc scientific committee tasked with monitoring environmental compensatory measures for the A406 motorway has also begun its work.

## 5.4 Measures taken to ensure activities comply with legislative and regulatory requirements

The organisation of the environmental watch required by regulations and the monitoring of the level of compliance now come within the scope of ISO 14001 certification.
A new database has been developed providing a visual overview of environmental constraints in the vicinity of the network operated by APRR. For each works project by AREA, environmental constraints are identified and communicated in writing to the firms involved.

## 5.5 Expenditure committed to mitigate the environmental impact of the activities

The portion earmarked strictly for the environment is estimated at 12% of the construction cost of a new motorway.

For motorways already in service, the Group spent €5,375 thousand on the environment in 2010:

- Water protection: €3,406 thousand;
- Acoustic protection: €1,184 thousand;
- Landscape and biodiversity: €649 thousand;
- Waste processing: €136 thousand

Operating expenses incurred in respect of waste management and network cleaning operations amounted to nearly €11,110 thousand.

## 5.6 Sustainable development policy

In the area of sustainable development, the Group's policy is structured around ten commitments, updated at the end of 2009, which concern: the customers of the APRR and AREA networks, the employees of these two companies, the natural environment and living environment, the regions connected or crossed by the network, the suppliers, and service area commercial concession operators. These commitments, which are set out in the Annual Report, are followed up with concrete action plans at the level of each group entity.

## 5.7 Provisions and guarantees for environmental risks

APRR Group has taken out an environmental risk insurance policy with two facets:

- Insurance against environmental civil liability within the limit of €25 million for all claims in any given insurance year, intended notably to cover:
  - costs incurred to take immediate measures to neutralise, isolate or eliminate a real and imminent threat of damages, with third party liability in the amount of €4 million; and
  - clean-up costs at potable water catchments in the amount of €2.5 million.
- Insurance against costs to prevent and remedy environmental damage within the limit of €2.5 million for all claims in any given insurance year, of which €1.5 million in respect of damage to protected wildlife species and natural habitats.

APRR has put in place two financial guarantees amounting to €162 thousand each pursuant to prefectoral decrees relating to the creation and operation of floodwater run-off zones in connection with the construction of the A406 motorway.

## 5.8 Damages settled pursuant to a legal ruling in an environmental matter

In 2010, no damages of any kind were paid by the Group pursuant to a legal ruling in an environmental matter.

# 6 • Finances

## 6.1 Consolidated financial statements

The Group has applied IFRIC 12, "Service Concession Arrangements" since 1 January 2009.

### 6.1.1 Revenue

At group level, revenue increased to €2,241.5 million in the year ended 31 December 2010, up 2.0% from €2,197.9 million the year before.

Excluding construction services, revenue increased to €1,939.6 million in the year ended 31 December 2010, up 4.3% from €1,860.0 million the year before.

Growth was almost entirely due to the €78.4 million increase in toll revenues, up 4.3% to €1,882.2 million in 2010 from €1,803.7 million in 2009. This reflected a 2.0% increase in light vehicle traffic and a 6.1% increase in heavy goods vehicle traffic, as well tariff adjustments.

Other sources of revenue changed as follows:
- Increase of €1.6 million in rental income from commercial facilities, up 5.2% year-on-year;
- Decrease of €0.7 million in revenue from telecommunications, down 6.0% year-on-year; and
- Increase of€0.2 million in other income, up 1.8% year-on-year.

### 6.1.2 Earnings before interest, tax, depreciation and amortisation

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by €61.2 million, up 4.8% to €1,326.1 million in 2010 from €1,264.9 million in 2009. This was equivalent to 68.4% of revenue compared with 68.0% in 2009.

### 6.1.3 Operating profit

Operating profit on ordinary activities increased to €937.0 million in 2010, up 8.0% from €867.3 million in 2009.

Not taking into account construction services, operating expenses in respect of ordinary activities continued to be tightly controlled, increasing by only €9.9 million. Excluding depreciation and provisions, operating expenses increased by €18.3 million; this exceptional expenditure was due almost entirely to interventions to keep the network open over the winter (in January, February and then in December).

### 6.1.4 Finance costs

Net finance costs amounted to €282.8 million in 2010 compared with €309.8 million in 2009.

Other financial income and expenses amounted to net charge of €0.4 million compared with a net charge of €19.8 million in 2009. This line includes mainly the effect of restating at present value the provisions, notably the provision for maintaining road courses in condition, which in 2010 was offset by the reversal of part of the provision recognised in 2008 following the collapse of the American investment bank Lehman Brothers.

### 6.1.5 Net profit

Income tax expense increased by €37.9 million to €226.2 million in 2010.

Net profit increased by €69.5 million to €418.9 million, up 19.9% from €349.4 million in 2009.

### 6.1.6 Consolidated balance sheet

Capital and reserves amounted to €336.2 million at 31 December 2010 compared with €220.6 million at 31 December 2009. The increase reflects the profit for the year (€418.9 million) and the payment of an ordinary dividend of €94.9 million and an interim dividend of €196.7 million.

Borrowings totalled €6,742.5 million at 31 December 2010 compared with €6,821.9 million at 31 December 2009.

As regards borrowings, bonds totalling €200 million were issued in 2010, while €373 million of loans were repaid to Caisse Nationale des Autoroutes (CNA).

Finally, at 31 December 2010, the Group had drawn €840 million against its €1,800 million syndicated loan facility.

## 6.2 Company financial statements

### 6.2.1 Income statement

In 2010, the operating profit increased by €30.2 million, reflecting the €62.6 million increase in revenue that was partly offset by a €32.4 million increase in operating expenses €14.8 million excluding depreciation and provisions) due nearly entirely to interventions to keep the network open over the winter.

Finance costs decreased by €56.3 million, due to the increase in the dividend paid by AREA, to the capitalisation of interest during construction, and to the reversal of part of the Lehman Brothers provision.

Net profit increased by €78.3 million, up 21.6%.

Earnings before interest, tax, depreciation and amortisation (EBITDA) improved by €47.1 million to €994.7 million, equivalent to 67.7% of revenue compared with 67.3% in 2009.

## 6.2.2 Five-year financial summary

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| **Share capital at 31 December** *(€ thousand)* | | | | | |
| Share capital | 33,911 | 33,911 | 33,911 | 33,911 | 33,911 |
| Number of ordinary shares in issue | 113,038,156 | 113,038,156 | 113,038,156 | 113,038,156 | 113,038,156 |
| Number of preference shares in issue | – | – | – | – | |
| Maximum number of shares to be created in the future: | – | – | – | – | |
| Through the conversion of bonds | – | – | – | – | |
| Through the exercise of subscription rights | – | – | – | – | |
| **Results** *(€ thousand)* | | | | | |
| Revenue | 1,272,500 | 1,370,925 | 1,395,510 | 1,407,169 | 1,469,768 |
| Profit before depreciation, provisions, employee profit-sharing and tax | 820,648 | 761,749 | 806,754 | 825,747 | 947,572 |
| Income tax expense | 86,151 | 121,534 | 62,290 | 136,934 | 165,136 |
| Employee profit sharing for year ended | 5,447 | 8,707 | 7,366 | 9,658 | 10,346 |
| Profit after depreciation, provisions, employee profit-sharing and tax | 435,956 | 333,342 | 237,061 | 362,906 | 441,213 |
| Dividends | 435,197 | 332,332 | 96,082 | 94,952 | (1) |
| **Results per share***(€)* | | | | | |
| Profit after employee profit-sharing and tax, but before depreciation and provisions | 6.45 | 5.59 | 6.52 | 6.01 | 6.50 |
| Profit after depreciation, provisions, employee profit-sharing and tax | 3.86 | 2.95 | 2.10 | 3.21 | 3.90 |
| Dividend per share | 3.85 | 2.94 | 0.85 | 0.84 | (1) |
| **Employees** | | | | | |
| Average number of employees during the year | 3,071 | 2,960 | 2,891 | 2,822 | 2,776 |
| Salaries and wages (including discretionary profit sharing) | 111,482 | 105,618 | 107,961 | 111,150 | 108,240 |
| Employee benefits (excluding provisions for retirement indemnities) | 44,137 | 46,215 | 43,930 | 44,942 | 46,801 |

*(1) Amount to be decided by the General Meeting. Note that at an interim dividend amounting to €196,686 thousand was distributed in December 2010.*

## 6.2.3 Dividends distributed in respect of previous years

As required by the provisions of Article 243bis of the French General Tax Code *(Code Général des Impôts - CGI),* you are informed that the following amounts were distributed by way of dividend in respect of the last three years:

| | 2007 | 2008 | 2009 |
|---|---|---|---|
| Number of shares | 113,038,156 | 113,038,156 | 113,038,156 |
| *Dividend per share* | €2.94 | €0.85 | €0.84 |
| *Distribution eligible for the allowance provided in Article 158-3-2° of the French General Tax Code* | €332,332,178,64 | €96,082,432,60 | €94,952,051,04 |
| Distribution not eligible for the allowance provided in Article 158-3-2° of the French General Tax Code | – | – | – |

### 6.2.4 Non-tax deductible charges (Article 39-4 of the French General Tax Code)

Non-tax deductible charges totalled €71,175 and the corresponding income tax was €24,506.

### 6.2.5 Payment terms for suppliers

As required by the provisions of Article L441-6-1 of the French Commercial Code *(Code du Commerce),* you are informed that amounts due to suppliers at 31 December 2010 consisted for:

- 1.7% of past due invoices
- 5.7% of invoices payable on 31 December 2010;
- 80.1% of invoices payable on 31 January 2011;
- 12.1% of invoices payable on 28 February 2011;
- 0.4% of invoices payable on 31 March 2011 or at a later date.

Amounts due to suppliers at 31 December 2009 consisted for:

- 1.6% of past due invoices
- 6.2% of invoices payable on 31 December 2009;
- 86.9% of invoices payable on 31 January 2010;
- 5.2% of invoices payable on 28 February 2010;
- 0.1% of invoices payable on 31 March 2010 or at a later date.

# 7 • Information concerning the share capital and Shareholders

## 7.1 Breakdown of share capital and voting rights

On the date of this report, the Company's share capital came to €33,911,446.80 and consisted of 113,038,156 fully-paid up ordinary shares of €0.30 each.

To the best of the Company's knowledge, its shareholders at 31 December 2010 were as follows:

| Shareholder | Number of shares | % of the capital | Number of voting rights | % of voting rights |
|---|---|---|---|---|
| Eiffarie | 108,556,479 | 96.04% | 108,556,479 | 96.04% |
| Financière Eiffarie | 2,477,455 | 2.19% | 2,477,455 | 2.19% |
| Free float | 2,004,222 | 1.77% | 2,004,222 | 1.77% |
| **TOTAL** | **113,038,156** | **100.00%** | **113,038,156** | **100.00%** |

## 7.2 Minority buyout and squeeze-out procedure

On 16 June 2010, Eiffarie entered into two agreements one with Elliott International LP, Cypress Holdings AB and The Liverpool Limited Partnership, the other with Castlerigg Master Investments Ltd to acquire 15,522,792 APRR shares for €55 per share (cum the 2009 dividend amounting to €0.84 per share). These transactions were executed over the counter on 23 June 2010. With a view to acquiring the rest of the capital of APRR, Eiffarie then filed with the French financial markets regulator *(Autorité des Marchés Financiers – AMF)* a public purchase offer followed by a squeeze out procedure for the shares it did not already own, representing less than 5% of the capital and voting rights of APRR. This offer to buy the remaining shares of APRR was made at €54.16 per share, ex-dividend.

On 8 September 2010, AMF indicated that the public purchase offer followed by a squeeze out procedure for the APRR shares complied with regulations. On 17 September 2010, however, the Saône-et-Loire Department appealed the AMF's decision, at issue over its merits. On 9 September 2010, AMF published its decision regarding the timetable, with the offer to run from 10 to 20 September and the squeeze-out procedure to take effect on 24 September. On 17 September 2010, the Saône-et-Loire Department sought an injunction to obtain a stay of the AMF's decisions regarding the transaction's compliance and the timetable. Taking formal note of the legal procedures, AMF undertook to extend the deadline for the offer to at least eight days following the ruling of the Paris Court of Appeal on the request to overturn AMF's decisions. On 7 October 2010, the Paris Court of Appeal issued an injunction suspending the decision taken by AMF on 8 September 2010 until such time as a ruling has been issued by the court on the merits of the request filed by the Saône-et-Loire Department to overturn AMF's decision. On 19 March 2011, the Paris Court of Appeal adjourned the ruling until 8 November 2011. The court has decided to consult the Paris Administrative Court to determine whether the shares in the capital of APRR held by the Saône-et-Loire General Council can be the object of a compulsory repurchase.

The Saône-et-Loire Department also petitioned the Paris Appeal Court on 18 January 2011 in order to question the constitutionality of law being applied in the present case. The petition gave rise to a decision on 9 February 2011 in which the Paris Appeal Court ruled that it was admissible as to form but lacking in substance.

## 7.3 Delegations of authority for capital increases

All delegations of authority for capital increases previously granted by the Shareholders' General Meeting have expired.

There is no right or obligation to acquire shares attached to capital issued but not paid-up, nor is there any commitment to increase the capital.

There is no other security providing access to the Company's capital apart from the ordinary shares.

## 7.4 Employee shareholders

Employees held no shares in the Company's capital on 31 December 2010.

Employees of APRR are eligible for the employee savings policy in place at companies belonging to the Eiffage Group.

## 7.5 Additional financial information
**(Article L.225-100-3 of the French Commercial Code)**

### *Structure of the capital – Direct and indirect shareholders known to the Company*

The identity of the shareholders, as known to the Company on the date of the report, is disclosed in Note VII.1 above.

### *Restrictions on the exercise of voting rights and share transfers contained in the Memorandum and Articles of Association*

Article 9 of the Memorandum and Articles of Association requires any shareholder, acting alone or in concert, coming to own directly or indirectly shares representing 1% or more of the capital or voting rights, and then any subsequent block of shares representing 1% or more of the capital or voting rights, to inform the Company of the total number of shares and securities providing access to the capital or voting rights. The shareholder is required to inform the Company within five trading sessions following the date on which said threshold or thresholds were passed by way of a letter sent by recorded delivery, signed for, to the Company's registered office.

The same disclosure requirements apply when the shares held and voting rights exercisable by a shareholder come to be less than the threshold or thresholds mentioned above.

Failure to comply with this disclosure requirement would result in those shares in excess of the threshold or thresholds passed being deprived of voting rights at all General Meetings held within two years from the date on which notification was received by the Company in fulfilment of this requirement.

### *Clauses in agreements for the sale of securities on preferential terms*

On the date of this report, the Company was not aware of any clauses of this type.

### *List of holders of securities featuring special control rights and description of these rights*

On the date of this report, the Company had not issued any securities providing holders with special control rights.

### *Control mechanism provided for in employee share ownership plan*

There being no employee share ownership plan, no mechanism of this type exists.

### *Agreements between shareholders, of which the Company is aware, that could restrict share transfers and the exercise of voting rights*

On the date of this report, the Company was not aware of any agreement of this type.

### *Rules governing the appointment or replacement of members of the Board of Directors and amendments to the Memorandum and Articles of Association*

In accordance with Article L.225-18 of the French Commercial Code and Article 11 of the Memorandum and Articles of Association, the members of the Board of Directors are appointed by the General Meeting, voting under the quorum and majority required for ordinary meetings.

Article 12 of the Memorandum and Articles of Association authorises the Board of Directors to fill temporarily a board vacancy arising from the death or resignation of a board director, provided this appointment is submitted for approval at the next General Meeting.

Article 11 of the Memorandum and Articles of Association requires members of the Board of Director to hold at least one share in the Company.

Article 26 of the Memorandum and Articles of Association stipulates that any changes to the Memorandum and Articles of Association must be decided by the General Meeting, voting under the quorum and majority required for extraordinary meetings.

### *Powers of the Board of Directors*

In accordance with Article 14 of the Memorandum and Articles of Association, the Board of Directors determines the orientations of the Company's activity and oversees their implementation. Subject to those powers granted expressly to the General Meeting and within the limit of the Company's object clause, the Board of Directors considers all matters that have a bearing on the conduct of the Company's affairs and settles all those matters that concern it through its deliberations. The Board is authorised to issue bonds and to set the terms and conditions for their issue in accordance with the provisions of Article L.228-40 of the French Commercial Code.

The Board of Directors performs those controls and verifications it deems necessary. It may decide to create ad-hoc committees to consider issues submitted for their opinion by itself or its Chairman. The Board decides the composition and powers of these committees, which carry on their activities under the Board's responsibility.

*Agreements entered into by the Company that would be modified or terminated if there was a change in the control of the Company*

There is no agreement of this type requiring disclosure in this report.

*Agreements providing for the payment of indemnities to members of the Board of Directors or to employees on their resignation, on being made redundant without real or serious cause, or on termination of their employment in connection with a public purchase offer*

There is no agreement of this type requiring disclosure in this report.

# 8 • Subsidiaries and participating interests

For accounting purposes, the group is constituted of the parent company APRR, its 99.84% owned subsidiary Autoroutes Rhône-Alpes (AREA), which is consolidated under the full method, and AREA's 49.9% owned subsidiary Adelac, which is consolidated under the equity method. It also includes Axxès, which is owned for 22.80% by APRR and for 5.30% by AREA, and is consolidated under the equity method.

All the above companies have a 31 December year-end and prepared interim accounts to 30 June 2010.

Details of the company's subsidiaries and participating interests are provided in the table below:

| Subsidiaries and participating interests *(€ thousand)* | Capital 2010 | Reserves | % of capital | Gross value | Carrying value | Outstanding loans and advances | Dividends received | Revenue 2010 | Net profit 2010 |
|---|---|---|---|---|---|---|---|---|---|
| Subsidiaries (more than 50%-owned) | | | | | | | | | |
| AREA | 82,900 | 105,538 | 99.84,% | 215,269 | 215,269 | 785,763 | 123,244 | 470,892 | 129,092 |
| SIRA | 10 | 469 | 100.00,% | 11 | 11 | | | 3,215 | 186 |
| PARK + | 5,232 | (953) | 60.00,% | 3,139 | 856 | 65 | | 217 | (396) |
| CERA | 8 | 137 | 100.00,% | 315 | 315 | | | 788 | 38 |
| Participating interests | | | | | | | | | |
| Autoroutes Trafic | 349 | NC | 24.00,% | 72 | 72 | | 107 | NC | NC |
| Centaure Grand Est | 450 | 480 | 35.55,% | 212 | 212 | | | 1,152 | (57) |
| Centaure Île-de-France | 900 | NC | 49.00,% | 441 | 441 | | | NC | NC |
| ALTECH | 40 | 1,188 | 14.50,% | 6 | 6 | | 12 | 1,619 | 123 |
| Axxès | 7,500 | 3,354 | 22.80,% | 1,710 | 1,710 | | 662 | 752,508 | 3,076 |
| SC Autoroutes GIE[1] | | 236 | | | | 0 | | 176 | 252 |
| DEVTEL | 25 | 14 | 100.00,% | 25 | 25 | | 0 | 0 | 0 |
| Appolinaire participations | 37 | (4) | 100.00,% | 37 | 37 | | | 0 | (1) |
| SEM ALESIA | 515 | NA | 3.88% | 20 | 20 | | | NA | NA |
| **TOTAL** | | | | **221,257** | **218,974** | **785,828** | **124,025** | | |

# 9 • Significant events in progress and outlook

## 9.1 Significant events in progress

The riders to the concession agreements between the French State and APRR and between the French State and AREA regarding the new management contracts for the period 2009 to 2013 were approved by decree on 5 January 2011.

The management contracts were signed by the Minister for Ecology, Sustainable Development, Transport and Housing on 16 December 2010.

## 9.2 Outlook

2011 will mark an important phase in the implementation of the capital expenditure programmes provided for in the management contracts, more particularly when it comes to the rollout of non-stop toll collection lanes and to measures to improve the network's environmental integration.

The network in service will be expanded with the opening in the first four months of 2011 of three new motorway sections of some ten kilometres each, on the A432 (Les Echets-La Boisse), the A406 (Mâcon) and the A714 (Montluçon).

Further growth in revenue is expected as a result of tariff increases and higher traffic, especially for heavy goods vehicles, which can be expected to pick up in sync with the economy.

Against this backdrop, efforts will continue to manage the Group rigorously and to maintain a tight grip over operating expenses.

