APRR

French limited company (Société Anonyme) with share capital of €33,911,446.80
Head office: 36 rue du Docteur Schmitt, 21850 Saint Apollinaire, France
Dijon Trade and Company Register no. 016 250 029

Annual Financial Report
Year ended 31 December 2008

(Article L 451-1-2-I of the Monetary and Financial Code and Article 222-3 of the General Regulations issued by the Financial Markets Supervisor)

We present to you the Annual Financial Report for the year ended 31 December 2007 prepared in accordance with Article L 451-1-2-I of the Monetary and Financial Code (*Code Monétaire et Financier*) and Article 222-3 of the General Regulations of the Financial Markets Supervisor (*Autorité des Marchés Financiers - AMF*).

This Report has been disclosed in accordance with the provisions of Article 222-3 of the General Regulations of the Financial Markets Supervisor. It is available notably on the Company's website (www.aprr.com).

Contents

I. Certification by the person responsible

I certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and provide a true and fair view of the assets and liabilities, financial situation and results of APRR and of all the companies included in the consolidation scope, and that the attached management report presents fairly the evolution in the activities, results and financial situation of APRR and of all the companies included in the consolidation scope as well as a description of the principal risks and uncertainties to which they are confronted.

28 April 2009

Mr Jean-François Roverato
Chief Executive Officer

II. Company financial statements

APRR

COMPANY FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

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FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS At 31 December (€ million)	*Note*	2008	2007
Intangible assets	*3.1*	22.7	24.5
Property, plant and equipment			
- Assets held under concessions	3.2	10,301.0	9,910.8
- Depreciation	3.2	(4,044.9)	(3,806.8)
Non-current financial assets	*3.3*	854.0	668.5
Total non-current assets		**7,132.8**	**6,797.0**
Inventories		7.0	6.9
Trade receivables	*3.4*	68.9	89.3
Other receivables, prepayments and accrued income	*3.5*	278.0	148.0
Marketable securities, cash at bank and in hand	*3.6*	236.5	66.2
Total current assets		**590.4**	**310.4**
TOTAL ASSETS		**7,723.2**	**7,107.3**

EQUITY AND LIABILITIES At 31 December (€ million)	*Note*	2008	2007
Share capital		33.9	33.9
Share premium and reserves		3.7	3.7
Retained earnings			--
Interim dividend		(95.1)	(116.4)
Profit for the year		237.1	333.3
Capital grants		149.4	112.2
Regulated provisions		28.9	19.1
Total equity	*3.7*	**357.9**	**385.8**
Other equity	*3.8*	**164.7**	**164.7**
Provisions for liabilities and charges	*3.9*	**234.6**	**65.9**
Borrowings and other financial liabilities	*3.10*	6,594.4	6,104.6
Trade payables		48.2	48.3
Other payables, accruals and deferred income	*3.11*	323.3	338.0
Total liabilities		**6,965.9**	**6,490.9**
TOTAL EQUITY AND LIABILITIES		**7,723.2**	**7,107.3**

INCOME STATEMENT

Year ended 31 December (€ million)	*Note*	**2008**	**2007**
Revenue	*4.1*	**1,395.5**	**1,370.9**
Operating expenses		**(781.8)**	**(741.0)**
Purchases and external charges	*4.2*	(170.9)	(179.7)
Employee benefit expenses	*4.3*	(152.8)	(153.4)
Other operating income (expenses)	*4.4*	20.4	21.1
Taxes (other than income tax)	*4.5*	(150.7)	(149.8)
Depreciation, amortisation and provisions	*4.6*	(327.8)	(279.2)
Operating profit		**613.7**	**629.9**
Financial income (expenses)	*4.7*	(209.8)	(172.3)
Profit on ordinary activities		**403.9**	**457.6**
Exceptional items	*4.8*	(97.2)	6.0
Employee profit sharing		(7.4)	(8.7)
Income tax expense	*4.9*	(63.3)	(121.5)
Profit for the year		**237.1**	**333.3**

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 2008 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 2008

The Maurice Lemaire tunnel was reopened to traffic on 1 October 2008. This 11-kilometre long tunnel had been closed since April 2004 to allow renovation work to be carried out.

It is planned to extend the concession for this tunnel by 20 years, meaning that it would end in 2042 instead of 2022. The decree extending the concession term has not yet been published, but the 2008 financial statements take into account the extension of the concession.

APRR had entered into two hedging swaps with Lehman Brothers. Following the collapse of this investment bank, the two swaps were terminated, resulting in the recognition of a net receivable amounting to €27.6 million from this bank. Impairment losses totalling €24.9 million have been recognised, representing 90% of the net receivable

Under the terms of the concession agreements, the Company has the obligation to replace the assets recorded on its balance sheet. The Company decided to avail itself of the possibility offered by Article 393-1 of the French Accounting Standards (*Plan Comptable Général*) to set aside a provision for replacement, acting in compliance with Article 5 of the 1998 Finance Act, as codified by Article 39-1-5° of the General Tax Code (*Code Général des Impôts*).

The accounting change having been decided purely for taxation purposes, the initial recognition of the provision was done in accordance Article 314-2 II of the French Accounting Standards, which require that the impact of changes in tax treatments relating to the period be recognised in the income statement of that period.

Accordingly, the provision is reported under provisions for liabilities and charges. In the income statement, the charge is reported as an exceptional item for that part of the provision relating to prior periods, and as an operating item for that part relating to 2008 alone.

2. ACCOUNTING POLICIES AND METHODS

The company financial statements of APRR for the year ended 31 December 2008 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 2007.

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 in assets held under a service agreement concession. Most of these assets will be returned to the French State for free 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 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 and video surveillance equipment, motor vehicles and tooling).

Non-renewable assets come from initial investments. Subsequent capital expenditure is referred to as "supplementary investments on 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 estimate 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 the revised estimated replacement cost of the assets concerned, so as to match this cost on the date the assets are replaced. The provision has given rise to an asset replacement programme based on the resources available, which set 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” on the asset or liability side of the balance sheet as 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 as appropriate. Provisions for liabilities and charges are recognised 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 salary at the end of the employee’s career and to vested rights on the measurement date, determined applying the terms of the collective bargaining agreement, the company agreement or rights under law 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 2007	Increase Charge for the year	Decrease Reversals	Assets brought into service	31 December 2008
Intangible assets	87.6	3.7	(1.4)	1.9	91.8
Intangible assets work in progress	3.6	3.1	-	(1.7)	5.0
Amortisation	(66.7)	(8.8)	1.4	-	(74.1)
Carrying value	**24.5**	**(2.0)**	**-**	**0.2**	**22.7**

3.2. Property, plant and equipment

Assets held under concessions

The network covered a total of around 1,855 kilometres at 31 December 2008, 1,810 kilometres of which were in service.

31 December Cost	2008	2007
Non-current construction assets	9,230.1	8,671.4
Non-current assets used in the operations	768.7	747.5
Non-current assets under construction	302.2	491.8
Total cost	**10,301.0**	**9,910.8**

Cost	31 December 2007	Increase	Decrease	Brought into service	31 December 2007
Non-current construction assets	8,671.4	-	(1.4)	560.1	9,230.1
Road surface courses	292.3	17.4	(22.4)	4.4	291.7
Non-current assets used in the operations	455.2	23.7	(21.8)	20.0	477.0
Non-current assets under construction	491.9	394.9	-	(584.60)	302.2
Total cost	**9,910.8**	**436.0**	**(45.6)**	**(0.2)**	**10,301.0**

Depreciation

Depreciation	31 December 2007	Charge for the year	Decrease Reversals	31 December 2008
Financial depreciation	(3,285.4)	(221.8)	1.4	(3,505.7)
Ordinary depreciation	(521.4)	(61.5)	43.8	(539.1)
Total depreciation	**(3,806.8)**	**(283.3)**	**45.2**	**(4,044.9)**

3.3. Non-current financial assets

31 December	2008	2007
Participating interests	853.1	667.7
Loans	0.6	0.6
Other non-current financial assets	0.2	0.2
Total	**854.0**	**668.5**

Information on participating interests is provided in Note 6.

AREA distributed dividends totalling €111 million (including an interim dividend of €59 million for 2008). 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	2008	2007
Toll subscribers	35.7	54.3
Ancillary activities	34.0	36.1
Doubtful debts	(0.8)	(1.2)
Total	**68.9**	**89.3**

3.5. Other receivables, prepayments and accrued income

31 December	2008	2007
State and other public bodies	129.8	29.7
Sundry receivables and income receivable	79.0	56.3
Prepayments	19.9	18.4
Deferred charges	9.8	12.0
Indexation difference	39.4	31.5
Total	**278.0**	**148.0**

Amounts receivable from the State and other public bodies consist mainly of subsidies receivable and income tax credits.

Subsidies receivable at 31 December 2008 include subsidies to be received from local authorities in respect of the Maurice Lemaire tunnel. These subsidies have been agreed in principle, but the corresponding convention had not been signed at the balance sheet date.

Sundry receivables and income receivable consists mainly of amounts dues by the TIS agents.

Prepayments comprise mainly the fee for the use of public property.

3.6. Marketable securities, cash at bank and in hand

31 December	2008	2007
Marketable securities	220.3	46.1
Cash at bank and in hand	16.2	20.1
Total	**236.5**	**66.2**

3.7. Capital and reserves

The share capital consists of 113,038,156 shares of €0.30 each. The number of shares in issue and their nominal value has not changed since 1 January 2007.

At 31 December	2008	2007
Share capital	33.9	33.9
Share premium account	0.3	0.3
Reserves	3.4	3.4
Retained earnings	1.0	-
Interim dividend	(96.1)	(116.4)
Profit for the year	237.1	333.3
Capital grants	149.4	112.2
Regulated provisions	28.9	19.1
Total equity	**357.9**	**385.8**

Regulated provisions consist of excess depreciation over plan recorded for taxation purposes.

Change in capital and reserves in 2008

	31 December 2007	Appropriation per AGM of 26 June 2008	Grants received 2008 less reversals	Regulated provisions	2008 profit	31 December 2008
Share capital	33.9					33.9
Share premium	0.3					0.3
Legal reserve	3.4					3.4
Other reserves	-					-
Retained earnings	-	1.0				1.0
Interim dividends	(116.4)	116.4			(96.1)	(96.1)
2008 profit	-				237.1	237.1
2007 profit	333.3	(333.3)				-
Capital grants	112.2		37.2			149.4
Regulated provisions	19.1			9.9		28.9
Total equity	**385.8**	**(216.9)**	**37.2**	**9.9**	**141.0**	**357.9**

3.8. Other equity

Other equity was unchanged during the year at €164.7 million. It corresponds to concessions 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 2007	Charge for the year	Reversals (provisions utilised)	Reversals (provisions no longer required)	Other	31 December 2008
Provisions for retirement indemnities	15.6	1.8				17.3
Provisions for similar obligations	4.7	0.3	(0.4)	(0.1)		4.6
Provisions for disputes	2.4	0.3	(0.8)	(0.2)		1.6
Provisions for taxes	11.8	177.3	(17.4)			171.6
Provisions for indexation of CNA loans	25.2	7.0				32.2
Provisions for indexation of advances	6.4	0.9				7.3
Total	**65.9**	**187.5**	**(18.6)**	**(0.3)**	**-**	**234.6**

In 2008, a provision for replacement, in respect of the surface course, amounting to €129.8 million was set aside. The part corresponding to the provision at the start of the year, which amounted to €92.5 million, was reported as an exceptional item, while amounts set aside and reversed in respect of 2008 were reported as an operating item.

<u>Provisions for retirement indemnities and similar obligations:</u>

The following assumptions were relied upon when determining the company’s obligations in respect of retirement indemnities:

At 31 December	**2008**	**2007**
Discount rate	6.25%	5.25%
Expected rate of salary increases	3.00%	3.00%
Mortality tables for men	TH 03-05	TH 03-05
Mortality tables for women	TF 03-05	TF 03-05
Retirement age for managers	63 years	63 years
Retirement age for non-managers	63 years	63 years
Social security charges	45.0%	45.0%

A provision amounting to €3.2 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 and the provision was based on the assumption one in two eligible employees would ask to take early retirement.

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

3.10. Borrowings and other financial liabilities

31 December	2008	2007
Fixed rate CNA loans	3,052.9	3,606.7
Variable rate or revisable-rate CNA Loan (notably through the use of swaps)	977.7	770.7
Fixed rate EIB loan	100.0	100.0
Amounts drawn down against revolving credit facility	1,295.0	955.0
7-year variable rate bank loan	800.0	500.0
Bonds indexed to inflation	200.0	-
State advances to TML	18.9	18.0
Debts related to participating interests and sureties received	8.1	9.5
Subtotal	**6,452,6**	**5,959.8**
Accrued interest	141.8	144.8
Total	**6,594.4**	**6,104.6**

In 2008:
- €445 million of loans having reached maturity were repaid to Caisse Nationale des Autoroutes (CNA)
- A new €91 million loan was arranged with Caisse Nationale des Autoroutes (CNA) and amalgamated with the 4.5% loan maturing in 2018
- A 7-year index-linked bond of €200 million was issued
- Two variable rate bank loans amounting to €250 million and €50 million were arranged, repayable in seven years and four years, respectively

In addition, the Company drew down on the revolving credit facility a net amount of €340 million, as a result of which the balance on this facility increased to €1,295 million at 31 December 2008, up from €955 million one year before.

