

Annual report
2005



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COFIROUTE 

**Bienvenue
sur nos
autoroutes**

Chairman's message

Following a year of outreach and commitments in 2004, Cofiroute took action in 2005 to meet those commitments.

We continued to improve our business and financial performance. Revenue increased 3.1% over the previous year to €889 million, while net profit rose 8.7% to €282.7 million.

We invested €770 million in network construction and improvement work, representing almost 90% of our 2005 revenue. With total investments of €2.4 billion over the 2004-2008 period, Cofiroute is one of the biggest prime contractors in France.

There was intense construction activity throughout the year on all the new sections of the A28, A85 and A11 motorways. The Tours-Ecommoy section of the A28 was opened to traffic four months ahead of the contractual schedule. With the help of our construction units, we were able to meet our commitments to our concession-granting authority, the French government. The 57 kilometre section gives our customers an alternative route around the Paris region and makes life much easier for haulage companies transporting freight between Northern Europe and the Iberian peninsula. On the A86 project in Ile de France, interior development work and equipment installation between Rueil Malmaison and the A13 continued apace. In addition, the tunnel boring machine started work on the second part of the tunnel between Pont Colbert (Versailles) and the A13.

The successes recorded in 2005 are attributable to our employees and our operations decentralisation and empowerment programme. Under this programme, we make people more important than the system by giving decision-making authority to the heads of sectors and centres, especially in the areas of human resources and management. This has proved very effective. One example was the particularly good management of events during the winter of 2005. Exceptional situations were better anticipated and managed, and safety conditions improved for motorists and employees alike, through the development of crisis management, training activities and awareness campaigns, as well as coordinated actions taken with emergency services, the Gendarmerie and government departments.

Our Safety and Quality Charter, published in 2005, confirmed our determination to provide all customers with a uniformly high level of service at every point of our network and at all times throughout the year. The charter sends a strong signal to our customers and partners and gives a clear indication of the objectives we have set in terms of accuracy of information, the quality of customer service and support, and the optimisation of journey times and traffic flow. We took several actions to meet these



commitments. These included signing an agreement to share information with French government departments in order to improve traffic in Ile de France, accelerating the sale of Liber-t electronic toll collection system accounts, and deploying new brand signage across our entire network.

We considerably strengthened our position outside France. The variable price toll system in Minnesota was successfully installed, our contract to operate the 91 Express Lanes in Los Angeles was renewed for five years, and the heavy goods vehicle toll collection system in Germany got off to a good start. As a result of these successes, we are now well placed for upcoming tenders, particularly for free flow toll systems.

To boost our international growth and provide customers with even better service, our key word for 2006 will be quality: the quality of the infrastructure that we are continuing to improve, the visual quality of our network and, more generally, the quality of service, especially safety.

Henri Stoff
Chairman and Chief Executive Officer



The Board of Directors at 20 February 2006

Henri Stouff

Chairman and CEO

Jean-François Poupinel

Honorary Chairman

VINCI Construction

represented by Roger Martin

Colas

represented by Alain Dupont

Eiffage

represented by
Jean-François Roverato

VINCI

represented by
Antoine Zacharias

Paribas Participations

represented by
Olivier de Vregille

Patrick Faure

VINCI Concessions

represented by David Azéma

Sogepar

represented by Bernard Huvelin

Société Générale

represented by
Pierre-Jean Brenugat



Henri Stoff



Odile Georges-Picot



Pierre Anjolas



André Broto



Pierre Duprat



Jérôme Geoffray



Christian Heurtebis



Erik Leleu



Patrick Paris

The Executive Committee at 1 January 2006

Henri Stoff

Chairman and CEO

Pierre Anjolas

Vice-President, Operations

Odile Georges-Picot

Chief Operating Officer,
Concessions and Business Development

André Broto

Vice-President, Construction

Pierre Duprat

Vice-President,
Marketing and Communications

Jérôme Geoffray

Vice-President,
Operational Systems

Christian Heurtebis

Vice-President,
Business Development

Erik Leleu

Vice-President,
Human Resources

Patrick Paris

Vice-President,
Finance

Statutory Auditors at 31 December 2005

Mazars & Guérard

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92075 Paris La Défense Cedex

RSM Salustro Reydel

8 allée Delcassé
75378 Paris Cedex 8

Corporate governance

Management structures

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

Meetings of the Technical and Financial Committee, Executive Committee and Investment Committee, which are in charge of management, information and control, ensure the application of corporate governance principles. The Audit Committee and Remuneration Commit-

tee also report to the Board of Directors. The Audit Committee's mission is to ensure the accuracy and fairness of the parent company and consolidated financial statements, as well as the quality of financial information.

Cofiroute is committed to building roads for the French government, meeting the specified schedule and reporting regularly to the regulating authority on the progress made. The roads are defined in the inter-city concession contract and master plan signed for the period 2004-2008.

Cofiroute continued the implementation of its decentralisation programme in 2005. The programme aims to improve

the company's financial and social performance in full compliance with the rules of transparency by empowering operations staff.

The company is also implementing a continuous improvement programme within the framework of ISO 9001:2000 certification. This requires Cofiroute to meet its long-term quality commitments by assessing and reporting on its situation to the appropriate bodies.

Similarly, Cofiroute is pushing forward with its programme to improve its environmental performance. To that end, it created a network of coordinators at sector level and set up indicators.





In the field of employee and motorist safety, the company is committed to making a sustainable improvement in its performance. Each Executive Committee meeting starts with a review of safety indicators.

The Board of Directors

Cofiroute's Board of Directors comprises 11 members, appointed for a term of six years.

The Board met four times in 2005, with an average attendance of almost 100%.

A set of rules defines how the Board conducts its business. The same rules apply to

the Board's Audit and Remuneration Committees, which are responsible for formulating advice and recommendations.

In 2005, the Board of Directors examined the company's business performance, its principal commitments and its outlook. The Board's other activities included:

- approving the 2004 financial statements and 2005 half-yearly statements, and examining the draft budget for 2006;
- approving the change in toll policy for heavy goods vehicles in line with the objectives of the European Union's Eurovignette directive;

- approving the company's programme to enhance the level of service uniformly across the network, leading to the adoption of a Safety and Quality Charter for customers;

- receiving regular information about the status of the operations decentralisation and empowerment programme.



Milestones: a 35-year history

1970

- Creation of Cofiroute by a consortium of building and civil engineering companies (SGE, GTM, Colas, Fougerolle and Entreprise Jean Lefebvre) and banks (CCF and Paribas). The company is awarded the concession for 450 km of French motorway in the Paris–Poitiers (A10) and Paris–Le Mans (A11) corridors

1972

- Opening of the first two sections, totalling 68 km

1973

- Four new sections (A10) completed

1974

- Orleans–Tours link (A10) completed

1975

- Opening of the Chartres–La Ferté Bernard section (A10)

1977

- Tours–Poitiers (A10) is opened to traffic

1978

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

1980

- Rennes is brought to within three hours of Paris with the construction of the A81 (Le Mans–La Gravelle)
- Construction of the Angers–Nantes link on the A11

1988

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

1989

- Opening of the A71 Orleans–Bourges motorway

Highlights of the year

February

- Renewal of Dartford Crossing operating contract (UK)

March

- Deployment of new brand signage

April

- Signature of the A19 operating contract by Cofiroute and Arcour, the VINCI Concessions subsidiary that holds the concession
- Start of operation of a fully automated, variable price toll motorway in Minnesota

June

- Publication of the Safety and Quality Charter
- Launch of the national campaign to boost sales of Liber-t, the electronic toll collection system
- Opening of a third lane between Tours and Blois on the A10



1993

- Opening of the Nantes bypass

1997

- Opening of the first two sections of the A85 (Angers–Tours–Vierzon)

1999

- Cofiroute is awarded the A86 Ouest concession near Paris

2000

- Opening of the 45 km Maresché–Ecommoy section of the A28

2001

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

2002

- Signature of the Toll Collect contract (Germany)
- Launch of the quality improvement programme

2003

- End of boring of the first part of the A86 tunnel (Rueil Malmaison–A13)
- Cofiroute is the first motorway company in France to receive ISO 9001:2000 certification for the operation of its entire network
- Opening of the 32 km Villefranche sur Cher–Saint Romain sur Cher section of the A85

2004

- Signature of amendment 11 to the concession contract and the 2004–2008 master plan
- Start of work on the A11 Angers
- Launch of Toll Collect, the electronic toll collection system for heavy goods vehicles in Germany.

July

- Boring starts at Versailles on the second section of the A86 tunnel at Versailles (Pont Colbert) towards the A13
- Cofiroute becomes a founder member of the Fondation Garches

September

- Signature of an agreement on supervisory positions

October

- Renewal of the 91 Express Lanes operating contract in California

December

- Official opening of the A28 on 12 December 2005 following completion of the remaining 57 km



Key figures

Cofiroute is the only French motorway concession company that has remained in the private sector since its creation. Over more than 30 years, it has built an efficient growth model based on the design, financing, construction and operation of tolled infrastructure in France and other countries. The company operates 985 km of motorway in western France, with a further 106 km* under construction. Cofiroute also holds the concession for the underground link of the A86 motorway in Ile de France, the first part of which will be opened to traffic at the end of 2007.