**The Board of Directors**
**Jean-François Roverato**
**Chairman of the Board of Directors**

# REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF APRR

## on the preparation and organisation of the board's work and on internal control

# Exercice 2010

In accordance with the provisions of Article L. 225-37 of the French Commercial Code *(Code de Commerce),* the Chairman of the Board of Directors is required to submit a report, attached to the Management Report, on the preparation and organisation of the Board's work and on the internal control and risk management procedures put in place within the APRR Group.

The Company has adopted unequivocally the AFEP-MEDEF recommendations on the compensation of executive corporate officers of listed companies published in April 2010. The Company does not refer to any other code of corporate governance as may be drawn up by other associations or confederations of business enterprises. Since its shares were first listed on a regulated market in November 2004 and its subsequent privatisation in February 2006, the Company has adapted its practices as and when needed to take into account changes in regulations and recommendations pertaining to corporate governance. To this end, it has amended its Memorandum and Articles of Association, adapted the Board's bylaws and implemented new organisation and procedures in the areas of legal, financial and corporate governance.

# 1 • Preparation and organisation of the Board of Directors' work

The Chairman of the Board of Directors organises and oversees the work of the Board and reports back to the General Meeting.

The Chairman ensures that the Company's different management bodies function properly, and in particular that the Directors are able to perform their duties.

Pursuant to Article L. 225-51-1 of the Commercial Code, the Board of Directors decided not to separate the functions of Chairman and Chief Executive Officer.

The Company's general management has been entrusted to the Chairman of the Board of Directors, Mr Jean-François Roverato, who was appointed Chief Executive Officer on 7 January 2008.

The Chief Executive Officer represents the Company in its relations with third parties. He has been vested with the broadest powers to act under all circumstances in the Company's name. He exercises his powers within the limits set forth in the object's clause subject to those powers expressly granted by law to the Shareholders' General Meeting and to the Board of Directors.

The Chief Executive Officer's powers are exercised within the limits fixed by the Board of Directors and summarised hereunder in Chapter II.

Mr Philippe Nourry was appointed as Deputy Chief Executive Officer by the Company's Board of Directors on 7 January 2008. Working under the authority of the Chief Executive Officer, he has been tasked with overseeing the APRR Group. He exercises his powers within the limits fixed by the Board of Directors, in agreement with the Chief Executive Officer, and summarised hereunder in Chapter II.

## 1.1 Board of Directors

### 1.1.1 Composition of the Board of Directors

On the date this report was drawn up, the Board of Directors comprised twelve members, eight of whom represent the majority shareholder Eiffarie and four of whom are from French local and regional authorities.

Board members were as follows:

- Jean-François Roverato
- Bruno Angles
- Gérard Bailly
- Edward Beckley
- Louis de Broissia
- Philippe Delmotte
- Robert Galley
- Thomas Gelot
- Pierre Berger
- Arnaud Montebourg
- Max Roche
- Peter Trent

Finally, in application of the concession agreement entered into by APRR, board meetings are attended in a consultative capacity by a government representative, in the person of the Director of Transport Infrastructures at the Directorate General for Infrastructure, Transport and the Sea.

### 1.1.2 Competence of the Board and succinct presentation of the Board's activity in 2010

The Board of Directors determines the guidelines for the Company's activities and ensures they are implemented. Subject to those powers granted expressly to the General Meeting and consistent with the limits set forth in the object's clause, the Board considers all matters relating to the proper functioning of the Company and debates all matters concerning the Company.

#### 1.1.2.1. Strategic orientations, business plan and financial situation

At least once a year, the Board of Directors reviews the annual financial statements prepared by the Company and by the Group and the implementation of the strategy, business plan and financial policy defined for the Company and for the Group.

#### 1.1.2.2. Prior authorisations

The Board of Directors is advised by the Company's senior management of all matters requiring prior approval by the Board.

### 1.1.3 Functioning of the Board of Directors

Internal regulations have been drawn up governing the functioning of the Board of Directors. These regulations are intended to define the scope of the responsibilities of the Board and its members and the manner in which the Board functions. It is the Board that defines the competence of ad-hoc committees and the matters coming under their purview.

### 1.1.4 Principles governing the organisation of Board meetings

The Chairman of the Board of Directors convenes the Board as and when he deems necessary in the best interest of the Company.

The memorandum and articles of associations and internal regulations of the Board of Directors set forth the conditions under which members participate in board meetings by videoconference and other means of telecommunications.

The Board of Directors conducts an annual assessment of its work. In 2010, the Board met on eight occasions. The attendance rate was 68%.

## 1.2 Internal regulations of the Board of Directors and ad-hoc committees

The Company's internal regulations are determined by the Board of Directors. These regulations define the manner in which function the Board and its two ad-hoc committees: Audit and Risks Committee and Selection and Compensation Committee. These regulations also contain the Directors' Code of Ethics.

### 1.2.1 Group Audit and Risks Committee

In accordance with its regulations, the Audit and Risks Committee consists of three members chosen by the Board of Directors for their expertise. Two members are Company Directors. The Chairman of the Audit and Risks Committee is appointed by the Board of Directors.

The French government representative may attend committee meetings in a consultative capacity. The Audit and Risks Committee met three times in 2010.

The Committee reviews the procedures for the preparation of the company financial statements and the consolidated financial statements. It ensures that the accounting methods are appropriate and transparent, that they are applied consistently, and that internal procedures for collating and checking the information contribute to achieving these goals.

Each year, the Audit Committee informs the Board of Directors as to the checks carried out and observations arising from its work.

It also refers to the Board issues relating to any options regarding the accounting standards being applied. Finally, it makes recommendations regarding the appointment and renewal of the statutory auditors and the quality of their work.

The Committee is informed of:

- the work and programme of the internal audit department;
- the annual internal audit plan, to ensure it covers key risks areas; and
- due consideration given to recommendations made by the internal and external auditors.

More generally, the Committee issues opinions on any accounting, financial or tax issues brought to its attention or that it felt it needed to consider.

Concerning risk management and internal control, the Audit and Risks Committee has been assigned the following responsibilities:

- assess the global effectiveness of the risk management and internal control system, including key corporate governance policies; and
- review the findings of risk mapping, including the mapping of major risks to which the Group is exposed, so as to take the full measure of the most important risks and the manner in which these risks are managed.

## 1.2.2 Selection and Compensation Committee

The Selection and Compensation Committee is charged with reviewing applicants for key management positions within the Company and the Group and with issuing proposals and opinions in this regard. It establishes the procedures for selecting independent directors to be appointed in the future and submits proposals regarding the fixed and variable compensation of key management personnel and their terms and conditions of employment.

The Selection and Compensation Committee consists of four members chosen by the Board of Directors. Committee members are Board Directors. The Committee's Chairman is appointed by the Board of Directors. The Committee is convened by its Chairman as and when needed.

## 1.2.3 Compensation and board fees paid to Directors and Officers

### 1.2.3.1. Principles and rules for the compensation of the Directors and Officers defined by the Board of Directors (paragraph 7 of Article L. 225-37 of the French Commercial Code)

On 17 December 2008 the Company adopted unanimously and unequivocally the AFEP-MEDEF recommendations on the compensation of executive corporate officers of listed companies published on 6 October 2008 and amended in April 2010. The recommendations can be consulted on the website of the French Confederation of Business Enterprises at www.medef.fr

### 1.2.3.2. Compensation paid in respect of the year ended

The Shareholders' General Meeting has not voted a resolution setting the total amount to be paid by way of board fees to the Company's Directors.

The only Executive Directors of APRR are its Chief Executive Office and Deputy Chief Executive Officer.

The Company's Chief Executive Officer did not receive any compensation from the Company.

The Company's Deputy Chief Executive Officer, Mr Philippe Nourry, was paid a total compensation of €489,400 for the year ended 31 December 2010, consisting of a fixed remuneration amounting to €259,400 and of a variable remuneration amounting to €230,000.

No options to subscribe to or purchase the Company's shares have ever been awarded by the Company.

The above information meets disclosure requirements for the standardised presentation of compensation paid to executive corporate officers contained the AFEP-MEDEF recommendations published on 6 October 2008.

## 1.2.4 Contract Award Commission

The Company has set up a Contract Award Commission charged with defining internal regulations for negotiating and performing contracts, as well as with issuing opinions binding on the Company regarding public works, supply and service agreements exceeding specified thresholds.

The Contract Award Commission operates according to the specifications appended to the service concession agreement. It does not per se constitute an ad-hoc committee reporting directly to the Board of Directors.

The Contract Award Commission met seven times in 2010.

## 1.2.5 Functioning of the Board of Directors of AREA

AREA, which is 99.84% owned by the Company and constitutes its main subsidiary, also has its own internal regulations governing the functioning of its Board of Directors. These regulations are based on the general principles underlying the internal regulations adopted for APRR's own Board of Directors. Corporate governance principles are identical. A majority of AREA's board members also sits on the Board of Directors of APRR.

## 1.2.6 Shareholder attendance at General Meetings

Pursuant to Article 19 of the Company's Memorandum and Articles of Association, any shareholder may as of right attend General Meetings and participate in the deliberations, in person or by proxy, whatever the number of shares held, on production of valid proof of identity. However, attendance at General Meetings is subject to the shares having been recorded in the name of the shareholder or of an intermediary on the shareholder's behalf in accordance with regulatory requirements at least three working days before the General Meeting, no later than midnight Paris time, either in registered form in the company's register or in bearer form in the register kept by the authorised intermediary. The shares' recording in bearer form in the register kept by the authorised intermediary is evidenced by a certificate of ownership issued by this intermediary.

## 1.2.7 Information governed by Article L. 225-100-3 of the French Commercial Code

Information governed by Article L. 225-100-3 of the French Commercial Code is disclosed and explained in the Directors' Report submitted to the General Meeting if such information is likely to be of significance were a public bid to be made.

The full text of this report can be found in the Annual Report that is available from the Company's website at www.aprr.com. This report is posted to the website after the board meeting held to approve its content.

# 2 • Internal control procedures

Internal control procedures implemented within the Group, introduced in accordance with the principles laid down in the report issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), correspond to the AMF's guidelines. The report state that internal control is a process, implemented by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

This definition is based on a number of key concepts, which are that:

- Internal control is effected by people. It is not merely policy manuals and forms, but people at every level of an organisation. An internal controller, who is responsible for the procedures and reports to the Group General Secretary, was appointed in 2010.

- Internal control can be expected to provide only reasonable assurance, not absolute assurance, to an entity's management and board.

Internal control consists of five interrelated components integrated into the management process: control environment, risk assessment, control activities, information and communication, and monitoring.

## 2.1 Powers of the Chief Executive Officer

The Chief Executive Officer is vested with powers by law. He is responsible for managing the Company and for representing the Company in its dealings with third parties. He is vested with the broadest powers to act on behalf of the Company in all circumstances, provided that these acts are consistent with the object clause and not expressly of the competence of the Shareholders' General Meeting or Board of Directors.

The Board of Directors controls the powers of the Chief Executive Officer in the case of major decisions relating to the Company and/or its subsidiaries when the amounts in question exceed €15 million.

The powers of the Deputy Chief Executive Officer are controlled in the same way as those of the Chief Executive Officer. It will be recalled that the Deputy Chief Executive Officer assists the Chief Executive Officer implement the policies defined for the APRR Group.

## 2.2 Financial management and information

The financial management of APRR and AREA have been placed under the authority of a single Chief Financial Officer.

The presentation of the company financial statements is identical and they are prepared applying the same accounting policies and methods at both companies.

The Group's consolidated financial statements are included in the consolidated financial statements of Eiffage Group. It is the same statutory auditors who report on the two sets of consolidated financial statements.

### 2.2.1 Organisation of accounting function and payment systems

Responsibilities for maintaining the accounting records and for payment instructions are allocated as follows:

*Group Finance Department*

The Group Finance Department defines the accounting methods and practices applied by the different Group entities. It controls these and ensures that they are applied consistently.

The Department produces the Group's consolidated statements. In terms of scope, these statements cover APRR, AREA (a 99.84% owned subsidiary of APRR), Adelac (a 49.9% owned subsidiary of AREA) and Axxès (in which APRR has a 22.8% participating interest and AREA a 5.3% interest). Adelac and Axxès are accounted for using the equity method.

The Department records operating expenses and capital expenditure by head office departments as well as loans. It is responsible for initiating the corresponding payments.

It is responsible for recording toll receipts settled on a subscription basis or using credit and other charge cards, as well as rental income from leasing commercial premises and telecommunication installations.

It consolidates and controls the accounting records of the Regional Departments and submits direct debit instructions to the bank. Finally, it produces the tax returns, accounting statements and the Group's consolidated financial statements.

*APRR Regional Departments*

The operations of the Company are coordinated by APRR's Operations Department, to which three Regional Units report. The operations of AREA are coordinated by AREA's Operations Department.

The accounting departments of the Regional Departments record operating expenses, capital expenditure, toll receipts (apart from amounts settled by subscribers or using credit or other charge cards) and miscellaneous revenue. Payment instructions are authorised in compliance with the delegation of power in application.

*AREA Operations Department*

AREA's Accounting Department is responsible for all accounting entries relating to the company's operations and it records the operating expenses and capital expenditure by the different departments as well as entries relating to the loans and to the commercial premises. All parameters relating to the operating expenses and construction expenditure are determined by AREA's Accounting Department.

## 2.2.2 Production and control of accounting statements

In accordance with regulations, the Group prepares consolidated financial statements applying International Financial Reporting standards (IFRS). The company financial statements of APRR and its subsidiaries are prepared in accordance with generally accepted accounting principles in France.

These financial statements are audited by independent auditors in accordance with applicable professional standards. The consolidated financial statements are available on the Company's website.

The Company has complied with the requirements of the so-called Transparency Directive since 2007 without having to avail itself of the transitional measures.

## 2.2.3 Organisation and control of capital expenditure and cash flow management operations

### a) Capital expenditure monitoring

The Group's capital expenditure programme is drawn up on a pluri-annual basis. Monthly budgets for the current year and annual budgets for subsequent years are updated on a quarterly basis from the information provided by the operational departments concerned.

The Group's capital expenditure commitments arise from the concession agreements entered into by APRR and AREA and are specified and supplemented in the contract-based plans signed for the periods 2004 to 2008 and 2009 to 2013.

### b) Forward looking statements

The Company seeks to assess business prospects over the remaining term of the concession based on macroeconomic parameters and communicates these estimates to the State pursuant to its obligations under the concession agreement.

### c) Cash and debt management

Cash flow management gives rise to monthly reporting indicating estimated and actual cash flows at the level of the different companies (i.e. APRR and AREA) and at group level. More specific reporting is produced for the quarterly updates and on the balance sheet dates. Financing requirements are monitored using the information received each month on operating expenses and capital expenditure.

Cash flow management is now performed for both AREA and APRR by the Group Treasury Department applying common procedures.

Debt management involves arranging the financing needed by the Group and includes monitoring obligations and covenants for the various loan agreements and market financing as well as interest rate risk management, including making recommendations to limit exposure to this risk.

## 2.2.4 Budgetary control and reporting

The Group produces monthly management reports, which contain operational and financial indicators measuring traffic, revenue, productivity, quality, safety, operating expenses, investment expenditure, cash position, employee numbers and EBITDA for the month and year-to-date, comparing actual performances with the budget and with the prior year. This report is produced on the 15th of each month.

As regards the preparation of the budget, each department draws up initial proposals regarding employee numbers and operating expenses in September or October of each year. These proposals are consolidated. Meeting are held with the Finance Department and the General Secretariat (Human Resources Department) to fine tune these proposals, which are then validated by senior management.

Once validated, the budgets are notified to the departments and integrated into the human resources and management systems. The budgets are broken down in monthly budgets.

During the year, budget estimates are reviewed on a quarterly basis in April, July and October. The results of this process are communicated internally along with a revised income statement.

Capital expenditure is the object of pluri-annual budgets, which are revised on a quarterly basis.

These budgets are discussed at meetings attended by the Group's Executives, the Finance Department and the Operational Departments concerned.

All projects for which the investment exceeds a specified ceiling fixed in 2010 at €100 thousand (excluding taxes) and at €1 million (excluding taxes) for infrastructure work, must be referred to the Group Commitment Committee. Projects below this ceiling must be approved by the relevant Department.

The Group Commitment Committee, chaired by the Deputy Chief Executive Officer and whose members are the Chief Financial Officer, the Major Investments and Construction Director, the Purchasing and Quality Assurance Director, the Engineering and IT Systems Director and the two Operations Directors, meets every month and examines each project from a financial, organisational and strategic viewpoint. Its decisions are recorded in a memorandum by the Deputy Chief Executive Officer which is sent to the managers of the projects submitted.

The Group's Deputy Chief Executive Officer and Chief Financial Officer ensure decisions taken are consistent with the contract-based plan and with the operational and financial objectives being pursued when the budget is being prepared and on the occasion of the quarterly updates in accordance with the procedure described above, implemented in consultation with the Company's operating and functional departments. It is these departments that are ultimately responsible to senior management for achieving the objectives.

## 2.3 Management information systems

The Engineering and IT Systems Department rolled out several new information system modules in 2010.

The new system for managing staff employed on a temporary basis (PIXID) was launched in 2010 as was the new procurement workflow process integrated in the financial ERP (PRODIGE).

Development relating to the first phase of the overhaul of the Group's human resources infocentre (ORISON) has been completed. It is set to be rolled out in February 2011. Additional development will take place in 2011 as a second phase of the project.

Several significant upgrades of the human resources information system (SAGESS) following the signature of new company agreements on toll services were rolled out in June 2010 (APRR) and November 2010 (AREA).

Work required to bring the Group's financial information system into compliance with the new SEPA bank standards started in 2010 (rollout of new version of cash management tool) and will continue in 2011 (transfers) and 2012 (direct debits).

Work is currently under way on the ATOS project (shift planning and management), digital recording of invoices and on the CHOPIN project (managing investment transactions) and they are scheduled to be launched in 2011.

All the Group's intranet sites have migrated to a new technology (SharePoint). A Group directory and a collaborative forum dedicated to Operations (Exploit 2011) have been rolled out. New functions have been added to the aprr.fr website on Internet (e-service pages, news, etc.) and the Autorouteinfo website has undergone a technical overhaul in order to improve performance during periods of intense use (holidays, severe weather). The aprr.fr website will also undergo a technical overhaul in 2011.

New functions have been added to the new Sales information system (SITEL), which was launched at APRR at the end of 2009 (electronic document management, toll-card logistic centre, new card models support). At the same time, a process involving combining and modernising APRR and AREA subscriber areas (EDGAR project) has been started and should be rolled out in 2011.

At the level of the IT infrastructure, in 2010, APRR and AREA started to combine their IT resources at a single data centre in Dijon. This complex operation is due to end in June 2011.

At telecommunications level, the overhaul of APRR's broadband network (ARTEMIS) was completed in 2010 as planned. This new network will be rolled out at AREA in 2011. Several wraparounds aimed at improving the security of Group networks were carried out in 2010 in partnership with other motorway infrastructure managers (ATMB and DIR Centre-Est).

Optimising IT costs continued to be a priority in 2010. Procurement synergies have been achieved with the Eiffage Group by means of several framework agreements for office work-stations, servers and mobile telephony.

Lastly, the Group continued to prepare for its future information systems in 2010, by drawing up its new telecommunications and office automation master plans for the next five years.

## 2.4 Procedures manual

The business activities carried on by APRR are organised around a set of procedures that underlie the various processes in place at the Company.

These procedures are available to Company personnel on the APRR Intranet, based on the unit to which the personnel are attached and level of responsibility.

## 2.5 Procurement monitoring

In accordance with the riders to the APRR and AREA concession agreements approved by Decree 2007-815 of 11 May 2007, public works contracts with a value of more than €2 million (excluding taxes) and supply and service contracts with a value of more than €240 thousand (excluding taxes) entered into by the Group in connection with the concession remain within the scope of Decree 2005-1742 of 30 December 2005, which sets out the rules applicable to contracts concluded by the adjudicating authorities listed in Article 3 of Order No. 2005-649 of 6 June 2005 regarding contracts concluded by certain public or private entities that are not subject to the French Public Procurement Code *(Code des Marchés Publics).*

Accordingly, these contracts must give rise to an information notice at European level and a tender invitation must be staged before awarding these contracts.

APRR and AREA each have a Contract Award Commission that operates in accordance with the provisions of Article 6 of the specifications appended to their respective concession agreement, which are identical.

These Commissions are responsible for defining the internal rules for awarding and performing contracts and issuing opinions on the award of contracts for work, supplies and services that comply with the aforementioned thresholds.