The Company's borrowings (excluding accrued interest) at 31 December 2008 are analysed by remaining maturity below:

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Total	**409.9**	**2,804.6**	**3,211.1**	**6,452.6**

Five new interest rate swaps for a total nominal amount of €500 million were entered into by the Company in March 2008 that are matched to a loan for the same amount arranged in 2007, for the purpose of fixing the rate on this loan until it is repaid on 29 August 2014. Under these swaps, the Company pays a fixed rate and receives a variable rate.

In 2008, two swaps for a total nominal amount of €100 million entered into in 2005, matched to the 5.25% CNA loan maturing 30 January 2017, were terminated to take advantage of the decline in interest rates in the second half of 2008, after interest rates had risen steadily since the swaps were put into place.

In 2005, the Company put into place a variable rate programme concerning €450 million of loans, matched for €208.4 million against the CNA 4.50% line maturing 28 March 2018, for €150.0 million against the CNA 5.25% line maturing 30 January 2017, and for €91.6 million against the CNA 4.50% line maturing 25 April 2010. Part of this programme qualifies as a hedging relationship for accounting purposes.

In 2008, finally, the Group terminated two swaps entered into in 2005 with Lehman Brothers International Europe Ltd following the collapse of the investment bank:

- One swap for nominal toll revenues of €90 million maturing in 2008 and €60 million maturing in 2012, under which the Group swaps cash flows calculated by reference to the toll indexation formula defined in the terms of the concession, applied to a fixed inflation rate of near to 2% in the case of inflows, and to the actual inflation rate in the case of annual outflows
- The other swap, which concerned a loan in a nominal amount of €300 million maturing in 2018, under which APRR paid a fixed rate and received a fixed rate on a nominal indexed to inflation. This swap was entered into to neutralise the effects of another mirror swap entered into in 2004 under which it received a fixed rate and paid a fixed rate on a nominal indexed to inflation

The termination of these swaps gave rise to the recognition of a net receivable of €27.6 million from Lehman Brothers International Europe Ltd. An impairment loss amounting to €24.9m (90% of the amount receivable) has been recognised.

The initial swap entered into in 2004 for a nominal amount of €300 million matures in 2018. Under this swap, the Company continues to receive a fixed rate and to pay a fixed rate on a nominal amount indexed to inflation, which is no longer neutralised by the now terminated mirror swap. The initial swap is recognised in full for its market value as a financial charge through the intermediary of a financial provision.

3.11. *Other payables, accruals and deferred income*

31 December	**2008**	**2007**
Due to fixed asset suppliers	133.5	112.6
Tax and social security	103.7	133.0
Deferred income	62.7	72.5
Other	23.4	19.9
Total	**323.3**	**338.0**

Deferred income comprises mainly issue premiums, income on swap reversals, income from the rental of commercial facilities and income from the lease of installations to telecommunication operators.

4. INFORMATION ON THE INCOME STATEMENT

4.1. *Revenue*

Revenue is analysed below:

Year ended 31 December	**2008**	**2007**
Toll revenue	1,350.2	1,327.0
Rental income from commercial facilities	27.0	28.6
Revenue from leasing telecommunication installations	10.6	9.4
Other	7.8	5.9
Total	**1,395.5**	**1,370.9**

4.2. Purchases and external charges

Year ended 31 December	2008	2007
Energy, supplies and spare parts	(21.4)	(20.8)
Infrastructure maintenance	(28.3)	(42.5)
Other maintenance	(22.0)	(23.0)
Fee for the use of public property	(36.2)	(35.1)
Other external charges	(63.1)	(58.4)
Total	**(170.9)**	**(179.7)**

4.3. Employee benefit expenses and headcount

a) Expenses

Year ended 31 December	2008	2007
Wages and salaries	(96.4)	(96.3)
Social security contributions and deferred benefits	(44.8)	(47.7)
Discretionary employee profit sharing and employer's contribution to savings plan	(11.6)	(9.3)
Total	**(152.8)**	**(153.4)**

b) Average headcount

Year ended 31 December	2008	2007
Management grade	403	414
Supervisor grade	1,437	1,410
Workers and office staff	1,051	1,135
Total	**2,891**	**2,960**

4.4. Other operating income and expenses

Year ended 31 December	2008	2007
Charges capitalised - Property, plant and equipment	5.3	8.4
Charges capitalised - Intangible assets	5.9	2.3
Insurance claim	6.8	7.4
Loan issue costs	-	-
Other	2,4	2.9
Other operating income	**20.4**	**21.1**

4.5. *Taxes (other than income tax)*

Year ended 31 December	2008	2007
Regional development tax	(104.4)	(106.2)
Local business tax	(37.6)	(35.0)
Payroll and similar taxes	(4.5)	(4.2)
Other taxes and duties	(4.2)	(4.5)
Total	**(150.7)**	**(149.8)**

4.6. *Depreciation, amortisation and provisions*

Year ended 31 December	2008	2007
Financial depreciation	(221.1)	(209.9)
Depreciation of renewable non-current assets	(70.0)	(70.6)
Provisions	(36.8)	1.4
Total	**(327.8)**	**(279.2)**

4.7. *Financial income and expenses*

Year ended 31 December	2008	2007
Loan interest and indexation	(409.3)	(320.5)
Interim interest capitalised	15.0	11.2
Amortisation of loan issue costs and premiums	(2.2)	(2.6)
Dividends received from subsidiaries	111.6	106.3
Other financial income including loan indexation adjustments	75.0	33.3
Total	**(209.8)**	**(172.3)**

More information on dividends received from subsidiaries is provided in Note 3.3.

4.8. *Exceptional items*

Year ended 31 December	2008	2007
Net gains on the disposal of non-current assets	0.9	1.9
Reversal of capital grants	4.8	4.5
Depreciation and provisions	(103.2)	(2.8)
Other	0.3	2.4
Total	**(97.2)**	**6.0**

4.9. *Income tax expense*

In 2008, the tax charge on the income of the tax group amounted to €117.3 million, for part offset by the €55.0 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 and Sira.

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 2008.

The financial statements of APRR are consolidated under the full method in the consolidated financial statements of Eiffage Group since 20 February 2007.

5.2. *Accounting and financial indicators*

Year ended 31 December	2008	2007
EBITDA	934.2	900.4
EBITDA margin	66.9%	65.7%

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

5.3. *Compensation paid to members of the management bodies*

The Chairman of the Board of Directors received no compensation from the Company in 2008.

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 2008, 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	2008	2007
Work to be performed (1% landscape)	0.1	0.2
Total	**0.1**	**0.2**

b) Commitments received

31 December	2008	2007
Bank guarantees	41.6	72.9
Total	**41.6**	**72.9**

c) Reciprocal commitments

31 December	2008	2007
Work contracts (signed, not performed)	261.3	277.7
Syndicated loan facility not utilised	505.0	845.0
Total	**766.3**	**1,122.7**

5.6. *Information concerning subsidiaries and participating interests*

2008	Subsidiaries	Participating interests
Participating interests		853.1
Other receivables	0.7	27.8
Trade payables	15.1	0.3
Other payables		0.5
Financial income		133.9
Operating charges	2.1	

6. LIST OF SUBSIDIARIES AND PARTICIPATING INTERESTS

Subsidiaries and participating interests (€ thousands)	2008 capital	2008 Reserves	% held	Gross value	Net value	Loans and advances not repaid	Dividends received	2008 revenue	2008 profit
Subsidiaries									
(over 50% held by APRR)									
- AREA	82,900	76,555	99.82%	214,957	214,957	629,585	111,112	438,442	98,759
- Sira	10	233	100.00%	11	11		113	3,350	232
- Park +	300	(73)	60.00%	180	180	2,761		232	(25)
- Cera	8	99	100.00%	315	315			698	23
Participating interests									
- Autoroutes Trafic	na	na	24.00%	72	72			na	na
- Centaure Grand Est	450	649	35.55%	212	212			1,086	77
- Centaure Ile de France	900	415	49.00%	441	441			1,296	4
- Altech	40	701	33.50%	6	6		16	1,765	339
- Axxès	7,500	2,580	22.80%	1,710	1,710			673,498	6,785
- SC Autoroutes GIE		(449)				16		105	19
- Devtel	25	21	100.00%	25	25		384	-	11
- Apollinaire Participations	37		100.00%	37	37			-	-
- SEM Alesia	na	na		20	20			na	na
Total				**217,986**	**217,986**	**632,362**	**111,625**		

na: not available

III. Consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

CONTENTS

FINANCIAL STATEMENTS

1. CONSOLIDATED BALANCE SHEET

1.1. Assets

At 31 December (€ million)	Notes	2008	2007
Non-current assets			
Non-current assets held under concessions	3	7,473.6	7,380.2
Investments in associates	4	59.7	1.4
Other non-current financial assets		58.2	30.9
Other non-current assets		0.1	0.2
Total non-current assets		7,591.6	7,412.6
Current assets			
Inventories		8.5	8.5
Trade and other receivables	5	78.0	103.9
Current tax assets		63.6	-
Other current assets	6	187.5	89.9
Cash and cash equivalents	7	241.9	71.8
Total assets		8,171.2	7,686.6

1.2. Equity and liabilities

At 31 December (€ million)	Notes	2008	2007
Capital and reserves			
Share capital	9	33.9	33.9
Consolidated reserves		(244.9)	(251.3)
Profit for the year		332.7	340.7
Group share of shareholders' equity		121.7	123.3
Minority interests		0.2	0.2
Total equity		121.9	123.5
Non-current liabilities			
Borrowings	8	6,612.2	6,194.2
Deferred tax liabilities	22	261.0	212.0
Provisions	10	22.7	20.1
Other non-current liabilities	13	38.6	43.2
Current liabilities			
Trade and other payables		200.5	178.0
Borrowings	8	179.7	188.0
Non-current borrowings due within one year	8	556.9	538.3
Current tax liability		-	34.3
Provisions	10	9.6	13.5
Other current liabilities	13	168.0	141.3
Total equity and liabilities		8,171.2	7,686.6

2. *CONSOLIDATED INCOME STATEMENT*

Year ended 31 December (€ million)	**Notes**	**2008**	**2007**
Revenue	**14**	**1,833.7**	**1,802.6**
Other operating revenue		-	0.1
Purchases and external charges	15	(150.3)	(162.3)
Employee benefit expenses	16	(209.6)	(208.9)
Taxes (other than income tax)	17	(230.7)	(228.8)
Depreciation and amortisation expenses	18	(358.4)	(345.5)
Provisions	18	1.1	3.3
Other operating income (expenses) from ordinary activities	19	1.6	3.9
Operating profit on ordinary activities		**887.4**	**864.3**
Other income (expenses) from operations	19	(0.9)	1.6
Operating profit		**886.5**	**866.0**
Income from cash and cash equivalents	20	9.1	9.5
Finance costs	21	(370.6)	(352.7)
Net finance costs		**(361.6)**	**(343.2)**
Other financial income (expenses)	21	(16.7)	(1.7)
Share of profit of associates		0.4	-
Income tax expense	22	(175.8)	(180.2)
Profit for the year		**332.9**	**340.9**
Attributable to:			
- Equity holders of the parent company		332.7	340.7
- Minority interests		0.2	0.2
Earnings per share attributable to equity holders of the parent company			
- Basic earnings per share (euros)		2.94	3.01
- Diluted earnings per share (euros)		2.94	3.01

3. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ million)	Share capital	Share premium	Reserves	Profit for the year	Group share	Minority interest	Total equity
At 1 January 2007	**33.9**	**393.0**	**(250.6)**	**263.1**	**439.4**	**0.2**	**439.6**
Appropriation of 2006 profit			263.1	(263.1)	-		-
Dividends		(392.6)	(143.2)		(535.8)	(0.2)	(536.0)
Interim dividends				(116.4)	(116.4)		(116.4)
Profit for the year				340.7	340.7	0.2	340.9
Change in fair value of cash flow derivatives			(4.5)		(4.5)	-	(4.5)
Total income and charges recognised directly to equity			(4.5)	340.7	336.2	0.2	336.4
At 31 December 2007	**33.9**	**0.4**	**(135.2)**	**224.3**	**123.3**	**0.2**	**123.5**
Appropriation of 2007 profit			224.3	(224.3)	-		-
Dividends			(215.9)		(215.9)	(0.2)	(216.1)
Interim dividends				(96.1)	(96.1)		(96.1)
Profit for the year				332.7	332.7	0.2	332.9
Change in fair value of cash flow derivatives			(22.3)		(22.3)	-	(22.3)
Total income and charges recognised directly to equity			(22.3)	332.7	310.4	0.2	310.6
At 31 December 2008	**33.9**	**0.4**	**(149.1)**	**236.6**	**121.7**	**0.2**	**121.9**

4. CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December (€ million)	2008	2007
Cash and cash equivalents at the beginning of the year	**72**	**131**
- Profit for the year	333	341
- Income tax expense	176	180
- Share of profit of associates	-	-
- Net interest expense	358	346
- Depreciation and amortisation expense and provisions	390	349
- Share-based payments and other adjustments	(3)	2
- Gains on disposals	(1)	1
- Taxes paid	(218)	(146)
- Interest paid	(365)	(360)
Cash generated by operations	670	712
Movement in working capital related to ordinary activities	(44)	(13)
Net cash from operating activities (I)	**625**	**699**
- Purchases of assets held under concessions	(436)	(461)
- Purchases of non-current financial assets (*)	(108)	-
Total purchases on non-current assets	(544)	(461)
Proceeds from disposals of non-current assets	2	4
Net cash from (used in) investing activities (II)	**(542)**	**(456)**
Dividends paid	(312)	(652)
Repayment of borrowings	(832)	(792)
New borrowings	1,231	1,143
Net cash used in financing activities (III)	**87**	**(301)**
Net decrease in cash and cash equivalents (I+II+III)	**170**	**(59)**
Cash and cash equivalents at the end of the year	**242**	**72**

(*) In 2008, this corresponds to changes in the shareholding held by AREA in Adelac and in advances made by AREA to Adelac.

