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 2010

(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 2010 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).

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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 2011

Mr Jean-François Roverato
Chief Executive Officer

II. Company financial statements

APRR

Company financial statements
year ended 31 December 2010

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FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS At 31 December (€ million)	*Note*	2010	2009
Intangible assets	*3.1*	24.7	27.1
Property, plant and equipment			
- Assets held under concessions	3.2	10,906.5	10,615.7
- Depreciation	3.2	(4,530.3)	(4,283.9)
Non-current financial assets	*3.3*	1,029.2	945.8
Total non-current assets		**7,430.2**	**7,304.7**
Inventories		6.5	6.9
Trade receivables	*3.4*	83.9	75.1
Other receivables, prepayments and accrued income	*3.5*	212.3	192.0
Marketable securities, cash at bank and in hand	*3.6*	49.7	99.6
Total current assets		**352.4**	**373.7**
TOTAL ASSETS		**7,782.6**	**7,678.3**

EQUITY AND LIABILITIES At 31 December (€ million)	*Note*	2010	2009
Share capital		33.9	33.9
Share premium and reserves		3.7	3.7
Retained earnings		409.9	142.0
Interim dividend		(196.7)	-
Profit for the year		441.2	362.9
Capital grants		133.4	137.2
Regulated provisions		52.8	51.3
Total equity	***3.7***	**878.3**	**731.1**
Other equity	***3.8***	**164.7**	**164.7**
Provisions for liabilities and charges	***3.9***	**205.6**	**216.8**
Borrowings and other financial liabilities	*3.10*	6,185.6	6,192.1
Trade payables		41.9	40.9
Other payables, accruals and deferred income	*3.11*	306.5	332.7
Total liabilities		**6,534.0**	**6,565.8**
TOTAL EQUITY AND LIABILITIES		**7,782.6**	**7,678.3**

INCOME STATEMENT

Year ended 31 December **(€ million)**	*Note*	**2010**	**2009**
Revenue	*4.1*	**1,469.8**	**1,407.2**
Operating expenses		**(758.0)**	**(725.6)**
Purchases and external charges	*4.2*	(177.8)	(163.0)
Employee benefit expenses	*4.3*	(155.0)	(156.1)
Other operating income (expenses)	*4.4*	21.6	22.4
Taxes (other than income tax)	*4.5*	(153.4)	(153.2)
Depreciation, amortisation and provisions	*4.6*	(293.3)	(275.8)
Operating profit		**711.8**	**681.5**
Financial income (expenses)	*4.7*	(98.2)	(154.5)
Profit on ordinary activities		**613.6**	**527.0**
Exceptional items	*4.8*	3.1	(17.5)
Employee profit sharing		(10.3)	(9.7)
Income tax expense	*4.9*	(165.1)	(136.9)
Profit for the year		**441.2**	**362.9**

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the annual financial statements.

These notes contain complementary information to the balance sheet and income statement in order for the annual financial statements to provide a true and fair view of the Company's assets and financial situation at 31 December 2010 and its results for the year then ended.

Information that is not subject to disclosure requirements is provided only when material.

1. SIGNIFICANT EVENTS IN 2010

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

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

2. ACCOUNTING POLICIES AND METHODS

The company financial statements of APRR for the year ended 31 December 2010 have been prepared in accordance with the French general chart of accounts pursuant to the Decree of 22 June 1999. Accounting policies are identical to those used for the preparation of the financial statements for the year ended 31 December 2009.

2.1. *Intangible assets*

Intangible assets comprise mainly software applications that are amortised over periods of between three to five years.

2.2. *Property, plant and equipment*

Nearly all tangible fixed assets reported on the Company's balance sheet consist of assets held under a service agreement concession. Most of these assets will revert to the French State free of charge when the concession expires. Accounting rules for the recognition of these assets and their depreciation are summarised below:

- *Tangible assets held under a service concession agreement*

The concession covers motorways and sections of motorways made available by the French State along with all the land, works and facilities needed to build, maintain and operate each of these motorways or sections of motorways, including existing slip roads, outbuildings and ancillary facilities needed to serve motorists or created to improve operations.

Tangible assets held under concessions comprise assets that will not be renewed during the term of the concession (notably infrastructures and civil engineering works) and assets that have a useful life that is shorter than the term of the concession (surface course, toll equipment, signage, remote transmission, video surveillance and computer equipment, motor vehicles and tooling).

Non-renewable assets come from initial investments and from subsequent capital expenditure referred to as “supplementary investments in motorways in service”.

Tangible assets held under concessions are recognised at cost, including borrowing costs and certain directly attributable expenses.

- *Depreciation of tangible assets held under a service concession agreement*

Non-renewable tangible assets are depreciated using the straight-line method from the date on which brought into service until the date on which the concession expires. This financial depreciation, which is classified as an operating expense, is not intended to reflect the pattern in which the asset's economic benefits are consumed by the enterprise. Rather, the intention is to write-down the assets’ depreciable amount to zero by the time the concession expires.

Renewable tangible assets used in the operations are assets that have a useful life that is shorter than the term of the concession. As a rule, these assets are depreciated using the straight-line method over their estimated useful life, normally between three and ten years.

Renewable tangible assets used in the operations are also the object of a financial depreciation, the purpose of which is to spread over the remaining term of the concession the loss that would be incurred were these assets handed over to the State free of charge at the end of the concession, being the residual value at the end of the concession determined applying normal depreciation rules.

For renewable tangible assets used in the operations, the financial depreciation is calculated by reference to the assets’ net book value, being the cost of acquisition of the assets less ordinary accumulated depreciation at the close of the financial year and less accumulated financial depreciation at the beginning of the financial year.

Surface courses do not give rise to financial depreciation and are depreciated over a period of twelve years.

Ordinary depreciation and financial depreciation are aggregated and presented on the same lines of the income statement and balance sheet. In the income statement, they constitute operating expenses. In the balance sheet, they are deducted from the assets to which they relate.

Fixed assets made available under the concession are reported as assets under “Property, plant and equipment” and as liabilities under “Other equity” for the value of the said contributions on the date of transfer. These contributions will be returned to the French State at the end of the concession and are not depreciated.

- *Provision for replacement*

In accordance with the option offered by Article 393-1 of the French General Accounting Standards (*Plan Comptable Général – PCG*), the Company elected to set aside a provision for the replacement of renewable assets for an amount equal to the difference between the estimated cost of replacement of each asset and the cost of acquisition or production of the assets. Amounts are transferred to this provision each year on the basis of the revised estimated replacement cost of the assets concerned, so as to match this cost on the date the assets are replaced. The provision is set aside as part of an asset replacement programme based on the resources available and setting the dates and cost of replacing each asset, which may be revised subsequently if circumstances so require.

2.3. *Capital grants*

Capital grants, received to help finance construction projects, are recognised directly to equity. Grants are reversed to income statement over the term of the concession to match the financial depreciation recognised in respect of the assets they financed.

2.4. *Non-current financial assets*

Participating interests held in subsidiaries are recorded at cost. An impairment loss is recognised if the carrying value, determined mainly by reference to the subsidiary's net assets, is less than cost.

2.5. *Inventories*

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

2.6. *Receivables*

Receivables are measured at face value. Appropriate allowances for estimated irrecoverable amounts are recognised when it is uncertain whether these amounts can be collected.

2.7. *Marketable securities*

Marketable securities are measured at the lower of cost and net realisable value. Unrealised gains are not recognised.

2.8. *Other equity*

Certain contributions in kind made under the service concession agreement are reported as assets under "Property, plant and equipment" and as liabilities under "Other equity" for the value of the said contributions on the date of transfer. Amounts credited to other equity will be derecognised on the date the assets in question are returned to the French State.

2.9. Conversion of foreign currency receivables and payables

Receivables and payables denominated in foreign currencies are converted into the Company's functional currency using the most recent exchange rate. Resulting differences are recorded under "Conversion differences". Where appropriate, provisions for liabilities and charges are recognised in respect of unrealised losses, which correspond to conversion differences to the debit of the balance sheet.

2.10. Loan issue costs and loan issue or redemption premiums

Premiums on the issue and redemption of the loans arranged with Caisse Nationale des Autoroutes (CNA) and issue costs for these loans are recognised as deferred charges and amortised using the straight-line method over the term of the loans to which they relate.

If loan repayments will be less than the initial amount of the loan, the difference is recognised initially as deferred income and reversed to the income statement over the term of the loan using the straight-line method.

The above method is tantamount to amortising premiums by reference to accrued interest to the extent that loans give rise to a one-time payment at term.

2.11. Indexed loans and advances

Advances from the French State and indexed loans are adjusted each year to reflect the application of the indexation procedure, the offsetting entry being to "Indexation difference" on the asset or liability side of the balance sheet. Where appropriate, provisions for liabilities and charges are recognised each year in respect of unrealised losses, which correspond to indexation differences to the debit of the balance sheet.

2.12. Obligations in respect of retirement indemnities and other employee benefits

The actuarial method used to calculate the Company's obligations in respect of retirement indemnities, as reported on the balance sheet, is the projected unit credit method based on final salaries. This is the method advocated by International Accounting Standard 19, Employee Benefits, and it meets the requirement set forth in Recommendation no. 2003-R.01 issued by the French National Accounting Board (*Conseil National de la Comptabilité*).

This method consists in measuring the Company's obligations by reference to the projected final salary and to vested rights on the measurement date, determined by applying the terms of the collective bargaining agreement, the company agreement or statutory rights in force at the balance sheet date.

2.13. Infrastructure maintenance

Expenditure on infrastructure maintenance is recognised as an operating expense as and when committed.