* 103 km under construction + 3 km built and handed over by the government to Cofiroute on the opening of the A11 Angers

Financial performance

Revenue: €889 million, up 3.1%

Gross operating surplus: €603 million, up 3.6%

Net profit: €283 million, up 8.7%

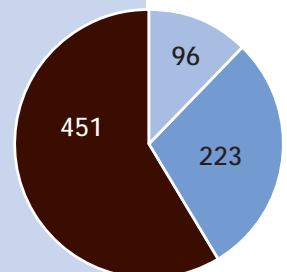
Net debt: €2,555 million, up 28.1%

Equity** and reserves: €1,391 million, up 10.7%

Net debt/equity (gearing ratio): 184%

Investments: €770 million

■ New intercity sections
■ A86
■ Improvement of network in operation



Network

985 km of motorway in operation

70 rest areas

43 service areas

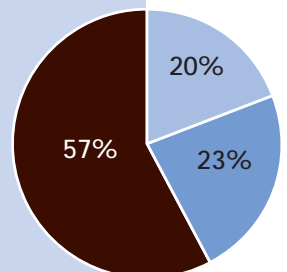
64 toll stations, including 7 plazas

106 km under construction

Workforce

1,960 employees
(31 December 2005)

■ Toll
■ Services and other
■ Maintenance



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



Traffic and tolls

27,846 vehicles per day*, up 1.1%

9,041 billion km travelled**, up 0.9%

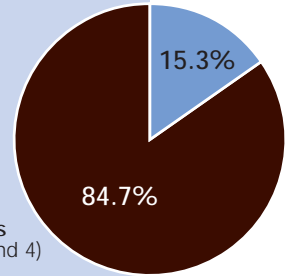
294,500 transactions per day, up 2.5%

* On a stable network (928 km at 12 December 2003)

** Including the impacts of the leap year and opening of the Ecommy–Tours section of the A28

Traffic distribution

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





Business, social and environmental performance

1

Business and financial results

Continuous growth and good visibility

Despite only moderate growth in traffic, Cofiroute's financial performance improved significantly. We strengthened the foundations for sustainable growth by implementing a decentralisation programme that optimised operating costs. In parallel, we made major investments in new sections and the existing network.

* Revenue includes toll revenue, sub-concession fees and telecommunications revenue

Revenue amounted to €889 million*, up 3.1% from the 2004 figure of €862 million. The growth is attributable to a 0.9% increase in traffic (kilometres travelled) and the impact of toll prices (annual increase of 1.42% for light vehicles in February 2005 and good performance in heavy goods vehicle traffic). The moderate increase in traffic is due to the counter-effect of the leap year in 2004 (down 0.3%), a less favourable calendar for long weekend breaks and the elimination of the Whit Monday public holiday in France (loss of 0.1%).

Our focus in 2005 was on gross operating surplus, which increased 3.6% and

exceeded the growth in revenue. Gross operating surplus for the year amounted to €603 million compared with €582 million in 2004.

This success is attributable to efforts to improve our operating performance and reduce external expenses within the framework of the decentralisation and empowerment programme. As a result, we recorded a gross operating surplus/revenue ratio of 67.9%, up from the previous year and a benchmark for the French motorway sector.

Net profit amounted to €283 million. This 8.7% growth is a firm indication of the company's potential.



We continued our investment programme, with expenditure of €770 million in 2005. This figure is significantly higher than that of 2004 (€456 million) due to the size of the roadwork projects on the intercity network and the start of work on the second section of the A86 tunnel in Ile de France. With almost 90% of its revenue invested in 2005 and €800 million scheduled for 2006, Cofiroute is one of the country's biggest prime contractors.

During the 2004–2008 period, we will invest over €1.3 billion in the construction of new sections on our intercity network, and €1.1 billion in the completion of the final A86 tunnel.

Debt and cost of debt under control

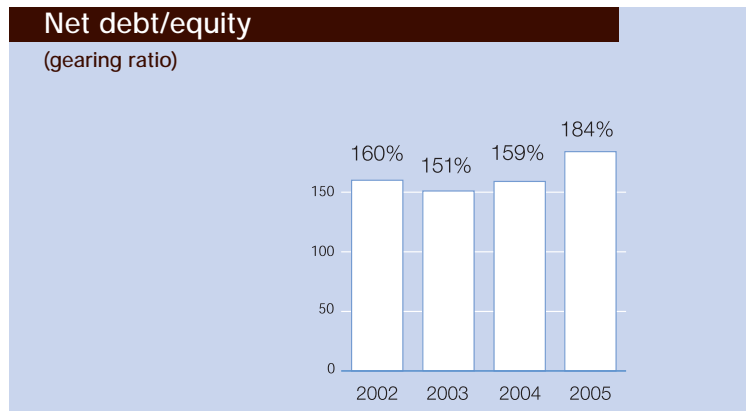
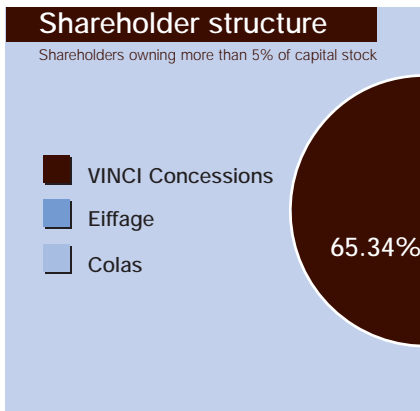
In line with projections, net financial debt increased in 2005, reaching €2,555 million. This compares with €1,995 million in 2004. We took advantage of the excellent market conditions to increase our financing resources by €390 million during 2005.

In July, we made a €200 million supplementary issue of the 2001 bond issue that matures in 2016, taking advantage of a particularly attractive rate. In addition, we obtained a new €190 million loan from the European Investment Bank (EIB) to finance the construction of the A28 between Ecommoy and Tours.

The cost of borrowing was reduced to 4.06% at the end of 2005, compared with 4.23% the previous year, and we set mechanisms in place to protect against strong rises in interest rates.



Signature of the European Investment Bank loan on 13 October 2005 by Philippe de Fontaine Vive Curtaz, vice-president of the EIB, and Henri Stoff



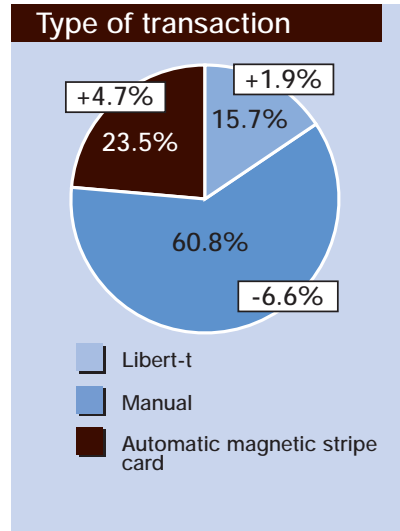
Traffic patterns varied considerably over the year. A very strong increase in traffic (4.1%) was recorded in the first quarter of 2005, due principally to the timing of the Easter weekend at the end of March. Traffic declined 2.7% in the second quarter, but was fairly favourable in the third quarter when it benefited fully from the additional traffic associated with the Millau Viaduct. Traffic in the fourth quarter was in line with the annual trend despite a further downturn in the economy and the calendar offering fewer long weekends.

The 1.1% year-on-year increase in traffic varied from one part of the network to another. Recent sections such as Corzé-Bourgueil on the A85 rose sharply (8.6%) and Orleans-Bourges on the A71 grew 3.0%.

At 1.0%, traffic growth on the A10 was close to the network average, but was lower overall on the A11 (Saint Arnoult-Le Mans declined 0.5% while Angers-Nantes rose 1.3%). Traffic on the A81, which is subject to competition from the A84 motorway and RN12 trunk road, declined 1.0% for the second consecutive year.

Development of new toll systems

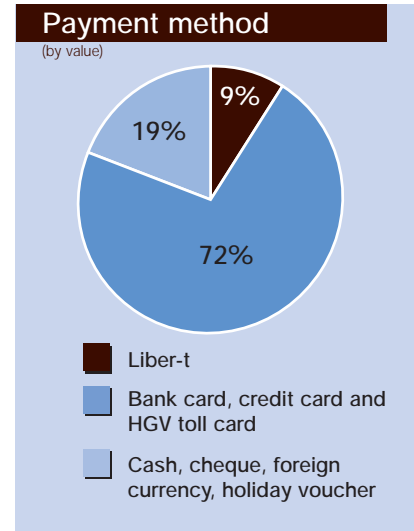
Liber-t accounted for 15.7% of all transactions in 2005, up 1.9% on 2004 (13.8%). This rate varies seasonally, with 11% in the month of August – traditionally the lowest month in the year – and a record high of 18.4% in November.



Automatic transactions using magnetic stripe cards and Liber-t continued their rapid growth, increasing 6.6% to reach 39.2%. The increase in the number of magnetic stripe card payments was particularly strong: 23.5% in 2005 compared with 18.8% in 2004. In December, following further sharp growth during the fourth quarter, automatic transactions reached 43.8%. The total number of transactions rose 2.2%.