NOTES TO THE 2008 CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The network covers a total of 2,279 kilometres of motorways, 2,234 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 or carry pledges or sureties;
- the authority of the French government to pre-emptively terminate concession contracts and to buy back concession contracts: under public law, the State has a unilateral option to terminate concession in the public interest and under the control of the courts; in addition, the agreement gives the French government a buyback right as of 1 January 2012 on the grounds of the public interest.

A separate concession agreement covers the operation of the Maurice Lemaire tunnel by Autoroutes Paris-Rhin-Rhône until 31 December 2022.

It is planned to extend the concession for this tunnel by 20 years, meaning that it would end in 2042 instead of 2022. The decree extending the concession term has not yet been published, but the 2008 financial statements take into account the extension of the concession.

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 investment funds of Macquarie group.

The 2008 consolidated financial statements were approved by the Board of Directors on 25 February 2009 and shareholders will be invited to approve these financial statements on the occasion of the General Meeting that is to be held on 23 June 2009.

Significant events in 2008

The Maurice Lemaire tunnel was reopened to traffic on 1 October 2008. This 11-kilometre long tunnel had been closed since April 2004 to allow renovation work to be carried out.

A new 19.3 kilometre long section of the A41 Nord, named Liane, was brought into service on 22 December 2008 by Area's 49.9% owned subsidiary Adelac, which is the concession operator.

APRR Group had entered into three hedging swaps with Lehman Brothers. Following the collapse of this investment bank, the three swaps were terminated, resulting in the recognition of a net receivable amounting to €28.4 million from this bank. Impairment losses totalling €25.6 million have been recognised, representing 90% of the net receivable.

2. SIGNIFICANT ACCOUNTING POLICIES AND METHODS

2.1. Basis of preparation

The consolidated financial statements of APRR Group for the year ended 31 December 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union on 31 December 2008.

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

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

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

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

a) The following new standards, interpretations and amendments took effect for annual periods beginning on or after 1 January 2008:

   IFRIC 11, "Group and Treasury Share Transactions": in application of this interpretation, which is effective for annual periods beginning on or after 1 January 2008, the consolidated financial statements reflect the effects of the rights to equity instruments of the parent company granted to employees of its subsidiary.

   IFRIC 14, "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". This interpretation had no impact on the consolidated financial statements

b) The following standards, interpretations and amendments were not in effect for annual periods ending on 31 December 2008 and the Group did not elect to apply these pronouncements before their effective date for the preparation of the financial statements.

   IFRS 8, "Operating Segments". The application of this standard is not expected to have any impact on the consolidated financial statements since the Group carries on just one activity exclusively in France.

IFRIC 12, "“Service Concession Arrangement”. This interpretation, which has been published by the International Accounting Standards Board (IASB), is still under review by the European Union.

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

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

2) Arrangements under which the operator has an unconditional right to receive cash regardless of the conditions of use of the asset. The corresponding asset would be recorded as a financial asset under “Financial receivables” and amortised according to the contractual financial conditions of each arrangement.

APRR Group has not elected for the early application of this interpretation at 31 December 2008. The impact of applying this interpretation is currently being assessed. Its application by the Group will require modifications to accounting procedures applicable to service concession agreements, notably regarding the method of accounting for provisions for replacement.

IFRIC 13, “Customer Loyalty Programmes”, 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”: the Group is not concerned by these interpretations, which become effective for annual periods beginning on or after 1 January 2009 or 1 January 2010.

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 99.82%-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. Since 1 January 2008, 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 held under concessions

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

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

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

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

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

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

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

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

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

2.4. Borrowing costs

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

In respect of qualifying assets:

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

2.5. Asset impairment

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

2.6. Other non-current financial assets

Other non-current financial assets comprise notably non-consolidated participating interests.

When fair value can be determined reliable, these assets are measured at fair value, the other side of the entry being directly to equity. Otherwise these assets are measured at cost.

2.7. Cash and cash equivalents

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

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

2.8. Inventories

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

2.9. Trade and other receivables

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

2.10. Borrowings

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

2.11. Employee benefits - Defined benefit plans

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

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

The Group uses the corridor method for recognising actuarial gains and losses arising in respect of the provision for retirement indemnities.

2.12. Provisions

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

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

2.13. Leasing agreements

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

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

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

2.14. Revenue and other income

Revenue is recognised when the service has been rendered.

2.15. Government grants

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

2.16. Income tax

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

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

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

2.17. Derivative instruments

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

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

2.18. Segment reporting

The Group has a single activity consisting of the operation of 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.

2.19. Basis of presentation

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

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

3. NON-CURRENT ASSETS

2008

(€ million)	**At 1 January**	**Increases**	**Decreases**	**At 31 December**
a) Cost or valuation				
Non-current assets held under concessions	**12,078**	**453**	**(43)**	**12,488**
Investments in associates	**1**	**62**	**-**	**63**
Unlisted participating interests	8	48	(2)	55
Other investments	-	-	-	-
Loans	3	-	-	3
Sundry financial assets	22	-	(20)	2
Other financial assets	**33**	**49**	**(22)**	**60**
Total	**12,113**	**564**	**(65)**	**12,612**

(€ million)	**At 1 January**	**Increases**	**Decreases**	**At 31 December**
b) Accumulated depreciation and impairment (1)				
Non-current assets held under concessions	**(4,698)**	**(365)**	**48**	**(5,014)**
Investments in associates	**-**	**-**	**-**	**-**
Unlisted participating interests	(2)	-	-	(2)
Other investments	-	-	-	-
Loans	-	-	-	-
Sundry financial assets	-	-	-	-
Other financial assets	**(2)**	**-**	**-**	**(2)**
Total	**(4,700)**	**(365)**	**49**	**(5,016)**
Carrying value (a-b)	**7,412**	**199**	**(16)**	**7,596**

(1) No impairment loss recognised in 2008.

The increase in non-current assets held under concessions in 2008 was due notably to work widening motorway sections and to the work carried out at the Maurice Lemaire tunnel.

Borrowing costs amounting to €15.0 million were capitalised in 2008 (2007: €12.7 million).

2007

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

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

(1) No impairment loss recognised in 2007.

(€ million)	**31 December 2007**	**31 December 2006**
Signed works contracts not executed	262.6	278.2

Furthermore, from 2009 to 2014, the Group is committed to undertaking work to build and widen motorways and to create new exchanges that are expected to cost €876 million.

4. 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 in 2005 was awarded a concession by the French State to build a 19-kilometre section of the A41 motorway between Villy le Pelloux-Saint Martin Bellevue and Saint-Julien en Genevois. The concession service agreement, with a term of 55 years, was published in the Official Gazette on 28 October 2005. The motorway section was brought into service on 22 December 2008.

Key financial data regarding this company are as follows:

- Revenue for the year: €4.8 million
- Loss for the year: €0.9 million

- Shareholders' equity at 31 December 2008: €121.4 million
- Borrowings: €757.4 million
- Total assets: €885.4 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: €673.5 million
- Loss for the year: €6.8 million

- Shareholders' equity at 31 December 2008: €10.1 million
- Borrowings: €2.7 million
- Total assets: €201.5 million

5. TRADE AND OTHER RECEIVABLES

(€ million)	31 December 2008	31 December 2007
Trade receivables - Tolls	39.0	64.9
Trade receivables - Other activities	47.3	47.6
Impairment losses	(8.3)	(8.6)
Total	**78.0**	**103.9**

6. OTHER CURRENT ASSETS

(€ million)	31 December 2008	31 December 2007
State - Value added tax	28.6	22.5
Sundry receivables	117.6	43.7
Prepayments	24.3	22.6
Sundry current assets	17.0	1.1
Total	**187.4**	**89.9**

7. CASH AND CASH EQUIVALENTS

(€ million)	31 December 2008	31 December 2007
Cash at bank and in hand	21.5	25.7
Cash equivalents	220.4	46.1
Total	**241.9**	**71.8**

8. ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY MATURITY

At 31 December 2008 (€ million)	Less than 1 year	From 1 year to 5 years	After 5 years	Total
Financial assets: cash and cash equivalents				
Cash at bank and in hand	21.5	-	-	21.5
Cash equivalents	220.4	-	-	220.4
Financial assets	**241.9**	**-**	**-**	**241.9**
Financial liabilities: current and non current				
Long-term borrowings	-	3,140.0	3,472.2	6,612.2
Long-term borrowings due within 1 year	556.9	-	-	556.9
Short term borrowings and other debts	179.7	-	-	179.7
Financial liabilities	**736.6**	**3,140.0**	**3,472.2**	**7,348.8**

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

Three new loans were arranged in 2008:

- One loan with Caisse Nationale des Autoroutes (CNA) amounting to €91 million;
- One bond indexed on inflation amounting to €200 million; and
- Two bank loans totalling €300 million.

At 31 December 2008, the Group had drawn down €1,295 million (2007: €955 million) against the €1,800 million syndicated loan.

9. SHARE CAPITAL

At 31 December 2008	Number of shares	€
Ordinary shares issued and fully paid	113,038,156	33,911,447

The share capital consists of shares of €0.30 each.

The number of shares in issue and their nominal value has not changed since 1 January 2007.

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

10. PROVISIONS

(€ million)	At 1 January 2008	Additional provisions in the year	Provisions utilised	Provisions reversed	Other	At 31 December 2008
Provision for retirement indemnities	18.9	2.4	-	-	0.3	21.6
Provision for long service medals	1.3	0.1	(0.2)	(0.1)	-	1.1
Non-current provisions	**20.1**	**2.5**	**(0.2)**	**(0.1)**	**0.3**	**22.7**
Provision for retirement indemnities	0.3	-	-	-	(0.3)	-
Provision for long service medals	0.2	-	-	-	-	0.2
Other provisions for liabilities and charges	13.0	0.9	(3.9)	(0.6)	-	9.4
Current provisions	**13.5**	**0.9**	**(3.9)**	**(0.6)**	**(0.3)**	**9.6**

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

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

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

11. EMPLOYEE BENEFITS PROVIDED UNDER DEFINED BENEFIT PLANS

These benefits consist of retirement indemnities and long service medals.

Assumptions

The expected return on plan assets was 6.25% in 2008 (2007: 5.25%).

The actual return on plan assets was 4.10% in 2008 (2007: 4.70%).

Changes during the year

	Retirement indemnities		Long service medals	
	2008	2007	2008	2007
Discount rate	6.25%	5.25%	6.25%	5.25%
Expected rate of inflation	2.00%	2.00%	2.00%	2.00%
Expected rate of salary increases	3.00%	3.00%	3.00%	3.00%
Mortality tables for men	TH 03-05	TH 03-05	TH 03-05	TH 03-05
Mortality tables for women	TF 03-05	TF 03-05	TF 03-05	TF 03-05
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	45.00%	45.00%	0.00%	0.00%

(€ million)	**Retirement indemnities**		**Long service medals**	
	2008	**2007**	**2008**	**2007**
Actuarial obligation at 1 January	21.7	22.7	1.5	1.6
Cost of past services	1.5	1.7	0.1	0.2
Interest on actuarial obligation	1.1	0.9	0.1	0.1
Benefits paid	(1.4)	(1.0)	(0.2)	(0.2)
Actuarial losses (gains) generated	(3.6)	(2.6)	(0.2)	(0.2)
Actuarial obligation at 31 December	**19.4**	**21.7**	**1.3**	**1.5**

Charge for the year

(€ million)	**Retirement indemnities**		**Long service medals**	
	2008	**2007**	**2008**	**2007**
Cost of past services	1.5	1.7	0.1	0.2
Interest on actuarial obligation	1.1	0.9	0.1	0.1
Expected return on plan assets	(0.2)	(0.2)	-	-
Actuarial losses (gains) not recognised	-	-	(0.2)	(0.2)
Charge (income) recognised	**2.4**	**2.4**	**-**	**-**

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

Plan assets

(€ million)	**Retirement indemnities**		**Long service medals**	
	2008	**2007**	**2008**	**2007**
Plan assets at 1 January	4.1	5.1	-	-
Expected return on plan assets	0.2	0.2	-	-
Actuarial losses (gains)	0.3	(0.2)	-	-
Benefits paid	(1.4)	(1.0)	-	-
Plan assets at 31 December	**3.3**	**4.1**	**-**	**-**

(€ million)	**2008**	**2007**	**2008**	**2007**
Actuarial obligation in respect of retirement indemnities	19.4	21.7	22.7	21.8
Fair value of plan assets	3.3	4.1	5.1	6.5
Difference	**16.1**	**17.6**	**17.6**	**15.4**

Deferred items

(€ million)	Retirement indemnities		Long service medals	
	2008	2007	2008	2007
At 1 January	(1.6)	0.8	-	-
Losses (gains) on assets	(0.3)	0.2	-	-
Losses (gains) on actuarial obligation	(3.6)	(2.6)	-	-
Actuarial losses (gains) at 31 December	**(5.5)**	**(1.6)**	**-**	**-**

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

(€ million)	Retirement indemnities		Long service medals	
	2008	2007	2008	2007
Provision recognised in the balance sheet	21.6	19.2	1.3	1.5
Actuarial differences	(5.5)	(1.6)	-	-
Plan assets	3.3	4.1	-	-
Actuarial obligation	**19.4**	**21.7**	**1.3**	**1.5**

Benefits in respect of retirement indemnities and long service medals totalling €0.6 million are expected to be paid in 2009.