In 2005, the Company decided to apply the component method of accounting to expenditure on surface courses. Note that Regulation 2002-10 issued by the French National Accounting Board

(*Conseil National de la Comptabilité*) does not require public service concession operators to apply this method.

2.14. *Financial risks*

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

All of the Company's borrowings are denominated in euro. Two thirds of these borrowings are at fixed rates. The Company does not therefore have significant exposure to an increase in interest expenses linked to a rise in interest rates.

2.15. *Reporting currency*

The tables overleaf are stated in millions of euros unless otherwise indicated.

3. INFORMATION ON THE BALANCE SHEET

3.1. Intangible assets

	31 December 2009	Increase Charge for the year	Decrease Reversals	Assets brought into service	31 December 2010
Intangible assets	102.6	3.4	(2.1)	3.9	107.8
Intangible assets work in progress	5.6	3.6	-	(3.9)	5.3
Amortisation	(81.2)	(9.3)	2.1	-	(88.4)
Carrying value	**27.1**	**(2.3)**	**-**	**-**	**24.7**

3.2. Property, plant and equipment

Assets held under concessions

The network covered a total of around 1,859 kilometres at 31 December 2010, 1,810 kilometres of which were in service.

31 December Cost	**2010**	**2009**
Non-current construction assets	9,568.8	9,503.0
Non-current assets used in the operations	797.8	786.7
Non-current assets under construction	539.9	326.1
Total cost	**10,906.5**	**10,615.7**

Cost	**31 December 2009**	**Increase**	**Decrease**	**Brought into service**	**31 December 2010**
Non-current construction assets	9,503.0	-	(1.0)	66.8	9,568.8
Road surface courses	296.7	26.8	(38.8)	9.1	293.8
Non-current assets used in the operations	490.0	10.3	(17.7)	21.4	504.0
Non-current assets under construction	326.1	311.1	-	(97.3)	539.9
Total cost	**10,615.7**	**348.2**	**(57.5)**	**-**	**10,906.5**

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

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

<u>Depreciation</u>

Depreciation	31 December 2009	Charge for the year	Decrease Reversals	31 December 2010
Financial depreciation	(3,742.0)	(243.8)	0.9	(3,984.9)
Ordinary depreciation	(541.9)	(60.0)	56.5	(545.4)
Total depreciation	**(4,283.9)**	**(303.8)**	**57.4**	**(4,530.3)**

3.3. *Non-current financial assets*

31 December	2010	2009
Participating interests	1,027.5	944.2
Loans	1.6	1.3
Other non-current financial assets	0.1	0.2
Total	**1,029.2**	**945.8**

Information on participating interests is provided in Note 6.

AREA distributed dividends totalling €123 million (including an interim dividend of €64 million for 2010). These payments did not require the Company to recognise an impairment loss in respect of its investment in AREA.

3.4. *Trade receivables*

31 December	2010	2009
Toll subscribers	46.4	42.2
Ancillary activities	39.2	34.4
Doubtful debts	(1.7)	(1.6)
Total	**83.9**	**75.1**

3.5. *Other receivables, prepayments and accrued income*

31 December	2010	2009
State and other public bodies	34.5	27.5
Sundry receivables and income receivable	105.9	98.0
Prepayments	20.3	20.0
Deferred charges	6.2	7.9
Indexation difference	45.4	38.6
Total	**212.3**	**192.0**

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

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

Prepayments comprise mainly fees for the use of public property.

3.6. Marketable securities, cash at bank and in hand

31 December	2010	2009
Marketable securities	33.3	81.1
Cash at bank and in hand	16.4	18.5
Total	**49.7**	**99.6**

3.7. Capital and reserves

The share capital consists of 113,038,156 shares with a par value of €0.30 each. The number of shares in issue and their par value did not change during the year ended.

At 31 December	2010	2009
Share capital	33.9	33.9
Share premium account	0.3	0.3
Reserves	3.4	3.4
Retained earnings	409.9	142.0
Interim dividend	(196.7)	-
Profit for the year	441.2	362.9
Capital grants	133.4	137.2
Regulated provisions	52.8	51.3
Total equity	**878.3**	**731.1**

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

Change in capital and reserves in 2010

	31 December 2009	Appropriation per AGM of 22 June 2010	Grants received 2010 less reversals	Regulated provisions	2010 profit	31 December 2010
Share capital	33.9					33.9
Share premium	0.3					0.3
Legal reserve	3.4					3.4
Other reserves	-					-
Retained earnings	142.0	268.0				409.9
Interim dividends	-	-			(196.7)	(196.7)
2010 profit	-				441.2	441.2
2009 profit	362.9	(362.9)				-
Capital grants	137.2		(3.8)			133.4
Regulated provisions	51.3			1.4		52.8
Total equity	**731.1**	**(94.9)**	**(3.8)**	**1.4**	**244.5**	**878.3**

3.8. Other equity

Other equity was unchanged during the year at €164.7 million. It corresponds to contributions made free of charge by the French State, recognised at their value on the date of transfer.

3.9. Provisions for liabilities and charges

	31 December 2009	Charge for the year	Reversals (provisions utilised)	Reversals (provisions no longer required)	Other	31 December 2010
Provisions for retirement indemnities	18.6	1.8	(1.1)	-	-	19.4
Provisions for similar obligations	4.1	1.3	(1.2)	-	-	4.2
Provisions for disputes	1.5	0.4	(0.5)	(0.8)	-	0.6
Provisions for taxes	153.9	19.5	(36.8)	(0.5)	-	136.1
Provisions for indexation of CNA loans	31.6	6.3	-	-	-	37.9
Provisions for indexation of advances	7.1	0.4	-	-	-	7.5
Total	**216.8**	**29.7**	**(39.6)**	**(1.3)**	**-**	**205.6**

APRR and AREA have been being audited by the tax authorities since the second half of 2010. These audits concern the years ended 31 December 2007, 2008 and 2009. As yet, no definitive tax adjustments have been notified to the companies. It emerges from discussions held with the tax authorities that there are differences of assessment regarding certain accounting and tax regulations. APRR's view is that it has solid arguments to rebut the main point raised by the tax authorities and accordingly did not set aside a provision in respect of this risk at 31 December 2010.

Provisions for retirement indemnities and similar obligations

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

At 31 December	**2010**	**2009**
Discount rate	4.50%	5.00%
Expected rate of inflation	2,00%	2.00%
Expected rate of salary increases	3.00%	3.00%
Mortality tables for men	TH 04-06	TH 04-06
Mortality tables for women	TF 04-06	TF 04-06
Retirement age for managers	63 years	63 years
Retirement age for non-managers	63 years	63 years
Social security charges	45.0%	45.0%

Actuarial differences arise from changes in actuarial assumptions and/or variances between actual and assumed experience (interest rates, staff turnover rates, retirement conditions). These actuarial differences are recognised by applying the corridor approach, which consists in recognising these differences where they are 10% more or 10% less than the total projected benefit obligations or the fair value of assets plans. When applying the corridor approach, actuarial differences exceeding the 10% limit are amortised over the expected average remaining working lives of the participating employees.

A provision amounting to €2.8 million was set aside in respect of the commitments given by the Company in connection with the early retirement agreement signed in 2007.

The provision was calculated on an actuarial basis for the population concerned. The average retirement age was estimated at 60 years (allowing for the particular characteristics of the population). The same hypotheses were used as for retirement indemnities, except for the 4% discount rate used. The provision was based on the number of employees having taken early retirement from 2008 and 2010 as a percentage of eligible employees (i.e. 52% on average).

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

3.10. Borrowings and other financial liabilities

31 December	2010	2009
Fixed rate CNA loans	2,513.4	2,693.0
Variable rate or revisable-rate CNA Loan (notably through the use of swaps)	839.5	927.1
Fixed rate EIB loan	100.0	100.0
Amounts drawn down against revolving credit facility	840.0	800.00
Variable rate bank loans	800.0	800.00
Bonds indexed to inflation	202.3	200.0
Fixed rate bonds	700.0	500.00
State advances to TML	19.1	18.7
Debts related to participating interests and sureties received	8.1	8.1
Subtotal	**6,022.5**	**6,046.9**
Accrued interest	163.1	145.2
Total	**6,185.5**	**6,192.1**

In 2010:
- €271 million of loans having reached maturity were repaid to Caisse Nationale des Autoroutes (CNA); and
- €200 million of fixed rate bonds were issued by tapping the June 2009 bond issue.

Furthermore, the Company drew down against its revolving credit facility and also made repayments, as a result of which amounts drawn down increased by €40 million from €800 million at 31 December 2009 to €840 million at 31 December 2010.

The Company's borrowings (excluding accrued interest) at 31 December 2010 are analysed by remaining maturity below:

	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Total	**429.8**	**4,006.9**	**1,585.7**	**6,022.5**

At 31 December 2010, the portfolio of derivative instruments held by the Autoroutes Paris-Rhin-Rhône Group consisted of:
- One swap, entered into 2004, under the terms of which the company receives a fixed rate on a €300 million nominal and pays a fixed rate on this nominal indexed to inflation as well as inflation capitalised at maturity.

- A remaining group of five derivative contracts (including one swap receiving fixed rate and paying variable rate, designated as a fair value hedge, along with three options entered into to mitigate to some extent exposure to higher interest rates, and one swap paying fixed rate and receiving variable rate, resulting from the exercise of the swaption that matured in April 2010, treated as autonomous instruments for accounting purposes) entered into in the second half of 2005 as part of a variable rate programme scaled back to €300 million at 30 June 2010, matched to the following loans:

  - €208.4 million against the 4.50% CNA loan maturing 28 March 2018; and
  - €91.6 million until April 2020, corresponding to a portion of debt equivalent to the 4.50% CNA loan that matured 25 April 2010

In connection therewith, a swap receiving fixed rate and paying variable rate matured in April 2010.