In line with our programme to automate toll systems, we installed 23 automatic magnetic stripe card payment lanes – earlier than projected – and two automated toll stations on the A28 at Montabon and Neullé Pont Pierre.

Moreover, to guarantee a uniform level of service to our customers now that the interconnections are operational with other concession networks – ASF on the



A89, APRR on the A71 and ALIS on the A28 – we upgraded all toll entrance terminals to provide ISO standard tickets.

Toll prices

Our prices increased 1.42% for light vehicles and 0.50% for heavy vehicles on 1 February 2005. This moderate price increase, which was lower than inflation, will help finance the maintenance and extension of the network without resorting to public funds. The increase for HGVs, lower than that for light vehicles, reflects the change in the HGV subscription plan (CAPLIS) requested by the European Commission.



Reshaping of the company

The operations decentralisation programme initiated in 2004 continued in 2005. The heads of sectors and centres drew on their augmented responsibility and decision-making authority to achieve a better fit between Cofiroute's management and the realities on the ground. A significant training programme to create a more proactive and efficient organisation supported the programme.

Social dialogue

Employee representative bodies were deployed throughout our five sectors during 2005, leading to the election of employee delegates and creation of health, safety and working conditions committees (CHSCT). The committees, which are responsible for sharing the best practices applied in the sectors, help improve employee safety at a local level.

We formed a CHSCT coordination committee to promote discussion and the dissemination of best practices. The committee, made up of CHSCT secretaries and members of Cofiroute's management, meets every three months to decide on the general application of best practices.

On 20 July, we signed a new agreement on supervisory positions with five trade unions (CFTC, CGT, FO, SAOR-CFDT and SGPA-UNSA). The agreement creates three new positions: operations control centre supervisor and information centre supervisor, responsible for network safety and supervision; and toll supervisor, responsible for toll activity and collection.

It gives supervisors a framework more suitable to their level of decision-making and responsibility so that they can meet customer service improvement targets.

The agreement, which came into force across the whole network between 1 November 2005 and 1 March 2006, introduces three levels of competence related to experience, involvement and degree of multi-skilled knowledge. It also defines the associated pay scales and provides for individual salary negotiations. The aim of the agreement is to adjust the organisation to the realities on the ground and enable the creation of teams tailored to each sector's characteristics, the size of the centre, and changes in traffic and weather conditions.

The first meeting of the agreement steering committee in January 2006 confirmed

that supervisors are in full support of the new organisation.

Negotiations were also started in September 2005 for semi-skilled labour and office employees with a view to signing an agreement to bring the organisation into line with the evolution of jobs within Cofiroute. The agreement will include better recognition of skills and individual salary negotiations.

Individual salary increases and a target-based incentive scheme are gradually being implemented for management.





Information centre

Training, a strategic tool for change

We implemented a major training programme to support the reshaping of Cofiroute. The programme represented over 4% of the 2005 payroll, which positions us very well in comparison with other French companies.

Training on the use of Magic, the new operations aid that optimises the information chain and thus the management of events on the motorway, was organised in operations centres. The training schedule was rolled out to keep pace with the system's deployment and the application of the new supervisors agreement.

In the toll sector, we organised numerous training programmes to support the installation of new equipment (entrance terminals) and bringing maintenance back in house (second half of 2005). We also developed training associated with ISO 9001:2000 for employees in operations-related job categories.

In order to make full use of our trainers' talents and training programme content, we created Campus, a school for motorway know-how, at the end of 2005. Inaugurated on 2 March 2006, Campus provides more than 40,000 hours of

training a year for 1,500 people. This unifying approach is an illustration of our commitment and determination to seek continuous improvement.

With regard to employee safety, we continued to provide road safety training on our worksites.

To support the decentralisation of certain activities and the professionalisation of teams on the ground, we launched training programmes on specific subjects at the end of 2005. The subjects include training, payroll, quality-safety-environment, asset management and marketing. They will continue in 2006.

Lastly, our skills management programme led to the introduction of annual appraisal meetings for all employees.

Employee savings

Illustrating the confidence employees have in the future of our company and VINCI, its principal shareholder, employee savings – which are generally high – was a great success in 2005. The number of subscriptions to Castor, a scheme open to all employees of VINCI companies, increased 21% and the amounts paid increased 27% compared with 2004.

Crisis management

To enhance our ability to handle exceptional situations, we launched a programme to raise senior management's awareness of crisis management on the network.

The internal response procedures – organisation, information and communication – were tested several times in 2005 by simulating exceptional events such as the pollution of a river and the collision of a burning heavy goods vehicle with a toll station.



Customer, employee and worksite safety

Cofiroute took action on several fronts in order to enhance the safety of employees, customers and companies working on the network. Studies, situation analysis, training and awareness campaigns contributed to improving our response to and management of exceptional situations.

Customer safety

Accident analysis

Although not as good as in 2004, the safety indicators for 2005 show that the number of fatalities on the motorway remained very low. The increase of 10 fatalities on our network is in line with the trend observed on the entire French motorway system. In view of this situation, we strengthened our commitment to combating danger on the roads, working alongside the public authorities, which are conducting extensive awareness campaigns.

In line with the 2004-2005 master plan, we analysed accidents on our network so that we could map the black spots. After identifying accident density and gravity, we were able to take corrective and accident prevention measures in the high risk areas. The quality, safety and environment coordinators in charge of these actions on the ground received special accident analysis training in 2005.

Anticipating and optimising exceptional situation management

We work closely with all partners operating on the motorway to improve the management of exceptional situations. The partners include the Gendarmerie, fire and rescue, paramedic and ambulance (SAMU and SMU) services, as well as representatives of breakdown companies, restaurants and fuel stations. Exercises are carried out regularly on the network. In 2005, each operations centre was given an opportunity to test its procedures through simulations.

On 14 January 2005, the Ile de France-Beauce sector organised a serious accident simulation on the A11: a heavy goods vehicle lying on its side across all three lanes, which created a pile-up involving light vehicles and required rescue services to approach the accident against the flow of traffic in the other carriageway. The Eure et Loir department emergency services, Saint Arnoult en Yvelines and Thivars Gendarmeries, and Thivars and Ponthévrard operations centres joined forces on the exercise, designed to test the decision-making and information channels of the various players.

Cofiroute, founder member of the Fondation Garches

We extended our partnership of several years with the Institut Garches by becoming a member of its Fondation de Recherche sur le Handicap, a handicap research facility approved by the French government on 10 May 2005. The aim of the facility is to promote accident prevention, and the treatment and employment of handicapped people. The foundation develops scientific research programmes and technological assessment, and organises training and information campaigns for people with handicaps and the professionals responsible for treating them.

At our request, and with a view to enhancing our quality of service, the foundation assessed the accessibility of our motorway network for people with reduced mobility.

Awareness campaigns

We raise the awareness of our customers to road safety issues through campaigns across our entire network, mainly during the peak holiday travel periods.

We organised an event at two service areas on the A10 and A11 motorways on 28 March 2005 for Easter. Its aim was to encourage parents to take a break from driving and give their children time to play. Over 6,000 chocolate eggs were hidden around the service areas, where hostesses were available to look after the children.





Taking a break from driving was also the objective of a joint operation with the Sarthe tourist offices and Arche restaurants. On this occasion, motorists and their families were given an opportunity to discover regional products at the Villaines la Gonais service area.

For the weekend of the 24 hours Le Mans motorcycle race on 16 and 17 April, we set up three special rest areas for motorcyclists on the A10 and A11 motorways, working in partnership with the government's road safety and traffic

department (DSCR) and a motorcyclists' federation (Motards en Colère). Services included hot drinks, food, sleeping accommodation and technical assistance for motorcyclists.

On 11 May 2005, the government's interdepartmental road safety delegate, Rémy Heitz, visited Saint Arnoult en Yvelines for the launch of the national tyre pressure and safety campaign. We were one of the main partners in this campaign, along with Michelin and Union Routière de France.