12. FINANCIAL INSTRUMENTS AND DERIVATIVE INSTRUMENTS

Currency risk

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

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

Liquidity risk

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

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

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

These two ratios were 5.7 times and 3.2 times, respectively, at 31 December 2008.

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 2008, an amount of €1,295 million had been drawn down against this facility.

In 2008, the Group arranged two variable rate bank loans, one in an amount of €250 million for six years and the other in an amount of €50 million for four years, and a 7-year index-linked bond of €200 million.

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

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

Interest rate risk

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

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.

(€ million)	31 December 2008 Carrying value	Fair value	31 December 2007 Carrying value	Fair value
Assets				
Cash and cash equivalents	241.9	241.9	71.8	71.8
Loans	2.6	2.6	2.6	2.6
Interest rate swaps	2.6	2.6	21.9	21.9
Other financial assets	53.0	53.0	6.3	6.3
Trade and other receivables	78.0	78.0	103.9	103.9
Other current assets	187.5	187.5	89.9	89.9
other non-current assets	0.1	0.1	0.2	0.2
Liabilities				
Variable-rate borrowings	2,006.1	2,095.4	1,947.0	1,988.3
Fixed rate borrowings	763.7	924.2	256.7	306.5
Interest rate swaps	4,321.8	4,759.2	4,467.3	4,829.2
Other financial liabilities	58.6	58.6	43.5	43.5
Trade and other payables	200.5	200.5	178.0	178.0
Other non-current liabilities	38.6	38.6	43.2	43.2
Other liabilities	168.0	168.0	141.3	141.3

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

In March 2008, the Group entered into five new interest rate swap agreements for a total nominal amount of €500 million matched to the bank loan for the same amount taken out in August 2007, as a result of which the interest rate for this loan is now fixed until its repayment on 29 August 2014, with the Group receiving variable interest on the loan and paying fixed interest.

In 2008, two interest rate swaps entered into in 2005 for a total nominal amount of €100 million backed to the CNA 5.25% loan maturing 30 January 2017 were terminated. These swaps were entered into in 2005 as part of a variable rate programme covering loans totalling €450 million.

Lastly, in 2008 the Group terminated three swaps entered into in 2005 with Lehman Brothers International Europe Ltd following the collapse of the investment bank:

- Two swaps for nominal toll revenues of €90 million maturing in 2018 and €60 million maturing in 2012, under which the Group swaps cash flows calculated by reference to the toll indexation formula defined in the terms of the concession, applied to a fixed inflation rate of near to 2% in the case of inflows, and to the actual inflation rate in the case of annual outflows.

- The third swap, which concerned a loan in a nominal amount of €300 million maturing in 2018, under which APRR paid a fixed rate and received a fixed rate on a nominal indexed to inflation. This swap was entered into to neutralise the effects of another mirror swap entered into in 2004 under which it received a fixed rate and paid a fixed rate on a nominal indexed to inflation

The termination of these swaps gave rise to the recognition of a net receivable of €28.4 million from Lehman Brothers International Europe Ltd. An impairment loss amounting to €25.6m (90% of the amount receivable) has been recognised and reported together with the other effects of Lehman Brothers' collapse under Other financial income (expenses).

At 31 December 2008, the Group was party to several derivative agreements:

- One swap, entered into 2004, under which the company receives a fixed rate on a nominal of €300 million and pays a fixed rate on this nominal indexed to inflation as well as capitalised inflation at maturity.

- A remaining group of seven derivative contracts (including three swaps receiving fixed rates and paying variable rates, qualifying as fair value hedges, and four options contracts aiming to limit exposure to an interest rate increase, which were treated as autonomous instruments) entered into in the second half of 2005 as part of a variable rate programme scaled backed to €350 million at 31 December 2008, matched to the following loans:

  - €208.4 million against the CNA 4.50% line maturing 28 March 2018;
  - €50.0 million against the CNA 5.25% line maturing 30 January 2017; and
  - €91.6 million against the CNA 4.50% line maturing 25 April 2010.

- Five swaps entered into in March 2008, under which the company pays a fixed rate on a nominal of €500 million and receives a variable rate, the maturity (August 2014) and interest periods matching those of the €500 million bank loan arranged in August 2007.

A sensitivity analysis was performed on the basis of the borrowings at 31 December 2008.

This determined that a change of 100 basis points in the variable rates would have an impact of €20.2 million on finance costs and of €13.3 million on net profit for the year.

Inflation risk

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

As a hedge against the risk of weak inflation, the Group entered into two swaps in 2005 for total nominal revenues of €150 million under which it swapped cash flows calculated by reference to the toll indexation formula defined in the terms of the concession, applied to a fixed inflation rate of near to 2% in the case of inflows, and to the actual inflation rate in the case of annual outflows.

The termination of these swaps in September 2008 was offset by an increase in the portion of the debt bearing directly or indirectly (via swaps) a fixed rate on a nominal indexed to inflation. In this way, the Group's exposure to weaker inflation is hedged partially. While weaker inflation would lead to slighter increases in toll tariffs, finance costs would also decline on the portion of the debt indexed to inflation, thereby cushioning the overall negative impact of weaker inflation on the Group's earnings.

Additional information on derivative financial instruments

The five swaps entered into in March 2008, to pay fixed rates and receive variable rates, were designated respectively as cash flow hedges (CHF) and fair value hedges (FVH). In 2008, changes in the fair value of these swaps, which are taken directly to equity, amounted to a debit of €19.4 million before taking deferred tax into account. As it was determined that these cash flow hedges were totally effective, no entries were recorded in respect of hedge ineffectiveness.

Changes in the fair value of the three fixed-for-floating interest swaps are recognised directly to the income statement. The interest rate risk covered by these fair value hedges was determined to have produced a €21.7 million gain (2007: €5.5 million loss) before taking deferred tax into account. As it was determined that these fair value hedges were totally effective, no entries were recorded in respect of hedge ineffectiveness.

The other derivative financial instruments were not designated as hedging instruments and accordingly are accounted for by applying general accepted accounting principles for derivative instruments. The change in the fair value of these instruments is recognised directly to profit or loss. In 2008, this resulted in the recognition of a €32.6 million loss (2007: €1.9 million loss).

Credit risk

(€ million)	2008	2007
Past dues: up to 3 months	3.3	1.7
Past dues: between 3 and 6 months	0.8	1.1
Past dues: over 6 months	10.2	11.1
Total past dues	14.3	13.8

The provisioning rate in respect of past dues is around 64%.

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

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

Risk management

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

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

The mapping of the risks to which the Group is exposed was updated in 2008.

13. OTHER CURRENT AND NON-CURRENT LIABILITIES

(€ million)	31 December 2008	31 December 2007
Payments on account	2.5	2.2
Tax and social security	140.9	117.4
Deferred income	8.9	8.4
Other debts	15.7	13.4
Other current liabilities	**168.0**	**141.3**
Deferred income	38.6	43.2
Other non-current liabilities	**38.6**	**43.2**

14. REVENUE

Year ended 31 December (€ million)	2008	2007
Toll revenue	1.783.3	1,752.6
Rental income from commercial facilities	29.8	31.6
Revenue from leasing telecommunication installations	12.4	11.2
Other	9.2	7.1
Total	**1,833.7**	**1,802.6**

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

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

15. PURCHASES AND EXTERNAL CHARGES

Year ended 31 December (€ million)	2008	2007
Energy	12.7	11.0
Supplies	9.3	9.3
Spare parts	5.3	6.0
Infrastructure maintenance	33.2	49.1
Routine maintenance	17.9	17.2
Other external charges	71.9	69.7
Total	**150.3**	**162.3**

16. EMPLOYEE BENEFIT EXPENSES AND HEADCOUNT

Year ended 31 December (€ million)	2008	2007
Wages and salaries	114.4	113.4
Social security contributions and deferred benefits	67.7	69.8
Discretionary employee profit sharing and employer's contribution to savings plan	15.4	12.4
Mandatory employee profit sharing	12.1	13.3
Total	**209.6**	**208.9**

Headcount Year ended 31 December	2008	2007
Management grade	514	526
Supervisor grade	1,752	1,727
Workers and office staff	1,673	1,784
Total	**3,939**	**4,036**

17. TAXES (OTHER THAN INCOME TAX)

Year ended 31 December (€ million)	2008	2007
Regional development tax	133.0	134.7
Local business tax	47.8	45.3
Fee for the use of public property	44.3	42.9
Other taxes and duties	5.7	5.9
Total	**230.7**	**228.8**

18. DEPRECIATION AND AMORTISATION EXPENSE AND PROVISIONS

Year ended 31 December (€ million)	2008	207
Depreciation and amortisation	358.4	345.5
Other provisions	(1.1)	(3.3)
Total	**357.3**	**342.2**

19. OTHER OPERATING INCOME AND EXPENSES

Year ended 31 December (€ million)	2008	2007
Impairment losses recognised in respect of current assets	(0.3)	0.5
Gains on disposals	1.1	2.0
Other	0.7	1.3
Other operating income (expenses) from ordinary activities	**1.6**	**3.9**
Other operating income (expenses) from operations	**(0.9)**	**1.6**

20. INCOME FROM CASH AND CASH EQUIVALENTS

Year ended 31 December (€ million)	2008	2007
Net proceeds from the disposal of marketable securities	4.1	7.0
Income from debt-related derivative instruments	0.1	0.1
Other financial income	4.9	2.4
Total	**9.1**	**9.5**

21. FINANCE COSTS

Year ended 31 December (€ million)	2008	2007
Interest and other financial charges	379.3	362.9
Charges on debt-related financial instruments	6.3	2.6
Financial charges transferred	(15.0)	(12.7)
Finance costs	**370.6**	**352.7**
Other financial charges	**16.7**	**1.7**

Fees in respect of unutilised credit lines came to €0.7 million in 2008 (2007: €1.1 million).

Other financial charges in 2008 record the impact of the collapse of Lehman Brother mentioned in Note 12.

22. INCOME TAX EXPENSE

Tax charge for the year

Year ended 31 December (€ million)	2008	2007
Current tax	117.2	180.9
Deferred tax	58.7	(0.7)
Total	**175.8**	**180.2**

The deferred tax credit recorded in 2008 includes €50.2 million linked to the reversal of the provision for replacement recorded in the company financial statements.

Reconciliation of theoretical tax charge to effective tax charge

Year ended 31 December (€ million)	2008	2007
Net profit for the year	332.9	340.9
Income tax expense	175.8	180.2
Share of profit of associates	(0.4)	-
Profit before tax	**508.3**	**521.1**
Applicable tax rate	34.43%	34.43%
Tax on the profit before tax determined above	175.0	179.4
Permanent differences	0.9	0.7
Other differences	-	0.1
Income tax expense recognised	**175.9**	**180.2**

Analysis of deferred tax assets and liabilities

(€ million)	2008	2007
Assets resulting from		
Provisions for retirement indemnities	9.1	8.3
Provisions for holiday pay	5.2	5.5
Employee profit sharing	4.0	4.6
Swap reversals	6.8	8.6
Other	6.6	2.0
Deferred tax assets	**31.6**	**29.0**
Deferred tax liabilities arising from		
Charges capitalised, net of depreciation	(187.5)	(188.1)
Depreciation of renewable fixed assets	(41.4)	(41.4)
Other	(63.7)	(11.5)
Deferred tax liabilities	**(292.7)**	**(240.9)**
Net deferred tax liabilities	**261.0**	**(212.0)**

23. EARNINGS PER SHARE

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

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

Year ended 31 December (€ million)	2008	2007
Basic earnings per share		
Net profit for the year attributable to ordinary equity holders of the parent entity	332.9	340.9
Weighted average number of ordinary shares outstanding during the year	113,038,156	113,038,156
Basic earnings per share	**2.94**	**3.02**
Diluted earnings per share		
Net profit for the year attributable to ordinary equity holders of the parent entity	332.9	340.9
Weighted average number of ordinary shares outstanding during the year	113,038,156	113,038,156
Diluted earnings per share	**2.94**	**3.02**

There are no potentially dilutive instruments in issue.