- Five interest rate swaps entered into in March 2008 for a total nominal amount of €500 million that are backed to a loan for the same amount arranged in August 2007 and for which interest periods are identical, under which the Company pays fixed rates and receives variable rate until the loan matures in August 2014.

- Two swaps entered into the first half of 2009 for nominal amounts of respectively €250 million and €50 million, under the terms of which the Company pays fixed rates and receives variable rates, for which the maturity dates are in July 2014 and December 2012 and for which the interest periods are matched to those of the loans for the same nominal amounts arranged respectively in July 2008 and in December 2008.

3.11. *Other payables, accruals and deferred income*

31 December	2010	2009
Due to fixed asset suppliers	87.6	104.7
Tax and social security	125.6	150.8
Deferred income	62.3	48.5
Other	31.0	28.7
Total	**306.5**	**332.7**

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

4. INFORMATION ON THE INCOME STATEMENT

4.1. *Revenue*

Revenue is analysed below:

Year ended 31 December	2010	2009
Toll revenue	1,422.2	1,360.6
Rental income from commercial facilities	30.0	28.6
Revenue from leasing telecommunication installations	9.4	10.2
Other	8.1	7.8
Total	**1,469.8**	**1,407.2**

4.2. Purchases and external charges

Year ended 31 December	2010	2009
Energy, supplies and spare parts	28.6	22.9
Infrastructure maintenance	27.7	24.9
Other maintenance	22.9	22.7
Fee for the use of public property	38.2	37.2
Other external charges	60.5	55.3
Total	**177.8**	**163.0**

4.3. Employee benefit expenses and headcount

a) Expenses

Year ended 31 December	2010	2009
Wages and salaries	101.3	97.9
Social security contributions and deferred benefits	46.8	44.9
Discretionary employee profit sharing and employer's contribution to savings plan	7.0	13.2
Total	**155.0**	**156.1**

b) Average headcount

Year ended 31 December	2010	2009
Management grade	414	406
Supervisor grade	1,449	1,437
Workers and office staff	913	968
Total	**2,776**	**2,811**

4.4. Other operating income and expense

Year ended 31 December	2010	2009
Charges capitalised - Property, plant and equipment	10.5	5.0
Charges capitalised - Intangible assets	-	5.4
Insurance claim	6.8	6.6
Other	4.2	5.5
Other operating income	**21.6**	**22.4**

4.5. Taxes (other than income tax)

Year ended 31 December	2010	2009
Regional development tax	106.7	104.2
Territorial economic contribution (Local business in 2009)	37.9	40.6
Payroll and similar taxes	4.1	4.1
Other taxes and duties	4.8	4.3
Total	**153.4**	**153.2**

4.6. Depreciation, amortisation and provisions

Year ended 31 December	2010	2009
Financial depreciation	(243.5)	(237.1)
Depreciation of renewable non-current assets	(68.8)	(67.7)
Provisions	18.9	29.1
Total	**(293.3)**	**(275.8)**

4.7. Financial income and expenses

Year ended 31 December	2010	2009
Loan interest and indexation	(293.4)	(301.9)
Interim interest capitalised	19.8	10.6
Amortisation of loan issue costs and premiums	(1.7)	(2.0)
Dividends received from subsidiaries	124.0	104.3
Other financial income including loan indexation adjustments	53.1	34.4
Total	**(98.2)**	**(154.5)**

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

4.8. Exceptional items

Year ended 31 December	2010	2009
Net gains on the disposal of non-current assets	0.6	0.5
Reversal of capital grants	5.2	5.2
Depreciation and provisions	(3.0)	(23.5)
Other	0.3	0.4
Total	**3.1**	**(17.5)**

4.9. Income tax expense

In 2010, the tax charge on the income of the tax group amounted to €236.9 million, for part offset by the €71.7 million of tax credits booked by its subsidiaries AREA and Sira.

5. ADDITIONAL INFORMATION

5.1. Tax group and parent company

APRR is the head of a tax group that includes AREA, Sira and Apollinaire Participations

The agreement signed by the companies belonging to this tax group was drawn up on the basis of fiscal transparency for the different group members. APRR had no commitment in this respect towards other group members at 31 December 2010.

The financial statements of APRR are consolidated under the full method in the consolidated financial statements of Eiffage Group since 20 February 2006.

5.2. Accounting and financial indicators

Year ended 31 December	2010	2009
EBITDA	994.7	947.6
EBITDA margin	67.7%	67.3%

Earnings before interest, tax, depreciation and amortisation correspond to operating profit adjusted for employee profit sharing and before amortisation, depreciation and provisions.

5.3. Compensation paid to members of the management bodies

The Chairman of the Board of Directors and the Managing Director receive no compensation from the Company.

5.4. Litigation

APRR is involved in various disputes having arisen in the normal course of business. The Company considers that, as at 31 December 2010, none of the ongoing disputes arising from the normal course of business are likely to have a material impact on its operating profit, its activity or its financial situation (apart from the risks already provisioned in the accounts).

5.5. *Commitments*

a) Commitments given

31 December	2010	2009
Work to be performed (1% landscape)	0.1	0.1
Total	**0.1**	**0.1**

b) Commitments received

31 December	2010	2009
Bank guarantees	27.2	33.0
Total	**27.2**	**33.0**

c) Reciprocal commitments

31 December	2010	2009
Work contracts (signed, not performed)	82.6	184.6
Syndicated loan facility not utilised	960.0	1,000.0
Total	**1,042.6**	**1,184.6**

5.6. *Information concerning subsidiaries and participating interests*

2010	Subsidiaries	Participating interests
Participating interests		1,027.5
Other receivables	0.5	32.9
Trade payables	2.6	0.4
Other payables	0.7	0.9
Financial charges	-	-
Financial income	-	151.7
Operating charges	8.6	3.3

6. LIST OF SUBSIDIARIES AND PARTICIPATING INTERESTS

Subsidiaries and participating interests (€ thousands)	2010 capital	2010 Reserves	% held	Gross value	Net value	Loans and advances not repaid	Dividends received	2010 revenue	2010 profit
Subsidiaries									
(over 50% held by APRR)									
- AREA	82,900	105,538	99.84%	215,269	215,269	785,763	123.244	470,892	129,092
- Sira	10	469	100.00%	11	11			3,215	186
- Park +	5,232	(953)	60.00%	3,139	856	65		217	(396)
- Cera	8	137	100.00%	315	315			788	38
Participating interests									
- Autoroutes Trafic	349	na	24.00%	72	72		107	na	na
- Centaure Grand Est	450	480	35.55%	212	212			1,152	(57)
- Centaure Ile de France	900	na	49.00%	441	441			na	na
- Altech	40	1,188	14.50%	6	6		12	1,619	123
- Axxès	7,500	3,354	22.80%	1,710	1,710		662	752,508	3,076
- SC Autoroutes GIE		236						176	252
- Devtel	25	14	100.00%	25	25			-	-
- Apollinaire Participations	37	(4)	100.00%	37	37			-	(1)
- SEM Alésia	515	na	3.88%	20	20			na	na
Total				**221,257**	**218,974**	**785,828**	**124,025**		

na: not available

III. Consolidated financial statements

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED BALANCE SHEET

Assets

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

Equity and liabilities

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

2. CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated income statement

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

Consolidated statement of comprehensive income

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

3. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ million)	Share capital	Share premium	Reserves	Financial instruments	Group share	Non controlling interests	Total equity
At 1 January 2009	**33.9**	**0.3**	**(129.8)**	**(16.7)**	**(112.3)**	**0.1**	**(112.2)**
Share-based payments			0.2		0.2		0.2
Dividends					-	(0.2)	(0.2)
Profit for the year			349.2		349.2	0.2	349.4
Income and expense recognised directly to equity			0.5	(17.2)	(16.7)		(16.7)
Total recognised income and expense	-	-	349.7	(17.2)	332.6	0.2	332.8
Changes in scope and reclassifications					-		-
At 31 December 2009	**33.9**	**0.3**	**220.1**	**(33.9)**	**220.5**	**0.1**	**220.6**
At 1 January 2010	**33.9**	**0.3**	**220.1**	**(33.9)**	**220.5**	**0.1**	**220.6**
Share-based payments			0.3		0.3		0.3
Dividends			(291.6)		(291.6)	(0.2)	(291.8)
Profit for the year			418.7		418.7	0.2	418.9
Income and expense recognised directly to equity				(11.9)	(11.9)		(11.9)
Total recognised income and expense	-	-	418.7	(11.9)	406.8	0.2	407.0
Changes in scope and reclassifications			0.2		0.2		0.2
At 31 December 2009	**33.9**	**0.3**	**347.6**	**(45.8)**	**336.1**	**0.1**	**336.2**

4. CONSOLIDATED STATEMENT OF CASH FLOWS

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

NOTES TO THE 2010 CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Autoroutes Paris-Rhin-Rhône Group is primarily composed of two companies - Autoroutes Paris-Rhin-Rhône (APRR) and Autoroutes Rhône-Alpes (AREA) - which operate motorway networks whose construction they financed under the terms of two different motorway concession agreements that expire in 2032. Contract-based plans define the investment programmes for the two concessions and practices regarding tariffs for the periods covered by the plans.

The network covers a total of 2,282 kilometres of motorways, 2,234 kilometres of which are in service.