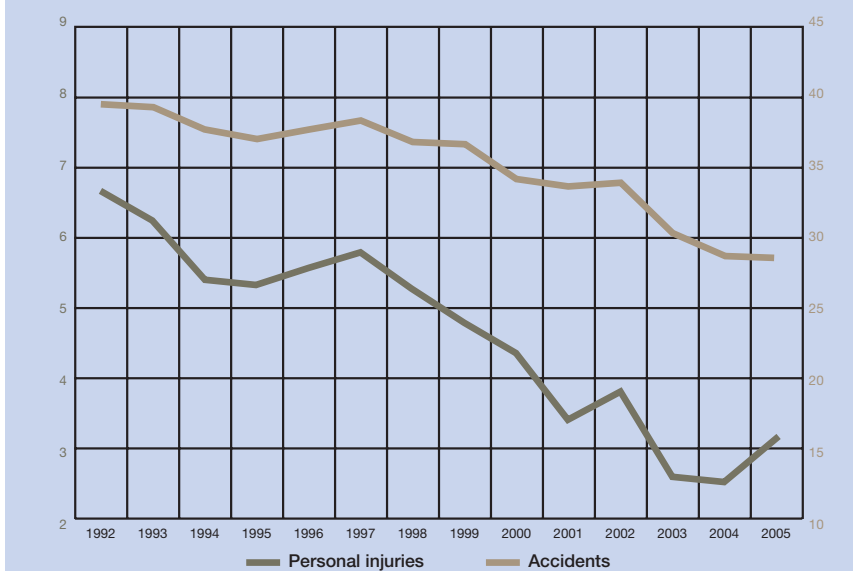
On 22 October, we organised a health and safety day as part of the sixth national road safety week. Several activities raised motorists' awareness to the need for good physical condition at the wheel. These included a massage break



Encouraging calmer driving

Cofiroute is testing a speed and inter-vehicular distance measurement and information system on the A10 motorway. The system seeks to encourage more cautious driving, without enforcing it, by displaying "Too fast" and "Too close" messages. The licence plate number of any vehicle exceeding the speed limit or travelling too close to the preceding vehicle – less than two seconds – is also displayed. It is a simple system and one that the vast majority of motorists find persuasive. We plan to install it at other points on the network, especially high risk areas such as accident black spots and the approaches to roadworks and tunnels.

Accidents per hundred million km travelled





at Le Mans, with a presentation of the risks associated with driver fatigue and drowsiness, which are responsible for one-third of fatal accidents. At Tours, an Ophthabus gave people the opportunity to have their sight and eyes checked.

At Chartres and Orleans, a demonstration was given of basic first aid, an area in which only 7% of French people have any knowledge compared with 20% of Germans.

With regard to infrastructure, we continued to install fencing to keep large animals off the motorway. We also laid rumble strips on toll station approach roads to encourage motorists to slow down.



Employee safety

Raising employee awareness

Within the framework of the decentralisation and empowerment programme, the sector heads are responsible for the safety of their employees. The indicators for accidents at work are displayed monthly in the 14 operations centres.

To achieve the objective of zero accidents involving lost days, safety training is given and accident prevention measures are taken. In 2005, 1,019 days of safety training were provided.

The good performance achieved by the centres was recognised through the Safety Challenge, which was launched for the first time in 2004. Its aim is to engage all employees in safety issues.

The centre or department that records the lowest number of accidents and incidents receives an award. Ideas that increase safety by improving the organisation of work are also rewarded.

In 2005, the jury's special award was presented to the Blois centre, which recorded no accidents involving lost days for over a year.

Employee awareness campaigns are relayed outside the company to worksite visitors and motorists by displaying the number of people working on the site and the accident rate on a panel.

Refresher driving courses

We decided to provide refresher driving courses from May 2005 so that employees can update their knowledge and assess their behaviour at the wheel. The aim is to reduce the risk of accidents for all employees.

The initiative is also intended to help us meet the commitment made in the road safety charter we signed in 2003 with the French government's road safety and traffic department (DSCR) and CNAMTS, a national health insurance organisation: to reduce the number of accidents involving company vehicles by 20% within three years. All Cofiroute employees will receive this training over the next three years.

Employee safety equipment

All employees working near traffic now have high visibility clothing. Vehicles responding to incidents or tailbacks have been painted yellow and some are equipped with blue flashing lights to facilitate access to the source of the tailback.

All pedestrian walkways at toll stations are now protected with railings.

We are also continuing to equip our emergency response vehicles and company cars with ABS, airbags and speed limiters.



Worksite safety

The network of worksite safety coordinators set up in 2004 met three times in 2005. Representatives from Cofiroute and external companies operating on the network (SCAO, SOCASO and SOCATOP) exchanged best practices and published fact sheets that were distributed to all sectors.

A manual setting forth the rules of conduct to adopt when installing temporary traffic management zones is being developed and will be available at the end of the first half of 2006.

New technologies enhancing safety

Cofiroute is participating in a number of international research programmes with a view to developing the tools of the future and implementing more efficient safety and information systems.

ARTS

France, Portugal and Spain are the partners in the Advanced Road Traffic in the South-West programme (ARTS), which is focused on the design and deployment of intelligent transport systems in south-west Europe. As part of the programme, we installed traffic sensors along 24 km of the joint section of the A10/A11 with a view to gaining better knowledge of traffic on Ile de France express roads. We are also testing a new type of traffic sensor

on the A11 near Chartres. Equipped with complex infrared and ultrasound radar technology, the sensors could be an alternative to the currently used magnetic loop systems.

A joint experiment on the transport of hazardous materials has also been carried out in partnership with the DSCR, Spain's Ministry of Transport and two European haulage firms. Its purpose was to test on-board GPS systems in a fleet of heavy goods vehicles.

Another ARTS project involved testing the viability of an information service over digital satellite radio. Our partners in this project were World Space, a company developing and marketing satellite radio in Europe, Alcatel Space, Radio France, RNE (Radio Nacional de Espana) and RDP (Radio Diffusao Portuguesa).

The technology, which covers all European countries, will obviate the need to install infrastructure on the ground. It presents the added advantage of being able to broadcast news and entertainment programmes in several languages simultaneously.

Toll system interoperability

Launched in 2005 for implementation in 2008, the Road Charging Interoperability (RCI) project is specifying and developing technical interoperability between the various European toll systems. The aim

of the project is to enable motorists to use a single system across all European road networks meeting the European electronic toll collection system directive of 2004. Needs were defined in 2005 and consultations started with system manufacturers.

SafeSpot

The development and testing of SafeSpot was launched at the end of 2005. The system will enable information about events such as stationary vehicles, accidents, tailbacks and poor weather to be exchanged in real time between two vehicles or between a vehicle and the infrastructure. The idea is that a motorist encountering a difficult situation should be able to transmit the necessary information to the operator, who will then regulate traffic and inform other motorists on the network. About 50 partners are working on the project, including Renault, Fiat, DaimlerChrysler, Volvo, Bosch, Laboratoire des Ponts et Chaussées, Lacroix Trafic, the Côtes d'Armor council, Ministries of Transport of Netherlands and Sweden, and the concession company operating the Brescia-Padova motorway in Italy.

Environment

Cofiroute carried out environmental audits at its five operations centres in 2005 with a view to improving its performance in this area. In addition, the quality, safety and environment coordinators followed special training on water and noise. These actions are an integral part of the decentralisation and sector empowerment programme.

Blending infrastructure into the environment

At Cofiroute, we factor environmental protection, enhancing heritage assets and limiting pollution into our projects at the design stage. With the support of landscaping consultants and specialist architects, we have been applying a policy of adapting the motorway to the surrounding terrain and regions for over 10 years.

On the A85, for example, where the northern Langeais bypass is currently under construction, we are building a 100 metre cut and cover to limit the risk of frost in the Bourgueil vineyard area. This decision was taken following a weather study carried out in partnership with Météo France to investigate the pattern of cold air coming down from the Saint Michel plateau. The condition of the vines

will be monitored over the next 10 years on the basis of measurements taken by a network of weather stations.

Operations-related environmental monitoring

Major motorway projects are subject to a two-stage environmental review after being opened to traffic: an intermediate review after one year and a final review published between three and five years later. The purpose is to check compliance with environmental commitments and implement corrective measures if necessary. The intermediate review of the Saint Romain sur Cher–Villefranche sur Cher section of the A85, which was opened to traffic at the end of 2003, was presented to local officials and government representatives at the Blois Prefecture on 9 May. Noise is one of the

aspects covered. The measurements taken confirm that the impact of the motorway is below the regulatory threshold of 60 dBA during the day and 55 dBA at night.

To take account of the environment throughout the period of the concession, we set up indicators in 2002 to measure progress achieved in terms of water and noise.

Water

We continued to monitor water consumption at rest areas, operations centres and all points along the network. Action plans are in place at rest areas to detect leaks and we are moving towards more water-efficient equipment. This is illustrated by the renovation of four rest areas on the A10 in 2005.

Blending the A85 into the Bourgueil vineyard scenery





The *Aconitum napellus*, a protected species found in the Roumer Valley on the A85

In accordance with the 2004–2008 master plan, we also continued to install reed filter wastewater treatment ponds. These are less demanding in terms of human intervention on the sites and do not produce waste: the sludge is transformed into compost and evacuated every 10 years. Reed filter ponds were brought into service in early 2006 on the Nouâtre, Poitiers Nord and Poitiers Sud rest areas.

We carried out improvement work on the run-off water collection systems on the A71 with the aim of protecting two rivers – the Yèvre and the Barangeon – from pollution.

In addition, during the year, we inspected all the rainwater treatment tanks and hydraulic structures installed to prevent the risk of road surface pollution.



Photographic observatory

The Loire et Cher department CAUE, an organisation offering free advisory services in architecture, town planning and the environment, erected a photographic observatory before and after the opening of the 22 km section between Saint Romain sur Cher and Villefranche sur Cher. Its purpose was to assess the impact of the A85 on the surrounding countryside as objectively as possible.

A reed filter pond



A special effort was made to measure the quality of discharges at service areas.

In partnership with fuel stations and restaurant operators, we developed a system of indicators to monitor water quality so that corrective action can be taken in 2006.