24. DIVIDEND

During the year, the company distributed a dividend of €1.91 per share in respect of 2007.

In December 2008, an interim dividend of €0.85 per share was distributed in respect of 2008.

25. COMMITMENTS

Commitments given

(€ million)	31 December 2008	31 December 2007
Sundry guarantees	24.0	133.7
AREA tax reintegration	3.3	4.9
Work to be performed (1% landscape)	0.1	0.2
Total	**27.4**	**138.8**

Sundry guarantees relate to commitments given by AREA in respect of its participating interest in Adelac.

Commitments received

(€ million)	31 December 2008	31 December 2007
Bank guarantees	58.2	86.1
Other	-	-
Total	**58.2**	**86.1**

Amounts payable under operating leases

(€ million)	**31 December 2008**	**31 December 2007**
Within 1 year	0.3	0.5
Between 1 and 5 years	0.4	0.2
After 5 years	-	-
Total	**0.6**	**0.7**

Amounts receivable under operating leases

(€ million)	**31 December 2008**	**31 December 2007**
Within 1 year	30.6	31.6
Between 1 and 5 years	74.9	104.5
After 5 years	36.9	69.0
Total	**142.4**	**205.1**

26. RELATED PARTY TRANSACTIONS

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

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

Company	**Nature**	**Type**	**Amount (€ million)**	**Payable (Receivable)**
Eiffage Group	Sundry services	Income	1.0	(0.4)
	Work	Charges	6.0	3.4
	Work	Investments	45.8	12.6
Eiffarie	Staff made available	Charges	0.8	-
Axxès	Heavy goods vehicles remote toll collection	Charges	2.6	(34.9)
	Cash advance	Receivable	0.1	-
Sira	Radio services (Autoroute Info)	Charges	1.7	0.2
	Sundry services	Income	0.3	(0.30)
Park +	Cash advance	Income	0.2	(2.8)
	Sundry services	Income	0.1	-
Adelac	Sundry services	Income	0.1	(0.5)
	Work	Investments	1.1	-
	Staff made available	Income	0.3	-

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

27. MANAGEMENT INDICATORS

(€ million)	2008	2007
Operating cash flow	689	688
EBITDA	1,244	1,208
EBITDA margin	67.8%	67.0%

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

28. EVENTS AFTER THE BALANCE SHEET DATE

No significant event has occurred since 31 December 2008.

29. FEES PAID TO THE STATUTORY AUDITORS

(€)	KPMG (formerly Salustro - Reydel)				PriceWaterhouseCoopers Audit			
	Amount (excluding VAT)		%		Amount (excluding VAT)		%	
	2008	2007	2008	2007	2008	2007	2008	2007
Audit								
• Statutory audit, certification, review of company and consolidated financial statements								
- Issuer	132,480	127,875	88	88	132,480	127,875	59	61
- Fully consolidated subsidiaries	-	-	-	-	63,590	61,380	29	29
• Other reviews and services directly linked to the statutory audit assignment								
- Issuer	18,500	17,000	12	12	23,500	17,000	11	8
- Fully consolidated subsidiaries	-	-	-	-	2,500	2,500	1	1
Subtotal	**150,980**	**144,875**	**100**	**100**	**222,070**	**208 755**	**100**	**100**
Other services provided by the networks to fully consolidated subsidiaries								
- Legal, tax and employment matters	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Total	**150,980**	**144 875**	-	-	**222,070**	**208,755**	-	-

IV. Management Report

APRR

2008 Management Report

Contents

I GROUP ACTIVITIES

I.1 Traffic volume and toll fares

I.1.1 Traffic volume

After the upturn enjoyed in 2007 when traffic increased by 2.8% year-on-year, the crisis affecting the European economy left its imprint on traffic on APRR's network, with the number of kilometres travelled in 2008 declining by 1.2% from 2007.

This downturn, which affected nearly the entire network from June 2008 onwards, was more pronounced for heavy goods vehicle traffic, falling by 3.3%, whereas the decrease was only 0.8% for light vehicles.

Traffic intensity, declined by 1.7% in 2008 compared with the year before.

The number of transactions, up 0.8% year-on-year, continued to grow more strongly than kilometres travelled, indicating that the average distance travelled declined in 2008.

I.1.2 Tariffs

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

In 2008, tariff increases were negotiated with the French State, taking into account the tariff clauses in the five-year contracts as well as the impact of raising toll fares on purchasing power.

Tariff increases came into force on 1 October 2008 in accordance with the terms of the relevant contracts.

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

I.2 Service and safety

The Group's priority remains to facilitate the movement of goods and persons in optimum conditions in terms of safety, traffic flow and comfort on its 2,215-kilometre network as well as the 19-kilometre concession granted to Adelac and managed by AREA.

I.2.1 Service

In 2008, the Group stepped up its efforts to improve both the information provided to customers and the traffic flow.

By being attentive to the findings of regular surveys of customer needs and satisfaction levels, APRR has been able to adapt working practices so as to cater even better to their expectations.

Traffic flow and other information is related on a real time basis by command centre personnel, using a wide range of media: : variable message signs, the FM 107.7 radio station, the APRR web site, roadside panels at sections under work, speed regulation tests, and travel time information.

To facilitate the long journey's on France's road, APRR launched a new initiative called Entract', one of whose objectives is to improve safety during the summer and winter departures by making breaks at service areas more fun. Free organised activities were staged at service areas over the summer and winter holidays and an exhibition on the theme of the sun was held in partnership with Cité des Sciences at the Venoy Grosse-Pierre service area.

Heavy goods vehicle drivers were not forgotten with the creation of new parking placing at the service stations. A total of nearly 1,200 additional spaces have been added over the last five years.

In addition, two new, totally secure parking areas were opened to complement the existing parking area at Langres: 100 spaces at Paris Sud Est on A5 and 60 spaces at Isle d'Abeau on A43. These parking areas are fitted with remote surveillance operated 24 hours a day, seven days a week and offer a range of conveniences: catering, leisure room, wi-fi access, service station, etc.

Toll collection is being adapted to be faster and safer. To this end APRR has pressed on with its programme to extend automated and remote toll collection, to introduce all class all payment lanes and all class TIS lanes, to improve road signalling, reconfigure or extend the number of lanes, to install speed ramps at all toll stations wherever possible without causing excessive noise levels for nearby residents, and at the start of 2009 it started trials on a new drive-by toll collection system, allowing vehicles to pass through toll barriers at speeds of up to 30 kilometres per hour.

At the year-end, 90 of the 140 toll stations were totally or partially automated compared with 66 at end-2007.

By leveraging up the existing subscription base (Fréquence, Détente, Balade, Modulo, Evolyon, LIANE't, student offers and APRR/AREA offers for specific routes) and by developing strongly particular distribution channels such as Internet and corporate accounts (Air Liquide, Pfizer, Bouygues Telecom, Darty, CMCIC Bail, etc.), 141,000 Liber-t badges were sold in 2008. As a result, the number of active Liber-t badges increased to 607,000 at the year-end, up 20% over 2007. APRR remains the leading vendor of badges, outperforming other motorway concession operators.

APRR also innovated in the distribution of badges. At the Paris Motor Show, it unveiled BALI, an automated badge distributor that allows drivers to obtain an active remote toll badge and be on their way in a matter of minutes.

On 1 April 2008, the Caplis payment card system for heavy goods vehicles was discontinued on France's motorway network, leaving the remote toll system that currently accounts for over 80% of transactions involving heavy goods vehicles.

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 good vehicles on behalf of the motorway companies.

The automation rate recorded another sharp increase to reach 67.8% on average in 2008, up from 58.3% in 2007. Remote toll collection increased to represent 40.3% of transaction, up from 29.6% at end-2007, helped in this by the development of remote toll payment systems for heavy goods vehicles.

In 2008, APRR's three regional departments renewed their ISO 9001 (version 2000) certification based on the new scope of their operations, and AREA obtained ISO 9001 (version 2008) certification.

In addition, the APRR's three regional departments launched the ISO 14001 certification process in 2009.

APRR continued to focus its efforts on the welcome and services offered to motorway users stopping off at the services and rest areas. To this end, the Group constantly seeks to improve the quality and the range of the service its offers and is working on the renewal of nearly sixty partnerships with firms providing services at services and rest areas by 2010.

These efforts are being rewarded, as reflected in customer satisfaction, which improved 7.8 on average compared to 7.7 in 2006 according to the survey conducted each year.

I.2.2 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.

APRR is able to react instantly to all events. It has installed a remote surveillance system covering its entire network, 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 inform drivers.

In addition to the above measures, APRR plans to bring back in-house the management of the emergency call centres as is already the case at AREA. These 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.

Acting on customer behaviour

In addition, driver-awareness campaigns are held at regular intervals to modify driver behaviour. They cover topics such as driving in extreme weather conditions in the winter (anticipating, acting responsibly and keeping informed), responsible driving during extreme traffic congestion (campaign in three languages focusing on periods when both departing and returning holidaymakers are on the road) and the danger of falling asleep at the wheel (campaign conducted in partnership with ASFA), driving through tunnels, and a campaign of career opportunities at motorway operators with the staging of presentations at selected service areas.

In 2008, some 5,000 persons received training or attended awareness sessions at the Sécurodrome (including courses held for companies and for youngsters in connection with road safety certificates). The Centaure and Minotaure centres set up by the Group in partnership with Groupama recorded increases in attendance.

Acting on infrastructure and equipment

The Group devoted significant resources to improving driver and passenger safety through its programme to renovate road courses and to widen motorways (work carried out on the A36 and A41 motorways), complete tunnel renovations and improvements at toll stations, and strengthen systems regulating traffic flows (wrong way signs, etc.) and intrusions (fencing to keep out stray animals, etc.).

In conjunction with the re-opening of the Maurice Lemaire tunnel and the opening of the Mont Sion tunnel on the A41 Nord motorway, APRR worked in collaboration with the public authorities to devise accident prevention plans and perform safety drills.

Tangible results have been achieved from these efforts. There was another decrease in the "all accidents" rate in 2008 to 261 accidents per billion kilometres travelled, which represents an improvement of 0.2% compared with 2007.

There was a substantial decrease in the number of accident fatalities, down 49% from 61 in 2007 to 31 in 2008.

Bodily injuries were stable at 415 after having declined for several years in a row.

I.3 Major works on motorways in service

In 2008, the Group made €303 million in additional investments on motorways in service compared with €343 million in 2007 and €215 million in 2006. The main investment projects are presented below

I.3.1 New exchanges (€4 million)

Work started on the Jura exchange on the A39 and on the Mionnay exchange on the A46. Work is scheduled to get under way on the Chaux exchange on the A41 motorway in 2009.

I.3.2 Service areas (€12 million)

The Group has pressed ahead with its programme for adding heavy goods vehicle parking spaces, increasing their number by more than 1,200 between 2004 and 2008.

Concurrently, two new secure parking areas were brought into service at Paris Sud Est (A105-A5B-RN104-Francilienne junction) and at Isle d'Abeau (A43 from Grenoble/Chambéry to Lyon) with respectively 100 and 60 parking spaces.

I.3.3 Road widening (€182 million)

Work is being carried out to widen the A36 motorway between Belfort and Montbéliard, with the 18 km Belfort-Brognard section being brought into service. Work on the Brognard-Montbéliard section is still under way.

Work converting the A31 to 2x3 lanes continued. Work on the Beaune-Dijon and Langres-Dijon sections was completed. Road widening work is scheduled to go on until 2011.

Other ongoing projects include the widening of 7 –kilometres of the Montbonnot-Crolles section of the A41 Sud. Draft proposals to widen the Anse-Genay section of the A46 and the Anse-Villefranche section of the A6 have been submitted to the Transport Infrastructure Department (Ministry for Ecology, Energy, Sustainable Development and Town and Country Planning).

I.3.4 Roadways excluding resurfacing (€8 million)

Work strengthening the A5 motorway continued in 2008 and is expected to last until 2011.

Concurrently, several stretches of the A31 and A38 motorways were re-laid.

As done every year, in addition to relaying stretches of roadway, road surfaces were renovated on both the APRR and AREA networks.

I.3.5 Civil engineering works and tunnels (€54 million)

The Group completed a vast programme to renovate and improve the safety of its tunnels. Work on the Maurice Lemaire tunnel was completed in 2008 and it was re-opened on 1 October 2008 after being closed for five years to bring it up to standard. In 2008, the Group also completed work improving safety in the Chamoise, Saint-Germain and Chatillon tunnels on the A40 motorway. All these projects were started up in 2003.

AREA completed its upgrading of the Epine and Dullin tunnels, two projects that got under way in 2006 and 2001, respectively. Work on the tunnels of the A51 motorway is scheduled to get under way shortly under the next contracting contract.