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

The principal provisions that could influence the operating outlook include:

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

A separate concession agreement covers the operation of the Maurice Lemaire tunnel by Autoroutes Paris-Rhin-Rhône until 31 December 2068.

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

It is controlled by Eiffage Group through its subsidiary Eiffarie, which is owned jointly by Eiffage Group and Macquarie managed infrastructure funds.

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

Significant events in 2010

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

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

2. SIGNIFICANT ACCOUNTING POLICIES AND METHODS

2.1. Basis of preparation

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

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

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

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

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

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

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

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

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

2.2. Basis and methods of consolidation

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

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

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

2.3. Non-current assets

Non-current assets are classified in three categories:

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

2.3.1 Property, plant and equipment

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

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

2.3.2 Intangible assets arising from concessions

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

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

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

2.3.3 Other intangible assets arising from concessions

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

2.4. Borrowing costs

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

In respect of qualifying assets:

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

2.5. Asset impairment

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

2.6. Financial instruments

2.6.1 Financial assets and liabilities

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

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

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

2.6.2 *Recognition and measurement*

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

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

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

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

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

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

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

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

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

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

2.7. Inventories

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

2.8. Trade and other receivables

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

2.9. Employee benefits

2.9.1 Retirement indemnities

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

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

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

2.9.2 Commitments arising from the early retirement scheme

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

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

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

2.10. Provisions

2.10.1 Non-current provisions

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

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

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

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

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

2.10.2 Current provisions

Current provisions comprise mainly:

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

2.11. Leasing agreements

2.11.1 Operating leases

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

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

2.11.2 Finance leases

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

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

2.12. Revenue and other income

Revenue is recognised when the service has been rendered.

2.13. Income tax

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

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

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which to obtain relief.

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

2.14. Segment reporting

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

2.15. Basis of presentation

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

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

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

3. FINANCIAL RISK MANAGEMENT

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

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

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

To finance its day-to-day operations, the Group has negotiated a €1,800 million syndicated loan bearing a variable interest rate. At 31 December 2010, an amount of €840 million had been drawn down against this facility.

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

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

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

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

These two ratios were 5.0 times and 4.5 times, respectively, at 31 December 2010.

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

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

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

An analysis of financial liabilities is provided in Note 10.

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

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

A sensitivity analysis was performed, which indicates that:

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

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

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

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

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

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

Credit risk

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

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

5. NON-CURRENT ASSETS

2010

(€ million)	At 1 January	Increases	Decreases	At 31 December
a) Cost or valuation				
Property, plant and equipment	694	47	(23)	718
Intangible assets arising from concessions	11,866	309	(1)	12,174
Other intangible assets	140	10	(2)	147
Investments in associates	46	-	(14)	31
Unlisted participating interests	58	4	-	61
Loans	4	1	-	4
Sundry financial assets	4	-	-	5
Other financial assets	**66**	**5**	**(1)**	**70**
Total	**12,812**	**370**	**(41)**	**13,140**

(€ million)	At 1 January	Increases	Decreases	At 31 December
b) Accumulated depreciation and impairment (1)				
Property, plant and equipment	(524)	(50)	23	(551)
Intangible assets arising from concessions	(4,615)	(305)	1	(4,919)
Other intangible assets	(102)	(14)	2	114
Investments in associates	-	-	-	-
Unlisted participating interests	(2)	-	-	(2)
Loans	-	-	-	-
Sundry financial assets	-	-	-	-
Other financial assets	**(2)**	**-**	**-**	**(2)**
Total	**(5,243)**	**(369)**	**26**	**(5,586)**
Carrying value (a-b)	**7,569**	**1**	**(15)**	**7,555**

(1) No impairment loss recognised in 2010.

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

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

2009

(€ million)	At 1 January	Increases	Decreases	At 31 December
a) Cost or valuation				
Property, plant and equipment	670	52	(27)	694
Intangible assets arising from concessions	11,524	345	(2)	11,866
Other intangible assets	126	14	(1)	140
Investments in associates	60	-	(14)	46
Unlisted participating interests	55	3	-	58
Other investments	-	-	-	-
Loans	3	1	-	4
Sundry financial assets	2	2	-	4
Other financial assets	**60**	**6**	**(1)**	**66**
Total	**12,439**	**417**	**(44)**	**12,812**

(€ million)	At 1 January	Increases	Decreases	At 31 December
b) Accumulated depreciation and impairment (1)				
Property, plant and equipment	(503)	(48)	27	(524)
Intangible assets arising from concessions	(4,319)	(298)	2	(4,615)
Other intangible assets	(90)	(12)	1	(102)
Investments in associates	(2)	-	-	(2)
Unlisted participating interests	-	-	-	-
Other investments	-	-	-	-
Loans	-	-	-	-
Sundry financial assets	-	-	-	-
Other financial assets	**-**	**-**	**-**	**-**
Total	**(4,914)**	**(359)**	**29**	**(5,243)**
Carrying value (a-b)	**7,525**	**58**	**(15)**	**7,569**

(1) No impairment loss recognised in 2009.

(€ million)	31 December 20109	31 December 2009
Signed works contracts not executed	97.3	192.4

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

6. INVESTMENTS IN ASSOCIATES

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

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

Key financial data regarding this company are as follows:
- Revenue for the year: €27.6 million
- Loss for the year: €28.8 million

- Shareholders' equity at 31 December 2010: €63.7 million
- Borrowings: €756.2 million
- Total assets: €824.2 million

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

Key financial data regarding this company are as follows:
- Revenue for the year: €752.5 million
- Profit for the year: €3.0 million

- Shareholders' equity at 31 December 2010: €10.8 million
- Borrowings: €3.9 million
- Total assets: €241.9 million

7. TRADE AND OTHER RECEIVABLES

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

8. OTHER CURRENT ASSETS

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

9. CASH AND CASH EQUIVALENTS

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

10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

In 2010, €373 million of loans were repaid to Caisse Nationale des Autoroutes (CNA). In addition, the Company drew down €485 million against the revolving credit facility and repaid €385 million, increasing the balance on this facility by €40 million.

Net debt analysed by maturity and related interest receivable and payable

At 31 December 2010 (€ million)	Carrying value	Capital and interest movements	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Financial assets: cash and cash equivalents								
Marketable securities	33.3							
Cash at bank and in hand	20.0							
Financial assets	**53.3**							
Financial liabilities: current and non current								
Long-term borrowings	5,918.2	5,902.9	-	580.7	1,188.6	1,115.7	1,326.2	1,691.7
Derivative instruments – liabilities	107.5							
Interest payable in respect of non-current financial liabilities		*1,530.5*	*276.2*	*277.0*	*236.6*	*207.3*	*189.9*	*343.7*
Non-current financial liabilities	**6,025.7**	**7,433.5**	**276.2**	**857.6**	**1,425.2**	**1,323.0**	**1,516.1**	**2,035.4**
Long-term borrowings due within 1 year	540.8	530.9	530.9					
Interest payable in respect of long-term borrowings due within 1 year		*32.0*	*32.0*					
Non-current borrowings due within 1 year	**540.8**	**563.0**	**563.0**	**-**	**-**	**-**	**-**	**-**
Current borrowings and other debts	**176.0**							
Total borrowings	**6,742.5**	**7,996.4**	**839.1**	**857.6**	**1,452.2**	**1,323.0**	**1,516.1**	**2,035.4**
Net debt	**6,689.2**							

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

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

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

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

At 31 December 2009 (€ million)	Carrying value	Capital and interest movements	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Financial assets: cash and cash equivalents								
Marketable securities	81.1							
Cash at bank and in hand	23.9							
Financial assets	**105.0**							
Financial liabilities: current and non current								
Long-term borrowings	6,183.8	6,185.3	-	530.4	580.5	1,148.3	1,115.4	2,810.9
Derivative instruments – liabilities	94.9							
Interest payable in respect of non-current financial liabilities		*1,785.6*	*285.5*	*290.2*	*258.9*	*221.4*	*192.6*	*537.0*
Non-current financial liabilities	**6,278.8**	**7,971.0**	**285.5**	**820.5**	**838.4**	**1,369.7**	**1,308.0**	**3,347.9**
Long-term borrowings due within 1 year	380.0	374.4	374.4					
Interest payable in respect of long-term borrowings due within 1 year		*23.8*	*23.8*					
Non-current borrowings due within 1 year	**380.0**	**398.2**	**398.2**	**-**	**-**	**-**	**-**	**-**
Current borrowings and other debts	**163.1**							
Total borrowings	**6,821.9**	**8,369.2**	**683.7**	**820.5**	**839.4**	**1,369.7**	**1,308.0**	**3,347.9**
Net debt	**6,716.9**							

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

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

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

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

- A remaining group of five derivative contracts (including one swap receiving fixed rate and paying variable rate, designated as a fair value hedge, along with three options entered into to mitigate to some extent exposure to higher interest rates, and one swap paying fixed rate and receiving variable rate, resulting from the exercise of the swaption that matured in April 2010, treated as autonomous instruments for accounting purposes) entered into in the second half of 2005 as part of a variable rate programme scaled back to €300 million at 30 June 2010, matched to the following loans:
  - €208.4 million against the 4.50% CNA loan maturing 28 March 2018; and
  - €91.6 million until April 2020, corresponding to a portion of debt equivalent to the 4.50% CNA loan that matured 25 April 2010

  In connection therewith, a swap receiving fixed rate and paying variable rate matured in April 2010.

- Five swaps for a total nominal amount of €500 million that are backed to a loan for the same amount arranged in August 2007 and for which interest periods are identical, under which the Company pays fixed rates and receives variable rate until the loan matures in August 2014.