In 2010, these two Commissions reviewed a total of 21 contracts that break down as follows:

| Number of contracts | APRR | AREA |
|---|---|---|
| Service contracts | 5 | 1 |
| Supply contracts | 1 | 2 |
| Public works contracts | 9 | 3 |

Note that, in certain instances, a procedure may cover several contracts. These contracts were concluded after completing the following procedures:

| Number of contracts | APRR | AREA |
|---|---|---|
| Open procedures | 1 | 1 |
| Restricted procedures | 10 | 4 |
| Negotiated procedures (Decree of 30 December 2005) | 2 | 1 |
| Negotiated procedures following unsuccessful calls for tender | 2 | 0 |

The Commissions issued favourable opinions on the award of the contracts.

Each year a report on the activities of the Contract Award Commissions covering the previous year is drawn up and submitted to the National Contracts Commission *(Commission Nationale des Marchés).*

## 2.6 Organisation of internal audit and risk management at the APRR Group

Internal audit and risk management are two distinct functions. Until 1 August 2010, the Group Audit and Risk Management Department, which reports directly to senior management, was responsible for these two activities. As from 1 August, internal audit procedures have been carried out by the Audit Department of Eiffage, the Group's majority shareholder. An internal controller within APRR, who reports to the Group General Secretary, was given responsibility for monitoring risk management.

The Group Audit and Risk Management Department and subsequently Eiffage's Audit Department and the internal controller have implemented and will continue to implement all measures necessary to apply the recommendations issued by the French institute of internal auditors and thereby comply with international auditing standards. In 2007, the Group Audit and Risk Management Department and Eiffage's Audit Department were assessed and certified by the French Institute of Internal Auditors *(Institut Français de l'Audit et du Contrôle Internes).* These certifications were renewed in 2008, 2009 and 2010.

Every quarter, the Group Audit and Risk Management Department and, since 1 August 2010, Eiffage's Audit Department and the internal controller report back to the Audit and Risk Committee, on the findings of their work.

They presented their 2010 annual report and the 2011 audit plan to the Audit and Risk Committee in January 2011.

## 2.7 Internal audit

Internal audit is an independent and objective function that provides the Group with assurances regarding the controls exercised over its operations. It also makes proposals for improving these operations and enhancing the effectiveness and efficiency of its processes.

In 2010, the internal auditors carried out 10 general or specific assignments at APRR and AREA covering operational and functional aspects as well as the day-to-day operations and the information system.

## 2.8 Internal control

The Company tasked an internal controller with organising resources intended to improve risk management. The controller, who reports to the Group General Secretary, is in charge of introducing and applying an operating framework, monitoring the progress of action plans and risk mapping.

## 2.9 Self-assessment of internal control

From 1-19 February 2010, APRR's Audit and Risk Management Department carried out the first annual self-assessment of internal control at APRR's Operations Department (excluding districts) and AREA's Operations Department (except for toll plazas, maintenance centres AREA's traffic centre) through their managers.

This first self-assessment procedure included 242 questions, of which 116 were new and 126 were the same as those used in the internal control self-assessment of districts, toll plazas, maintenance centres and AREA's traffic and surveillance centre. These questions covered 14 processes: monitoring, internal and external fraud, hardware and software protection, budget, financial closings, human resources, income, vehicles and buildings, procurement, contracts, viability, safety of staff and traffic, operating systems and other information.

The level of internal control was assessed at each entity, first for each question and then for each process.

The extension of the internal control self-assessment system to all entities of the two Operations Departments will be continued in 2011.

## 2.10 Risk management

Risk management is aimed at identifying, assessing, processing and monitoring the risks to which the Group is exposed. This covers all kinds of risks: operational, financial, strategic, human, regulatory, communication and reputational risks.

Risk management is based on a structured, documented process for updating risk mapping and for processing, monitoring and controlling risks. This process has been formalised in a document entitled "APRR Group Risk Management Policy and Charter".

The process for identifying risks and their hierarchy implemented by the Group consists of 4 stages:

- Risk mapping: identifying and setting priorities for all risks arising from the Group's business activities and its external environment.
- Updating of risk mapping: periodic updating of mapping process and hierarchy for risks arising from the Group's business activities and its external environment.
- Risk processing: management supervision of actions taken to mitigate those risks considered as a priority, i.e. major risks.
- Risk monitoring and control: periodic monitoring of action plans.

The Group's 33 risk exposures have been classified into 7 categories:

- Construction
- Operations
- Toll receipts
- Legal and reputational
- Human resources
- Administrative and financial
- Corporate strategy

The organisation tasked with risk management is based on a centralisation of risk management supported by a network of risk managers.

## 2.11 Business continuity plan

As part of its risk management policy, and in view of the main operating risks it may face, in 2010 the APRR group decided to drawn up a business continuity plan (BCP).

The aim of this plan is to enable the Group to ensure the continuity of its main operations and to limit the effect of any major incidents. Work started in 2010, and the plan will be rolled out in 2011.

## 2.12 Forward planning

In terms of audit, internal control and risk management, the objectives in 2011 will be:

- the completion of the 2011 internal audit plan;
- the completion of the annual internal control self-assessment procedure for all of centralised and decentralised units coming under the Group's two Operations Departments; and
- the continuing application of the risk management process.

Paris, 28 april 2011

**Jean-François Roverato**
**Chairman of the Board of Directors**

# **REPORT OF THE AUDITORS** pursuant to Article L.225-235 of the French Commercial Code (Code de Commerce) on the report by the Chairman of the Board of Directors of Société des Autoroutes Paris Rhin Rhône

(Year ended 31 December 2010)

**PricewaterhouseCoopers Audit**
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

**Salustro Reydel**
Member of KPMG International
1 cours Valmy
92923 Paris La Défense Cedex

To the Shareholders
**Société des Autoroutes Paris-Rhin-Rhône**
**«APRR»**
36 rue du Docteur-Schmitt
21850 Saint-Apollinaire

To the Shareholders

As the statutory auditors of Société des Autoroutes Paris Rhin Rhône and as required by Article L.225-235 of the French Commercial Code we present to you our report on the report prepared by the Chairman of your company for the year ended 31 December 2010 in accordance with the provisions of Article L.225-37 of the French Commercial Code.

It is the responsibility of the Chairman to prepare and submit for approval by the Board of Directors a report describing the internal control and risk management procedures implemented within the Company and disclosing the other information required by Article L.225-37 of the Commercial Code relating notably to the system of corporate governance.

It is our duty to:

- Inform you of any observations we may have on the information and statements contained in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information and
- Certify that the report contains the other information required by Article L.225-37 of the French Commercial Code, bearing in mind that we are not required to verify the accuracy and fairness of the information in question.

We performed our work in accordance with the auditing standards applicable in France.

### *Information concerning internal control and risk management procedures relating to the preparation and processing of accounting and financial information*

Auditing standards require that we perform such procedures so as to establish the accuracy and fairness of the information given in the Chairman's Report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information. These procedures consisted notably of:

- reviewing the internal control and risk management procedures for preparing and processing the accounting and financial information underpinning the information presented in the Chairman's report as well as the existing supporting documents;
- reviewing the work carried out to prepare this information and the existing supporting documents;
- determining whether any major internal weakness identified by us in connection with our assignment, and affecting the way in which the accounting and financial information was prepared and processed, was properly disclosed in the Chairman's report.

On the basis of this work, we have no observation to make concerning the information provided relating to the internal control and risk management procedures applied by the company for the preparation and processing of accounting and financial information as contained in the report prepared by the Chairman of the Board of Directors pursuant to the provisions of Article L.225-37 of the French Commercial Code.

### *Other information*

We certify that the report prepared by the report prepared by the Chairman of the Board of Directors contains the other information required by Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris La Défense, 28 April 2011

**The Statutory Auditors**

| | |
|---|---|
| **PricewaterhouseCoopers Audit** | **Salustro Reydel**<br>*Member of KPMG International* |
| Louis-Pierre Schneider Thierry Charron | Benoît Lebrun |

# GROUP RISK ANALYSIS

## 1 • 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, documented process for updating risk mapping and for processing, monitoring and controlling risks. This process has been formalised in a document entitled "APRR Group Risk Management Policy and Charter".

The process for identifying risks and their hierarchy implemented by the Group consists of 4 stages:

- Risk mapping: identifying and setting priorities for all risks arising from the Group's business activities and its external environment.
- Updating of risk mapping: periodic updating of mapping process and hierarchy for risks arising from the Group's business activities and its external environment.
- Risk processing: management supervision of actions taken to mitigate those risks considered as a priority, i.e. major risks.
- Risk monitoring and control: periodic monitoring of action plans.

The Group's 33 risk exposures have been classified into 7 categories:

- Construction
- Operations
- Toll receipts
- Legal and reputational
- Human resources
- Administrative and financial
- Corporate strategy

The organisation tasked with risk management is based on a centralisation of risk management supported by a network of risk managers.

## 2 • Insurance

The Group's insurance policy is focused on covering what could potentially be major claims. Risks presenting a low frequency and intensity are covered through a policy of self-insurance and deductibles.

The Group strives to optimise and manage for the long-term the insurance policies it has taken out, not just to have cover against eventual claims, but also so that this cover is and will continue to be cost effective, thereby preserving the Group's competitiveness. This insurance strategy for the long term requires partnerships to be developed with first-rate brokers and insurance companies of good financial standing.

Insurance policies taken out by the Group comprise mainly:

- Property insurance policy providing conventional cover for perils such as fire, water damage, explosion, lightning, theft, machinery breakdown, experts' fees and unpaid rents. This policy fixes ceilings for each guarantee that vary according to the nature of the loss.
- Business and professional third-party liability providing cover for the financial consequences for the companies of being held liable for losses or damage caused in the course of their activities, or if gross negligence is committed in connection with the rendering of services.
- Environment legal liability policy guaranteeing and covering bodily injury, damage to property and consequential loss incurred by third parties as a result of accidental damage to the environment. The policy also covers any costs incurred in containing or mitigating perils. Under this policy, the Group is also covered against the cost of rehabilitating water catchment areas. Further to the Law of 1 August 2008, which transposed into French law the European Directive on environmental liability, the above policy now guarantees environmental damage, which is defined as direct or indirect contamination of the land and damage to the aquatic environment, and to protected species and natural habitats).
- Employer pecuniary loss insurance policy taken out by the Group with regard to occupational accidents or illnesses, whereby in the event of an occupational accident or illness resulting from the Group's criminal negligence, it will be

reimbursed any additional contributions and compensation paid to the victims or their beneficiaries as required under the Social Security Code.

- Employer third-partly liability insurance policy for the benefit of the directors and officers of APRR and AREA is subscribed at the level of Eiffage Group.
- Legal protection insurance policy taken out by APRR covers all workout agreements and legal proceedings aimed at obtaining reparation for bodily injury, damage to property and consequential losses should they not be covered by the other policies. This policy is used mainly to remedy damage to the public domain caused by driving accidents on the motorways.
- Motor vehicle cover for the group companies is provided by two compulsory motor vehicle fleet policies providing flexible cover according to the guarantee options selected for each category of insured vehicles.

## 3 • Exceptional events and litigation

APRR is involved in various disputes having arisen in the normal course of business. The Company considers that, as at 31 December 2010, none of the ongoing disputes arising from the normal course of business are likely to have a material impact on its operating profit, its activity or its financial situation. The Company estimates that the provisions for disputes set aside provide reasonable cover for these disputes.

# CONSOLIDATED FINANCIAL STATEMENTS
## year ended 31 december 2010

# Consolidated financial statements

## 1 • Consolidated balance sheet

### 1.1 Assets

| (€ million) | Notes | 31/12/2010 | 31/12/2009 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 166.7 | 169.8 |
| Intangible assets arising from concessions | 5 | 7,255.1 | 7,251.2 |
| Other intangible assets | 5 | 33.8 | 38.0 |
| Investments in associates | 5 | 31.4 | 45.8 |
| Other non-current financial assets | 5 | 67.6 | 63.9 |
| Other non-current assets | 5 | 0.0 | 0.1 |
| **Total non-current assets** | | **7,554.6** | **7,568.7** |
| **Current assets** | | | |
| Inventories | | 7.9 | 8.3 |
| Trade and other receivables | 7 | 94.2 | 84.5 |
| Current tax assets | | 0.0 | 0.0 |
| Other current assets | 8 | 190.7 | 174.0 |
| Cash and cash equivalents | 9 | 53.3 | 105.0 |
| **Total current assets** | | **346.2** | **371.7** |
| **TOTAL ASSETS** | | **7,900.8** | **7,940.4** |

### 1.2 Equity and liabilities

| (€ million) | Notes | 31/12/2010 | 31/12/2009 |
|---|---|---|---|
| **Capital and reserves** | | | |
| Share capital | 11 | 33.9 | 33.9 |
| Consolidated reserves | | (116.5) | (162.6) |
| Profit for the year | | 418.7 | 349.2 |
| Group share of shareholders' equity | 3 | 336.1 | 220.5 |
| Non-controlling interests | | 0.1 | 0.1 |
| **Total equity** | 3 | **336.2** | **220.6** |
| **Non-current liabilities** | | | |
| Borrowings | 10 | 6,025.7 | 6,278.8 |
| Deferred tax liabilities | 23 | 100.8 | 114.8 |
| Provisions | 12 | 274.9 | 282.8 |
| Other non-current liabilities | 14 | 32.0 | 32.8 |
| **Total non-current liabilities** | | **6,433.4** | **6,709.2** |
| **Current liabilities** | | | |
| Trade and other payables | | 146.4 | 158.4 |
| Borrowings | 10 | 176.0 | 163.1 |
| Non-current borrowings due within one year | 10 | 540.8 | 380.0 |
| Current tax liability | | 28.9 | 40.7 |
| Provisions | 12 | 58.0 | 55.0 |
| Other current liabilities | 14 | 181.0 | 213.3 |
| **Total current liabilities** | | **1,131.1** | **1,010.6** |
| **TOTAL EQUITY AND LIABILITIES** | | **7,900.8** | **7,940.4** |

# 2 • Consolidated income statement and statement of comprehensive income

## Consolidated income statement

| (€ million) | Notes | 31/12/2010 | 31/12/2009 |
|---|---|---|---|
| Revenue, of which revenue: | 15 | 2,241.5 | 2,197.9 |
| ■ From the operation of the infrastructures | | 1,939.6 | 1,860.0 |
| ■ From construction of infrastructures held under concessions | | 301.9 | 337.9 |
| Purchases and external charges | 16 | (462.6) | (481.8) |
| Employee benefit expenses | 17 | (217.9) | (219.5) |
| Taxes (other than income tax) | 18 | (239.5) | (236.2) |
| Depreciation and amortisation expenses | 19 | (361.7) | (351.7) |
| Provisions | 19 | (27.4) | (45.9) |
| Other operating income (expenses) from ordinary activities | 20 | 4.6 | 4.5 |
| Operating profit on ordinary activities | | 936.9 | 867.3 |
| Other income (expenses) from operations | 20 | – | – |
| Operating profit | | 936.9 | 867.3 |
| Income from cash and cash equivalents | 21 | 4.0 | 5.6 |
| Finance costs | 22 | (286.8) | (315.4) |
| Net finance costs | | (282.8) | (309.8) |
| Other financial income (expenses) | 22 | (0.4) | (11.4) |
| Share of profit of associates | | (8.6) | (8.3) |
| Income tax expense | 23 | (226.2) | (188.3) |
| Profit for the year from continuing operations | | 418.9 | 349.4 |
| Profit for the year | | 418.9 | 349.4 |
| Attributable to:<br>■ Equity holders of the parent company | | 418.7 | 349.2 |
| ■ Non-controlling interests | | 0.2 | 0.2 |
| Earnings per share attributable to equity holders of the parent company | | | |
| ■ Basic earnings per share (euros) | | 3.70 | 3.09 |
| ■ Diluted earnings per share (euros) | | 3.70 | 3.09 |

## Consolidated statement of comprehensive income

| (€ million) | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Profit for the year | 418.9 | 349.4 |
| Re-measurement of hedging instruments | (10.6) | (18.8) |
| Gains and losses recognised directly to equity of associates | (5.0) | (4.8) |
| Tax on items recognised directly to equity | 3.7 | 6.5 |
| Total income and expense recognised directly to equity | (11.9) | (17.2) |
| Comprehensive income for the year | 407.0 | 332.3 |
| Attributable to:<br>■ Equity holders of the parent company | 406.8 | 332.1 |
| ■ Non-controlling interests | 0.2 | 0.2 |

# 3 • Consolidated statement of changes in equity

| (€ million) | Share capital | Share premium | Reserves | Financial instruments | Group share | Non controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| At 1 January 2009 | 33.9 | 0.3 | (129.8) | (16.7) | (112.3) | 0.1 | (112.2) |
| Share-based payments | | | 0.2 | | 0.2 | | 0.2 |
| Dividends | | | | | 0.0 | (0.2) | (0.2) |
| Profit for the year | | | 349.2 | | 349.2 | 0.2 | 349.4 |
| Income and expense recognised directly to equity | | | 0.5 | (17.2) | (16.7) | | (16.7) |
| Total recognised income and expense | 0.0 | 0.0 | 349.7 | (17.2) | 332.6 | 0.2 | 332.8 |
| Changes in scope and reclassifications | | | | | 0.0 | | 0.0 |
| **AT 31 DECEMBER 2009** | **33.9** | **0.3** | **220.1** | **(33.9)** | **220.5** | **0.1** | **220.6** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| At 1 January 2010 | 33.9 | 0.3 | (220.1) | (33.9) | 220.5 | 0.1 | 220.6 |
| Share-based payments | | | 0.3 | | 0.3 | | 0.3 |
| Dividends | | | (291.6) | | (291.6) | (0.2) | (291.8) |
| Profit for the year | | | 418.7 | | 418.7 | 0.2 | 418.9 |
| Income and expense recognised directly to equity | | | | (11.9) | (11.9) | | (11.9) |
| Total recognised income and expense | 0.0 | 0.0 | 418.7 | (11.9) | 406.8 | 0.2 | 407.0 |
| Changes in scope and reclassifications | | | 0.2 | | 0.2 | | 0.2 |
| **AT 31 DECEMBER 2009** | **33.9** | **0.3** | **347.6** | **(45.8)** | **336.1** | **0.1** | **336.2** |

# 4 • Consolidated statement of cash flows

| *(€ million)* | *Notes* | 31/12/2010 | 31/12/2009 |
|---|---|---|---|
| **Cash and cash equivalents at the beginning of the year** | *9* | **105.0** | **241.9** |
| Profit for the year | | 418.9 | 349.4 |
| Net impact of associates | | 9.5 | 9.0 |
| Depreciation and amortisation expense and provisions | *19* | 355.3 | 382.0 |
| Other adjustments | | (2.0) | 4.7 |
| Gains on disposals | | (0.9) | (0.6) |
| Cash generated by operations | | 780.8 | 744.5 |
| Net interest expense | | 304.6 | 302.0 |
| Interest paid | | (291.7) | (305.4) |
| Income tax expense | *23* | 226.2 | 188.3 |
| Income taxes paid | | (248.4) | (103.2) |
| Movement in working capital related to ordinary activities | | (56.2) | 13.2 |
| **Net cash from operating activities (I)** | | **715.2** | **839.3** |
| Purchases of non-current assets | | (371.6) | (426.9) |
| Purchases of non-current financial assets | | 0.0 | (4.2) |
| Total purchases of non-current assets | | (371.6) | (431.1) |
| Proceeds from disposals of non-current assets | | 1.1 | 0.9 |
| **Net cash from (used in) investing activities (II)** | | **(370.5)** | **(430.3)** |
| Dividends paid to the shareholders | *25* | (291.8) | (0.2) |
| Repayment of borrowings | *10* | (758.2) | (1 235.9) |
| New borrowings | *10* | 653.7 | 690.0 |
| **Net cash used from (used in) financing activities (III)** | | **(396.4)** | **(546.1)** |
| **Net decrease in cash and cash equivalents (I+II+III)** | | **(51.6)** | **(137.0)** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | *9* | **53.3** | **105.0** |

# Notes to the 2010 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. Contract-based plans define the investment programmes for the two concessions and practices regarding tariffs for the periods covered by the plans.

The network covers a total of 2,282 kilometres of motorways, 2,234 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, pledged as security or subjected to easements;
- the option for the French government of pre-emptively terminating concession contracts and buying back concession contracts: under public law, the State has a unilateral option to terminate concessions 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 tunnel by Autoroutes Paris-Rhin-Rhône until 31 December 2068.

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 Macquarie managed infrastructure funds.