I.3.6 Construction of new motorways (€81 million)

Work continued in 2008 on the Mâcon southern bypass on the A406 motorway (scheduled to be opened to traffic in the spring of 2011) and on the Les Echets-La Boisse section of the A432 motorways (scheduled to be opened to traffic end-2010).

Preliminary work has started on the A714 motorway slip road linking the A71 motorway to Montluçon by converting a 9.5-kilometre stretch of the RN144 trunk road to 2x2 lanes. It is expected to be completed in the spring of 2011.

Other projects include:

- The extension of the Gannat spur, a fourteen kilometre section on the A719, towards Vichy. Preliminary studies were approved by the authorities in June 2007. At the end of 2008 proposals for a public interest enquiry were communicated to the Group.
- The links between the A89 and A6 motorways and A6 and A46 motorways, respectively six and four kilometres, for which a public interest enquiry was launched by the authorities at the end of 2007. The decree should be published in 2009.

I.4 Development of the Group's activities

2008 highlights included:

Telecommunication infrastructure

APRR is constantly seeking to develop synergies between its own needs and those of telecommunication operators. In 2008, the Group increased the capacity of its fibre optic networks and completed the installation of radio pylons. Several new lease agreements for towers and fibre optic cables were signed, notably in connection with the delegation of public telecommunication services won by Eiffage Concessions. All the leading telecommunication operators and Internet service providers (France Telecom, 9Cegetel, Completel, SFR, Bouygues Telecom, Free, etc.) are clients of the group. Revenue contributed by telecommunications exceeded €12 million in 2008, APRR being France's leading motorway operator in this activity.

Broadband fibre optic networks

In 2008, the Group prepared for a major overhaul of its broadband and multimedia IP telecommunication network. This system upgrade is planned for 2009 and will support the solution being developed for drive-by remove toll collection as well as cater to the increasing needs for remote surveillance of traffic and toll collection. This new very high speed IP network will enable the Group to use the extra bandwidth to develop new services for public telecommunication service operators and licensees.

Wireless networks

In 2008, the Group completed the rollout of the wireless network used in AREA's operations. Both APRR and AREA have adopted the Terrestrial Trunked Radio (TETRA) to create a unified network to enable communication between the field and the command centres about all safety-related events.

In the field of wi-fi, AREA has struck up a partnership that will lead to the installation of some fifteen new wi-fi hotspots at the service stations on its Alpine motorways. The new hotspots will complement the five hotspots rolled out by AREA and the fourteen already operated by APRR at its service areas, providing motorway users with wireless Internet access on their journey. The Group is currently the only French motorway operator to offer this wi-fi service.

As regards traffic information, the Group's subsidiary Sira, which runs the Autoroute-Info radio channel, answered request for proposal held on 26 March 2008 by the French broadcasting authority (*Conseil Supérieur de l'Audiovisuel – CSA*) for a digital terrestrial radio that will ultimately replace the analogue FM radio service. Sira's candidature was approved by the CSA in early December. The next phase of the process will consist in the attribution of frequencies. This is expected to take place in 2009.

Organisation of telecommunication activities

A new Engineering and Information Systems Department was created on 1 July 2008 to bring together APRR's and AREA's expertise and activities in telecommunications and more generally in information technologies.

II GOVERNANCE AND CORPORATE LIFE

II.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
- Philippe Delmotte, Director
- Louis de Broissia, Director
- Robert Galley, Director
- John Hughes, Director
- Andrew Hunter, Director
- François Massé, Director
- Ross McInnes, Director
- Arnaud Montebourg, Director
- Max Roche, Director

Mr Arnaud Montebourg was appointed by the General Meeting of 20 June 2008.
Mr François Massé was co-opted by the Board of Directors on 17 December 2008. He replaced Mr Guy Lacroix who had tendered his resignation.
Mr Andrew Hunter was co-opted by the Board of Directors on 17 December 2008. He replaced Mr David Harrison who had tendered his resignation.

On 7 January 2008, Mr Philippe Nourry was appointed as Deputy Chief Executive Officer. Since that date, he has been responsible for the Company's management alongside the Chairman and Chief Executive Officer.

II.2 Information concerning Directors and Officers

II.2.1 <u>Positions and offices held by the Company's Directors and Officers</u>

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

Name, age, 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 Chief Executive Officer Director Born 10 September 1944	From 20 February 2006 to 26 June 2007 and then from 7 January 2008	2008-2010	Chief Executive Officer, Eiffage	Chairman of the Board of Directors of AREA Chairman: Financière Eiffarie SAS Eiffarie SAS Apollinaire Participation 1 SAS	Permanent representative of Eiffage on the Board of Directors of Cofiroute

Bruno Angles Director Born 14 November 1964	20 February 2006	2008-2010	Senior Vice-President (Head of France), Macquarie European Infrastructure Funds	Director: Macquarie Autoroutes de France AREA Eiffarie SAS Financière Eiffarie SAS Adelac SAS Member of the Supervisory Board of: Saft Groupe SA Pisto Chairman of the Board of Directors: Holding Farnier Compteurs Farnier Abroad, Director or Chairman of various funds managed by and subsidiaries of Macquarie Group	Managing director of Vinci Energies and director of various Vinci subsidiaries
Philippe Delmotte Director Born 10 February 1952	5 May 2008	2008-2010	Director, Eiffage	Director: AREA Clemessy Crystal Eiffarie SAS Financière Eiffarie SAS SAS Verdun Participation 1 SAS Verdun Participation 2 Permanent representative of Eiffage TP on the Board of Directors of SMTPC Member of the Supervisory Board FCPE Eiffage 2011 Managing director of SICAVAS Eiffage 2000	
John Hughes Director Born 30 December 1951	5 December 2007	2008-2010	Executive Director, Macquarie Chief Executive Officer, Macquarie Infrastructure Group	Director: Macquarie Autoroutes de France MAF Finance Sarl AREA Eiffarie SAS Financière Eiffarie SAS Abroad, Director or Chairman of various funds managed by and subsidiaries of Macquarie Group	
Andrew Hunter Director Born 16 June 1968	17 December 2008	2008-2010	Executive Director, Head of Macquarie Europe	Director: Macquarie Autoroutes de France AREA Eiffarie SAS	

				Abroad, Director or Chairman of various funds managed by and subsidiaries of Macquarie Group Manager of MAF Finance Sarl Permanent representative of Macquarie Capital Group Ltd (UK Branch)	
François Massé Director Born 29 December 1951	17 December 2008	2008 - 2010	Deputy Managing director, Eiffage	Director: AREA Compagnie Eiffage du Viaduc de Millau (CEVM) Clemessy Crystal Eiffarie SAS	
Ross McInnes Director Born 8 March 1954	26 June 2007	2008-2010	Vice Chairman de Macquarie Capital Europe Ltd	Director: AREA Eiffarie SAS Adelac SAS Macquarie Autoroutes de France SAS Santé SA SNEF Financière du Planier Faurecia Bienfaisance Holding SAS Member of the Supervisory Board: Générale de Santé SA Pisto SAS Representative of the Chairman of Santé Développement Europe	Chairman of the Executive Board of Générale de Santé SA Permanent representative of Santé Sarl on the Supervisory Board of Générale de Santé SA Managing Director - Finance of PPR. Observer on Board of Directors of PPR Director of CFAO Director of Rexel Member of the Supervisory Board of Gucci Group NV Deputy Managing Director of Thales Director of Thales Air Defence SA, Thales Systèmes Aéroportés SA, and Thales International. Director of Adi Group Holding Pty Ltd, Adi Group Pty Ltd, Adi Munitions Pty Ltd, Australian Defence Industries, and Camelot Plc Director of Electro Banque
Arnaud Montebourg Director Born 30 October 1962	20 June 2008	2008-2010	Member of Parliament and Chairman of the Saône et Loire General Council		
Max Roche Director	20 February 2006	2008-2010	Finance Director, Eiffage	Permanent representative of APRR on the Board of Directors of AREA	Chairman and Managing Director of Compagnie Eiffage du Viaduc de Millau (CEVM)

Born 30 January 1953				Director: Compagnie Eiffage du Viaduc de Millau (CEVM) Clemessy Crystal Eiffarie SAS Financière Eiffarie SAS Verdun Participation 1 SAS Verdun Participation 2 SAS Permanent representative of Eiffage Travaux Publics on the Board of Directors of SMTPC Member of the Supervisory Board of PROBTP Finances Manager: Agenofim Entreprise Sofra Omnium Général Laborde Representative of Eiffage and Chairman: EFI SOCFI Director: Forclum Soficom (Belgium) Norscut (Portugal) Soficom (Belgium) TP Ferro (Spain)	Member of the Supervisory Board of FCPE Eiffage
Gérard Bailly Director Born 28 January 1940	4 May 2004	2008-2010	Senator		
Louis de Broissia Director Born 1 June 1943	4 May 2004	2008-2010		Director: Société Professionnelle des Papiers de Presse Fondation pour l'Enfance	Director of France Télévisions SA Chairman of SEM Alésia
Robert Galley Director Born 11 January 1921	4 May 2004	2008-2010	Former Minister		

Philippe Nourry Deputy Chief Executive Officer Born 1 December 1958	7 January 2008		Chief Executive Officer of AREA Permanent representative of AREA, CENTAURE Rhône Alpes Chairman and Managing Director of Compagnie Eiffage du Viaduc de Millau (CEVM) Director: Adelac SAS SAS VERDUN PARTICIPATION 1 SAS VERDUN PARTICIPATION 2	Manager of SIRA Chief executive Officer of SGTBA

II.2.2 Compensation and benefits in kind paid to the Company's Directors and Officers

II.2.2.1 Compensation paid to Directors and Officers

The Company's only two executive directors are its Chief Executive Officer and its Deputy Chief Executive Officer.
No compensation has been paid to the Company's two successive Chief Executive Officers.
Mr Philippe Nourry was appointed as Deputy Chief Executive Officer on 7 January 2008. Compensation totalling €453,000, consisting of a fixed salary of €253,000 and a bonus of €200,000, was paid to Mr Nourry for the year ended 31 December 2008. This compensation was set by the Board of Director at its meeting on 26 February 2008.
In 2007, Mr Nourry was the Company's Operations Director, but he was not an executive director.
No options to subscribe to or acquire shares in the Company have been granted to any of the executive directors.

II.2.2.2 Directors' fees

No director's fees were paid in 2008 to members of the Company's Board of Directors or to members of the various committees.

II.2.3 Securities transactions involving Directors and related parties

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

To the Company's knowledge, none of its directors and officers owned shares in APRR on 31 December 2008, apart from the qualifying share held by directors as required by Article 11.2 of the Company's Memorandum and Articles of Association.

II.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.

II.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 role and rules governing the Audit Committee and Compensation and Selection Committee and, finally, 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 controls.

II.4 Contract Award Commission

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

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

II.5 Modifications to the organisation

After consulting authorised personnel representative bodies (Central Workers' Council of APRR and Workers' Council of AREA), an integrated group management organisation was established by combining the central administrative departments of the two companies.

Under the new organisation detailed by the Board of Directors on 7 January 2008, the two companies maintain their respective separate legal and corporate status. Group management departments and operational departments have been placed under the direct responsibility of the Deputy Chief Operating Officer of APRR and Chief Operating Officer of AREA.

II.5.1 Merging of Engineering and Project Management Department and Information Systems Department

After consulting authorised personnel representatives (Central Workers' Council of APRR and Workers' Council of AREA), the decision was taken to merge the Engineering and Project Management Department and Information Systems Department on 1 June 2008 with a view to bringing together all of the Group's IT structures. The new Engineering and Information Systems Department (DISI) regroups all of the IT resources devoted to new technologies, working at the level of the networks of the different group entities.

II.5.2 Reorganisation of the Legal Department

On 1 December 2008, the Group reorganised its Legal Department to improve the services it renders to the operational departments, to prepare for the negotiation of the new management contract for period 2009 to 2013, and so that contracts of any kind negotiated by group companies can be referred to this department.

Reporting to the General Secretariat, the Legal Department now consists of a public law, markets and insurance department, a research, operations and development department, and representation within AREA.

III RESEARCH AND DEVELOPMENT

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

The main projects undertaken in 2008 concerned:
- The utilisation of new forms of energy to power equipment (micro wind energy installations, fuel cells, photovoltaic panels, etc.);
- The testing of the new drive-by remote toll collection system;
- Research into water and energy savings in the design of buildings and their operation;
- Participation in the Phosphore project undertaken by Eiffage (foresight research into sustainable development harnessing the R&D expertise of all of the Eiffage divisions).

In addition, APRR and AREA continued to participate actively in programmes for the development of intelligent transport systems in Europe, notably in connection with the new EasyWay programme for the period 2007 to 2013, aimed at reducing both congestion and carbon emissions.

The Media project for the interoperability of remote toll collection systems for heavy good vehicles was suspended in 2008 because of delays in standardising these systems.