- Two swaps entered into the first half of 2009 for nominal amounts of respectively €250 million and €50 million, under the terms of which the Company pays fixed rates and receives variable rates, for which the maturity dates are in July 2014 and December 2012 and for which the interest periods are matched to those of the loans for the same nominal amounts arranged respectively in July 2008 and in December 2008.

Financial assets and financial liabilities analysed by category

At 31 December 2010

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

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

Financial liabilities (€ million)	**Carryin g value**	**Liability at amortised cost**	**Financial hedging instruments**	**Fair value**	
Borrowings and other debts	6,742.5	6,635.0	107.5	7,298.1	(2)
Trade payables	146.4	146.4	-	146.4	(2)
Other liabilities related to ordinary operations	213.0	213.0	-	213.0	(2)
Total	**7,101.9**	**6,994.4**	**107.5**	**7.657.5**	

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

At 31 December 2009

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

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

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

11. SHARE CAPITAL

At 31 December 2009	Number of shares	€
Ordinary shares issued and fully paid	113,038,156	33,911,447

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

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

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

12. PROVISIONS

(€ million)	**At 1 January 2010**	**Additional provisions in the year**	**Provisions utilised**	**Provisions reversed**	**Other**	**At 31 December 2010**
Provision for retirement indemnities	23.1	2.5	(1.1)	-	(0.1)	24.4
Provision for long service medals	1.1	0.2	(0.2)	-	-	1.1
Provision for maintaining infrastructures in condition	258.5	37.4	(44.0)	-	(2.6)	249.3
Non-current provisions	**282.8**	**40.1**	**(45.2)**	**-**	**(2.7)**	**274.9**
Provision for retirement indemnities	0.3	-	-	-	0.1	0.4
Provision for long service medals	0.2	-	-	-	-	0.2
Provision for maintaining infrastructures in condition	48.3	-	-	-	2.6	50.8
Other provisions for liabilities and charges	6.2	3.7	(2.1)	(1.3)	-	6.6
Current provisions	**55.0**	**3.7**	**(2.1)**	**(1.3)**	**2.7**	**58.0**

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

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

13. EMPLOYEE BENEFITS PROVIDED UNDER DEFINED BENEFIT PLANS AND LONG-TERM BENEFITS

These benefits consist of retirement indemnities and long service medals.

Assumptions

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

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

Changes during the year

	Retirement indemnities		Long service medals	
	2010	2009	2010	2009
Discount rate	4.50%	5.00%	4.50%	5.00%
Expected rate of inflation	2.00%	2.00%	2.00%	2.00%
Expected rate of salary increases	3.00%	3.00%	3.00%	3.00%
Mortality tables for men	TH 04-06	TH 04-06	TH 04-06	TH 04-06
Mortality tables for women	TF 04-06	TF 04-06	TF 04-06	TF 04-06
Retirement age for managers	63 years	63 years	63 years	63 years
Retirement age for non-managers	63 years	63 years	63 years	63 years
Social security charges	45.00%	45.00%	45.00%	45.00%

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

Charge for the year

(€ million)	**Retirement indemnities**		**Long service medals**	
	2010	**2009**	**2010**	**2009**
Cost of past services	1.5	1.2	0.1	0.1
Interest on actuarial obligation	1.2	1.2	0.1	0.1
Expected return on plan assets	(0.1)	(0.2)	-	-
Actuarial losses (gains) not recognised	-	(0.2)	-	-
Charge (income) recognised	**2.5**	**2.0**	**0.2**	**0.2**

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

Plan assets

(€ million)	**Retirement indemnities**		**Long service medals**	
	2010	**2009**	**2010**	**2009**
Plan assets at 1 January	2.8	3.3	-	-
Expected return on plan assets	0.1	0.2	-	-
Actuarial losses (gains)	(0.1)	(0.3)	-	-
Benefits paid	(0.2)	(0.4)	-	-
Plan assets at 31 December	**2.7**	**2.8**	**-**	**-**

(€ million)	**2010**	**2009**	**2008**	**2007**	**2006**
Actuarial obligation in respect of retirement indemnities	28.5	23.7	19.4	21.7	22.7
Fair value of plan assets	2.7	2.8	3.3	4.1	5.1
Difference	**25.8**	**20.9**	**16.1**	**17.6**	**17.6**

Deferred items

(€ million)	Retirement indemnities		Long service medals	
	2010	**2009**	**2010**	**2009**
At 1 January	(2.6)	(5.5)	-	-
Losses (gains) on assets	0	0.2	-	-
Losses (gains) on actuarial obligation	3.5	2.7	-	-
Actuarial losses (gains) at 31 December	**1.0**	**(2.6)**	**-**	**-**

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

(€ million)	Retirement indemnities		Long service medals	
	2010	**2009**	**2010**	**2009**
Provision recognised in the balance sheet	24.9	23.5	1.4	1.3
Actuarial differences	1.0	(2.6)	-	-
Plan assets	2.7	2.8	-	-
Actuarial obligation	**28.5**	**23.7**	**1.4**	**1.3**

Benefits in respect of retirement indemnities and long service medals totalling €0.7 million are expected to be paid in 2011.

Sensitivity analysis

A 0.5 point change in the discount rate has an impact of 6% on the actuarial obligation in respect of retirement indemnities.

14. OTHER CURRENT AND NON-CURRENT LIABILITIES

(€ million)	31 December 2010	31 December 2009
Payments on account	3.2	3.3
Tax and social security	130.7	164.5
Deferred income	5.1	7.1
Other debts	42.0	38.4
Other current liabilities	**181.0**	**213.3**
Deferred income	32.0	32.8
Other non-current liabilities	**32.0**	**32.8**

15. REVENUE

Year ended 31 December (€ million)	2010	2009
Toll revenue	1,882.2	1,803.7
Rental income from commercial facilities	33.1	31.4
Revenue from leasing telecommunication installations	11.4	12.1
Other	12.9	12.7
Revenue excluding construction services	**1,939.6**	**1,860.0**
Construction services (IFRIC 12)	**301.9**	**337.9**
Total	**2,241.5**	**2,197.9**

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

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

16. PURCHASES AND EXTERNAL CHARGES

Year ended 31 December (€ million)	2010	2009
Energy	13.6	12.2
Supplies	16.7	11.0
Spare parts	6.5	6.1
Infrastructure maintenance	31.8	28.6
Routine maintenance	18.2	18.2
Construction services (IFRIC 12)	301.9	337.9
Other external charges	73.9	67.8
Total	**462.6**	**481.8**

17. EMPLOYEE BENEFIT EXPENSES AND HEADCOUNT

Year ended 31 December (€ million)	2010	2009
Wages and salaries	120.9	118.1
Social security contributions and deferred benefits	70.3	68.0
Discretionary employee profit sharing	6.3	13.5
Mandatory employee profit sharing	15.9	14.9
Employer’s contribution to profit sharing plans	4.6	5.0
Total	**217.9**	**219.5**

Headcount Year ended 31 December	2010	2009
Management grade	528	519
Supervisor grade	1,774	1,758
Workers and office staff	1,482	1,557
Total	**3,784**	**3,834**

18. TAXES (OTHER THAN INCOME TAX)

Year ended 31 December (€ million)	2010	2009
Regional development tax	136.3	133.4
Territorial economic contribution / local business tax	50.2	51.5
Fee for the use of public property	46.7	45.5
Other taxes and duties	6.2	5.8
Total	**239.5**	**236.2**

The Finance Act for 2010 repealed the local business tax (*Taxe Professionnelle - TP*) as from 1 January 2010 and replaced it with the Territorial Economic Contribution (*Contribution Economique Territoriale - CET*).

The Territorial Economic Contribution is composed of two different taxes: a Company Real Property Contribution (*Cotisation Foncière des Entreprises - CFE*), assessed only on real estate assets, and a Company Contribution on the Added Value (*Cotisation sur la Valeur Ajoutée des Entreprises - CVAE*).

The Group has taken the view that the aforementioned tax reform consists in essence in a change in the method of calculating French local tax without changing its overall nature.

The Group therefore considers that accounting treatment applied to the two components of the Territorial Economic Contribution should not differ from that applied to the local business tax.

Accordingly, the two components of the Territorial Economic Contribution will be classified as operating expenses in the same way as the local business tax.

19. DEPRECIATION AND AMORTISATION EXPENSE AND PROVISIONS

Year ended 31 December (€ million)	**2010**	**2009**
Depreciation and amortisation	361.7	351.7
Other provisions	27.4	45.9
Total	**389.1**	**397.6**

20. OTHER OPERATING INCOME AND EXPENSES

Year ended 31 December (€ million)	**2010**	**2009**
Impairment losses recognised in respect of current assets	6.3	(0.9)
Gains on disposals	0.9	0.6
Other income	4.5	7.2
Other expenses	(7.1)	(2.4)
Other operating income (expenses) from ordinary activities	**4.6**	**4.5**

21. INCOME FROM CASH AND CASH EQUIVALENTS

Year ended 31 December (€ million)	**2010**	**2009**
Net proceeds from the disposal of marketable securities	0.3	0.5
Income from debt-related derivative instruments	0.1	0.1
Other financial income	3.6	5.0
Total	**4.0**	**5.6**

22. FINANCE COSTS

Year ended 31 December (€ million)	**2010**	**2009**
Interest and other financial charges	(317.3)	(310.6)
Charges on debt-related financial instruments	(10.7)	(15.3)
Financial charges transferred	19.8	10.6
Finance costs	**(286.8)**	**(315.4)**
Other financial income	11.5	0.3
Other financial charges	(11.9)	(11.8)
Other financial income and charges	**(0.4)**	**(11.4)**

Fees in respect of unutilised credit lines came to €1.1 million in 2010 (2009: €0.7 million).