Reducing energy consumption

As part of the implementation of the new toll system (NSP) and the renovation of toll infrastructure, we started discussions on improving the working conditions of toll collectors. Studies have been carried out on the quality of air, working environment, heating, ventilation and energy consumption at the Ablis, Chartres Est and Brou toll stations.

Waste management

We have installed facilities to encourage the selective sorting and disposal of oil, batteries, paper and scrap metal at our operations centres. In 2005, 9,470 litres of waste oil, 529 batteries and 863 tyres were collected and transported to specialist treatment centres.

In addition, we maximise the use of coatings made with recycled materials for our road resurfacing projects. In April 2005, we resurfaced 30 km of road to the north of Artenay using 40% recycled materials.



Crossing for large animals

Noise

We make every endeavour to reduce noise during the construction of new sections and the operation of our network.

Our actions to protect nearby residents include adapting motorway routes to the surrounding environment (as illustrated by the recent cut and cover section on the A11 Angers), applying low-noise surfacings and erecting noise barriers.

During the operating phase, we take regular measurements that are fed into a noise database. Constantly updated,

this provides accurate responses to questions raised by residents and helps us improve the infrastructure by reducing noise.

We also pay special attention to noise on worksites. The equipment used benefits from the latest noise abatement technologies and complies with applicable noise standards.

Heavy goods vehicle routes and worksite access roads are carefully chosen to create as little disruption as possible, and roadwork is carried out during the day.

Noise barrier



Transplanting vegetation





Animal collision statistics

The number of collisions involving birds of prey, rodents, wild boar, foxes and other animals is analysed regularly. Studies carried out between Alençon and Le Mans, for example, revealed a peak of 17 collisions with foxes during the month of October. This is attributable to the way young foxes roam widely when they leave the family unit.

Biodiversity

In the 2004–2008 master plan, we committed to installing fencing along new and widened sections to prevent collisions with animals. This programme also includes the construction of crossings for large and small animals to restore their normal habitat corridors. In 2005, 91.68% of the network was fenced.

We also committed to maintaining the areas beside our network to preserve biodiversity. To that end, Edouard-Alain Bidault, president of France's wildlife protection foundation, and Odile Georges-Picot, Chief Operating Officer

of Cofiroute, signed a convention on 31 January 2005.

In addition, we finance research theses on biodiversity. One example is the study carried out by a researcher from France's natural history museum on the impact of motorway land take on flora and fauna.

Raising awareness to sustainable development

To raise the awareness of motorists of the need to keep the motorway clean and protect the environment, we distributed disposable, biodegradable car waste bins free of charge on 9 and 10 April at

the Saint Arnoult en Yvelines toll plaza. For the third sustainable development week, which took place from 30 May to 5 June 2005, we organised an awareness campaign aimed at employees and customers. Autoroute FM radio broadcast interviews with Christian Brodhag, the government's sustainable development delegate, and the yachtswoman, Catherine Chabot. Cofiroute employees described actions taken on the network, such as waste sorting. We also developed fact sheets describing major sustainable development issues and suggesting simple things to do to protect the environment. These were distributed to our employees.



Selective waste disposal point at a rest area

Inspection of roadside vegetation







Update on investment programmes

2



Intercity network

Cofiroute operates a network of 985 km of motorway in western France. A further 106 km are under construction and scheduled to be opened to traffic by 2008, representing an increase of 10% in three years. In 2005, Cofiroute invested €770 million – or 87% of its revenue – in its intercity network. This significant programme makes Cofiroute the biggest prime contractor in Europe. The sections currently being built will help complete the continent's major north-south and east-west corridors.

Completion and opening of the A28

A28 Alençon–Le Mans–Tours, totalling 134 km, was completed in 2005, with the

opening of the final 57.5 km section between Ecommoy and Tours in mid-December, four months ahead of schedule. This “missing link” was inaugurated on 12 December 2005 by Dominique

Perben, minister of infrastructure, tourism and the sea, and Renaud Donnedieu de Vabres, minister of culture and communication. Le Mans and Tours are now only 45 minutes apart.





Inauguration of the A28 (Ecommoy–Tours section) on 12 December 2005

The motorway, designed with regional development in mind, will boost the economic growth of the areas it serves. It is also the final link in the major Calais–Bayonne motorway corridor that will make it easier for people and freight to travel between Northern Europe and the Iberian peninsula without transiting via Paris.

In line with the pre-construction agreement signed with the Indre et Loire general council in February 2004, the Neuillé Pont Pierre interchange was brought into service at the same time as the A28. Similarly, as indicated in the agreement

signed at the end of 2004 with the Centre regional council and Sarthe general council, work continued apace on the Parigné l'Evêque and Rouessé Fontaine interchanges so that they can be brought into service in 2006 rather than 2012. These interchanges are eagerly awaited by the elected officials of the districts served. By the end of 2006, a total of 10 interchanges on the 133 km of motorway will contribute to the growth of the communities along the route of the A28.

The new toll plaza and toll station concept is based on openness and accessibility. It was used on the new section of

the A28 in 2005 and will be used on new intercity sections in 2006 with the equipment of five stations and plazas. The architecture is cleaner and more sober, rational and streamlined. It consists of a crossbeam – full or three-dimensional depending on the width of the station or plaza – resting on two curtain walled concrete supports. The whole arrangement frames the space and roadway while conserving light and opening onto the countryside. It is designed for electronic toll collection but will be able to handle the evolution towards free flow systems.

2005, a year of major projects

- ▶ 4,000 people employed on the worksites
- ▶ €770 million invested, representing almost 90% of revenue
- ▶ 10 viaducts under construction simultaneously on the intercity network, the equivalent of a 4 km bridge
- ▶ The biggest number of simultaneous worksites in Cofiroute's history



New Saint Christophe sur le Nais toll station on the A28



Illumination of the hemp oven at Doucelles

Landscape and development

Initiated by the French government in 1995, the "1% landscape and development" procedure calls for 1% of the investment in motorway construction to be set aside for protecting the landscape and optimising the economic and tourism impact. Within this context, Cofiroute supports local authority projects aimed at showcasing their cultural, architectural and landscape assets. Some 25 projects were carried out on the A85 in the Loir et Cher department and 116 on the A28 in the Sarthe department. The renovation and illumination of the hemp oven located near the village of Doucelles is one example.

A85, a good start

The archaeological process on the A85 was completed one month ahead of schedule with INRAP, France's national institute for research in preventive archaeology. This cleared the way for work on the site to begin.

Earthwork and the construction of three viaducts over the River Cher continued on the Saint Romain–Esvres section (44 km), which will be brought into service in January 2008. On the Esvres–Druye section (19 km), earthwork was able to start at a favourable period following the completion of archaeological surveys.

On the 25 km northern Langeais bypass worksite, virtually all the earthwork was completed.

Good progress was made on the land consolidation process across the entire intercity network and all the signatures required were obtained during 2005.

A11 Angers, a new look for the city

The northern Angers bypass worksite on the A11 entered full production phase. The 14.3 km suburban section was started in May 2004 and will be opened to traffic in 2008. It includes a 1.7 km cut and cover and a 529 metre viaduct over the River Maine.

Mass concrete work – earthwork, cut and cover civil engineering, and the

Skimming over the trees in the Roumer Valley

A very special structure was needed to cross the River Roumer, which flows through a wooded valley some 20 metres deep, near the northern Langeais bypass on the A85. To protect this beautiful area, which is about to be designated as a Natura 2000 site, Cofiroute designed and built a 249 metre viaduct, installed by launching at more than 20 metres above ground level. The viaduct's shape, like an airplane wing, softens the contours, makes its design more dynamic and casts a shadow over the beams. The line and colours of the structure blend it perfectly into the site, giving the impression of skimming over the tree tops.



viaduct piers – was completed in 2005. This project will relieve traffic congestion in the greater Angers area. It has also led to the development of two new districts to cope with the city's demographic growth.

The vast urban development project is located on both sides of the motorway, on the Mayenne and Capucins plateaux. On the Mayenne plateau, new homes and a 50 hectare horticultural park will be built on 70 hectares distrib-

uted evenly between Avrillé and Angers. Commercial properties will line either side of the motorway which, at this level, will be covered. On the Capucins plateau, 100 hectares are being developed around the future tramway corridor. The project entered its operational phase in June 2005. Over 4,000 homes are to be built – single family houses and apartment buildings – together with schools, sports facilities and cultural centres, all served by three tram stations.



Construction of the cut and cover at Avrillé, A11 Angers

Outreach and consultation

A carefully planned programme of consultation with nearby residents, elected officials and representatives of nature conservation organisations was held throughout the year – over 50 events of varying sizes. Meetings between the

mayors of the communities concerned and project managers help to improve project integration based on local expectations and constraints.

On the A11, four guided tours of the northern Angers bypass worksite were organised for each of the communities concerned. The visitors centre proved a great success, receiving about 12,000 people during the year.