The 2010 consolidated financial statements were approved by the Board of Directors on 22 February 2011 and shareholders will be invited to approve these financial statements at the General Meeting that is to be held on 21 June 2011.

### *Significant events in 2010*

The shares of APRR are the object since 10 September of a Public repurchase offer followed by a squeeze-out procedure initiated by Eiffarie, which has controlled more than 95% of the capital of APRR since 23 June 2010.

This offer is the object of a stay of execution, pending the ruling of the Paris Court of Appeal.

# 2 • Significant accounting policies and methods

## 2.1 Basis of preparation

The consolidated financial statements of APRR Group for the year ended 31 December 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union on 31 December 2010. These financial statements therefore comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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;
- 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:

The following new standards, interpretations and amendments issued by the International Accounting Standards Board took effect for annual periods beginning on or after 1 January 2010 (or before if adopted early) and had been adopted by the European Union for application from that date:

- IFRS 3 (revised), “Business Combinations”, and amendments to IAS 27, “Consolidated and Separate Financial Statements”, IAS 28, “Investments in Associates”, and IAS 31, “Interests In Joint Ventures”;
- -IFRIC 15, “Agreements for the Construction of Real Estate”, IFRIC 16, “Hedges of a Net Investment in a Foreign Operation”, IFRIC 17, “Distributions of Non-cash Assets to Owners”, and IFRIC 18, “Transfers of Assets from Customers”;
- -Amendment to IFRS 2, “Share-based Payment”, group cash-settled share-based payment transactions; and
- -improvements to IFRS issued in April 2009.

The above standards, interpretations, amendments and improvements had no impact on the consolidated financial statements.

The Group is currently examining the possible impact on the accounts of standards and interpretations published at 31 December 2010 but effective for annual periods on or after 1 January 2011.

## 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.

APRR Group consists of the parent company Société des Autoroutes Paris-Rhin-Rhône (APRR), Société des Autoroutes Rhône-Alpes (AREA), its 99.84%-owned subsidiary which is consolidated under the full method, and Adelac, a 49.9% -owned subsidiary of AREA that is consolidated under the equity method. It also includes Axxès, which is 28.09% owned by APRR (including 5.30% by AREA) and consolidated under the equity method.

## 2.3 Non-current assets

Non-current assets are classified in three categories:

- Property, plant and equipment;
- -Intangible assets arising from concessions; and
- Other intangible assets.

### 2.3.1 Property, plant and equipment

Property, plant and equipment consist of “renewable” assets that have a useful life shorter than the concession (toll equipment, signage, remote transmission, video surveillance and computer equipment, motor vehicles and tooling). These assets are reported on the balance sheet at their historical cost, net of accumulated depreciation.

Renewable assets have a useful life that is less than the term of the concession. They are depreciated using the straight line method over their useful life, which is estimated at between 3 and 10 years.

### 2.3.2 Intangible assets arising from concessions

Intangible assets arising from concessions correspond to the right of the operator to charge users of the motorway networks held under concession arrangements, which was given in return for building the infrastructures.

The right granted to the operator is measured at the fair value of the construction services of the infrastructures, to which are added borrowing costs incurred during the period of construction and from which are deduced all remunerations received in cash, i.e. subsidies received from the party having granted the concession.

The intangible asset is amortised on a straight-line basis over the term of the service concession arrangement as from the date the infrastructure is brought into service, to reflect the economic benefits procured by the arrangement.

### 2.3.3 Other intangible assets arising from concessions

Other intangible assets comprise mainly software applications that are amortised over their estimated useful life.

## 2.4 Borrowing costs

Borrowing costs incurred during the period of construction of a qualifying asset are capitalised as part of the cost of the asset. In the Group's case, qualifying assets are intangible assets arising from concessions for which construction took longer than 12 months to complete.

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 distinct cash-generating units (CGU) have been identified: one for the two APRR concessions and the other for the AREA concession.

## 2.6 Financial instruments

### 2.6.1 Financial assets and liabilities

Financial assets comprise available-for-sale financial assets, held-to-maturity financial assets, financial assets at fair value through profit or loss, derivative instruments, loans and receivables, and cash and cash equivalents.

Financial liabilities comprise financial liabilities measured at amortised cost, financial liabilities at fair value through profit or loss, other financings and bank facilities, derivative instruments, and operating liabilities.

The above financial assets and financial liabilities are recognised and measured in accordance with IAS 39, "Financial Instruments: Recognition and Measurement".

### 2.6.2 Recognition and measurement

a) Held-to-maturity financial assets are investments with a determinable payment and fixed maturity. After initial recognition at fair value, these assets are measured and accounted for at amortised cost using the effective interest method, less any impairment losses.

b) Available-for-sale financial assets comprise mainly non-consolidated participating interests and marketable securities not meeting the definition of the other categories of financial assets. After initial recognition, these assets are measured at fair value, any change in fair value being recognised directly in equity except for impairment losses. When these assets are derecognised, any cumulative gain or loss that has been recognised in equity is reversed to profit or loss.

c) Financial assets and financial liabilities at fair value through profit or loss comprise assets and liabilities that the Group intends to sell or repurchase in the near term to generate a gain as well as those assets that the Group has opted to designate as at fair value. Gains and losses on these assets correspond to interest, dividends, changes in fair value and gains or losses on disposal.

d) Cash and cash equivalents are also measured at fair value through profit or loss. They include cash in hand, cash at bank, short-term deposits on the date of initial recognition, and very short-term UCITS not presenting significant risk of an impairment in value.

Bank facilities reimbursable on demand form an integral part of the Group's treasury management and constitute a component of cash positions for the purpose of the statement of cash flows.

e) Loans and other financial liabilities are recognised initially at fair value less transaction costs. Subsequently, they are measured at amortised costs using the effective interest method.

f) Derivative financial instruments held by the Group to hedge its exposure to risks of changes in interest rates in respect of certain variable rate loans are recognised initially at fair value. Attributable transaction costs are recognised in profit or loss when incurred. Subsequent changes in fair value, obtained from the financial institutions having issued the instruments, are recognised directly in equity for the effective portion of the derivative instruments designated as cash flow hedges.

Derivative instruments, when they have been entered into to hedge risks of changes in fair value arising from the interest rate risk on certain fixed rate loans, are recognised initially at fair value. Subsequent changes in fair value, obtained from the financial institutions having issued the instruments, are recognised directly in profit or loss, hedged loans being re-measured to reflect the interest risk and changes recognised in profit or loss.

Changes in fair value for the ineffective portion are recognised in profit or loss.

The gain or loss relating to the effective portion of a hedge is recognised as a component of borrowing costs in the periods during which the hedged items affected the income statement.

## 2.7 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.

## 2.8 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.

## 2.9 Employee benefits

### 2.9.1 Retirement indemnities

Employee benefits under defined benefit plans concern retirement indemnities. 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 arising in respect of the provision for retirement indemnities.

### 2.9.2 Commitments arising from the early retirement scheme

A provision has been recognised in respect of the Group's commitments arising from the agreement signed in 2007 regarding early retirement. Payments that are to be made are accounted for as termination benefits.

The provision was determined on an actuarial basis for the population concerned. The average retirement age was estimated at 60 years (given the particular characteristics of the population). The same hypotheses were used as for retirement indemnities and the provision was based on the number of employees having taken early retirement from 2008 to 2010 as a percentage of eligible employees.

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.

## 2.10 Provisions

### 2.10.1 Non-current provisions

Non-current provisions comprise provisions for retirement indemnities and for long service medals (see Note 2.9 above) as well as provisions for maintaining infrastructures in condition.

Contractual obligations for maintaining infrastructures in condition require provisions to be recognised, mainly to cover the cost of heavy repairs to the surface courses. These provisions are determined based on a multi-year spending programme, which is revised each year. This spending is re-measured by applying appropriate indexes (mainly the TP09 index).

Provisions are also recognised when it is established that repairs must be carried out to specific engineering works to remedy problems.

These provisions are recognised at their present value. The cost of discounting provisions is recognised under other finance costs.

The current portion of these provisions is classified as current provisions.

### 2.10.2 Current provisions

Current provisions comprise mainly:

- the current portion of provisions for maintaining infrastructures in condition;
- the current portion of provisions for retirement indemnities and for long service medals; and
- other provisions for liabilities and charges provisions, which include the provisions for early retirement (see Note 2.9 above), for staff disputes and for disputes related to the activities (i.e. disputes with customers, sub-contractors and suppliers).

## 2.11 Leasing agreements

### 2.11.1 Operating leases

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.

### 2.11.2 Finance leases

Assets made available under leasing agreements are recognised as non-current assets when the lease agreement transfers substantially all the risks and rewards incident to ownership to the Group, the other side of the entry being to recognize the corresponding liability.

Assets made available under finance leases are depreciated over their estimated useful life.

## 2.12 Revenue and other income

Revenue is recognised when the service has been rendered.

## 2.13 Income tax

Income tax is calculated in accordance with tax regulations applicable in France.

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 to obtain relief.

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.

## 2.14 Segment reporting

The Group has a single activity consisting of the operation of motorway networks under concession agreements, which in the case of the two main concessions consolidated under the full method, expire on the same date in 2032. These 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.

## 2.15 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.

Operating profit on ordinary activities, operating profit, finance costs and net finance costs reported in the income statement and in the statement of comprehensive income are presented in accordance with recommendation 2009-R-03 issued by the French National Accounting Board *(Conseil National de la Comptabilité – CNC).*

# 3 • Financial risk management

*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*

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

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 2010, an amount of €840 million had been drawn down against this facility.

In 2010, the Group arranged for the issue of €200 million of bonds by tapping the issue made in 2009 as part of its Euro Medium Term Note (EMTN) programme amounting to €6,000 million. The prospectus for this programme was filed with the Luxembourg Stock Exchange on 3 October 2007.

To date €900 million has already been issued in connection with this programme.

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 5.0 times and 4.5 times, respectively, at 31 December 2010.

Non-compliance with either of these ratios would be regarded as a default event, triggering the early repayment of APRR's entire debt.

The Group's long-term debt is rated BBB- (Negative outlook) by Standard & Poors and Baa3 (Stable outlook) by Moody's.

Were these ratings to be downgraded, this would push up spreads and interest rates on the banks loans and on the bonds issued in connection with the EMTN programme.

An analysis of financial liabilities is provided in Note 10.

### *Interest rate risk*

At 31 December 2010, 72% of the Group's borrowing bore fixed rates, 12% fixed rates on a nominal amount indexed to inflation, and 16% variable rates.

Based on borrowing at the year-end, the Group does not have significant exposure in terms of interest expenses to a rise in interest rates.

A sensitivity analysis was performed, which indicates that:

- Based on borrowings at 31 December 2009, a 100 basis point change in variable rates would impact finance costs by €8.6 million and net profit by €5.6 million.
- Based on borrowings at 31 December 2010, a 100 basis point change in variable rates would impact finance costs by €7.8 million and net profit by €5.2 million.

### *Inflation risk*

As toll fares are indexed to the annual retail price index, excluding tobacco, the Group is exposed to a fall in inflation.

This exposure is partly mitigated to the extent that a portion of the Group's borrowing bear a rate fixed on a nominal indexed to inflation.

The portion of the borrowings in question amounted to 12% at 31 December 2010, stable compared with the year before.

In this way, the Group benefits from a partial hedge of the risk attendant to weaker inflation. If inflation is weaker (as happened in 2010), this will lead to a slighter increase in toll fares but it will also reduce finance costs in the portion of the borrowings indexed to inflation (which was the case in 2010), as a result reducing the overall negative impact of weaker inflation on the Group's earnings.

### *Credit risk*

| *(€ million)* | 2010 | 2009 |
|---|---|---|
| Past dues: up to 3 months | 4.7 | 3.8 |
| Past dues: between 3 and 6 months | 1.3 | 0.9 |
| Past dues: over 6 months | 4.6 | 10.1 |
| Total past dues | 10.5 | 14.8 |

Apart from the above amounts, 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.

The provisioning rate in respect of past dues is around 31% of the total amount receivable.

For the purpose of managing its cash position and hedging transactions, the Group entertains relations only with the most reputable financial institutions.

### *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, documented process and on the risk management policy as defined by top management.

The mapping of the risks to which the Group is exposed was updated in 2010.

# 4 • Significant accounting estimates and judgements

When preparing the consolidated financial statements, reliance was placed on estimates and assumptions that could affect the amounts of the assets and liabilities at the balance sheet date and income and charges for the period.

These estimates take into account economic data as well as assumptions that may vary over time, and contain elements of uncertainty.

The estimates concern essentially the determination of recoverable amounts of the assets, pension obligations, fair value of derivative instruments, and current and non-current provisions.

# 5 • Non-current assets

*2010*

| *(€ million)* | At 1 January | Increases | Decreases | At 31 December |
|---|---|---|---|---|
| **a) Cost or valuation** | | | | |
| Property, plant and equipment | 694 | 47 | (23) | 718 |
| Intangible assets arising from concessions | 11,866 | 309 | (1) | 12,174 |
| Other intangible assets | 140 | 10 | (2) | 147 |
| **Investments in associates** | **46** | **-** | **(14)** | **31** |
| Unlisted participating interests | 58 | 4 | (0) | 61 |
| Loans | 4 | 1 | (0) | 4 |
| Sundry financial assets | 4 | 0 | | 5 |
| Other financial assets | 66 | 5 | (1) | 70 |
| **Total** | **12,812** | **370** | **(41)** | **13,140** |
| **b) Accumulated depreciation and impairment** [(1)] | | | | |
| Property, plant and equipment | (524) | (50) | 23 | (551) |
| Intangible assets arising from concessions | (4,615) | (305) | 1 | (4,919) |
| Other intangible assets | (102) | (14) | 2 | (114) |
| **Investments in associates** | **-** | **-** | **-** | **-** |
| Unlisted participating interests | (2) | - | - | (2) |
| Loans | - | - | - | - |
| Sundry financial assets | - | - | - | - |
| **Other financial assets** | **(2)** | **-** | **-** | **(2)** |
| **Total** | **(5,243)** | **(369)** | **26** | **(5,586)** |
| **CARRYING VALUE (A-B)** | **7,569** | **1** | **(15)** | **7,555** |

*(1) No impairment loss recognised in 2010.*

The increase in intangible assets arising from concessions in 2010 was due notably to new constructions (Mâcon South bypass, Les Echets–La Boisse section, Montluçon slip road) and to work widening motorway sections (A31 and A36 motorways).

Borrowing costs amounting to €19.8 million were capitalised in 2010 (2009: €10.6 million).

*2009*

| *(€ million)* | At 1 January | Increases | Decreases | At 31 December |
|---|---|---|---|---|
| **a) Cost or valuation** | | | | |
| Property, plant and equipment | 670 | 52 | (27) | 694 |
| Intangible assets arising from concessions | 11,524 | 345 | (2) | 11,866 |
| Other intangible assets | 126 | 14 | (1) | 140 |
| Investments in associates | 60 | - | (14) | 46 |
| Unlisted participating interests | 55 | 3 | (0) | 58 |
| Loans | 3 | 1 | (0) | 4 |
| Sundry financial assets | 2 | 2 | | 4 |
| Other financial assets | 60 | 6 | (1) | 66 |
| **TOTAL** | **12,439** | **417** | **(44)** | **12,812** |
| **b) Accumulated depreciation and impairment** (1) | | | | |
| Property, plant and equipment | (503) | (48) | 27 | (524) |
| Intangible assets arising from concessions | (4,319) | (298) | 2 | (4,615) |
| Other intangible assets | (90) | (12) | 1 | (102) |
| Investments in associates | (2) | (0) | - | (2) |
| Unlisted participating interests | | | | - |
| Loans | | | | - |
| Sundry financial assets | | | | - |
| Other financial assets | - | - | - | - |
| Total | (4,914) | (359) | 29 | (5,243) |
| **CARRYING VALUE (A-B)** | **7,525** | **58** | **(15)** | **7,569** |

*(1) No impairment loss recognised in 2009.*

| *(€ million)* | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Signed works contracts not executed | 97.3 | 192.4 |

Furthermore, from 2010 to 2015, the Group is committed to undertaking work to build and widen motorways and to create new exchanges that are expected to cost €580 million.

# 6 • Investments in associates

Investments in associates consist of the Group's shareholding in Adelac and Axxès.

AREA owns 49.9% of the capital of Adelac, which was awarded the concession for a 19-kilometre section of the A41 motorway between Villy le Pelloux-Saint Martin Bellevue and Saint-Julien en Genevois.

Key financial data regarding this company are as follows:

- Revenue for the year: €27.6 million
- Loss for the year: €28.8 million
- Shareholders' equity at 31 December 2010: €63.7 million
- Borrowings: €756.2 million
- Total assets: €824.2 million

APRR Group owns 28.09 % of the capital of Axxès, a company that markets and manages electronic toll subscriptions for heavy goods vehicles.

Key financial data regarding this company are as follows:

- Revenue for the year: €752.5 million
- Profit for the year: €3.0 million
- Shareholders' equity at 31 December 2010: €10.8 million
- Borrowings: €3.9 million
- Total assets: €241.9 million

# 7 • Trade and other receivables

| *(€ million)* | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Trade receivables – Tolls | 52.6 | 46.7 |
| Trade receivables - Other activities | 44.9 | 47.0 |
| Impairment losses | (3.3) | (9.2) |
| **TOTAL** | **94.2** | **84.5** |

# 8 • Other current Assets

| *(€ million)* | 31 December 2010 | 31 December 2009 |
|---|---|---|
| State - Value added tax | 33.3 | 42.2 |
| Sundry receivables | 131.8 | 106.2 |
| Prepayments | 25.0 | 24.6 |
| Sundry current assets | 0.6 | 1.0 |
| **TOTAL** | **190.7** | **174.0** |

# 9 • Cash and cash equivalents

| *(€ million)* | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Cash at bank and in hand | 20.0 | 23.9 |
| Cash equivalents | 33.3 | 81.1 |
| **TOTAL** | **53.3** | **105.0** |

# 10 • Financial assets and financial liabilities

In 2010, a further €200 million of bonds were issued in connection with the EMTN programme.

In 2010, €373 million of loans were repaid to Caisse Nationale des Autoroutes (CNA). In addition, the Company drew down €425 million against the revolving credit facility and repaid €385 million, increasing the balance on this facility by €40 million.

*Net debt analysed by maturity and related interest receivable and payable*

| *At 31 December 2010* | Carrying value | Capital and interest movements | Less than 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | After 5 years |
|---|---|---|---|---|---|---|---|---|
| **Financial assets: cash and cash equivalents** | | | | | | | | |
| Marketable securities | 33.3 | | | | | | | |
| Cash at bank and in hand | 20.0 | | | | | | | |
| **Financial assets** | **53.3** | | | | | | | |
| **Financial liabilities: current and non current** | | | | | | | | |
| Long-term borrowings | 5,918.2 | 5,902.9 | 0.0 | 580.7 | 1,188.6 | 1,115.7 | 1,326.2 | 1,691.7 |
| Derivative instruments – liabilities | 107.5 | | | | | | | |
| *Interest payable in respect of non-current financial liabilities* | | *1,530.6* | *276.2* | *277.0* | *236.6* | *207.3* | *189.9* | *343.7* |
| **Non-current financial liabilities** | **6,025.7** | **7,433.5** | **276.2** | **857.6** | **1,425.2** | **1,323.0** | **1,516.1** | **2,035.4** |
| Long-term borrowings due within 1 year | 540.8 | 530.9 | 530.9 | | | | | |
| *Interest payable in respect of long-term borrowings due within 1 year* | | *32.0* | *32.0* | | | | | |
| **Non-current borrowings due within 1 year** | **540.8** | **563.0** | **563.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| **Current borrowings and other debts** | **176.0** | | | | | | | |
| **Total borrowings** | **6,742.5** | **7,996.4** | **839.1** | **857.6** | **1,425.2** | **1,323.0** | **1,516.1** | **2,035.4** |
| **NET DEBT** | **6,689.2** | | | | | | | |

Capital and interest movements in the table concern the debt as reported on the balance sheet at 31 December 2010. They do not reflect any early repayments or new loans that may occur in the future.

Interest movements include movements relating to derivative instruments reported as assets and liabilities (i.e. interest rate swaps). They were not discounted to their present value.

Interest movements for variable rate loans are based on interest rates ruling on 31 December 2010. Movements for loans with fixed rates on an indexed nominal are based on projected inflation of 2.25%.