IV GROUP HUMAN RESOURCES POLICY

IV.1 Human resources management

At 31 December 2008, the Group employed 4,081 persons under permanent contracts, 40 under the early retirement scheme, and 34 under fixed-term contracts. On an average weighted basis, the Group employed 3,954.5 persons under permanent contracts in 2008 and a further 9 under the early retirement scheme.

	Permanent contracts	Fixed-term contracts	Total	Early retirement scheme
APRR	2,875.2	19.4	2,894.5	4.5
AREA	1,045.2	14.9	1,060.1	4.5
Group	3,920.3	34.2	3,954.5	9.0

Note: The average weighted number of employees measures the full-time equivalent number of people employed under permanent contracts and fixed-term contracts over a given period (the weighting factor is a function of the rate of employment and the length of service during the period).

On an average weighted basis, management grade staff accounted for 13% of the workforce in 2008, supervisor-grade staff for 44% and workers and office staff for 43%. At group level, 36.6% of the workforce was involved in toll collection and customer sales, 39.8% in road operation and security, and 23.6% of the organisation's workforce in functional or support activities.

The weighted average number of employees has declined over the last five years. In 2008, the workforce shrank by 82 persons on an average weighted basis, reflecting continuing efforts to raise productivity and automate toll collection. With regards to the remote operation of toll collection, the Group pressed on and intensified actions in favour of employees, holding courses to train up or retrain employees.

In 2008, the Group hired 104 persons under permanent contracts, including 19 management grade staff, 47 supervisor grade staff and 38 workers and office staff. At the same time, 224 persons left the Group, mainly upon reaching retirement age or having tendered their resignation. Group companies continued to give preference to internal promotions. In 2008, 77 members of staff were promoted, including 10 management grade staff and 67 supervisor grade staff.

The Group used temporary workers for toll collection and administrative functions in order to fill seasonal jobs or as replacements. In 2008, temporary workers represented the equivalent of 230.5 full-time employees.

In 2008, 49 employees benefited from the early retirement scheme:

- 18 toll collectors and senior toll collectors, and 3 toll supervisors;
- 5 motorway workers and 3 drivers;
- 4 surveillance agents and 1 network safety viability workshop agent
- 1 disabled employee

Provided certain conditions are met, the scheme allows employees to take early retirement at age 57, resulting in the suspension of their employment contract. They continue to receive an allowance paid by the national union for employment in industry and commerce (*Union Nationale Interprofessionnelle pour l'Emploi dans l'Industrie et le Commerce – Unedic*) and the employer (typically between 80% and 85% of their earlier salary) until they become entitled to a full pension.

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 82,300 hours of overtime were paid in 2008, a slight decrease on 2007.

IV.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 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 function; or
- Part-time work.

In 2008, the overall absentee rate declined slightly to 7.38%, down from 7.63% in 2007. Note that this overall rate includes unpaid leave, business creation leave and sabbatical leave.

The absentee rate due to illness held steady at 4.97%.

IV.3 Compensation and equality of employment opportunity

IV.3.1 Compensation

The average compensation of current employees increased by 3.42% in 2008, of which 1.30% was in the form of individual pay awards and 2.12% was in the form of general pay awards.

In order to individualise salaries, and in particular to base remuneration on performance, part of the remuneration of the executive managers of APRR and AREA is variable in nature and incentive-based.

IV.3.2 Employee savings plans

Sicavas Eiffage 2000 is the main investment support 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 exclusively for payments into the Sicavas in the conditions and limits defined by applicable laws and regulations. All amounts due in respect of mandatory profit-sharing plans for the year ended 31 December 2007 were paid automatically into Sicavas Eiffage 2000 in 2008.

Amounts due in respect of mandatory employee profit-sharing plans came to €12,140,523 in 2008. Amounts due in respect of discretionary employee profit-sharing plans came to €12,826,121. In 2008, payments made in respect of the mandatory employee profit-sharing plans averaged €2,940 per employee and payments made in respect of discretionary employee profit-sharing plans were €2,750 per employee.

IV.3.3 Equal employment opportunity

Employee representatives elected to the Works Councils of APRR and of AREA were consulted on practices relating to professional equality between the genders. At group level, women account for 44.3% of employees. They represent 24% of management grade staff and 41% of supervisor grade staff. As part of the mandatory annual negotiation, minutes were signed at the two companies to indicate the start of negotiations regarding equality of salary between genders. Working groups have been set up to define and elaborate new indicators measuring the relative situation of men and women within the Group.

At AREA, a company agreement on professional equality between genders was signed in December 2008. A similar agreement is being negotiated at APRR.

IV.4 Labour relations

There were extensive contacts between employers and employees during 2008.
At AREA, important agreements were negotiated and signed by a majority of the staff representatives. They concerned salaries, the renewal of the employee profit-sharing agreement, the organisation of work at the Equipment Department, professional equality between genders, and the insertion of disabled persons.
At APRR, a labour agreement was signed by a majority of the staff representatives. Other agreements were signed, one relating to the standardisation of working hours for middle-grade management staff, the other renewing the employee profit-sharing agreement for three years.

IV.5 Training

In 2008, the Group provided nearly 110,000 hours of training to its employees, underlining its determination to enhance core expertise in such areas as safety, motorway operation, marketing and management and to encourage toll collection employees to move up to new positions.

There was extensive recourse to training in connection with the various reorganisations carried out within the Group.

Spending on training represented 4% of total payroll.

Some 75% of employees attended at least one training course in 2008.

IV.6 Other labour issues related to the Group's activities

IV.6.1 Health and safety conditions

Workplace accident prevention remains a key objective for the Group. Efforts and measures taken in this area have led to a decrease in the workplace accident frequency rate to around 10.0, reflecting the fact that APRR is one most active motorway operators in this area. The rate of serious accidents also declined in 2008, down to 0.45 from 0.48 in 2007. These excellent performances are the results of the combined action taken by the Health, Safety and Working Conditions Committee and the various accident prevention committees.

IV.6.2 Employment and integration of disabled workers

The Group employs 95 disabled workers. At the end of 2008, AREA signed an innovative agreement regarding the insertion of disabled workers.

IV.6.3 Welfare schemes

Welfare schemes are administered by the works committees at APRR and by the works council at AREA. Each council provides financial assistance in a variety of forms: contributions towards school outings, subsidised holidays for children, holiday vouchers, rental of holiday accommodation or contributions towards mutual insurance cover (at APRR).

In 2008, contributions paid by group companies towards these welfare schemes amounted to €1,860,000.

V ENVIRONMENTAL PROTECTION

V.1 Consumption of water, raw materials and energy

V.1.1 Water resources

It is estimated that nearly 480,000 cubic metres of drinking water were consumed in 2008. Measured in relation to the traffic, water consumption was equivalent to that in 2007.

V.1.2 Raw materials

Nearly 1,245,000 metric tons of materials were used on the existing motorway network, including recycled materials amounting to 27,4,000 metric tons, or around 2.2% of total.

V.1.3 Energy

Total energy consumption (electricity and fossil fuel) came to 145.92 million KWh. Measured in relation to the traffic, energy consumption was higher than in 2007. Nearly two-thirds of the increase related to electricity, reflecting amongst other things consumption at the Maurice Lemaire tunnel. Nearly 6 million KWh of the electricity consumed was certified renewable energy (supplied under the Equilibre Offer signed with EDF).

Note that solar panels and mini wind turbines provide energy for certain facilities. In 2008, a first trial was carried out on a fuel cell as a replacement for a small generator set at an isolated site.

V.2 Measures to limit the threat to ecological balance and natural environments

V.2.1 Environmental pollution

Priority is given to remote water catchments when it comes to environmental protection in areas abutting on the roadways operated by APRR. In 2008, the Group developed nearly 34 kilometres of roadways in proximity to areas where water resources might be at risk.

Two accidents involving hazardous material spills were reported on the network in service, of which one had an impact outside the motorway boundaries.

Additionally, the Group is continuing its policy as regards the controlled use of pesticides that best respond to regulatory requirements and public health concerns.

V.2.2 Waste materials

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

The Group’s overall recovery rate for the waste it produces reached nearly 17% in 2008.

V.2.3 Fauna

The network is equipped with 144 purpose-built crossings for animals. There are an additional 77 works (roadway or hydraulic installations) that promote the continuity of biological corridors, although not purpose-built for animals.

In connection with the widening of the A31 motorway, 18 purpose-built crossings for animals (earthworks or passage ways) were built along the motorway boundaries.

V.2.4 Landscape management

Group practices in landscape management integrate constraints arising from the need to protect water and aquatic environments as well as to preserve biodiversity. There is extensive management of the green areas, as seen in the flowered vales alongside the motorways. Research to develop technical alternatives to pesticides is ongoing, notably to fight the spread of ragweed and other invasive plants.

V.2.5 Noise

In 2008 work was completed at 48 noise trouble spots as defined by regulation. Work is under way at 168 noise trouble spots identified by the local population along the section of the A36 motorway that is currently being widened.

V.3 Company environmental impact assessment and certification

V.3.1 Environmental certification

In connection with the process launched at the end of 2007 leading to the certification of the environmental management system, environmental analyses required under ISO 14001 were completed to identify major environmental impacts linked to motorway operations.

V.3.2 Specific assessments

Environmentally sensitive areas are monitored and assessed at regular intervals. This concerns in particular the monitoring of water quality for the various waterways and for effluents and air quality at Beaune in collaboration with the relevant authorities. New analysis of collisions involving large game, cross-referenced to the existence of purpose-built crossings for animals, was carried out, and data on motorway fencing was updated.

For the first time, the Group drew up a carbon balance statement in accordance with the method developed by the Agency for Environment and Energy Management (*Agence de l'Environnement et de la Maîtrise de l'Energie - ADEME*). The findings are summarised below:

Emissions due to traffic: just over 2 million tCo2e;
Emissions due to motorway infrastructures: nearly 50,000 tCo2e;
Emissions due to motorway operations: nearly 25,000 tCo2e.

V.4 Measures taken to ensure activities comply with legislative and regulatory requirements

In the areas of water and noise, field data is regularly updated in order to itemise protected zones and zones yet to be protected, and to schedule works over several years. As required by regulations, a noise mapping has been completed covering the entire network and provided to the competent authorities.

In connection with the process leading up to environmental management certification, measures were taken to adapt the regulatory watch performed at both head office level and at local level.

V.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 €15,460,000 on the environment in 2008:

- Acoustic protection: €2,007,000;
- Water protection: €11,292,000;
- Waste processing: €965,000;
- Landscaping: €1,196,000

Operating expenses incurred in respect of waste management amounted to nearly €11,850,000.

V.6 Sustainable development policy

A summary of the strategy initiated by the Strategic Planning and Development department, in particular within the framework of the Sustainable Development Committee, is provided in the Annual Report. The sustainable development action plan and performance indicators are the main tools for mobilising and monitoring the concrete implementation of this policy.

The corporate and social aspects of sustainable development were dealt with at some length at the October 2008 management seminar.

V.7 Provisions and guarantees for environmental risks

APRR Group has environmental civil liability insurance policies. In 2008, APRR and AREA were insured in an amount of €4 million for expenses incurred while undertaking actions to eliminate the threat of loss or damage, and to avoid any aggravation of loss or damage.

APRR is also insured against the cost of cleaning up water catchment areas.

These policies complement the pollution and environmental accident cover in the operating civil liability policies taken out by APRR and AREA.

APRR has put in place a financial guarantee amounting to €162,000 pursuant to the prefectoral decree relating to a quarry in the flood compensation zone of the A406 motorway.

V.8 Damages settled in 2008 pursuant to a legal ruling in an environmental matter

No damages of any kind were settled by the Group pursuant to a legal ruling in an environmental matter.

VI FINANCES

VI.1 Consolidated financial statements

VI.1.1 <u>Revenue</u>

At group level, revenue increased to €1,833.7 million in the year ended 31 December 2008, up 1.7% from €1,802.6 million the year before.

Growth was almost entirely due to the €29.6 million increase in toll receipts, up 1.7% to €1,782.2 million in 2008 from €1,752.6 million in 2007. This reflected the effects of tariff adjustments, as there were decreases in traffic of 0.8% for light vehicles and 3.3% for heavy goods vehicles.

Other sources of revenue changed as follows:

- Decrease of €1.8 million in rental income from commercial facilities, down 5.8% year on year;
- Increase of €1.2 million in revenue from telecommunications, up 10.2% year on year; and
- Increase of €2.2 million in other income, up 31.2% year-on-year.

VI.1.2 <u>Earnings before interest, tax, depreciation and amortisation</u>

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by €35.7 million, up 3.0% to €1,243.8 million in 2008 from €1,208.1 million in 2007. This was equivalent to 67.8% of revenues compared with 67.0% in 2007.

VI.1.3 Operating profit on ordinary activities

Operating profit on ordinary activities increased to €887.4 million in 2008, up 2.7% from €864.3 million in 2007.

The growth was due to the combined effects of the increase in revenue and tight control of operating expenses.

Operating expenses in respect of ordinary activities increased by 0.9% year-on-year to €946.3 million.

VI.1.4 Operating profit

Other operating income and expenses amounted to a net charge of €0.9 million in 2008, related to the settlement of an old works-related dispute, compared with net income of €1.6 million in 2007, arising mainly from the waiver of a tax penalty.