The official opening of the A28 in mid-December was preceded by a tour for local officials and government representatives in July. This was followed on 16 October by an open day “A nous l’autoroute” (The motorway belongs to us), which was attended by over 6,000 people. Starting from the Neuillé Pont Pierre toll station, visitors were able to cycle, rollerblade or walk the 20 km opened to

the public between Ecommoy and Tours. A temporary exhibition centre was set up describing Cofiroute’s business activities and the various stages in the construction of a motorway.

On the A85, Cofiroute teams spent a week accompanying elected officials of the five communities near the motorway on guided tours of the northern Langeais bypass site. The roving multimedia exhibition, the “A85 Link”, was much appreciated by the elected officials of nearby communities. It went back on tour in July after visiting Mareuil sur Cher, Thésée and Angé.

On the A10, numerous consultation meetings were held between Cofiroute, SNCF and RFF (the French railway infrastructure manager) to study the construction of a TGV road bridge enabling the new high-speed train line to cross the A10 and the new sections.



100,000 years of history discovered under the A85

There was intense activity on one of Europe’s biggest archaeological sites during 2005 as 140 archaeologists worked on the section between Saint Romain sur Cher and Esvres. Silex tools dating back 100,000 years were found on the Angé site. These give a better insight into the evolution of the techniques used to cut tools.

Cofiroute signed a unique partnership contract with INRAP, France’s national institute for research in preventive archaeology, and SRA, the regional archaeology department, with a view to balancing the completion of archaeological surveys with the contractual constraints of building motorways.

“A nous l’autoroute” open day (opening of the A28)



A86 project

Work to complete the final link of the A86 to the west of Paris continued apace in 2005 with a view to opening the first section of the tunnel in 2007. The A86, which is the first urban tolled road in France, will bring Rueil Malmaison and Versailles to within 10 minutes of each other when the second section is opened at the beginning of 2010.

The A86 is an environmentally friendly motorway and one of Europe's biggest road construction sites. In 2005, over 1,600 skilled and semi-skilled workers, technicians and engineers were employed on the various parts of the project.

High-speed roadworks

East 1 section from Rueil Malmaison to the A13

Civil engineering work for the first section – 4.5 km between Rueil Malmaison and the A13 motorway – took on a new dimension when the slabs started going up inside the tunnel. Work on the two interchanges at Rueil Malmaison and Vaucresson–Le Chesnay progressed according to plan.

At Rueil Malmaison, all the technical facilities located beneath the operations building were completed, and construction of the building itself started in 2006. The concrete platform and retaining structures in the area of the northern toll station and RN13 have also been completed.

At Vaucresson, the temporary deviation on the A13 motorway came to an end one month ahead of schedule. Work on the tunnel facilities started in 2005 with the construction of a fully equipped communicating staircase to check all the features and functions: fire doors, paint, CCTV and flashlights. The same process will be applied on a 50 metre section of tunnel in 2006. Located every 200 metres, all the staircases between the tunnel's two levels were built in 2005.

Construction of the upper slab (East 1 section)



Emergency shaft and ventilation unit near the RD10 (Viroflay)





Celebrating the arrival of the tunnel boring machine at the East 2 section, Pont Colbert, on 26 May 2005

In addition, the civil engineering work was completed for all the emergency shafts – except the one at Bois de l'Etat – and ventilation units.

East 2 section from Pont Colbert (Versailles) to the A13

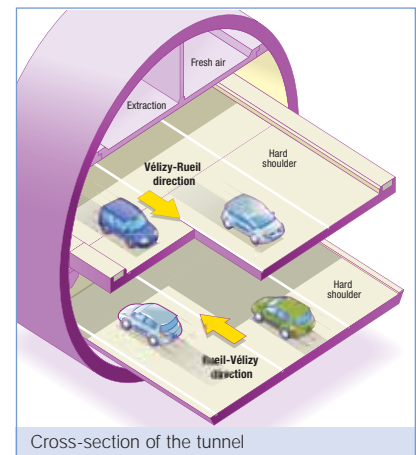
Tunnel boring started on the second section between the A13 and Versailles in July 2005 using the same 200 metre machine that bored the first section. The machine had advanced almost 900 metres – out of a total of 5,500 metres – by the end of 2005. The temporary A86 deviation between Vélizy and Jouy en Josas was brought into service, enabling work to start on the Pont Colbert interchange. Work also started on the Porchefontaine, Carrousel and Viroflay emergency shafts.

The retaining wall, earthwork and concrete foundations of the RD10 ventilation unit were completed in 2005. The inter-

nal structures of this unit will be started after the tunnel boring machine has moved beyond it. On the administrative front, discussions continue between the government and Cofiroute regarding the financing of the additional facilities installed in application of the decree of August 2000 on safety in tunnels.

Safety

Exercises are carried out regularly with the emergency services to ensure maximum safety conditions at all times during the works phase and in preparation for the tunnel's operation. In 2005, with the start of work on the intermediate slab, Cofiroute brought forward the construction and supply of two rescue vehicles for the fire department. A total of six such vehicles, equipped for all the same functions as standard rescue vehicles, will be available permanently to the fire department.



Cross-section of the tunnel



Rescue vehicles

Safety exercise in the tunnel during construction





Emergency refuge area with telephone, fire extinguisher, fire hydrant and emergency escape staircase

Moreover, in view of the opening of the first tunnel in 2007, the safety dossier is being prepared for forwarding to government departments during the second half of 2006. In addition, a traffic management plan developed by Cofiroute in 2005 is being reviewed by government departments. This dossier describes all the protocols to be implemented in the event of an incident or during maintenance work.

Structure architecture and the environment

A unique approach has been adopted to design a project that gives the motorist

a feeling of safety and comfort both inside and outside the tunnel. The inside of the tunnel is painted in light colours and lit by a great number of lower strength white daylight lights to promote safety and calm.

Outside, the few external features have been landscaped to blend perfectly into their environment. The tunnel entrances comprise concrete walls patterned on the rock faces in the Alps (*see photo below*).

Cofiroute has proposed to apply the 1% landscape and development procedure for the A86 and is participating in the financing of projects to enhance the nat-

ural and cultural heritage assets of the communities along the route. Numerous projects are being studied. These include the installation of cycle paths along the side of the motorway and the installation of landscaped parks.

AIRPARIF has been asked to install an observation point using the best techniques currently available to monitor air quality. The organisation's 25 years of experience is a guarantee of its capability and accuracy in this field. The analysis results will be displayed regularly on the Internet so that, through an interactive system, residents can find out about the quality of the air near their homes.

The tunnel entrances suggest the passage from outside to inside the tunnel

Artist's impression of the tunnel access at Rueil Malmaison





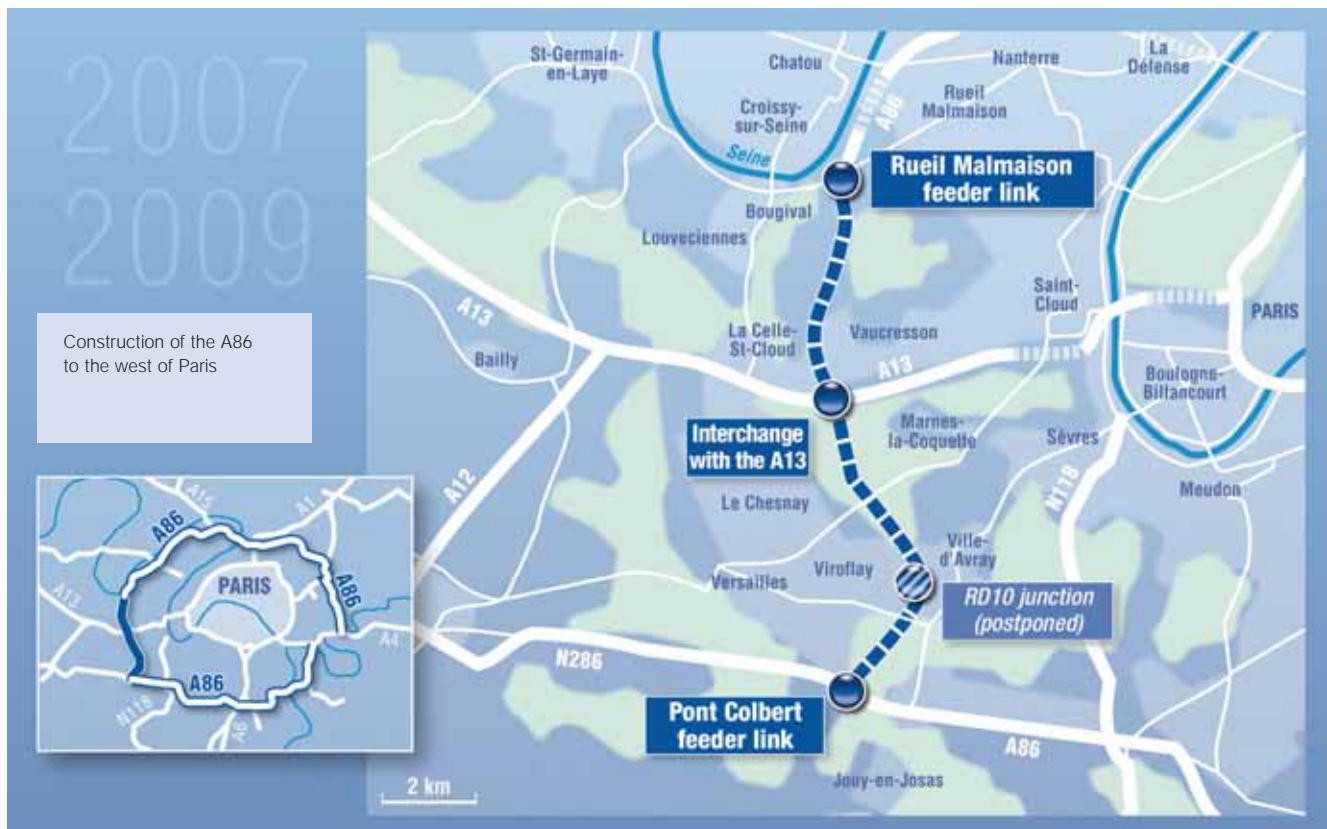
Road safety workshop – “The A86 to the West” exhibition