Movements in respect of short term borrowings and other debts, which consist exclusively of accrued interest payable, are included in the interest movement included above.

| At 31 December 2009 | Carrying value | Capital and interest movements | Less than 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | After 5 years |
|---|---|---|---|---|---|---|---|---|
| Financial assets: cash and cash equivalents | | | | | | | | |
| Marketable securities | 81.1 | | | | | | | |
| Cash at bank and in hand | 23.9 | | | | | | | |
| Financial assets | 105.0 | | | | | | | |
| Financial liabilities: current and non current | | | | | | | | |
| Long-term borrowings | 6,183.8 | 6.185.3 | 0.0 | 530.4 | 580.5 | 1,148.3 | 1,115.4 | 2,810.9 |
| Derivative instruments – liabilities | 94.9 | | | | | | | |
| *Interest payable in respect of non-current financial liabilities* | | *1,785.6* | *285.5* | *290.2* | *258.9* | *221.4* | *192.6* | *537.0* |
| Non-current financial liabilities | 6,278.8 | 7,971.0 | 285.5 | 820.5 | 839.4 | 1,369.7 | 1,308.0 | 3,347.9 |
| Long-term borrowings due within 1 year | 380.0 | 374.4 | 374.4 | | | | | |
| *Interest payable in respect of long-term borrowings due within 1 year* | | *23.8* | *23.8* | | | | | |
| Non-current borrowings due within 1 year | 380.0 | 398.2 | 398.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current borrowings and other debts | 163.1 | | | | | | | |
| Total borrowings | 6,821.9 | 8,369.2 | 683.7 | 820.5 | 839.4 | 1,369.7 | 1,308.0 | 3,347.9 |
| NET DEBT | 6,716.9 | | | | | | | |

| (€ million) | Carrying value 31 December 2010 | Fair value 31 December 2010 | Carrying value 31 December 2009 | Fair value 31 December 2009 |
|---|---|---|---|---|
| Assets | | | | |
| Cash and cash equivalents | 53.3 | 53.3 | 105.0 | 105.0 |
| Loans | 3.9 | 3.9 | 3.7 | 3.7 |
| Interest rate swaps | 4.8 | 4.8 | 4.4 | 4.4 |
| Other financial assets | 59.0 | 59.0 | 55.8 | 55.8 |
| Trade and other receivables | 94.2 | 94.2 | 84.5 | 84.5 |
| Other current assets | 190.7 | 190.7 | 174.0 | 174.0 |
| Other non-current assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Liabilities | | | | |
| Variable-rate loans | 1,028.4 | 1,153.9 | 1,170.6 | 1,215.2 |
| Fixed rate loans on indexed nominal | 769.4 | 903.0 | 763.1 | 926.1 |
| Fixed rate loans | 4,638.3 | 4,934.8 | 4,608.2 | 5,159.3 |
| Interest rate swaps | 107.5 | 107.5 | 94.9 | 94.9 |
| Other financial liabilities | 198.9 | 198.9 | 185.0 | 185.0 |
| Trade and other payables | 146.4 | 146.4 | 158.4 | 158.4 |
| Other non-current liabilities | 32.0 | 32.0 | 32.8 | 32.8 |
| Other current liabilities | 181.0 | 181.0 | 213.3 | 213.3 |

The fair value of the derivative instruments was determined on the basis of the mark-to-market value communicated by the different counterparties.

At 31 December 2010, the portfolio of derivative instruments held by the Autoroutes Paris-Rhin-Rhône Group consisted of:

- One swap, entered into 2004, under the terms of which the company receives a fixed rate on a €300 million nominal and pays a fixed rate on this nominal indexed to inflation as well as inflation capitalised at maturity.
- A remaining group of five derivative contracts (including one swap receiving fixed rate and paying variable rate, designated as a fair value hedge, along with three options entered into to mitigate to some extent exposure to higher interest rates, and one swap paying fixed rate and receiving variable rate, resulting from the exercise of the swaption that matured in April 2010, treated as autonomous instruments for accounting purposes) entered into in the second half of 2005 as part of a variable rate programme scaled back to €300 million at 30 June 2010, matched to the following loans:
- €208.4 million against the 4.50% CNA loan maturing 28 March 2018; and
- €91.6 million until April 2020, corresponding to a portion of debt equivalent to the 4.50% CNA loan that matured 25 April 2010
- In connection therewith, a swap receiving fixed rate and paying variable rate matured in April 2010.
- Five swaps for a total nominal amount of €500 million that are backed to a loan for the same amount arranged in August 2007 and for which interest periods are identical, under which the Company pays fixed rates and receives variable rate until the loan matures in August 2014.
- Two swaps entered into the first half of 2009 for nominal amounts of respectively €250 million and €50 million, under the terms of which the Company pays fixed rates and receives variable rates, for which the maturity dates are in July 2014 and December 2012 and for which the interest periods are matched to those of the loans for the same nominal amounts arranged respectively in July 2008 and in December 2008.

*Financial assets and financial liabilities analysed by category*

*At 31 December 2010*

| Financial assets | Carrying value | Financial assets available for sale | Financial assets at fair value through profit or loss | Loans and receivables | Financial hedging instruments | Fair value |
|---|---|---|---|---|---|---|
| Other non-current financial assets | 99.0 | 2.2 | 31.4 | 60.7 | 4.8 | 99.0 (2) |
| Trade and other receivables | 94.2 | 0.0 | 0.0 | 94.2 | 0.0 | 94.2 (2) |
| Other receivables related to ordinary operations | 190.7 | 0.0 | 0.0 | 190.7 | 0.0 | 190.7 (2) |
| Cash and cash equivalents | 53.3 | 0.0 | 53.3 | 0.0 | 0.0 | 53.3 (1) et (2) |
| **TOTAL** | **437.3** | **2.2** | **84.7** | **345.6** | **4.8** | **437.3** |

** There was no reclassification of financial assets between categories in 2010.*

| Financial liabilities | Carrying value | Liability at amortised cost | Financial hedging instruments | Fair value |
|---|---|---|---|---|
| Borrowings and other debts | 6,742.5 | 6,635.0 | 107.5 | 7,298.1 (2) |
| Trade payables | 146.4 | 146.4 | 0.0 | 146.4 (2) |
| Other liabilities related to ordinary operations | 213.0 | 213.0 | 0.0 | 213.0 (2) |
| **TOTAL** | **7,101.9** | **6,994.4** | **107.5** | **7,657.5** |

*Fair value determined by reference to:*
*(1) quotation on an active market*
*(2) observable market data*

*At 31 December 2009*

| Financial assets | Carrying value | Financial assets available for sale | Financial assets at fair value through profit or loss | Loans and receivables | Financial hedging instruments | Fair value |
|---|---|---|---|---|---|---|
| Other non-current financial assets | 109.7 | 2.3 | 45.8 | 57.2 | 4.4 | 109.7 (2) |
| Trade and other receivables | 84.5 | 0.0 | 0.0 | 84.5 | 0.0 | 84.5 (2) |
| Other receivables related to ordinary operations | 174.0 | 0.0 | 0.0 | 174.0 | 0.0 | 174.0 (2) |
| Cash and cash equivalents | 105.0 | 0.0 | 105.0 | 0.0 | 0.0 | 105.0 (1) et (2) |
| **TOTAL** | **473.1** | **2.3** | **150.8** | **315.7** | **4.4** | **473.1** |

** There was no reclassification of financial assets between categories in 2009.*

| Financial liabilities | Carrying value | Liability at amortised cost | Financial hedging instruments | Fair value |
|---|---|---|---|---|
| Borrowings and other debts | 6,821.8 | 6,726.9 | 94.9 | 7,580.5 (2) |
| Trade payables | 158.4 | 158.4 | 0.0 | 158.4 (2) |
| Other liabilities related to ordinary operations | 246.1 | 246.1 | 0.0 | 246.1 (2) |
| **TOTAL** | **7,226.3** | **7,131.4** | **94.9** | **7,985.0** |

# 11 • Share capital

| | *Number of shares* | *€* |
|---|---|---|
| Ordinary shares issued and fully paid at 31 December 2010 | 113,038,156 | 33,911,447 |

The share capital consists of shares with a par value of €0.30 each.

The number of shares in issue and their par value have not changed since 1 January 2010.

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

# 12 • Provisions

| (€ million) | At 1 January 2010 | Additional provisions in the year | Provisions utilised | Provisions reversed | Other | At 31 December 2010 |
|---|---|---|---|---|---|---|
| Provision for retirement indemnities | 23,1 | 2,5 | (1,1) | | (0,1) | 24,4 |
| Provision for long service medals | 1,1 | 0,2 | (0,2) | (0,0) | (0,0) | 1,2 |
| Provision for maintaining infrastructures in condition | 258,5 | 37,4 | (44,0) | | (2,6) | 249,3 |
| **NON-CURRENT PROVISIONS** | **282,8** | **40,1** | **(45,2)** | **(0,0)** | **(2,7)** | **274,9** |
| Provision for retirement indemnities | 0,3 | | | | 0,1 | 0,4 |
| Provision for long service medals | 0,2 | | | | 0,0 | 0,2 |
| Provision for maintaining infrastructures in condition | 48,3 | | | | 2,6 | 50,8 |
| Other provisions for liabilities and charges | 6,2 | 3,7 | (2,1) | (1,3) | | 6,6 |
| **CURRENT PROVISIONS** | **55,0** | **3,7** | **(2,1)** | **(1,3)** | **2,7** | **58,0** |

APRR and AREA have been audited by the tax authorities since the second half of 2010. These audits concern the years ended 31 December 2007, 2008 and 2009.

As yet, no definitive tax adjustments have been notified to the companies. It emerges from discussions held with the tax authorities that there are differences of assessment regarding certain accounting and tax regulations, notably as regards the mechanism for deducting and adding back items to taxable income. The eventual impact of the consolidated statement of APRR Group will not be material given that deferred taxation has been recognised.

# 13 • Employee benefits provided under defined benefit plans and long-term benefits

These benefits consist of retirement indemnities and long service medals.

### *Assumptions*

The expected return on plan assets was 5.0% in 2009 and 4.5% in 2010.

The actual return on plan assets was 4.10% in 2009 and 3.87% in 2010.

### *Changes during the year*

| | Retirement indemnities | | Long service medals | |
|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 |
| Discount rate | 4.50% | 5.00% | 4.50% | 5.00% |
| 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 04-06 | TH 04-06 | TH 04-06 | TH 04-06 |
| Mortality tables for women | TF 04-06 | TF 04-06 | TF 04-06 | TF 04-06 |
| Retirement age for managers | 63 years | 63 years | 63 years | 63 years |
| Retirement age for non-managers | 63 years | 63 years | 63 years | 63 years |
| Social security charges | 45.0% | 45.0% | 45.0% | 45.0% |

| | Retirement indemnities | | Long service medals | |
|---|---|---|---|---|
| *(€ million)* | 2010 | 2009 | 2010 | 2009 |
| Actuarial obligation at 1 January | 23.7 | 19.4 | 1.3 | 1.3 |
| Cost of past services | 1.5 | 1.2 | 0.1 | 0.1 |
| Interest on actuarial obligation | 1.2 | 1.2 | 0.1 | 0.1 |
| Benefits paid | (1.3) | (0.5) | (0.2) | (0.2) |
| Actuarial losses (gains) generated | 3.4 | 2.4 | 0.1 | 0.0 |
| **ACTUARIAL OBLIGATION AT 31 DECEMBER** | **28.5** | **23.7** | **1.4** | **1.3** |

### *Charge for the year*

| | Retirement indemnities | | Long service medals | |
|---|---|---|---|---|
| *(€ million)* | 2010 | 2009 | 2010 | 2009 |
| Cost of past services | 1,5 | 1,2 | 0,1 | 0,1 |
| Interest on actuarial obligation | 1,2 | 1,2 | 0,1 | 0,1 |
| Expected return on plan assets | (0,1) | (0,2) | 0,0 | 0,0 |
| Actuarial losses (gains) not recognised | (0,0) | (0,2) | 0,0 | 0,0 |
| **CHARGE (INCOME) RECOGNISED** | **2,5** | **2,0** | **0,2** | **0,2** |

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

### *Plan assets*

| | Retirement indemnities | | Long service medals | |
|---|---|---|---|---|
| *(€ million)* | 2010 | 2009 | 2010 | 2009 |
| Plan assets at 1 January | 2.8 | 3.3 | 0.0 | 0.0 |
| Expected return on plan assets | 0.1 | 0.2 | 0.0 | 0.0 |
| Actuarial losses (gains) | (0.1) | (0.3) | 0.0 | 0.0 |
| Benefits paid | (0.2) | (0.4) | 0.0 | 0.0 |
| **PLAN ASSETS AT 31 DECEMBER** | **2.7** | **2.8** | **0.0** | **0.0** |

| | Retirement indemnities | | | | |
|---|---|---|---|---|---|
| (€ million) | 2010 | 2009 | 2008 | 2007 | 2006 |
| Actuarial obligation in respect of retirement indemnities | 28.5 | 23.7 | 19.4 | 21.7 | 22.7 |
| Fair value of plan assets | 2.7 | 2.8 | 3.3 | 4.1 | 5.1 |
| **DIFFERENCE** | **25.8** | **20.9** | **16.1** | **17.6** | **17.6** |

*Deferred items*

| | Retirement indemnities | | Long service medals | |
|---|---|---|---|---|
| (€ million) | 2010 | 2009 | 2010 | 2009 |
| At 1 January | (2.6) | (5.5) | 0.0 | 0.0 |
| Losses (gains) on assets | 0.0 | 0.2 | 0.0 | 0.0 |
| Losses (gains) on actuarial obligation | 3.5 | 2.7 | 0.0 | 0.0 |
| **ACTUARIAL LOSSES (GAINS) AT 31 DECEMBER** | **1.0** | **(2.6)** | **0.0** | **0.0** |

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

| | Retirement indemnities | | Long service medals | |
|---|---|---|---|---|
| (€ million) | 2010 | 2009 | 2010 | 2009 |
| Provision recognised in the balance sheet | 24.9 | 23.5 | 1.4 | 1.3 |
| Actuarial differences | 1.0 | (2.6) | 0.0 | 0.0 |
| Plan assets | 2.7 | 2.8 | 0.0 | 0.0 |
| **ACTUARIAL OBLIGATION** | **28.5** | **23.7** | **1.4** | **1.3** |

Benefits in respect of retirement indemnities and long service medals totalling €0.7 million are expected to be paid in 2011.

*Sensitivity analysis*

A 0.5 point change in the discount rate has an impact of 6% on the actuarial obligation in respect of retirement indemnities.

# 14 • Other current and non-current liabilities

| (€ million) | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Payments on account | (3.2) | (3.3) |
| Tax and social security | (130.7) | (164.5) |
| Deferred income | (5.1) | (7.1) |
| Other debts | (42.0) | (38.4) |
| **OTHER CURRENT LIABILITIES** | **(181.0)** | **(213.3)** |
| Deferred income | (32.0) | (32.8) |
| **OTHER NON-CURRENT LIABILITIES** | **(32.0)** | **(32.8)** |

# 15 • Revenue

| (€ million) | 2010 | 2009 |
|---|---|---|
| Toll revenue | 1,882.2 | 1,803.7 |
| Rental income from commercial facilities | 33.1 | 31.4 |
| Revenue from leasing telecommunication installations | 11.4 | 12.1 |
| Other | 12.9 | 12.7 |
| **Revenue excluding construction services** | **1,939.6** | **1,860.0** |
| Construction services (IFRIC 12) | 301.9 | 337.9 |
| **TOTAL** | **2,241.5** | **2,197.9** |

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.

# 16 • Purchases and external charges

| (€ million) | 2010 | 2009 |
|---|---|---|
| Energy | (13.6) | (12.2) |
| Supplies | (16.7) | (11.0) |
| Spare parts | (6.5) | (6.1) |
| Infrastructure maintenance | (31.8) | (28.6) |
| Routine maintenance | (18.2) | (18.2) |
| Construction services (IFRIC 12) | (301.9) | (337.9) |
| Other external charges | (73.9) | (67.8) |
| **TOTAL** | **(462.6)** | **(481.8)** |

# 17 • Employee benefit expenses and headcount

| (€ million) | 2010 | 2009 |
|---|---|---|
| Wages and salaries | (120.9) | (118.1) |
| Social security contributions and deferred benefits | (70.3) | (68.0) |
| Discretionary employee profit sharing | (6.3) | (13.5) |
| Mandatory employee profit sharing | (15.9) | (14.9) |
| Employer's contribution to profit sharing plans | (4.6) | (5.0) |
| **TOTAL** | **(217.9)** | **(219.5)** |

| **Headcount** | 2010 | 2009 |
|---|---|---|
| Management grade | 528 | 519 |
| Supervisor grade | 1,774 | 1,758 |
| Workers and office staff | 1,482 | 1,557 |
| **TOTAL** | **3,784** | **3,834** |

# 18 • Taxes (other than income tax)

| (€ million) | 2010 | 2009 |
|---|---|---|
| Regional development tax | (136.3) | (133.4) |
| Territorial economic contribution / local business tax | (50.2) | (51.5) |
| Fee for the use of public property | (46.7) | (45.5) |
| Other taxes and duties | (6.2) | (5.8) |
| **TOTAL** | **(239.5)** | **(236.2)** |

The Finance Act for 2010 repealed the local business tax *(Taxe Professionnelle - TP)* as from 1 January 2010 and replaced it with the Territorial Economic Contribution *(Contribution Economique Territoriale - CET).*

The Territorial Economic Contribution is composed of two different taxes: a Company Real Property Contribution *(Cotisation Foncière des Entreprises - CFE),* assessed only on real estate assets, and a Company Contribution on the Added Value *(Cotisation sur la Valeur Ajoutée des Entreprises - CVAE).*

The Group has taken the view that the aforementioned tax reform consists in essence in a change in the method of calculating French local tax without changing its overall nature.

The Group therefore considers that accounting treatment applied to the two components of the Territorial Economic Contribution should not differ from that applied to the local business tax.

Accordingly, the two components of the Territorial Economic Contribution will be classified as operating expenses in the same way as the local business tax.

# 19 • Depreciation and amortisation expense and provisions

| (€ million) | 2010 | 2009 |
|---|---|---|
| Depreciation and amortisation | (361.7) | (351.7) |
| Other provisions | (27.4) | (45.9) |
| **TOTAL** | **(389.1)** | **(397.6)** |

# 20 • Other operating income and expenses

| (€ million) | 2010 | 2009 |
|---|---|---|
| Impairment losses recognised in respect of current assets | 6.3 | (0.9) |
| Gains on disposals | 0.9 | 0.6 |
| Other income | 4.5 | 7.2 |
| Other expenses | (7.1) | (2.4) |
| **OTHER OPERATING INCOME (EXPENSES) FROM ORDINARY ACTIVITIES** | **4.6** | **4.5** |

# 21 • Income from cash and cash equivalents

| (€ million) | 2010 | 2009 |
|---|---|---|
| Net proceeds from the disposal of marketable securities | 0.3 | 0.5 |
| Income from debt-related derivative instruments | 0.1 | 0.1 |
| Other financial income | 3.6 | 5.0 |
| **TOTAL** | **4.0** | **5.6** |

# 22 • Finance costs

| (€ million) | 2010 | 2009 |
|---|---|---|
| Interest and other financial charges | (317.3) | (310.6) |
| Charges on debt-related financial instruments | 10.7 | (15.3) |
| Financial charges transferred | 19.8 | 10.6 |
| **Finance costs** | **(286.8)** | **(315.4)** |
| Other financial income | 11.5 | 0.3 |
| Other financial charges | (11.9) | (11.8) |
| **OTHER FINANCIAL INCOME AND CHARGES** | **(0.4)** | **(11.4)** |

Fees in respect of unutilised credit lines came to €1.1 million in 2010 (2009: €0.7 million).