Operating profit increased to €886.5 million in 2008, up 2.4% from €866.0 million in 2007.

VI.1.5 Finance costs

Finance costs amounted to €361.6 million in 2008 compared with €343.2 million in 2007.

Other financial income and expenses amounted to a net charge of €16.7 million in 2008 compared with €1.7 million in 2007. In 2008, this charge included €15.7 million arising from the collapse of the American investment bank Lehman Brothers that was acting as counterparty for three swaps entered into by the Group in 2005.

VI.1.6 Net profit

Income tax expense decreased by €4.4 million to €175.8 million in 2008.

Net profit decreased by €8.0 million to €332.9 million, down 2.4% from €340.9 million in 2007.

VI.1.7 Consolidated balance sheet

Capital and reserves amounted to €121.9 million compared with €123.5 million at 31 December 2007, reflecting the profit for the year of €332.9 million, the distribution of an ordinary dividend of €332.3 million for 2007 (including €116.4m paid in December 2007 as an interim dividend) and the payment in December 2008 of an interim dividend of €96.1 million for 2008.

Borrowings totalled €7,348.8 million at 31 December 2008 compared with €6,920.6 million at 31 December 2007.

As regards borrowings, one new loan was arranged with Caisse Nationale des Autoroutes (CNA) amounting to €91 million, while loans totalling €532 million were repaid.

In 2008, the Group arranged two new bank loans amounting to €250 million and to €50 million.

In addition, €200 million of bonds indexed to inflation were issued via a private placement with a Dutch pension fund.

Finally, at 31 December 2008, the Group had drawn €1,295 million against the €1,800 million syndicated loan facility.

VI.2 Company financial statements

VI.2.1 Income statement

The income statement for the year ended 31 December 2008 was impacted by the significant provision for the replacement of surface course, which amounted to €129.7 million in total. The part corresponding to the provision at the start of the year, which amounted to €92.5 million, was reported as an exceptional item, while the part set aside in respect of 2008, which amounted to €37.2 million, was reported as an operating item.

Operating profit decreased by €16.1 million. But for the provision for replacement, operating profit would have increased by €21.1 million due to the combined effects of the €24.6 million increase in revenue and the tight control of operating expenses, which rose by only €3.5 million.

Finance costs increased by €37.6 million, of which €24.2 million was caused by the collapse of Lehman Brothers, acting as counterparty for two swaps entered into by the Company.

Net profit decreased by €96.3 million, down 28.9% from 2007. But for the provision for replacement, net profit would have declined by only €11.2 million, down 3.4% year-on-year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) improved by €33.8 million to €934.2 million, equivalent to 66.9% of revenue compared with 65.7% in 2007.

VI.2.2 Five-year financial summary

	2004	2005	2006	2007	2008
Share capital at 31 December (€ thousand)					
Share capital	33,594	33,911	33,911	33,911	33,911
Number of ordinary shares in issue	111,978,831	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	1,136,259	1,188,890	1,272,500	1,370,925	1,395,510
Profit before depreciation, provisions, employee profit-sharing and tax	392,822	505,320	820,648	761,749	806,754
Income tax expense	(24,951)	55,902	86,151	121,534	62,290
Employee profit sharing for year ended	1,612	3,125	5,447	8,707	7,366
Profit after depreciation, provisions, employee profit-sharing, and tax	144,405	166,191	435,956	333,342	237,061
Dividends	103,995	377,424	435,197	332,332	(*)
Results per share (€)					
Profit after employee profit-sharing and tax, but before depreciation and provisions	3.73	3.98	6.45	5.59	6.52
Profit after depreciation, provisions, employee profit-sharing, and tax	1.29	1.47	3.86	2.95	2.10
Dividend per share	0.93	1.72	3.85	2.94	(*)
Employees					
Average number of employees during the year	3,322	3,233	3,071	2,960	2,891
Salaries and wages (including profit sharing)	99,539	102,771	111,492	105,618	107,961
Employee benefits (excluding provisions for retirement indemnities)	42,083	43,536	44,137	46,215	43,930

(*) Amount to be decided by the General Meeting. Note that an interim dividend of €96,042 thousand was distributed in December 2008.

VI.2.3 Non-tax deductible charges (Article 39-4 of the General Tax Code)

Non-tax deductible charges totalled €98,418 and the corresponding income tax was €33,885.

VII INFORMATION CONCERNING THE SHARE CAPITAL AND SHAREHOLDERS

VII.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 2008 were as follows:

Shareholders	Number of shares	% of capital	Number of voting rights	% of voting rights
Eiffarie	92,101,144	81.48%	92,101,144	81.48%
Cypress Holding AB (*)	11,859,008	10.49%	11,859,008	10.49%
Elliott International LP (*)	898,370	0.79%	898,370	0.79%
The Liverpool Ltd Partnership (*)	818,828	0.72%	818,828	0.72%
Free float	7,360,806	6.52%	7,360,806	6.52%
Total	**113,038,156**	**100.00%**	**113,038,156**	**100.00%**

(*) Cypress Holding AB, Elliott International LP and The Liverpool Ltd Partnership, which are acting in concert, owned 13,576,206 actions representing 12.01% of the capital and 12.01% of voting rights on the date of this report.

Note that the company did not implement any programme to buy back its shares during the year ended.

VII.2 Delegations of authority for capital increases

All delegations of authority 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 a commitment to increase the capital.

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

VII.3 Employee shareholders

Employee interest in the Company's share capital on 31 December 2008: none.

The employees of APRR qualify for the employee savings policy in place at companies belonging to the Eiffage Group.

VII.4 Additional financial information (Article L.225-100-3 of the 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 is 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 the capital or voting rights, and then each subsequent block of shares representing 1% or more the capital or voting rights, to inform the Company of the total number of share 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 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 at preferential conditions

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 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 through its deliberations the Board settles all those matters than concern it. The Board is authorised to issue bonds and to set the conditions for their issue in accordance with the provisions of Article L.228-40 of the 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 to them for their opinion by the Board 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 if their employment were terminated in connection with a public purchase offer

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

VIII SUBSIDIARIES AND PARTICIPATING INTERESTS

For accounting purposes, the Group is constituted of the parent company APRR and its 99.82% owned subsidiary Autoroutes Rhône-Alpes (AREA), which is consolidated, AREA's 49.9% owned subsidiary Adelac, which is accounted for under the equity method, and, since 2008, Axxès, which is owned 22.80% by APRR and 5.30% by AREA, and is accounted for under the equity method.

All companies have a 31 December year and prepared interim accounts to 30 June 2008.

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

Subsidiaries and participating interests (€ thousand)	Capital 2008	Reserves	% of capital	Gross value	Carrying value	Outstanding loans and advances	Dividends received	Sales 2008	Net profit 2008
Subsidiaries (more than 50% owned)									
- AREA	82,900	76,555	99.82%	214,957	214,957	629,585	111,112	483,442	98,759
- Sira	10	233	100.00%	11	11	-	113	3,350	232
- Park +	300	(73)	60.00%	180	180	2,761	-	232	(25)
- Cera	8	99	100.00%	315	315	-	-	698	23
Participating interests									
- Autoroutes Trafic	na	na	24.00%	72	72	-	-	na	na
- Centaure Grand Est	450	649	35.55%	212	212	-	-	1,086	77
- Centaure Ile de France	900	415	49.00%	441	441	-	-	1,296	4
- Altech	40	701	33.50%	6	6	-	16	1,765	339
- Axxès	7,500	2,580	22.80%	1,710	1,710	-	-	673,498	6,785
- SC Autoroutes GIE	-	(449)	-	-	-	16	-	105	19
- Devtel	25	21	100.00%	25	25	-	384	-	11
- Apollinaire Participations	37		100.00%	37	37	-	-	-	-
- SEM Alesia	na	na		20	20			na	na
Total				**217,986**	**217,986**	**632,362**	**111,625**		

IX SIGNIFICANT EVENTS IN PROGRESS AND OUTLOOK

IX.1 Maurice Lemaire tunnel

The Maurice Lemaire tunnel was reopened to traffic on 1 October 2008, after four years of work to add a safety gallery and to modernise the tunnel.

As the draft rider to the concession agreement for the Maurice Lemaire Tunnel received a negative opinion from the State Council, a new draft will be submitted to this body at the start of 2009, which will include proposals to reduce the concession extension to 20 years and to insert an indemnity clause corresponding to the value of the work carried out to improve the tunnel's safety that will not have been depreciated when the concession ends in 2042. These two proposals are tantamount to extending the concession until 2068. They will be incorporated in legislation that will be submitted to Parliament in 2009.

IX.2 2009-2013 business plan

Negotiations with the French State to agree on a new management contract covering the period 2009 to 2013 continued until the autumn of 2008. These negotiations - interrupted during the fourth quarter of 2008 because of a change in personnel at the Ministry for Ecology, Energy and Sustainable Development and Town and Country Planning, with responsibility for Ecology - resumed at the start of 2009.

IX.3 Outlook

Bearing in mind the downturn in traffic experienced in the fourth quarter of 2008, the short-term outlook for the Company's activities is dependent on the evolution in the economic situation, it being likely that current conditions will continue to weigh on heavy goods vehicle traffic at least in the first half of 2009, which could restrict growth in full-year revenues.

The Board of Directors

Jean-François Roverato - Chairman of the Board of Directors

V. Auditors' report on the company financial statements

SOCIETE DES AUTOROUTES PARIS RHIN RHONE

STATUTORY AUDITORS' REPORT
ON THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

STATUTORY AUDITORS' REPORT
ON THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

To the Shareholders

Société des Autoroutes Paris Rhin Rhône
36 rue du Docteur Schmitt
21850 Saint-Apollinaire
France

To the Shareholders,

In fulfillment of the assignment entrusted to us by your General Meeting of Shareholders, we present to you our report for the year ended 31 December 2008 on:

- the audit of the company financial statements of APRR SA, as attached to this report;
- the justification of our assessments; and
- the specific verifications and information 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 on the company financial statements

We conducted our audit in accordance with auditing 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 includes examining, on a test basis, the evidence supporting the amounts and disclosures in the company financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, and in light of generally accepted accounting rules and principles in France, the company financial statements give a true and fair view of the Company's assets and liabilities and financial position at 31 December 2008, and of the results of operations for the year then ended.

Without bringing into question the opinion expressed above, we wish to draw your attention to the accounting change described in note 1 of the Notes to the Accounts, relating to the recognition of provisions for renewal of surface courses.

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:

- As explained in Note 1, the Company decided to set aside provisions for the replacement of surface courses in accordance with the requirements of Article 393-1 of the French Accounting Standards. As part of our assessment of the accounting rules and principles adopted by the Company, we verified that this accounting change was justified and that the information provided in the notes was appropriate.
- Note 2.2 to the company financial statements describes the accounting methods applied to tangible assets made available under the concession agreement and their depreciation. We verified that these accounting methods are appropriate and were applied properly.

These assessments were made as part of our audit of the company financial statements taken as a whole, and therefore contributed to determining the unqualified opinion expressed in the first part of this report.

III – Specific verifications and information

We also performed specific verifications required by law.

We have no comment to make as to:

- the fair presentation of the information provided in the Management Report and in the documents addressed to the shareholders relating to the financial situation of the Company and its financial statements and the conformity of this information with the company financial statements; and
- the fair presentation of the information provided in the Management Report relating to the compensation and benefits in kind paid to the Company's Directors and Officers and commitments given in their favour upon or subsequent to their taking up this or another appointment or upon termination of this appointment.

As required by law, we checked that the information relating to the identity and voting rights of the Company's shareholders was provided in the Management Report.

Neuilly-sur-Seine and Paris La Défense, 28 April 2009

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT

KMPG AUDIT
Department of KPMG SA

Louis-Pierre Schneider　　Thierry Charron

Benoît Lebrun

VI. Auditors’ report on the consolidated financial statements

SOCIETES DES AUTOROUTES PARIS RHIN RHONE

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

To the Shareholders
Société des Autoroutes Paris Rhin Rhône
36, rue du Docteur Schmitt
21850 Saint Apollinaire
France

To the Shareholders,

In fulfillment of the assignment entrusted to us by your General Meeting of Shareholders, we present to you our report for the year ended 31 December 2008 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 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 on the consolidated financial statements

We conducted our audit in accordance with auditing standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, the evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, and in light of International Financial Reporting Standards (IFRS) as adopted by the European Union, the consolidated financial statements give a true and fair view of the Group's assets and liabilities and financial position at 31 December 2008, and of the results of operations of the companies and legal entities included in the consolidation 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:

- Notes 2.1 and 2.3 to the consolidated financial statements describe the accounting treatment applied by the Group to its activities as concession operator. We verified that the accounting treatment applied by the Group did not contravene the fundamental concepts defined in the International Financial Reporting Standards and that the information provided in the notes was appropriate.
- Notes 2.17 and 12 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.

We have no comment to make as to the fair presentation of this information and its conformity with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, 28 April 2009

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	**KMPG AUDIT** Department of KPMG SA
Louis-Pierre Schneider Thierry Charron	Benoît Lebrun