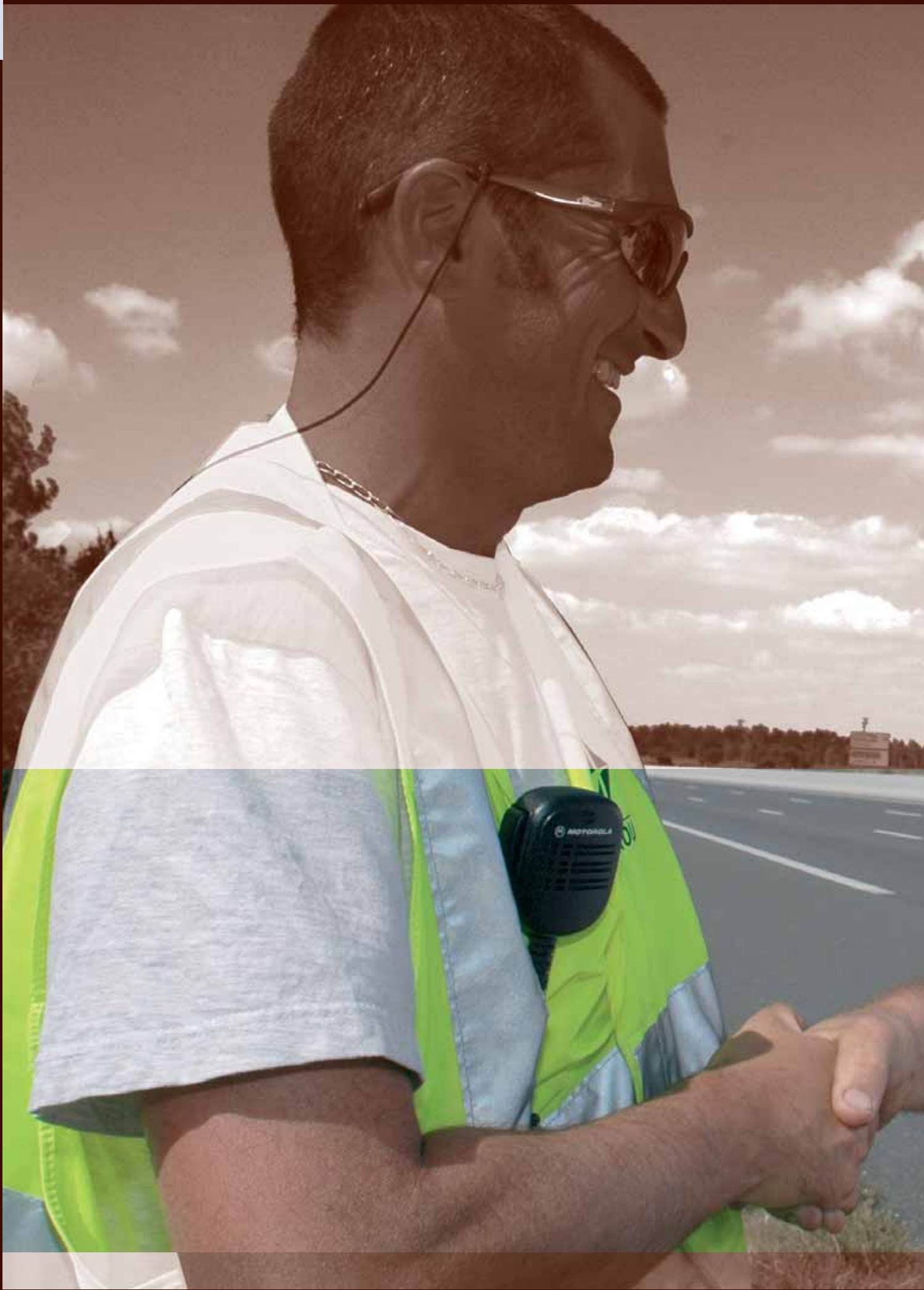
This is the first time that an entire motorway will be monitored continuously by two separate but complementary approaches: random checks by conventional sensors combined with very sophisticated modelling tools providing an assessment of the quality of air 200 square kilometres around the tunnel.

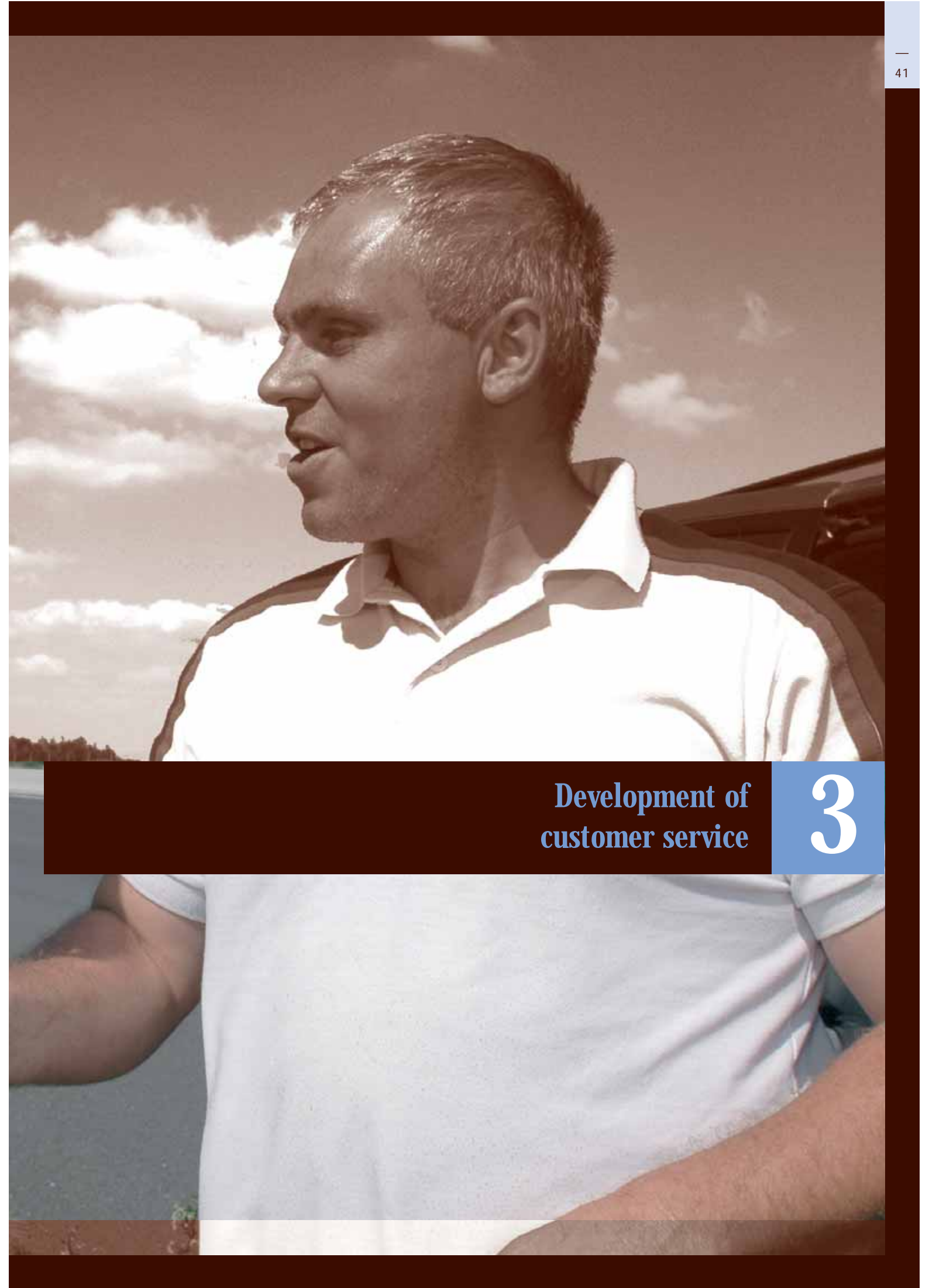
Information and education

Communication and information campaigns continued throughout 2005. The “A86 to the West” exhibition received more than 14,000 visitors, including 225 groups comprising mainly foreign delegations and cultural organisations.