# 23 • Income tax expense

### *Tax charge for the year*

| (€ million) | 2010 | 2009 |
|---|---|---|
| Current tax | (236.5) | (205.1) |
| Deferred tax credit (charge) | 10.4 | 16.8 |
| **TOTAL** | **(226.2)** | **(188.3)** |

### *Reconciliation of theoretical tax charge to effective tax charge*

| (€ million) | 2010 | 2009 |
|---|---|---|
| Net profit for the year | 418.9 | 349.4 |
| Income tax expense | 226.2 | 188.3 |
| Share of profit of associates | 8.6 | 8.3 |
| **Profit before tax** | **653.7** | **546.1** |
| Applicable tax rate | 34.43% | 34.43% |
| Tax on the profit before tax determined above | 225.1 | 188.0 |
| Permanent differences | 0.7 | 0.3 |
| Other differences | 0.4 | (0.1) |
| **INCOME TAX EXPENSE RECOGNISED** | **226.2** | **188.3** |

*Analysis of deferred tax assets and liabilities*

| *(€ million)* | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Assets resulting from | | |
| IFRIC 12 | (137.4) | (133.2) |
| Provisions for retirement indemnities | (10.2) | (9.5) |
| Provisions for holiday pay | (5.4) | (5.3) |
| Employee profit sharing | (5.5) | (5.1) |
| Swap reversals | (3.2) | (5.0) |
| Other | (18.3) | (14.6) |
| **Deferred tax assets** | **(179.9)** | **(172.8)** |
| Deferred tax liabilities arising from | | |
| Charges capitalised, net of depreciation | 183.7 | 185.0 |
| Depreciation of renewable fixed assets | 41.7 | 41.6 |
| Regulated provisions | 18.4 | 17.8 |
| Provisions for replacement | 33.5 | 38.9 |
| Other | 3.5 | 4.4 |
| **Deferred tax liabilities** | **280.7** | **287.6** |
| **NET DEFERRED TAX LIABILITIES** | **100.8** | **114.8** |

## 24 • 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.

| *(€ million)* | 2010 | 2009 |
|---|---|---|
| Net profit for the year attributable to ordinary equity holders of the parent entity | 418.9 | 349.4 |
| Weighted average number of ordinary shares outstanding during the year | 113,038,156 | 113,038,156 |
| Basic earnings per share | 3.71 | 3.09 |
| Net profit for the year attributable to ordinary equity holders of the parent entity | 418.9 | 349.4 |
| Weighted average number of ordinary shares outstanding during the year | 113,038,156 | 113,038,156 |
| Diluted earnings per share | 3.71 | 3.09 |

There are no potentially dilutive instruments in issue.

## 25 • Dividend

In 2010, a dividend of €0.84 per share was distributed in respect of 2009.

In December 2010, an interim dividend of €1.74 per share was distributed in respect of the year ended 31 December 2010.

# 26 • Commitments

### Commitments given

| (€ million) | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Sundry guarantees | 24.0 | 24.0 |
| AREA tax reintegration | 0 | 1.7 |
| Work to be performed (1% landscape) | 0.1 | 0.1 |
| **TOTAL** | **24.1** | **25.7** |

Sundry guarantees relate to commitments given by AREA in respect of its participating interest in Adelac.

### Commitments received

| (€ million) | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Bank guarantees | 38.3 | 44.9 |
| Other | 0.0 | 0.0 |
| **TOTAL** | **38.3** | **44.9** |

### Amounts payable under operating leases

| (€ million) | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Within 1 year | 2.0 | 1.8 |
| Between 1 and 5 years | 3.0 | 2.7 |
| After 5 years | | |
| **TOTAL** | **5.0** | **4.5** |

### Amounts receivable under operating leases

| (€ million) | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Within 1 year | 15.5 | 30.6 |
| Between 1 and 5 years | 47.4 | 53.4 |
| After 5 years | 24.9 | 27.8 |
| **TOTAL** | **87.9** | **111.8** |

# 27 • 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 | 1.0 | (0.5) |
| | Work | Charges | 89.1 | 5.7 |
| Eiffarie | Staff made available | Charges | 0.8 | 0.1 |
| Axxès | Heavy goods vehicles remote toll collection | Charges | 1.5 | (42.2) |
| | Financial income | Income | 0.8 | - |
| SIRA | Radio services (Autoroute Info) | Charges | 1.8 | 0.0 |
| | Sundry services | Income | 0.4 | (0.2) |
| | Cash advance | Income | - | - |
| | Cash advance | Charges | 0.0 | 0.9 |
| Park + | Cash advance | Income | - | (0.1) |
| | Sundry services | Income | 0.1 | (0.0) |
| | Sundry services | Charges | 0.0 | - |
| Adelac | Sundry services | Income | 3.9 | (0.7) |
| | Staff made available | Income | 0.2 | (0.0) |
| | Cash advance | Income | 3.3 | (56.4) |
| Autoroute Trafic | Financial income | Income | 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.

# 28 • Management indicators

| *(€ million)* | 2010 | 2009 |
|---|---|---|
| Operating cash flow | 816 | 755 |
| EBITDA | 1,326 | 1,265 |
| EBITDA margin | 68.4% | 68.0% |

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

Operating cash flow corresponds to the net profit adjusted by adding back depreciation and amortisation expense and provisions and deducting profits on disposals and the share of profit of associates.

# 29 • Events after the balance sheet date

No significant event has occurred since 31 December 2010.

# 30 • Fees paid to the statutory auditors

| | KPMG (formerly Salustro - Reydel) | | | | PricewaterhouseCoopers Audit | | | |
|---|---|---|---|---|---|---|---|---|
| | Amount (excluding VAT) | | % | | Amount (excluding VAT) | | % | |
| € | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Audit | | | | | | | | |
| Statutory audit, certification, review of company and consolidated financial statements | | | | | | | | |
| - Issuer | 135,350 | 132,480 | 91 % | 71 % | 167,850 | 132,480 | 61 % | 51 % |
| - Fully consolidated subsidiaries | | | | | 69,380 | 63,590 | 25 % | 25 % |
| Other reviews and services directly linked to the statutory audit assignment | | | | | | | | |
| - Issuer | 13,500 | 55,000 | 9 % | 29 % | 38,500 | 56,348 | 14 % | 22 % |
| - Fully consolidated subsidiaries | | | | | | 5,245 | | 2 % |
| **Subtotal** | **148,850** | **187,480** | **100 %** | **100 %** | **275,730** | **257,663** | **100 %** | **100 %** |
| Other services provided by the networks to fully consolidated subsidiaries | | | | | | | | |
| - Legal, tax and employment matters | | | | | | | | |
| - Other | | | | | | | | |
| **Subtotal** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **TOTAL** | **148,850** | **187,480** | **100 %** | **100 %** | **275,730** | **257,663** | **100 %** | **100 %** |

# STATUTORY AUDITORS' REPORT
## on the consolidated financial statements
(for the year ended 31 december 2010)


**PricewaterhouseCoopers Audit**
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

**Salustro Reydel**
Member of KPMG International
1 cours Valmy
92923 Paris La Défense Cedex


To the Shareholders
**Société des Autoroutes Paris-Rhin-Rhône**
36 rue du Docteur-Schmitt
21850 Saint-Apollinaire

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you for the year ended 31 December 2010 on:

- the audit of the consolidated financial statements of APRR SA, as attached to this report;
- the justification of our assessments; and
- the specific verification required by law.

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

### *I. Opinion on the consolidated financial statements*

We conducted our audit in accordance with professional standards applied in France ; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### *II. Justification of our assessments*

Pursuant to the provisions of Article L823.9 of the French Commercial Code *(Code de Commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- Notes 2.3.2 and 2.10.1 to the consolidated financial statements describe the accounting treatment applied to the Group as regards the recognition of assets arising from concession and their subsequent maintenance. As part of our assessment of the accounting policies applied by the Group, we determined that the accounting policies referred to above and disclosures provided in the notes to the consolidated financial statements are appropriate and these accounting policies were applied properly.
- Notes 2.6 and 10 to the consolidated financial statements describe the accounting methods used to recognise and measure derivative instruments. We assessed the data, assumptions and parameters upon which theses estimates are based and reviewed the calculations.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to determining the unqualified opinion expressed in the first part of this report.

### *III. Specific verification*

We have also carried out the specific verification required by law on the information on the Group contained in the Management Report. This work was performed in accordance with applicable professional standards in France.

We have no comment to make as to the fair presentation of this information and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, 28 April 2011

**The Statutory Auditors**

**PricewaterhouseCoopers Audit**

Louis-Pierre Schneider Thierry Charron

**Salustro Reydel**
*Member of KPMG International*

Benoît Lebrun

# COMPANY FINANCIAL STATEMENTS

# Financial statements

## 1 • Balance sheet

### *Assets*

| *(€ million)* | *Note* | **31/12/2010** | **31/12/2009** |
|---|---|---|---|
| Intangible assets | *3.1* | 24.7 | 27.1 |
| Property, plant and equipment | | | |
| - Assets held under concessions | *3.2* | 10,906.5 | 10,615.7 |
| - Depreciation | *3.2* | (4,530.3) | (4,283.9) |
| Non-current financial assets | *3.3* | 1,029.2 | 945.8 |
| **Total non-current assets** | | **7,430.2** | **7,304.7** |
| Inventories | | 6.5 | 6.9 |
| Trade receivables | *3.4* | 83.9 | 75.1 |
| Other receivables, prepayments and accrued income | *3.5* | 212.3 | 192.0 |
| Marketable securities, cash at bank and in hand | *3.6* | 49.7 | 99.6 |
| **Total current assets** | | **352.4** | **373.7** |
| **TOTAL ASSETS** | | **7,782.6** | **7,678.3** |

### *Equity and liabilities*

| *(€ million)* | *Note* | **31/12/2010** | **31/12/2009** |
|---|---|---|---|
| Share capital | | 33.9 | 33.9 |
| Share premium and reserves | | 3.7 | 3.7 |
| Retained earnings | | 409.9 | 142.0 |
| Interim dividend | | (196.7) | – |
| Profit for the year | | 441.2 | 362.9 |
| Capital grants | | 133.4 | 137.2 |
| Regulated provisions | | 52.8 | 51.3 |
| **Total equity** | *3.7* | **878.3** | **731.1** |
| **Other equity** | *3.8* | **164.7** | **164.7** |
| **Provisions for liabilities and charges** | *3.9* | **205.6** | **216.8** |
| Borrowings and other financial liabilities | *3.10* | 6,185.6 | 6,192.1 |
| Trade payables | | 41.9 | 40.9 |
| Other payables, accruals and deferred income | *3.11* | 306.5 | 332.7 |
| **Total liabilities** | | **6,534.0** | **6,565.8** |
| **TOTAL EQUITY AND LIABILITIES** | | **7,782.6** | **7,678.3** |

# 2 • Income statement

| (€ million) | Notes | 31/12/2010 | 31/12/2009 |
|---|---|---|---|
| Revenue | 4.1 | 1,469.8 | 1,407.2 |
| Operating expenses | | (758.0) | (725.6) |
| Purchases and external charges | 4.2 | (177.8) | (163.0) |
| Employee benefit expenses | 4.3 | (155.0) | (156.1) |
| Other operating income (expenses) | 4.4 | 21.6 | 22.4 |
| Taxes (other than income tax) | 4.5 | (153.4) | (153.2) |
| Depreciation, amortisation and provisions | 4.6 | (293.3) | (275.8) |
| **Operating profit** | | **711.8** | **681.5** |
| Financial income (expenses) | 4.7 | (98.2) | (154.5) |
| **Profit on ordinary activities** | | **613.6** | **527.0** |
| Exceptional items | 4.8 | 3.1 | (17.5) |
| Employee profit sharing | | (10.3) | (9.7) |
| Income tax expense | 4.9 | (165.1) | (136.9) |
| **PROFIT FOR THE YEAR** | | **441.2** | **362.9** |

# Notes to the financial statements

These notes form an integral part of the annual financial statements.

These notes contain complementary information to the balance sheet and income statement in order for the annual financial statements to provide a true and fair view of the Company's assets and financial situation at 31 December 2010 and its results for the year then ended.

Information that is not subject to disclosure requirements is provided only when material.

## 1 • Significant events in 2010

The shares of APRR are the object since 10 September of a Public repurchase offer followed by a squeeze-out procedure initiated by Eiffarie, which has controlled more than 95% of the capital of APRR since 23 June 2010.

This offer is the object of a stay of execution, pending the ruling of the Paris Court of Appeal.

## 2 • Accounting policies and methods

The company financial statements of APRR for the year ended 31 December 2010 have been prepared in accordance with the French general chart of accounts pursuant to the Decree of 22 June 1999. Accounting policies are identical to those used for the preparation of the financial statements for the year ended 31 December 2009.

### 2.1 Intangible assets

Intangible assets comprise mainly software applications that are amortised over periods of between three to five years.

### 2.2 Property, plant and equipment

Nearly all tangible fixed assets reported on the Company's balance sheet consist of assets held under a service agreement concession. Most of these assets will revert to the French State free of charge when the concession expires. Accounting rules for the recognition of these assets and their depreciation are summarised below:

#### *Tangible assets held under a service concession agreement*

The concession covers motorways and sections of motorways made available by the French State along with all the land, works and facilities needed to build, maintain and operate each of these motorways or sections of motorways, including existing slip roads, outbuildings and ancillary facilities needed to serve motorists or created to improve operations.

Tangible assets held under concessions comprise assets that will not be renewed during the term of the concession (notably infrastructures and civil engineering works) and assets that have a useful life that is shorter than the term of the concession (surface course, toll equipment, signage, remote transmission, video surveillance and computer equipment, motor vehicles and tooling).

Non-renewable assets come from initial investments and from subsequent capital expenditure referred to as "supplementary investments in motorways in service".

Tangible assets held under concessions are recognised at cost, including borrowing costs and certain directly attributable expenses.

*Depreciation of tangible assets held under a service concession agreement*

Non-renewable tangible assets are depreciated using the straight-line method from the date on which brought into service until the date on which the concession expires. This financial depreciation, which is classified as an operating expense, is not intended to reflect the pattern in which the asset's economic benefits are consumed by the enterprise. Rather, the intention is to write-down the assets' depreciable amount to zero by the time the concession expires.

Renewable tangible assets used in the operations are assets that have a useful life that is shorter than the term of the concession. As a rule, these assets are depreciated using the straight-line method over their estimated useful life, normally between three and ten years.

Renewable tangible assets used in the operations are also the object of a financial depreciation, the purpose of which is to spread over the remaining term of the concession the loss that would be incurred were these assets handed over to the State free of charge at the end of the concession, being the residual value at the end of the concession determined applying normal depreciation rules.

For renewable tangible assets used in the operations, the financial depreciation is calculated by reference to the assets' net book value, being the cost of acquisition of the assets less ordinary accumulated depreciation at the close of the financial year and less accumulated financial depreciation at the beginning of the financial year.

Surface courses do not give rise to financial depreciation and are depreciated over a period of twelve years.

Ordinary depreciation and financial depreciation are aggregated and presented on the same lines of the income statement and balance sheet. In the income statement, they constitute operating expenses. In the balance sheet, they are deducted from the assets to which they relate.

Fixed assets made available under the concession are reported as assets under "Property, plant and equipment" and as liabilities under "Other equity" for the value of the said contributions on the date of transfer. These contributions will be returned to the French State at the end of the concession and are not depreciated.

*Provision for replacement*

In accordance with the option offered by Article 393-1 of the French General Accounting Standards *(Plan Comptable Général – PCG),* the Company elected to set aside a provision for the replacement of renewable assets for an amount equal to the difference between the estimated cost of replacement of each asset and the cost of acquisition or production of the assets. Amounts are transferred to this provision each year on the basis of the revised estimated replacement cost of the assets concerned, so as to match this cost on the date the assets are replaced. The provision is set aside as part of an asset replacement programme based on the resources available and setting the dates and cost of replacing each asset, which may be revised subsequently if circumstances so require.

## 2.3 Capital grants

Capital grants, received to help finance construction projects, are recognised directly to equity. Grants are reversed to income statement over the term of the concession to match the financial depreciation recognised in respect of the assets they financed.

## 2.4 Non-current financial assets

Participating interests held in subsidiaries are recorded at cost. An impairment loss is recognised if the carrying value, determined mainly by reference to the subsidiary's net assets, is less than cost.

## 2.5 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.

## 2.6 Receivables

Receivables are measured at face value. Appropriate allowances for estimated irrecoverable amounts are recognised when it is uncertain whether these amounts can be collected.

## 2.7 Marketable securities

Marketable securities are measured at the lower of cost and net realisable value. Unrealised gains are not recognised.

## 2.8 Other equity

Certain contributions in kind made under the service concession agreement are reported as assets under "Property, plant and equipment" and as liabilities under "Other equity" for the value of the said contributions on the date of transfer. Amounts credited to other equity will be derecognised on the date the assets in question are returned to the French State.

## 2.9 Conversion of foreign currency receivables and payables

Receivables and payables denominated in foreign currencies are converted into the Company's functional currency using the most recent exchange rate. Resulting differences are recorded under "Conversion differences". Where appropriate, provisions for liabilities and charges are recognised in respect of unrealised losses, which correspond to conversion differences to the debit of the balance sheet.

## 2.10 Loan issue costs and loan issue or redemption premiums

Premiums on the issue and redemption of the loans arranged with Caisse Nationale des Autoroutes (CNA) and issue costs for these loans are recognised as deferred charges and amortised using the straight-line method over the term of the loans to which they relate.

If loan repayments will be less than the initial amount of the loan, the difference is recognised initially as deferred income and reversed to the income statement over the term of the loan using the straight-line method.

The above method is tantamount to amortising premiums by reference to accrued interest to the extent that loans give rise to a one-time payment at term.

## 2.11 Indexed loans and advances

Advances from the French State and indexed loans are adjusted each year to reflect the application of the indexation procedure, the offsetting entry being to "Indexation difference" on the asset or liability side of the balance sheet. Where appropriate, provisions for liabilities and charges are recognised each year in respect of unrealised losses, which correspond to indexation differences to the debit of the balance sheet.

## 2.12 Obligations in respect of retirement indemnities and other employee benefits

The actuarial method used to calculate the Company's obligations in respect of retirement indemnities, as reported on the balance sheet, is the projected unit credit method based on final salaries. This is the method advocated by International Accounting Standard 19, Employee Benefits, and it meets the requirement set forth in Recommendation no. 2003-R.01 issued by the French National Accounting Board *(Conseil National de la Comptabilité).*

This method consists in measuring the Company's obligations by reference to the projected final salary and to vested rights on the measurement date, determined by applying the terms of the collective bargaining agreement, the company agreement or statutory rights in force at the balance sheet date.

## 2.13 Infrastructure maintenance

Expenditure on infrastructure maintenance is recognised as an operating expense as and when committed.

In 2005, the Company decided to apply the component method of accounting to expenditure on surface courses. Note that Regulation 2002-10 issued by the French National Accounting Board *(Conseil National de la Comptabilité)* does not require public service concession operators to apply this method.

## 2.14 Financial risks

The Company 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 Company's borrowings are denominated in euro. Two thirds of these borrowings are at fixed rates. The Company does not therefore have significant exposure to an increase in interest expenses linked to a rise in interest rates.

## 2.15 Reporting currency

The tables overleaf are stated in millions of euros unless otherwise indicated.

# 3 • Information on the balance sheet

## 3.1 Intangible assets

| | 31 December 2009 | Increase Charge for the year | Decrease Reversals | Assets brought into service | 31 December 2010 |
|---|---|---|---|---|---|
| Intangible assets | 102.6 | 3.4 | (2.1) | 3.9 | 107.8 |
| Intangible assets work in progress | 5.6 | 3.6 | 0.0 | (3.9) | 5.3 |
| Amortisation | (81.2) | (9.3) | 2.1 | 0.0 | (88.4) |
| **CARRYING VALUE** | **27.1** | **(2.3)** | **0.0** | **0.0** | **24.7** |

## 3.2 Property, plant and equipment

*Assets held under concessions*

The network covered a total of around 1,859 kilometres at 31 December 2010, 1,810 kilometres of which were in service.

| Cost | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Non-current construction assets | 9,568.8 | 9,503.0 |
| Non-current assets used in the operations | 797.8 | 786.7 |
| Non-current assets under construction | 539.9 | 326.1 |
| **TOTAL COST** | **10,906.5** | **10,615.7** |

| Cost | 31 December 2009 | Increase | Decrease | Brought into service | 31 December 2010 |
|---|---|---|---|---|---|
| Non-current construction assets | 9,503.0 | | (1,0) | 66.8 | 9,568.8 |
| Road surface courses | 296.7 | 26.8 | (38.8) | 9.1 | 293.8 |
| Non-current assets used in the operations | 490.0 | 10.3 | (17.7) | 21.4 | 504.0 |
| Non-current assets under construction | 326.1 | 311.1 | 0.0 | (97.3) | 539.9 |
| **TOTAL COST** | **10,615.7** | **348.2** | **(57.5)** | **(0.0)** | **10,906.5** |

The increase in intangible assets arising from concessions in 2010 was due notably to new constructions (Mâcon South bypass, Les Echets–La Boisse section, Montluçon slip road) and to work widening motorway sections (A31 and A36 motorways).

Borrowing costs amounting to €19.8 million were capitalised in 2010 (2009: €10.6 million).