23. INCOME TAX EXPENSE

Tax charge for the year

Year ended 31 December (€ million)	2010	2009
Current tax	(236.5)	(205.1)
Deferred tax credit (charge)	10.4	16.8
Total	**(226.2)**	**(188.3)**

Reconciliation of theoretical tax charge to effective tax charge

Year ended 31 December (€ million)	2010	2009
Net profit for the year	418.9	349.4
Income tax expense	226.2	188.3
Share of profit of associates	8.6	8.3
Profit before tax	**653.7**	**546.1**
Applicable tax rate	34.43%	34.43%
Tax on the profit before tax determined above	225.1	188.0
Permanent differences	0.7	0.3
Other differences	0.4	(0.1)
Income tax expense recognised	**226.2**	**188.3**

Analysis of deferred tax assets and liabilities

(€ million)	2010	2009
Assets resulting from		
IFRIC 12	137.4	133.2
Provisions for retirement indemnities	10.2	9.5
Provisions for holiday pay	5.4	5.3
Employee profit sharing	5.5	5.1
Swap reversals	3.2	5.0
Other	18.3	14.6
Deferred tax assets	**179.9**	**172.8**
Deferred tax liabilities arising from		
Charges capitalised, net of depreciation	(183.7)	(185.0)
Depreciation of renewable fixed assets	(41.7)	(41.6)
Regulated provisions	(18.4)	(17.8)
Provisions for replacement	(33.5)	(38.9)
Other	(3.5)	(4.4)
Deferred tax liabilities	**(280.7)**	**(287.6)**
Net deferred tax liabilities	**(100.8)**	**(114.8)**

24. EARNINGS PER SHARE

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

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

Year ended 31 December (€ million)	2010	2009
Basic earnings per share		
Net profit for the year attributable to ordinary equity holders of the parent entity	418.9	349.4
Weighted average number of ordinary shares outstanding during the year	113,038,156	113,038,156
Basic earnings per share		**3.09**
Diluted earnings per share		
Net profit for the year attributable to ordinary equity holders of the parent entity	418.9	349.4
Weighted average number of ordinary shares outstanding during the year	113,038,156	113,038,156
Diluted earnings per share	**3.71**	**3.09**

There are no potentially dilutive instruments in issue.

25. DIVIDEND

In 2010, a dividend of €0.84 per share was distributed in respect of 2009.

In December 2010, an interim dividend of €1.74 per share was distributed in respect of the year ended 31 December 2010.

26. COMMITMENTS

Commitments given

(€ million)	31 December 2010	31 December 2009
Sundry guarantees	24.0	24.0
AREA tax reintegration	-	1.7
Work to be performed (1% landscape)	0.1	0.1
Total	**24.1**	**25.7**

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

Commitments received

(€ million)	31 December 2010	31 December 2009
Bank guarantees	38.3	44.9
Other	-	-
Total	**38.3**	**44.9**

Amounts payable under operating leases

(€ million)	31 December 2010	31 December 2009
Within 1 year	2.0	1.8
Between 1 and 5 years	3.0	2.7
After 5 years	-	-
Total	**5.0**	**4.5**

Amounts receivable under operating leases

(€ million)	31 December 2010	31 December 2009
Within 1 year	15.5	30.6
Between 1 and 5 years	47.4	53.4
After 5 years	24.9	27.8
Total	**87.9**	**111.8**

27. RELATED PARTY TRANSACTIONS

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

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

Company	Nature	Type	Amount (€ million)	Payable (Receivable)
Eiffage Group	Sundry services	Income	1.0	(0.5)
	Work	Charges	89.1	5.7
Eiffarie	Staff made available	Charges	0.8	0.1
Axxès	Heavy goods vehicles remote toll collection	Charges	1.5	(42.2)
	Financial income	Income	0.8	-
Sira	Radio services (Autoroute Info)	Charges	1.8	-
	Sundry services	Income	0.4	(0.2)
	Cash advance	Income	-	-
	Cash advance	Charges	-	0.9
Park +	Cash advance	Income	-	(0.1)
	Sundry services	Income	0.1	-
	Sundry services	Charges	-	-
Adelac	Sundry services	Income	3.9	(0.7)
	Staff made available	Income	0.2	-
	Cash advance	Income	3.3	(56.4)
Autoroute Trafic	Financial income	Income	0.1	-

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

28. MANAGEMENT INDICATORS

(€ million)	2010	2009
Operating cash flow	816	755
EBITDA	1,326	1,265
EBITDA margin	68.4%	68.0%

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

Operating cash flow corresponds to the net profit adjusted by adding back depreciation and amortisation expense and provisions and deducting profits on disposals and the share of profit of associates.

29. EVENTS AFTER THE BALANCE SHEET DATE

No significant event has occurred since 31 December 2010.

30. FEES PAID TO THE STATUTORY AUDITORS

	KPMG (formerly Salustro - Reydel)				**Pricewaterhouse Coopers Audit**			
	Amount (excluding VAT)		%		Amount (excluding VAT)		%	
	2010	2009	2010	2009	2010	2009	2010	2009
Audit								
• Statutory audit, certification, review of company and consolidated financial statements								
- Issuer	135,350	132,480	91%	71%	167,850	132,480	61%	51%
- Fully consolidated subsidiaries	-	-		-	69,380	63,590	25%	25%
• Other reviews and services directly linked to the statutory audit assignment								
- Issuer	13,500	55,000	9%	29%	38,500	56,348	145	22%
- Fully consolidated subsidiaries		-		-	-	5,245	-	2%
Subtotal	**148,850**	**187,480**	**100%**	**100%**	**275,730**	**257,663**	**100%**	**100%**
Other services provided by the networks to fully consolidated subsidiaries								
- Legal, tax and employment matters	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Total	**148,850**	**187,480**	**100%**	**100%**	**275,730**	**257,663**	**100%**	**100%**

IV. Management Report

APRR

2010 Management Report

Contents

I GROUP ACTIVITIES

I.1 Traffic volume and toll fares

I.1.1 Traffic volume

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

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

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

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

Traffic intensity increased by 2.6% compared with 2009.

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

I.1.2 Tariffs

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

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

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

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

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

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

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

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, fluidity and comfort on its network (2,215 kilometres at 31 December 2010) as well as on the concession granted to Adelac and managed by AREA (19 kilometres).

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

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

I.2.1 Service

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

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

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

More than 80 such events were staged in 2010.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I.2.2 Network safety and network surveillance

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

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

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

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

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

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

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

I.2.3 Acting on customer behaviour

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

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

I.2.4 Acting on infrastructure and equipment

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

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

I.3 Construction of new motorways

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

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

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

I.4 Major works on motorways in service

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

I.4.1 New exchanges (€16 million)

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

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

I.4.2 Service areas (€1 million)

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

I.4.3 Road widening (€41 million)

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

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

I.4.4 Surface courses other than replacement (€14 million)

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

I.4.5 Engineering structures and tunnels (€11 million)

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

I.5 Development of the Group's activities

Telecommunication and radio networks and infrastructures

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

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

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

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

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

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

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

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
- Edward Beckley, Director
- Pierre Berger, Director
- Louis de Broissia, Director
- Philippe Delmotte, Director
- Robert Galley, Director
- Thomas Gelot, Director
- Arnaud Montebourg, Director
- Max Roche, Director
- Peter Trent, Director

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

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

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

II.2 Information concerning Directors and Officers

II.2.1 Positions and offices held by the Company's Directors and Officers

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

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

Director Born 17 June 1975				Macquarie Autoroutes de France SAS Abroad, various mandates related to investments managed by members of Macquarie Group	
Pierre Berger Director Born 9 July 1968	22 February 2011	2010	Deputy Chief Executive Officer of Eiffage	Director of AREA	
Louis de Broissia Director Born 1 June 1943	4 May 2004	2008-2010	Ambassador responsible for foreign radio and television	Director: Société Professionnelle des Papiers de Presse France 24 SEM Alésia Chairman: GIP France Télé Numérique Fondation des Orphelins de Dole Member of Fondation pour l'Enfance	Director of France Télévisions SA
Philippe Delmotte Director Born 10 February 1952	5 May 2008	2008-2010	Director, Eiffage	Director: AREA Clemessy Crystal Permanent representative of Eiffage TP on the Board of Directors of SMTPC Member of the Supervisory Board FCP Eiffage 2011 Chairman: Verdun Participation 2 SAS Director: Verdun Participation 1 SAS Eiffarie SAS Financière Eiffarie SAS Managing director of SICAVAS Eiffage 2000 (but not board director) Member of the Executive Board of A'lienor Chairman of the Board of Norscut (Portugal) Director of TP Ferro (Spain)	Director, Clemessy
Robert Galley	4 May 2004	2008-2010	Former Minister		

Director Born 11 January 1921					
Thomas Gelot Director Born 21 June 1975	21 December 2010	2010	Senior Vice President, Macquarie Infrastructure & Real Assets	Director : AREA Eiffarie SAS Financière Eiffarie SAS Adelac SAS Macquarie Autoroutes de France SAS	
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 Born 30 January 1953	20 February 2006	2008-2010	Finance Director, Eiffage	Permanent representative of APRR on the Board of Directors of AREA Permanent representative of Eiffage Travaux Publics on the Board of Directors of SMTPC Director: Compagnie Eiffage du Viaduc de Millau (CEVM) Clemessy Director: Eiffarie SAS Financière Eiffarie SAS Verdun Participation 1 SAS Verdun Participation 2 SAS Permanent representative of Omnium Général Laborde on the Supervisory Board of Prado Sud SAS Member of the Executive Board of A'lienor Non-shareholding manager: Agenofim Entreprise Sofra Omnium Général Laborde Representative of Eiffage and Chairman: EFI SOCFI Director:	Member of the Supervisory Board of FCPE Eiffage Director, Crystal

				Norscut (Portugal) TP Ferro (Spain)	
Peter Trent Director Born 30 September 1958	28 January 2010	2010-2010	CEO - Macquarie Atlas Roads	Director: AREA Eiffarie SAS Financière Eiffarie SAS Macquarie Autoroutes de France SAS Abroad, various mandates related to investments managed by members of Macquarie Group	
Philippe Nourry Deputy Chief Executive Officer Born 1 December 1958	7 January 2008			Chief Executive Officer of AREA Permanent representative of AREA on the Board of Directors of Centaure Rhône Alpes Chairman and Managing Director of Compagnie Eiffage du Viaduc de Millau (CEVM) Chairman of Adelac SAS Director: Verdun Participation 1 SAS Verdun Participation 2 SAS	Manager of SIRA Chairman and 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 two executive directors are its Chairman and Chief Executive Officer and its Deputy Chief Executive Officer.