*Depreciation*

| Depreciation | 31 December 2009 | Charge for the year | Decrease Reversals | 31 December 2010 |
|---|---|---|---|---|
| Financial depreciation | (3,742.0) | (243.8) | 0.9 | (3,984.9) |
| Ordinary depreciation | (541.9) | (60.0) | 56.5 | (545.4) |
| **TOTAL DEPRECIATION** | **(4,283.9)** | **(303.8)** | **57.4** | **(4,530.3)** |

## 3.3 Non-current financial assets

| | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Participating interests | 1,027.5 | 944.2 |
| Loans | 1.6 | 1.3 |
| Other non-current financial assets | 0.1 | 0.2 |
| **TOTAL** | **1,029.2** | **945.8** |

Information on participating interests is provided in Note 6.

AREA distributed dividends totalling €123 million (including an interim dividend of €64 million for 2010). These payments did not require the Company to recognise an impairment loss in respect of its investment in AREA.

## 3.4 Trade receivables

| | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Toll subscribers | 46.4 | 42.2 |
| Ancillary activities | 39.2 | 34.4 |
| Doubtful debts | (1.7) | (1.6) |
| **TOTAL** | **83.9** | **75.1** |

## 3.5 Other receivables, prepayments and accrued income

| | 31 December 2010 | 31 December 2009 |
|---|---|---|
| State and other public bodies | 34.5 | 27.5 |
| Sundry receivables and income receivable | 105.9 | 98.0 |
| Prepayments | 20.3 | 20.0 |
| Deferred charges | 6.2 | 7.9 |
| Indexation difference | 45.4 | 38.6 |
| **TOTAL** | **212.3** | **192.0** |

Amounts receivable from the State and other public bodies consist mainly of subsidies receivable and income tax credits.

Sundry receivables and income receivable consists mainly of amounts due by the TIS agents.

Prepayments comprise mainly fees for the use of public property.

## 3.6 Marketable securities, cash at bank and in hand

| | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Marketable securities | 33.3 | 81.1 |
| Cash at bank and in hand | 16.4 | 18.5 |
| **TOTAL** | **49.7** | **99.6** |

## 3.7 Capital and reserves

The share capital consists of 113,038,156 shares with a par value of €0.30 each.
The number of shares in issue and their par value did not change during the year ended.

| | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Share capital | 33.9 | 33.9 |
| Share premium account | 0.3 | 0.3 |
| Reserves | 3.4 | 3.4 |
| Retained earnings | 409.9 | 142.0 |
| Interim dividend | (196.7) | 0.0 |
| Profit for the year | 441.2 | 362.9 |
| Capital grants | 133.4 | 137.2 |
| Regulated provisions | 52.8 | 51.3 |
| **TOTAL EQUITY** | **878.3** | **731.1** |

Regulated provisions consist of excess depreciation over plan recorded for taxation purposes.

*Change in capital and reserves in 2010*

| (€ million) | 31 December 2009 | Appropriation per AGM of 22 June 20109 | Grants received 2010 less reversals | Regulated provisions | 2010 profit | 31 December 2010 |
|---|---|---|---|---|---|---|
| Share capital | 33.9 | | | | | 33.9 |
| Share premium | 0.3 | | | | | 0.3 |
| Legal reserve | 3.4 | | | | | 3.4 |
| Other reserves | 0.0 | | | | | 0.0 |
| Retained earnings | 142.0 | 268.0 | | | | 409.9 |
| Interim dividends | 0.0 | 0.0 | | | (196.7) | (196.7) |
| 2010 profit | 0.0 | | | | 441.2 | 441.2 |
| 2009 profit | 362.9 | (362.9) | | | | 0.0 |
| Capital grants | 137.2 | | (3.8) | | | 133.4 |
| Regulated provisions | 51.3 | | | 1.4 | | 52.8 |
| **TOTAL EQUITY** | **731.1** | **(94.9)** | **(3.8)** | **1.4** | **244.5** | **878.3** |

## 3.8 Other equity

Other equity was unchanged during the year at €164.7 million. It corresponds to contributions made free of charge by the French State, recognised at their value on the date of transfer.

## 3.9 Provisions for liabilities and charges

| | 31 December 2009 | Charge for the year | Reversals (provisions utilised) | Reversals (provisions no longer required) | Other | 31 December 2010 |
|---|---|---|---|---|---|---|
| Provisions for retirement indemnities | 18.6 | 1.8 | (1.1) | | | 19.4 |
| Provisions for similar obligations | 4.1 | 1.3 | (1.2) | (0.0) | | 4.2 |
| Provisions for disputes | 1.5 | 0.4 | (0.5) | (0.8) | | 0.6 |
| Provisions for taxes | 153.9 | 19.5 | (36.8) | (0.5) | | 136.1 |
| Provisions for indexation of CNA loans | 31.6 | 6.3 | | | | 37.9 |
| Provisions for indexation of advances | 7.1 | 0.4 | | | | 7.5 |
| **TOTAL** | **216.8** | **29.7** | **(39.6)** | **(1.3)** | **0.0** | **205.6** |

APRR and AREA have been being audited by the tax authorities since the second half of 2010. These audits concern the years ended 31 December 2007, 2008 and 2009. As yet, no definitive tax adjustments have been notified to the companies. It emerges from discussions held with the tax authorities that there are differences of assessment regarding certain accounting and tax regulations. APRR's view is that it has solid arguments to rebut the main point raised by the tax authorities and accordingly did not set aside a provision in respect of this risk at 31 December 2010.

*Provisions for retirement indemnities and similar obligations*

The following assumptions were relied upon when determining the company's obligations in respect of retirement indemnities:

| | 31/12/2010 | 31/12/2009 |
|---|---|---|
| Discount rate | 4.50% | 5.00% |
| Expected rate of inflation | 2,00% | 2.00% |
| Expected rate of salary increases | 3.00% | 3.00% |
| Mortality tables for men | TH 04-06 | TH 04-06 |
| Mortality tables for women | TF 04-06 | TF 04-06 |
| Retirement age for managers | 63 years | 63 years |
| Retirement age for non-managers | 63 years | 63 years |
| Social security charges | 45.0% | 45.0% |

Actuarial differences arise from changes in actuarial assumptions and/or variances between actual and assumed experience (interest rates, staff turnover rates, retirement conditions). These actuarial differences are recognised by applying the corridor approach, which consists in recognising these differences where they are 10% more or 10% less than the total projected benefit obligations or the fair value of assets plans. When applying the corridor approach, actuarial differences exceeding the 10% limit are amortised over the expected average remaining working lives of the participating employees.

A provision amounting to €2.8 million was set aside in respect of the commitments given by the Company in connection with the early retirement agreement signed in 2007.

The provision was calculated on an actuarial basis for the population concerned. The average retirement age was estimated at 60 years (allowing for the particular characteristics of the population). The same hypotheses were used as for retirement indemnities, except for the 4% discount rate used. The provision was based on the number of employees having taken early retirement from 2008 and 2010 as a percentage of eligible employees (i.e. 52% on average).

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.

## 3.10 Borrowings and other financial liabilities

| | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Fixed rate CNA loans | 2,513.4 | 2,693.0 |
| Variable rate or revisable-rate CNA Loan (notably through the use of swaps) | 839.5 | 927.1 |
| Fixed rate EIB loan | 100.0 | 100.0 |
| Amounts drawn down against revolving credit facility | 840.0 | 800.00 |
| Variable rate bank loans | 800.0 | 800.00 |
| Bonds indexed to inflation | 202.3 | 200.0 |
| Fixed rate bonds | 700.0 | 500.00 |
| State advances to TML | 19.1 | 18.7 |
| Debts related to participating interests and sureties received | 8.1 | 8.1 |
| **Subtotal** | **6,022.5** | **6,046.9** |
| Accrued interest | 163.1 | 145.2 |
| **TOTAL** | **6,185.5** | **6,192.1** |

In 2010:

- €271 million of loans having reached maturity were repaid to Caisse Nationale des Autoroutes (CNA); and
- €200 million of fixed rate bonds were issued by tapping the June 2009 bond issue.

Furthermore, the Company drew down against its revolving credit facility and also made repayments, as a result of which amounts drawn down increased by €40 million from €800 million at 31 December 2009 to €840 million at 31 December 2010.

The Company's borrowings (excluding accrued interest) at 31 December 2010 are analysed by remaining maturity below:

| | Less than 1 year | Between 1 and 5 years | More than 5 years | Total |
|---|---|---|---|---|
| **TOTAL** | **429.8** | **4,006.9** | **1,585.7** | **6,022.5** |

At 31 December 2010, the portfolio of derivative instruments held by the Autoroutes Paris-Rhin-Rhône Group consisted of:

- One swap, entered into 2004, under the terms of which the company receives a fixed rate on a €300 million nominal and pays a fixed rate on this nominal indexed to inflation as well as inflation capitalised at maturity.
- A remaining group of five derivative contracts (including one swap receiving fixed rate and paying variable rate, designated as a fair value hedge, along with three options entered into to mitigate to some extent exposure to higher interest rates, and one swap paying fixed rate and receiving variable rate, resulting from the exercise of the swaption that matured in April 2010, treated as autonomous instruments for accounting purposes) entered into in the second half of 2005 as part of a variable rate programme scaled back to €300 million at 30 June 2010, matched to the following loans:
  - €208.4 million against the 4.50% CNA loan maturing 28 March 2018; and
  - €91.6 million until April 2020, corresponding to a portion of debt equivalent to the 4.50% CNA loan that matured 25 April 2010

In connection therewith, a swap receiving fixed rate and paying variable rate matured in April 2010.

- Five interest rate swaps entered into in March 2008 for a total nominal amount of €500 million that are backed to a loan for the same amount arranged in August 2007 and for which interest periods are identical, under which the Company pays fixed rates and receives variable rate until the loan matures in August 2014.
- Two swaps entered into the first half of 2009 for nominal amounts of respectively €250 million and €50 million, under the terms of which the Company pays fixed rates and receives variable rates, for which the maturity dates are in July 2014 and December 2012 and for which the interest periods are matched to those of the loans for the same nominal amounts arranged respectively in July 2008 and in December 2008.

## 3.11 Other payables, accruals and deferred income

| | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Due to fixed asset suppliers | 87.6 | 104.7 |
| Tax and social security | 125.6 | 150.8 |
| Deferred income | 62.3 | 48.5 |
| Other | 31.0 | 28.7 |
| **TOTAL** | **306.5** | **332.7** |

Deferred income comprises mainly issue premiums, income on swap reversals, rental income from commercial facilities and revenue from the lease of installations to telecommunication operators.

# 4 • Information on the income statement

## 4.1 Revenue

Revenue is analysed below:

| | 2010 | 2009 |
|---|---|---|
| Toll revenue | 1,422.2 | 1,360.6 |
| Rental income from commercial facilities | 30.0 | 28.6 |
| Revenue from leasing telecommunication installations | 9.4 | 10.2 |
| Other | 8.1 | 7.8 |
| **TOTAL** | **1,469.8** | **1,407.2** |

## 4.2 Purchases and external charges

| | 2010 | 2009 |
|---|---|---|
| Energy, supplies and spare parts | (28.6) | (22.9) |
| Infrastructure maintenance | (27.7) | (24.9) |
| Other maintenance | (22.9) | (22.7) |
| Fee for the use of public property | (38.2) | (37.2) |
| Other external charges | (60.5) | (55.3) |
| **TOTAL** | **(177.8)** | **(163.0)** |

## 4.3 Employee benefit expenses and headcount

*a) Expenses*

| | 2010 | 2009 |
|---|---|---|
| Wages and salaries | (101.3) | (97.9) |
| Social security contributions and deferred benefits | (46.8) | (44.9) |
| Discretionary employee profit sharing and employer's contribution to savings plan | (7.0) | (13.2) |
| **TOTAL** | **(155.0)** | **(156.1)** |

*b) Average headcount*

| | 2010 | 2009 |
|---|---|---|
| Management grade | 414 | 406 |
| Supervisor grade | 1,449 | 1,437 |
| Workers and office staff | 913 | 968 |
| **TOTAL** | **2,776** | **2,811** |

## 4.4 Other operating income and expense

| | 2010 | 2009 |
|---|---|---|
| Charges capitalised - Property, plant and equipment | 10.5 | 5.0 |
| Charges capitalised - Intangible assets | 0.0 | 5.4 |
| Insurance claim | 6.8 | 6.6 |
| Other | 4.2 | 5.5 |
| **OTHER OPERATING INCOME** | **21.6** | **22.4** |

## 4.5 Taxes (other than income tax)

| | 2010 | 2009 |
|---|---|---|
| Regional development tax | (106.7) | (104.2) |
| Territorial economic contribution (Local business in 2009) | (37.9) | (40.6) |
| Payroll and similar taxes | (4.1) | (4.1) |
| Other taxes and duties | (4.8) | (4.3) |
| **TOTAL** | **(153.4)** | **(153.2)** |

### 4.6 Depreciation, amortisation and provisions

| | 2010 | 2009 |
|---|---|---|
| Financial depreciation | (243.5) | (237.1) |
| Depreciation of renewable non-current assets | (68.8) | (67.7) |
| Provisions | 18.9 | 29.1 |
| **TOTAL** | **(293.3)** | **(275.8)** |

### 4.7 Financial income and expenses

| | 2010 | 2009 |
|---|---|---|
| Loan interest and indexation | (293.4) | (301.9) |
| Interim interest capitalised | 19.8 | 10.6 |
| Amortisation of loan issue costs and premiums | (1.7) | (2.0) |
| Dividends received from subsidiaries | 124.0 | 104.3 |
| Other financial income including loan indexation adjustments | 53.1 | 34.4 |
| **TOTAL** | **(98.2)** | **(154.5)** |

More information on dividends received from subsidiaries is provided in Note 3.3.

### 4.8 Exceptional items

| | 2010 | 2009 |
|---|---|---|
| Net gains on the disposal of non-current assets | 0.6 | 0.5 |
| Reversal of capital grants | 5.2 | 5.2 |
| Depreciation and provisions | (3.0) | (23.5) |
| Other | 0.3 | 0.4 |
| **TOTAL** | **3.1** | **(17.5)** |

### 4.9 Income tax expense

In 2010, the tax charge on the income of the tax group amounted to €236.9 million, for part offset by the €71.7 million of tax credits booked by its subsidiaries AREA and Sira.

## 5 • Additional information

### 5.1 Tax group and parent company

APRR is the head of a tax group that includes AREA, Sira and Apollinaire Participations

The agreement signed by the companies belonging to this tax group was drawn up on the basis of fiscal transparency for the different group members. APRR had no commitment in this respect towards other group members at 31 December 2010.

The financial statements of APRR are consolidated under the full method in the consolidated financial statements of Eiffage Group since 20 February 2006.

## 5.2 Accounting and financial indicators

| (€ million) | 2010 | 2009 |
|---|---|---|
| EBITDA | 994.7 | 947.6 |
| EBITDA margin | 67.7% | 67.3% |

Earnings before interest, tax, depreciation and amortisation correspond to operating profit adjusted for employee profit sharing and before amortisation, depreciation and provisions.

## 5.3 Compensation paid to members of the management bodies

The Chairman of the Board of Directors and the Managing Director receive no compensation from the Company.

## 5.4 Litigation

APRR is involved in various disputes having arisen in the normal course of business. The Company considers that, as at 31 December 2010, none of the ongoing disputes arising from the normal course of business are likely to have a material impact on its operating profit, its activity or its financial situation (apart from the risks already provisioned in the accounts).

## 5.5 Commitments

### a) Commitments given

| | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Work to be performed (1% landscape) | 0.1 | 0.1 |
| **TOTAL** | **0.1** | **0.1** |

### b) Commitments received

| | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Bank guarantees | 27.2 | 33.0 |
| **TOTAL** | **27.2** | **33.0** |

### c) Reciprocal commitments

| | 31 December 2010 | 31 December 2009 |
|---|---|---|
| Work contracts (signed, not performed) | 82.6 | 184.6 |
| Syndicated loan facility not utilised | 960.0 | 1 000.0 |
| **TOTAL** | **1 042.6** | **1 184.6** |

## 5.6 Information concerning subsidiaries and participating interests

| | Subsidiaries | Participating interests |
|---|---|---|
| Participating interests | | 1,027.5 |
| Other receivables | 0.5 | 32.9 |
| Trade payables | 2.6 | 0.4 |
| Other payables | 0.7 | 0.9 |
| Financial charges | | 0.0 |
| Financial income | | 151.7 |
| Operating charges | 8.6 | 3.3 |

# 6 • List of subsidiaries and participating interests

| Subsidiaries and participating interests *(€ thousands)* | 2010 capital | 2010 Reserves | % held | Gross value | Net value | Loans and advances not repaid | Dividends received | 2010 revenue | 2010 profit |
|---|---|---|---|---|---|---|---|---|---|
| **Subsidiaries (over 50% held by APRR)** | | | | | | | | | |
| AREA | 82,900 | 105,538 | 99.84% | 215,269 | 215,269 | 785,763 | 123,244 | 470,892 | 129,092 |
| SIRA | 10 | 469 | 100.00% | 11 | 11 | | | 3,215 | 186 |
| PARK + | 5,232 | (953) | 60.00% | 3,139 | 856 | 65 | | 217 | (396) |
| CERA | 8 | 137 | 100.00% | 315 | 315 | | | 788 | 38 |
| **Participating interests** | | | | | | | | | |
| Autoroutes Trafic | 349 | NC | 24.00% | 72 | 72 | | 107 | NC | NC |
| Centaure Grand EST | 450 | 480 | 35.55% | 212 | 212 | | | 1,152 | (57) |
| Centaure Ile de France | 900 | NC | 49.00% | 441 | 441 | | | NC | NC |
| ALTECH | 40 | 1,188 | 14.50% | 6 | 6 | | 12 | 1,619 | 123 |
| Axxès | 7,500 | 3,354 | 22.80% | 1,710 | 1,710 | | 662 | 752,508 | 3,076 |
| SC Autoroutes GIE | | 236 | | | | | | 176 | 252 |
| DEVTEL | 25 | 14 | 100.00% | 25 | 25 | | | 0 | 0 |
| Apollinaire participations | 37 | (4) | 100.00% | 37 | 37 | | | 0 | (1) |
| SEM ALESIA | 515 | NA | 3.88% | 20 | 20 | | | NA | NA |
| **TOTAL** | | | | **221,257** | **218,974** | **785,828** | **124,025** | | |

# STATUTORY AUDITORS' REPORT
## On the company financial statements
(for the year ended 31 December 2010)

**PricewaterhouseCoopers Audit**
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

**Salustro Reydel**
Member of KPMG International Coopérative
1 cours Valmy
92923 Paris La Défense Cedex

**Société des Autoroutes Paris Rhin Rhône**

To the Shareholders,

In fulfilment of the assignment entrusted to us by your General Meeting of Shareholders, we present to you our report for the year ended 31 December 2010 on:

- the audit of the company financial statements of APRR SA, as attached to this report;
- the justification of our assessments; and
- the specific verification required by law.

The company financial statements have been prepared under the responsibility of the Board of Directors. It is our responsibility, based on our audit, to express an opinion on these financial statements.

### *I. Opinion of the company financial statements*

We conducted our audit in accordance with professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the company financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, in light of French accounting rules and standards, the company financial statements give a true and fair view of the Company's assets and liabilities and financial position at 31 December 2010, and of the results of its operations for the year then ended.

### *II. Justification of our assessments*

Pursuant to the provisions of Article L823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 2.2 to the company financial statements describes the accounting policies and methods applied to tangible assets held under service concession agreements and their depreciation as well as the method for recognising the provisions for the replacement of these assets. We verified that the accounting methods applied are appropriate and that they were applied correctly.

These assessments were made as part of our audit of the company financial statements taken as a whole, and therefore contributed to determining the opinion expressed in the first part of this report.

### *III. Specific verifications and information*

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the 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 financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

As required by law, we verified that all appropriate information regarding the identity of the shareholders has been provided in the Management Report.

Neuilly-sur-Seine and Paris La Défense, 28 April 2011

**The Statutory Auditors**

**Salustro Reydel**
*Member of KPMG International*

Benoît Lebrun
*Partner*

**PricewaterhouseCoopers Audit**

Louis-Pierre Schneider
*Partner*

Thierry Charron
*Partner*

# AUDITORS' SPECIAL REPORT

## on regulated agreements and commitments

(For the year ended 31 December 2010)

**PricewaterhouseCoopers Audit**
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

**Salustro Reydel**
Member of KPMG International
1 cours Valmy
92923 Paris La Défense Cedex

To the Shareholders,
**Société des Autoroutes Paris-Rhin-Rhône**
Registered office: 36 rue du Docteur Schmitt
21850 Saint-Apollinaire
Share capital: €33,911,446.80

To the Shareholders,

As the statutory auditors of your Company, we present to you our report on regulated agreements and commitments.

It is our responsibility to inform you, on the basis of the information provided, of the main features and conditions of those agreements and commitment about which we have been advised, without having to express an opinion on their usefulness or appropriateness or being required to seek other such agreements or commitments. In accordance with the provisions of Article R.225-31 of the French Commercial Code, it is your responsibility to determine the Company's interest in entering into these agreements and commitments when they are submitted for approval.

Where necessary, we are also required to send you the information provided for in Article R.225-31 of the French Commercial Code relating to the performance, during the previous year, of the agreements and commitments having received the prior approval of the General Meeting of the shareholders.

We performed our work in accordance with auditing standards issued by the French Institute of Chartered Accountants. These standards require that we perform such procedures as may be necessary to verify the consistency of the information given to us with the source documents from which this information is extracted.

### 1. Agreements and commitments subject to the approval of the general meeting of shareholders

We advise you that we have not been notified of any agreement or commitment authorised during the year under review to be submitted to the General Meeting of shareholders pursuant to the provisions of Article L.225-38 of the French Commercial Code.

## 2. Agreements and commitments approved in previous years by the general meeting of the Shareholders

Agreements and commitments approved in previous years that remained in force during the year under review

Pursuant to Article R.225-30 of the French Commercial Code, we were advised that the following agreements and commitments approved by the General Meeting of the shareholders in previous years, remained in force during the year under review.

### With AREA

*Agreement for re-invoicing of intra-group services*

At its meeting of 21 December 2010, the Board of Directors approved the signing of a second amendment to the AREA-APRR agreement of 5 May 2008, as amended on 23 June 2009, governing the conditions under which intra-group services are to be re-invoiced between your Company and its subsidiary. Under the terms of this second amendment, your Company, which bears all joint costs, more specifically marketing and management expenses, will re-invoice AREA for part of these expenses in a fixed amount of €1.75 million a year, plus €0.2 million for the cost of maintaining the TETRA radio system.

The following terms of the initial agreement of 5 May 2008 remain unchanged:

- all material exceptional expenses incurred by one party for the benefit of the whole Group are to be re-invoiced as indicated below:
  - seventy-five percent (75%) to APRR if the expense is incurred by AREA; and
  - twenty-five percent (25%) to AREA if the expense is incurred by APRR
- expenses incurred by either one of the parties in connection with investment activities fall outside the scope of the flat fee agreement and will continue to be re-invoiced on an ad-hoc basis between the two companies.

Income arising from the application of this agreement amounting to €1.95 million was recognised by your Company in respect of the year ended 31 December 2010.

*Directors concerned:*

Jean-François Roverato, Max Roche, Philippe Nourry, François Massé, Philippe Delmotte, Bruno Angles, Thomas Gelot, Peter Trent, Edward Beckley.

*Framework agreement governing intra-group cash advances and any transfers in the form of intra-group loans by APRR to AREA of all or some of the loans issued by APRR*

At its meeting of 29 November 2006, the Board of Directors approved in principle the signing of an agreement between your Company and AREA for the provision of cash. Under the terms of this agreement, your Company will provide AREA with the financing it needs under the conditions negotiated by your Company in the context of its global financing. This agreement was signed by the parties on 2 January 2007.

Interest income amounting to €27.7 million was recognised by your Company in respect of the 2010 financial year. The amount payable by AREA to your Company under this agreement amounted to €770 million at 31 December 2010.

*Agreement governing intra-group advances*

At its meeting of 18 December 2003, the Board of Directors of your Company authorised the intra-group advance agreement.

Under the agreement signed on 31 December 2003, AREA granted your Company an advance of € 130 million. Interest is charged on this advance at 0.20% over the Euro OverNight Index Average (EONIA) rate on an Exact/360 overnight basis. Furthermore, provided the cash available is surplus to requirements, each signatory company to the agreement agrees to grant a «subsidiary» cash advance to the other company if it has a negative cash balance.

These subsidiary advances are short-term, bearing interest at 0.05% over the EONIA rate on an Exact/360 overnight basis.

The amount payable by AREA to your Company amounted to €15.8 million at 31 December 2010. Interest income amounting to €15.8 million was recognised by your Company in respect of the year ended 31 December 2010.

## With Caisse Nationale des Autoroutes

At its meeting of 26 October 2005, the Board of Directors of your Company approved in principle the amendment to the framework agreement of 2 September 1996 entered into between your Company, AREA and Caisse Nationale des Autoroutes (CNA), together with various loan agreements concluded between CNA, your Company or AREA.

The main modifications to the relationships between your Company, AREA and CNA under this amendment signed on 20 February 2006 are:

- your Company acts as the co-surety of AREA's obligations towards CNA;
- your Company agrees to comply at all times with the following financial ratios, calculated based on the APRR group's consolidated financial statements:
  - net debt/EBITDA ratio no higher than 7; and
  - EBITDA/interest expense no less than 2.2;
  - your Company and AREA agree that, unless authorised by CNA, APRR Group would maintain its construction and operation business, or the operation only of road transport and parking infrastructures or related services, in France and in OECD countries, so that it represents at all times over 85% of its consolidated assets and over 80% of its consolidated annual revenue;
  - your Company and AREA agree not to take part in mergers, absorptions or partial business transfers without prior agreement from CNA, with the exception of intra-group transactions;
- The main cases for acceleration of maturity are the following (if necessary after taking into consideration their effect on the general financial position of the Group):
  - payment default;
  - non-compliance with a key commitment under the terms of an agreement concluded with CNA;
  - cross default (payment default in excess of €30m);
  - inaccuracies in a disclosure or guarantee provided under an agreement concluded with CNA;
  - issuance of a qualified opinion by the statutory auditors on the accounts of your Company or of AREA that might have an impact on compliance with any of the financial ratios defined above;

- significant non-performance of any of the concessions, which would have a significant negative impact on the ability of your Company or AREA to make repayments, and only if (in CNA's reasonable opinion) CNA's interest would be affected;
- cancellation of any motorway concession agreements of which your Company and AREA are currently holders, or any other important concession agreement to be concluded;
- cessation of the transport infrastructure operation business; and
- any major dispute that could have a significant negative effect on the ability of your Company or of AREA to make repayments.

## With SIRA

### *Service agreement signed on 18 August 1995*

An amendment was signed on 14 September 2007 with retroactive effect from 1 January 2007. In 2010, your Company invoiced SIRA for the following amounts:

- sundry services: €64.3 thousand
- rent: €92.3 thousand
- insurance premiums: €3.7 thousand

Concurrently, SIRA invoiced your Company for an amount of €1 million for broadcasting the Autoroute Info radio channel.

Neuilly-sur-Seine and Paris La Défense, 28 April 2011

**The Statutory Auditors**

**PricewaterhouseCoopers Audit**

Louis-Pierre Schneider Thierry Charron

**Salustro Reydel**
*Member of KPMG International*

Benoît Lebrun

# AUDITOR’S REPORT
## on rights issue reserved for employees
(General Meeting of the shareholders of 21 June 2011 – 17th resolution)

**PricewaterhouseCoopers Audit**
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

**Salustro Reydel**
Member of KPMG International
1 cours Valmy
92923 Paris La Défense Cedex

The Shareholders
**Société des Autoroutes Paris-Rhin-Rhône**
36 rue du Docteur-Schmitt
21850 Saint-Apollinaire

To the Shareholders,

As the statutory auditors of your Company and as required under Articles L. 225-135 et seq. of the French Commercial Code, we present to you our report on the proposed rights issue reserved for your Company’s employees, with cancellation of your preferential subscription right, for an amount not exceeding 3% of the capital, on which you are invited to vote.

This rights issue is subject to your approval pursuant to Articles L.225-129-6 of the French Commercial Code and L.3332-18 *et seq.* of the French Labour Code.

Your Board of Directors proposes that, on the basis of its report, you authorise it to set the terms and conditions of this transaction and to cancel your preferential subscription right to the capital securities to be issued.

The Board of Directors is required to draw up a report in accordance with Articles R. 225-113 and R. 225-114 of the French Commercial Code. It is our responsibility to express our opinion on the accuracy of the financial information extracted from the financial statements, the proposed cancellation of the preferential subscription right and certain other details of the issue mentioned in this report.

We performed our work in accordance with auditing standards issued by the French Institute of Chartered Accountants. These standards require that we verify the content of the Board of Directors’ report on this transaction and the methods used for setting the issue price of the securities to be issued.

In the absence of information relating to the methods for setting the issue price, and since the issue price has not been set, we have not expressed an opinion on the final conditions under which the rights issue will take place and, therefore, on the proposed cancellation of the preferential subscription right submitted to you.

If this resolution is approved, in accordance with Article R. 225-116 of the French Commercial Code, we will draw up an additional report when your Board of Directors proceeds with the rights issue.

Neuilly-sur-Seine and Paris-La Défense, 28 April 2011

**The Statutory Auditors**

**Salustro Reydel**
*Member of KPMG International*

Benoît Lebrun
*Partner*

**PricewaterhouseCoopers Audit**

Louis-Pierre Schneider
*Partner*

Thierry Charron
*Partner*

# RESOLUTIONS
put to the combined Ordinary and Extraordinary General Meeting of 21 June 2011

## First resolution

*Approval of the company's financial statements*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, having heard the Board of Directors' report on the activities of the company in 2010 and the Auditors' General Report on the company's financial statements for that year, approves the company's financial statements as presented to it, which show a profit of €441.2 million, and the transactions reflected in such financial statements or summarised in such reports.

## Second resolution

*Approval of the consolidated financial statements*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, having heard the Board of Directors' report on the activities of the group in 2010 and the Auditors' General Report on the consolidated financial statements for that year, approves the consolidated financial statements as presented to it, which show a net attributable profit for the year of €418.7 million, and the transactions reflected in such financial statements or summarised in such reports.

Accordingly, the General Meeting gives the members of the Board of Directors final discharge for their management in 2010.

## Third resolution

*Appropriation of profit*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after reviewing the Board of Directors' report and the Auditors' General Report on the financial statements for the year, and having noted that the distributable profit for the year amounted to €441,212,811.40, approves the allocation of net profit proposed by the Board of Directors.

Accordingly, it resolves as follows:

| | (€) |
|---|---|
| Distributable profit for the year | 441,212,811.40 |
| Plus amount brought forward from the previous year | 409,941,995.83 |
| **Giving a total of** | **851,154,807.23** |
| To be appropriated as follows: | |
| Distribution of a total dividend of €1.84 for each of the 113,038,156 shares | 207,990,207.04 |
| Amount drawn down to be carried forward to next year | 643,164,600.19 |
| **TOTAL** | **851,154,807.23** |

As a result, the total net dividend is set at €1.84 per share and it will be paid on 29 June 2011. The whole of the amount paid is eligible for the 40% allowance referred to in Article 158-3-2 of the French General Tax Code (and for the option of the single tax charge provided for in Article 10 of the French Finance Act for 2008), for eligible shareholders.

Given that an interim dividend of €1.74 per share was distributed on 29 December 2010 pursuant to the decision taken by the Board of Directors on 21 December 2010, the balance of the net dividend to be paid amounts to €0.10 per share.

In accordance with the provisions of Article 243 bis of the French General Tax Code, the General Meeting is reminded that the following dividends were distributed for the previous three years:

| **2009** | |
|---|---|
| Number of shares | 113,038,156 |
| Dividend per share | €0.84 |
| Distribution eligible for the allowance provided for in Article 158-3-2 of the French General Tax Code | €94,952,051.04 |
| Distribution not eligible for the allowance provided for in Article 158-3-2 of the French General Tax Code | |

| **2008** | |
|---|---|
| Number of shares | 113 038 156 |
| Dividend per share | €0.84 |
| Distribution eligible for the allowance provided for in Article 158-3-2 of the French General Tax Code | €96,082,432.60 |
| Distribution not eligible for the allowance provided for in Article 158-3-2 of the French General Tax Code | |

| 2007 | |
|---|---|
| Number of shares | 113,038 156 |
| Dividend per share | €2.94 |
| Distribution eligible for the allowance provided for in Article 158-3-2 of the French General Tax Code | €332,332,178.64 |
| Distribution not eligible for the allowance provided for in Article 158-3-2 of the French General Tax Code | |

In the event that, when the dividend is paid, the company holds some of its own shares, the amounts corresponding to unpaid dividends on these shares will be allocated to the retained earnings account.

# Fourth resolution

*Approval of agreements governed by Article L.225-38 of the French Commercial Code*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, having heard the Auditors' Special Report on the transactions governed by Article L 225-38 of the French Commercial Code, approves said report and the transactions referred to therein.

# Fifth resolution

*Ratification of provisional appointment of a director - Renewal of term of office*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, ratifies the provisional appointment made by the Board of Directors on 21 December 2010, by replacing Mr Andrew Hunter, who has resigned, with:

Mr Thomas Gelot, Born on 21 June 1975,

as a director of the company for the remainder of his predecessor's term of office, that is, until the close of this General Meeting.

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office as a director of Mr Thomas Gelot ends at the close of this General Meeting, renews this term of office for three years, ending at the close of the Ordinary General Meeting convened in 2014 to approve the financial statements for the year ended 31 December 2013.

# Sixth resolution

*Ratification of provisional appointment of a director - Renewal of term of office*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, ratifies the provisional appointment made by the Board of Directors on 22 February 2011, by replacing Mr François Masse, who has resigned, with:

Mr Pierre Berger, Born on 9 July 1968,

as a director of the company for the remainder of his predecessor's term of office, that is, until the close of this General Meeting.

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office as a director of Mr Pierre Berger ends at the close of this General Meeting, renews this term of office for three years, ending at the close of the Ordinary General Meeting convened in 2014 to approve the financial statements for the year ended 31 December 2013.

# Seventh resolution

*Renewal of term of office of a director*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office as a director of Mr Bruno Angles, born on 14 November 1964, ends at the close of this General Meeting, renews this term of office for three years, ending at the close of the Ordinary General Meeting convened in 2014 to approve the financial statements for the year ended 31 December 2013.

# Eighth resolution

*Renewal of term of office of a director*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office as a director of Mr Edward Beckley, born on 17 June 1975, ends at the close of this General Meeting, renews this term of office for three years, ending at the close of the Ordinary General Meeting convened in 2014 to approve the financial statements for the year ended 31 December 2013.

## Ninth resolution

*Renewal of a director's term of office*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office as a director of Mr Philippe Delmotte, born on 10 February 1952, ends at the close of this General Meeting, renews this term of office for three years, ending at the close of the Ordinary General Meeting convened in 2014 to approve the financial statements for the year ended 31 December 2013

## Tenth resolution

*Renewal of a director's term of office*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office as a director of Mr Max Roche, born on 30 January 1953, ends at the close of this General Meeting, renews this term of office for three years, ending at the close of the Ordinary General Meeting convened in 2014 to approve the financial statements for the year ended 31 December 2013.

## Eleventh resolution

*Renewal of a director's term of office*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office as a director of Mr Jean-François Roverato, born on 10 September 1944, ends at the close of this General Meeting, renews this term of office for three years, ending at the close of the Ordinary General Meeting convened in 2014 to approve the financial statements for the year ended 31 December 2013.

## Twelfth resolution

*Renewal of a director's term of office*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office as a director of Mr Peter Trent, born on 30 September 1958, ends at the close of this General Meeting, renews this term of office for three years, ending at the close of the Ordinary General Meeting convened in 2014 to approve the financial statements for the year ended 31 December 2013.

## Thirteenth resolution

*Appointment of a director*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, decides to appoint:

Mrs Mary Nicholson, Born on 4 June 1972,

as a director of the company for three years ending at the close of the Ordinary General Meeting convened in 2014 to approve the financial statements for the year ended 31 December 2013.

## Fourteenth resolution

*Appointment of a director*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, decides to appoint:

Mr Philippe Nourry, Born on 1 December 1958,

as a director of the company for three years ending at the close of the Ordinary General Meeting convened in 2014 to approve the financial statements for the year ended 31 December 2013.

## Fifteenth resolution

*Term of office of Salustro Reydel as principal Auditor - Appointment of KPMG SA*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office of Salustro Reydel as principal Auditor ends at the close of this General Meeting, decides not to renew this term of office and to appoint, as its replacement:

*KPMG SA*

Immeuble le Palatin, 3 Cours du Triangle, 92923 Paris la Défense

Registered with the Nanterre Trade and Companies Register under number 775 726 417, for six financial years.

## Sixteenth resolution

*Term of office of Mr François Chevreux as deputy Auditor – Appointment of KPMG Audit ID SAS*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, noting that the term of office of KPMG as deputy Auditor ends at the close of this General Meeting, decides not to renew this term of office and to appoint, as his replacement:

*KPMG Audit ID SAS*

Immeuble le Palatin, 3 Cours du Triangle, 92923 Paris la Défense

registered with the Nanterre Trade and Companies Register under number 512 802 653, for six financial years

## Seventeenth resolution

*Capital increase reserved for employees*

The General Meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, having heard the Board of Directors' report and the Auditor's Special Report, and acting in order to comply with the provisions of Article L. 225-129-6 of the French Commercial Code, within the scope of the consultation of shareholders required every three years:

- Notes that the shares held by employees of the company and companies affiliated with it pursuant to Article L. 225-180 of the French Commercial Code represent less than 3% of the share capital;
- Decides to increase the share capital in cash by a maximum amount of one million, forty-eight thousand, eight hundred and seven euros and eighty cents (€1,048,807.80), by issuing three million, four hundred and ninety-six thousand and twenty-six (3,496,026) new shares with a par value of thirty euro cents (€0.30) each, to be paid up in cash or by set-off against certain, liquid and payable receivables on the company and to cancel the preferential subscription right in favour of employees who are members of a company savings scheme set up by the company under the conditions laid down in Article L. 443-1 of the French Employment Code.

It delegates to the Board of Directors the powers required to:

- Carry out one or more capital increases, at its sole discretion, within a maximum of five years as from the decision of the General Meeting, in favour of employees of the company who are members of a company savings scheme, and to set the amount of each issue within an overall limit of one million, forty-eight thousand, eight hundred and seven euros and eighty cents (€1,048,807.80);
- Decide on the conditions for any allocation of the new shares thus issued to said employees, subject to the statutory provisions, including conditions relating to length of service, to draw up the list of beneficiaries, and the number of securities that may be allocated to each of them, within the overall limit of the capital increase;
- Decide on the subscription price for the new shares in accordance with the provisions of Article L. 443-5 of the French Employment Code;
- Set the dates on which subscription periods shall start and end, decide whether employees may subscribe to the new shares directly or through the intermediary of a mutual fund, and collect employees' subscriptions;
- Set the time granted to employees who subscribe for shares to pay up the amount of the subscription which may not be more than three years as from subscription, as provided for in Article L. 225-138-1 of the French Commercial Code. In accordance with the provisions of said article, the shares subscribed may be paid up, at the request of the company or of the subscriber, by periodic payments or by equal and regular deductions from the subscriber's salary;
- Collect the amounts corresponding to the paying up of the subscriptions, whether this is by means of payment in cash or set-off against receivables, where applicable, set the credit balance of the current accounts opened with the company in the name of the subscribers paying up the subscribed shares by set-off;
- Record the completion of the capital increase and, where applicable, charge any expenses to the amount of premiums paid when the shares are issued and deduct from said amount the sums required to increase the legal reserve to one-tenth of the new capital after each increase;
- Carry out all statutory formalities, amend the Memorandum and Articles of Association (statuts) accordingly, take all measures to carry out the capital increase and, more generally, do whatever may be necessary under the conditions set out above and those laid down by the laws and regulations in force.

The shares thus issued shall have dividend rights as from the date of subscription. In all other respects, they shall, as from the date of the final completion of the capital increase, be identical to existing shares and subject to all provisions of the Memorandum and Articles of Association and the decisions of General Meetings.

## Eighteenth resolution

*Powers to carry out legal formalities*

The General Meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, grants full powers to the Chairman of the Board of Directors, to his representative(s) and to the bearer of a copy of or an excerpt from these minutes to make all filings and publications and to carry out other formalities required.

Autoroutes Paris-Rhin-Rhône
French limited company (Société Anonyme – SA) with capital of €33,911,446.80
Dijon Trade and Companies register no. 016 250 029
APRR – Communications and marketing department – June 2011

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Design-production: eurokapi

**EIFFAGE GROUP.**

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