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

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

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

II.2.2.2 Directors’ fees

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

II.2.3 Securities transactions involving Directors and related parties

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

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

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 roles of and rules governing the Audit Committee and the Compensation and Selection Committee as well as the Director's Charter.

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

II.4 Contract Award Commission

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

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

II.5 Audit and Internal Control

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

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

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 developments and to constantly improve its competitiveness in all aspects of its activities as well as the safety of its personnel and customers, and at the same time respond to new customer expectations.

The main projects undertaken in 2010 concerned:

- The generation of alternative energy to power equipment (micro wind energy installations on the A6 motorway, photovoltaic panels on the canopy of toll stations on the northern section of the A41 motorway after the A39 motorway);

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

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

IV GROUP HUMAN RESOURCES POLICY

IV.1 Human resources management

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

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

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

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

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

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

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

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 station employees;
- Rotating basis from Sunday to Saturday, or staggered shift basis, in particular for teams responsible for roadway operation;
- Variable working hours, mainly for the head office functions.

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

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

IV.3 Compensation and equality of employment opportunities

IV.3.1 <u>Compensation</u>

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

IV.3.2 <u>Employee savings plans</u>

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

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

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

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

IV.4 Labour relations

APRR has remained steadfast in its commitment to promoting diversity and corporate social responsibility, signing with all employee representative bodies a company-level agreement relating to the hiring and ongoing employment of disabled persons. At the same time, a national partnership agreement was signed with Association pour la Gestion du Fonds pour l'Insertion Professionnelle des Personnes Handicapées (AGEFIPH), the association managing the fund for the professional integration of disabled people. These two agreements define the framework for the active and sustainable policy that APRR intends to pursue so as to promote the recruitment, lasting employment and promotion of disabled people in the Group and to improve their working conditions. It supplements the measures taken by APRR in favour of diversity, gender equality and the long-term employment of seniors, in line with the measures initiated throughout Eiffage Group. Actions in favour of disabled employees are being coordinated by the two companies so as to optimise costs and share good practices.

APRR has implemented the measures contained in the national inter-branch agreement on stress at work concluded on 2 July 2008, within the framework of a company-level agreement aimed at preventing stress and psycho-social risks. The goal of this agreement is to identify factors of stress through the use of social, health and safety indicators. Ad-hoc commissions have been set up to oversee well-being at work; they will be responsible notably for putting forward recommendations for reducing identified situations of collective stress. In collaboration with the French National Agency for the Improvement of Working Conditions (*Agence Nationale pour l'Amélioration des Conditions de Travail - ANACT*), a questionnaire was sent by APRR to all employees to measure their level of satisfaction concerning the company, work, relations, career prospects and the impact of projects and changes at the company on working conditions and staff motivation. Feedback on the questionnaires will be given at the start of 2011. To the same end, questionnaires were sent out to AREA's employees, in respect of which the Calypso market research firm will present its conclusions in February 2011.

APRR's employee representative bodies (works committees, health, safety and working conditions committees and staff representatives) were all renewed for three-year terms. Five trade unions represent company employees compared with eight previously.

At AREA, a company-level agreement was reached by all parties in connection with the compulsory annual negotiation for 2010. This agreement provides for a general increase in salaries of 1.3%, in addition to which there will be individual salary adjustments resulting from the application of the GVT (*Glissement Vieillissement Technicité*) to bonuses to reflect length of service and promotions.

At APRR, as no majority agreement could be reached, management decided unilaterally to award a general increase in salaries of 1%.

A rider to the mandatory employee profit sharing agreement was signed to incorporate changes in French law (end of requirement to block amounts set aside in respect of profit sharing, employee disclosure conditions). As employee profit sharing agreements at both companies are about to end, new agreements will be negotiated before 30 June 2011.

At APRR, negotiations over network viability and safety will continue in 2011.

IV.5 Development and human resources

Against the backdrop of changes in tolling working practices, which gave rise to agreements in 2009 and 2010 at APRR and AREA, and with a view to promoting sustainable employment in this activity, the predictive management of human resources and skills gave rise to more than 200 courses in career advancement during which training was dispensed to toll collectors and head toll collectors, supplemented by individual tutoring at the work place. These initiatives helped round their multi-disciplinary skills.

As part of the implementation of the policy to prevent psycho-social risks, APRR is holding training courses for the members of the ad-hoc commissions overseeing well-being at work and for all managers, to take place from 2010 to 2012. A company-level agreement addressing this issue is being negotiated at AREA. The general economic approach is similar to the one underpinning the agreement reached at APRR. However, the AREA agreement will place more emphasis on factoring in psycho-social risks when implementing organisational changes.

2010 marked the end of the period of implementation of agreements and conventions dealing with diversity (see Section IV.4). Concrete measures were initiated in 2010 that will be completed in 2011 and 2012.

As part of the policy for managing change implemented since 2006, new initiatives have been taken to further improve human resources management:

- Induction seminars for new recruits have been updated, with the staging of the first forum for new managers recruited by the Group, in addition to induction days for all new recruits at each of APRR's regional headquarters and at AREA.
- Following the creation of a specific new graduate recruitment scheme, six young engineers and one business school graduate have been recruited who will now follow a one-year professional induction period involving operational assignments and leading to permanent positions within the Group. During this induction periods, management courses will be dispensed to these new recruits and to other young managers identified as having attractive career prospects within APRR.
- "Management rendezvous", a series of eight conferences focusing on the latest managerial methods and innovations, proposed to managers on a "self-service" basis and allowing them to supplement their knowledge and take an objective view of their role as managers. Staged at APRR's headquarters, these conferences have been a resounding success. Beside their obvious interest in terms of content, they serve as an extremely useful discussion forum.

IV.6 Training

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

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

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

IV.7 Other labour issues related to the Group's activities

IV.7.1 <u>Health and safety conditions</u>

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

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

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

IV.7.2 Welfare schemes

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

In 2010, contributions paid by Group companies towards these welfare schemes amounted to €1,970,196.

V ENVIRONMENTAL PROTECTION

V.1 Consumption of water, raw materials and energy

V.1.1 Water resources

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

V.1.2 Raw materials

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

V.1.3 Energy

Total energy consumption (electricity and fossil fuel) came to 152.3 million KWh in 2010. Measured in relation to traffic, energy consumption decreased by 3% compared with 2009. This decrease was due to lower electricity consumption (down 9%), more than offsetting higher fossil fuel consumption (up 2%). Almost 6.5 million KWh of the electricity consumed was certified as renewable energy (supplied under the KWh Equilibre offer signed with EDF).

Furthermore, solar panels and mini wind turbines now power certain installations. In 2010, a second toll station equipped with a photovoltaic canopy was brought into service on the A41 motorway in France’s Haute-Savoie region. Trials are continuing on the A6 motorway on vertical axis turbines. As regards the buildings, major work was carried out insulating facades at APRR’s headquarters and a solar powered boiler was installed at the staff cafeteria.

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

V.2.1 Environmental pollution

Priority continues to be given to areas distant from water catchments when it comes to environmental protection in zones abutting on APRR’s network. The multi-year programme is also aimed at protecting waterways of particular interest.

Four accidents involving hazardous material spills were reported on the network in service. None had an impact outside the motorway boundaries.

Work is being carried out to improve wastewater treatment systems at the service areas.

Additionally, the Group is stepping up efforts to reduce the use of herbicides on the motorway’s green areas further to the Ecophyto 2018 framework agreement signed by Federation of French Motorway and Toll Facility Companies (*Association des Sociétés Françaises d'Autoroutes et d'Ouvrages à Péage - ASFA*) and the French State. The French Agriculture Ministry has designated APRR as a Certiphyto training centre on a trial basis.

All the stocks of snow-clearing salts used during the winter are now stored under cover.

V.2.2 Waste materials

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

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

V.2.3 Fauna

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

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 preserve biodiversity. There is extensive management of the green areas that now covers 50% of their surface area. Landscaped flowered vales have been planted on embankments along the A714 motorway. Research to develop techniques to fight the spread of ragweed and other invasive plants is ongoing.

V.2.5 Noise

In 2010 work was completed at 45 noise trouble spots as defined by regulations.

Acoustic coated material was laid along three motorway sections and the related noise reduction and motoring performances are being monitored.

V.3 Company environmental impact assessment and certification

V.3.1 Environmental certification

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

V.3.2 Specific assessments

Environmentally sensitive areas are assessed at regular intervals in partnership with the competent authorities. This concerns in particular the monitoring of water quality for the various waterways and of effluents.

APRR is a partner in an ongoing scientific research project into landscape connectivity in relation to fauna. After landscape modelling, more than 500 samples of newts living in natural surroundings in the vicinity of the A6 motorway and the Paris-Lyon high-speed rail line in Burgundy were taken.

Concerning motorway under construction or opened recently to traffic, an intermediate environmental assessment has been drawn up for the A51 motorway between Grenoble and Col de Fau. The ad-hoc scientific committee tasked with monitoring environmental compensatory measures for the A406 motorway has also begun its work.

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

The organisation of the environmental watch required by regulations and the monitoring of the level of compliance now come within the scope of ISO 14001 certification.

A new database has been developed providing a visual overview of environmental constraints in the vicinity of the network operated by APRR. For each works project by AREA, environmental constraints are identified and communicated in writing to the firms involved.

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 €5,375 thousand on the environment in 2010:

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

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

V.6 Sustainable development policy

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

V.7 Provisions and guarantees for environmental risks

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

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

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

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

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

VI FINANCES

VI.1 Consolidated financial statements

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

VI.1.1 Revenue

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

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

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

Other sources of revenue changed as follows:

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

VI.1.2 Earnings before interest, tax, depreciation and amortisation

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

VI.1.3 Operating profit

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

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

VI.1.4 Finance costs

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

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

VI.1.5 Net profit

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

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

VI.1.6 Consolidated balance sheet

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

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

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

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

VI.2 Company financial statements

VI.2.1 Income statement

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

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

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

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

VI.2.2 Five-year financial summary

	2006	2007	2008	2009	2010
Share capital at 31 December (€ thousand)					
Share capital	33,911	33,911	33,911	33,911	33,911
Number of ordinary shares in issue	113,038,156	113,038,156	113,038,156	113,038,156	113,038,156
Number of preference shares in issue	-	-	-	-	-
Maximum number of shares to be created in the future:					
Through the conversion of bonds	-	-	-	-	-
Through the exercise of subscription rights	-	-	-	-	-
Results (€ thousand)					
Revenue	1,272,500	1,370,925	1,395,510	1,407,169	1,469,768
Profit before depreciation, provisions, employee profit-sharing and tax	820,648	761,749	807,564	825,747	947,572
Income tax expense	86,151	121,534	62,290	136,934	165,136
Employee profit sharing for year ended	5,447	8,707	7,366	9,658	10,346
Profit after depreciation, provisions, employee profit-sharing and tax	435,956	333,342	237,061	362,906	441,213
Dividends	435,197	332,332	96,082	94,952	(*)
Results per share (€)					
Profit after employee profit-sharing and tax, but before depreciation and provisions	6.45	5.59	6.52	6.01	6.50
Profit after depreciation, provisions, employee profit-sharing and tax	3.86	2.95	2.10	3.21	3.90
Dividend per share	3.85	2.94	0.85	0.84	(*)
Employees					
Average number of employees during the year	3,071	2,960	2,891	2,822	2,776
Salaries and wages (including discretionary profit sharing)	111,492	105,618	107,961	111,150	108,240
Employee benefits (excluding provisions for retirement indemnities)	44,137	46,215	43,930	44,942	46,801

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

VI.2.3 Dividends distributed in respect of previous years

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

2007		
Number of shares	113,038,156	
Dividend per share		€2.94
Distribution eligible for the allowance provided in Article 158-3-2° of the French General Tax Code		€332,332,178.64
Distribution not eligible for the allowance provided in Article 158-3-2° of the French General Tax Code		-

2008		
Number of shares	113,038,156	
Dividend per share		€0.85
Distribution eligible for the allowance provided in Article 158-3-2° of the French General Tax Code		€96,082,432.60
Distribution not eligible for the allowance provided in Article 158-3-2° of the French General Tax Code		-

2009		
Number of shares	113,038,156	
Dividend per share		€0.84
Distribution eligible for the allowance provided in Article 158-3-2° of the French General Tax Code		€94,952,051.04
Distribution not eligible for the allowance provided in Article 158-3-2° of the French General Tax Code		-

VI.2.4 Non-tax deductible charges (Article 39-4 of the French General Tax Code)

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

VI.2.5 Payment terms for suppliers

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

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

Amounts due to suppliers at 31 December 2009 consisted for:

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

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 2010 were as follows:

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

VII.2 Minority buyout and squeeze-out procedure

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

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

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

VII.3 Delegations of authority for capital increases

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

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

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

VII.4 Employee shareholders

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

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

VII.5 Additional financial information (Article L.225-100-3 of the French Commercial Code)

<u>Structure of the capital – Direct and indirect shareholders known to the Company</u>

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

<u>Restrictions on the exercise of voting rights and share transfers contained in the Memorandum and Articles of Association</u>

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

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

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

<u>Clauses in agreements for the sale of securities on preferential terms</u>

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

<u>List of holders of securities featuring special control rights and description of these rights</u>

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

<u>Control mechanism provided for in employee share ownership plan</u>

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

<u>Agreements between shareholders, of which the Company is aware, that could restrict share transfers and the exercise of voting rights</u>

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

<u>Rules governing the appointment or replacement of members of the Board of Directors and amendments to the Memorandum and Articles of Association</u>

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

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

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

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

Powers of the Board of Directors

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

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

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

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

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

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

VIII SUBSIDIARIES AND PARTICIPATING INTERESTS

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

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

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

Subsidiaries and participating interests (€ thousand)	Capital 2010	Reserves	% of capital	Gross value	Carrying value	Outstanding loans and advances	Dividends received	Revenue 2010	Net profit 2010
Subsidiaries (more than 50%-owned)									
- AREA	82,900	105,538	99.84%	215,269	215,269	785,763	123,244	470,892	129,092
- Sira	10	469	100.00%	11	11	-	-	3,215	186
- Park +	5,232	(953)	60.00%	3,139	856	65	-	217	(396)
- Cera	8	137	100.00%	315	315	-	-	788	38
Participating interests									
- Autoroutes Trafic	349	na	24.00%	72	72	-	107	na	na
- Centaure Grand Est	450	480	35.55%	212	212	-	-	1,152	(57)
- Centaure Ile de France	900	na	49.00%	441	441	-	-	na	na
- Altech	40	1,188	14.50%	6	6	-	12	1,619	123
- Axxès	7,500	3,354	22.80%	1,710	1,710	-	662	752,508	3,076
- SC Autoroutes GIE	-	236	-	-	-	-	-	176	252
- Devtel	25	14	100.00%	25	25	-	-	-	-
- Apollinaire Participations	37	(4)	100.00%	37	37	-	-	-	(1)
- SEM Alésia	515	na	3.88%	20	20			na	na
Total				**221,257**	**218,974**	**758,828**	**124,025**		

IX SIGNIFICANT EVENTS IN PROGRESS AND OUTLOOK

IX.1 Significant events in progress

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

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

IX.2 Outlook

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

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

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

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

The Board of Directors

Jean-François Roverato - Chairman of the Board of Directors

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 2010

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine cedex

Salustro Reydel
Member of KPMG International Coopérative
1, cours Valmy
92923 Paris La Défense cedex

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

SOCIETE DES AUTOROUTES PARIS RHIN RHONE
36, rue du Docteur Schmitt
21850 Saint Apolinaire
France

To the Shareholders,

In fulfilment of the assignment entrusted to us by your General Meeting of Shareholders, we present to you our report for the year ended 31 December 2010 on:

- the audit of the company financial statements of APRR SA, as attached to this report;
- the justification of our assessments; and
- the specific verification required by law.

The company financial statements have been prepared under the responsibility of the Board of Directors. It is our responsibility, based on our audit, to express an opinion on these financial statements.

I - Opinion of the company financial statements

We conducted our audit in accordance with professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the company financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, in light of French accounting rules and standards, the company financial statements give a true and fair view of the Company's assets and liabilities and financial position at 31 December 2010, and of the results of its operations for the year then ended.

II - Justification of our assessments

Pursuant to the provisions of Article L823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 2.2 to the company financial statements describes the accounting policies and methods applied to tangible assets held under service concession agreements and their depreciation as well as the method for recognising the provisions for the replacement of these assets. We verified that the accounting methods applied are appropriate and that they were applied correctly.

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

III - Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

As required by law, we verified that all appropriate information regarding the identity of the shareholders has been provided in the Management Report.

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

The Statutory Auditors

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

VI. Auditors’ report on the consolidated financial statements

SOCIETE DES AUTOROUTES PARIS RHIN RHONE

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

PricewaterhouseCoopers Audit
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STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you for the year ended 31 December 2010 on:

- the audit of the consolidated financial statements of APRR SA, as attached to this report;
- the justification of our assessments; and
- the specific verification required by law.

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

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applied in France ; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also involves evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - Justification of our assessments

Pursuant to the provisions of Article L823.9 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Notes 2.3.2 and 2.10.1 to the consolidated financial statements describe the accounting treatment applied to the Group as regards the recognition of assets arising from concession and their subsequent maintenance. As part of our assessment of the accounting policies applied by the Group, we determined that the accounting policies referred to above and disclosures provided in the notes to the consolidated financial statements are appropriate and these accounting policies were applied properly.
- Notes 2.6 and 10 to the consolidated financial statements describe the accounting methods used to recognise and measure derivative instruments. We assessed the data, assumptions and parameters upon which theses estimates are based and reviewed the calculations.

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

III – Specific verification

We have also carried out the specific verification required by law on the information on the Group contained in the Management Report. This work was performed in accordance with applicable professional standards in France.

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

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

The Statutory Auditors

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