Almost 80,000 people have visited the site since its opening in May 2001. Special attention has been paid to the students of schools near the motorway route: a road safety workshop was opened in 2005 to complement an education kit for teachers.







**Development of
customer service**

3

Quality of customer service

In 2005, Cofiroute published its safety and quality charter, demonstrating its determination to provide all customers with a uniformly high quality of service across its entire network throughout the year.

A uniformly high quality of service

The charter sends a strong message to customers and partners on our intentions as regards accuracy of information, quality of customer support, and optimisation of journey time and traffic flow. We drew it up following a study of the expectations of over 3,000 customers polled at the beginning of 2005. The charter is displayed at all toll facilities, customer service areas and operations centres. In addition, it was distributed in the form of 500,000 postcards, with an invitation to customers to let us have their observations and suggestions in the space provided on the back. We took several actions during

the year to meet our commitments. Examples included the decision to pool information with government departments to improve traffic in Ile de France, the successful promotion of Libert accounts and the deployment of new brand signage all over our network.

Cofiroute, an ISO 9001:2000 certified company

Our customer service approach and international expansion are underpinned by our quality programme. Having secured ISO 9001:2000 certification in 2004 for our operations, we were successfully audited at the end of 2005. On 7, 8 and 9 December, the auditor detected no non-conformance and confirmed that the peo-

ple audited had good knowledge about the quality programme and customer service charter. The auditor also confirmed the presence of an efficient performance measurement system with clear, straightforward indicators and known targets.

We have adjusted our quality management system, which was defined over two years ago, to the company's internal changes. It now integrates a more decentralised organisation, with systems that guarantee customers a high quality of service. In 2005, in support of our safety and quality charter, we set systems in place to measure our performance against commitments, such as the waiting time for assistance to arrive on the motorway.



SÉCURITÉ ET QUALITÉ

Nous nous engageons...



La sécurité et l'agrément de nos clients sont nos priorités, quelles que soient les conditions de circulation, à tout moment et en tout point de notre réseau autoroutier. La charte SÉCURITÉ et QUALITÉ de Cofiroute traduit ces priorités en engagements.

... à vous informer avec précision



Cofiroute vous signale toute situation anormale sur son réseau : attente au péage et ralentissements importants.

Cofiroute vous informe sur les travaux en cours sur son réseau : motif et durée.

... à vous accompagner pendant votre trajet



Cofiroute s'engage à ce que vous ne restiez jamais seul plus de 30 mn en cas d'arrêt forcé, signalé depuis une borne orange.

Cofiroute vous facilite le voyage : notre personnel est à votre service, avec le sourire.

... à optimiser votre temps de parcours



Cofiroute limite les travaux sur son réseau pendant les périodes de fort trafic.

Cofiroute garantit à tous ses abonnés Liber-t, au moins une voie réservée à chaque grande barrière de péage.

Vos réactions sont les bienvenues à l'adresse suivante :

Cofiroute - 6 à 10, rue Troyon - 92 316 Sèvres Cedex ou clients@cofiroute.fr

Accuracy of information

The first commitment in Cofiroute's safety and quality charter is to advise customers of any abnormal situation on its network, queues at toll stations and significant tailbacks, and inform them of any roadworks in progress, their purpose and duration. The entire Cofiroute information chain is thus involved: improvement depends on employee behaviour, system performance and coordination with all the players.

Cofiroute and government departments pool road information in Ile de France

On 14 December 2005, Cofiroute and the government departments in charge of road traffic in Ile de France signed an agreement to exchange road information. As a result, SISER (the department in charge of safety and road operation), CRICR (the regional road information and coordination centre) and Cofiroute will all have access to the same information in real time. The comprehensive picture of traffic conditions in the southern part of Ile de France will improve traffic and information management.

The A10 motorway section between the Dourdan toll plaza and Les Ulis is the key to traffic management for the entire greater Paris area. The 20 km four-lane dual carriageway attracts very dense traffic, especially at the beginning and

end of weekends. In addition, bad weather increases the difficulties on a stretch of road that offers no alternative routes.

Aware of these challenges, we decided to set our incident detection and qualification system in this area at the level of quality required by road traffic information and management in Ile de France.

We also improved the monitoring and incident detection systems on the joint A10/A11 motorway section by installing new cameras and traffic density measurement equipment, and increased the number of patrols.

We transmit our traffic data (density and video images) to SISER, which gives us similar data about adjacent networks: the A10 to the north of Les Ulis, RN118 trunk road and A104 motorway (the outer ring road known as the Fran-

cilienne). This information is put on line at www.sytadin.tm.fr, which indicates traffic conditions and the time to travel between Saint Arnoult en Yvelines and the southern gates of Paris.

The pooling of information by a private infrastructure operator and the government's traffic management authorities is an innovative collaboration. Its aim is to improve Ile de France traffic conditions and provide continuity of service to motorists irrespective of what motorway network they are on.

Improving our information systems

Autoroute FM radio

The latest results of an audience study carried out by Médiamétrie in June 2005 give Autoroute FM a much more precise picture of the habits of its listeners throughout the year, rather than just at

Roadworks information sign



Ile de France traffic



Transmission of information

Delta-t is the average time between detection of an incident on the network and broadcasting information about it on Autoroute FM radio. The indicator improved further in 2005 to 3 minutes and 3 seconds. This performance is attributable mainly to closer analysis of the links in the information chain, followed by the efficient correction of any malfunctions.



holiday weekends. The average listening rate varies from 39.8% during the week to 52.5% at peak weekends. To improve the accuracy of information, we decided to double the number of people working at the radio station during periods of high traffic and double the number of cars reporting from the field. In addition, as stipulated in the 2004–2008 master plan, we will gradually install additional variable message signs to ensure better dissemination of information on incidents, safety and comfort.

Call centre

The call centre we set up in 2003 operates seven days a week from 7 a.m. to 9 p.m. It gives practical information about toll subscription plans and prices, as well as real-time information about traffic conditions. It also contacts our emergency services rapidly in the case of an incident occurring on the network.

SMS

Liber-t account holders in the Orleans region can now receive free SMS on their mobile phones to alert them to traffic disruption during rush hour or as a result of an accident.

Magic, the operation support system

In 2005, we started deploying Magic, a system that collects, processes and disseminates information about events occurring on the network. It is now installed at seven operations centres: Ponthévrard, Thivars, Tours, Orleans, La Ferté Bernard, Vierzon and Saint Romain sur Cher. The operations support system is designed to give customers more and better traffic information, improve the speed of detecting, monitoring and resolving events to ensure better allocation of resources, and optimise support between operations centres.



New safety service trial

Cofiroute tested a system using small beacons along the side of queues to estimate the waiting time at toll facilities. The information is broadcast over Autoroute FM radio, especially at the beginning and end of major holidays.

Quality of customer support

The second commitment in Cofiroute's safety and quality charter is that customers using the emergency phone to report that they have been forced to stop will not wait for more than 30 minutes for assistance to arrive. The company has also committed to facilitating motorway travel by providing smiling and efficient customer service teams.

Branding supports quality of service

We adopted a three-phase brand strategy in 2004 to bring about a significant improvement in the quality of service on our motorways.

The first phase was to deploy signage that would raise brand awareness and underpin the various aspects of network and service quality. Designed and tested in 2004, over 1,000 signs bearing the new corporate identity were installed in 2005 along the motorway, and at rest and service areas.

The new corporate identity was also applied to 48 of the 119 variable message signs advertising Autoroute FM radio and fuel prices. The A71, A28 and A85 have now moved entirely to the new brand. We expect to have installed 1,500 signs by mid-2006.

The second phase was to make our service vehicles more visible. We decided in favour of optimum-visibility yellow, ahead of European Union legislation on the colour of service vehicles. Over half our vehicles – 160 out of 250, of which 33 heavy salters and gritters – had been sprayed in their new colour by the end of 2005.

The third phase is to improve the visual aspect of the network infrastructure. At the beginning of 2006, we published graphics standards for toll stations and plazas, as well as service and rest areas, to enhance and standardise customer service on the network. The standards will be applied on the entire network in operation and all new sections. We also audited 170 customer service points on the network (toll stations and areas) in October 2005. This exercise identified clearly where improvement was necessary in terms

Breakdown service boosts quality

To achieve the target of providing assistance in less than 30 minutes, Cofiroute decided to strengthen the performance of operations centres in their customer support function on the ground. Moreover, the company has asked its roadside assistance and garage partners to comply with its quality of service commitment.

of heavy infrastructure such as buildings, footpaths and car parks, and the more cosmetic aspects such as road markings and furniture for customers. We also completely overhauled six customer areas in 2005 with the aim of making them more visible, accessible and welcoming.

New look for toll stations – test site



New customer service area





A more user-friendly network

We continued our infrastructure improvement programme across the entire network, investing a total of €33 million during the year.

Despite the numerous projects carried out on the roads and in rest and service areas, we managed to maintain a comfortable environment for motorists and limit the impact of worksites on traffic flows.

In 2005, we resurfaced a 25 km section between Orleans and Salbris on the A71 and a 30 km section on the A10 to the north of Artenay. In both cases, we used asphaltic concrete made with 40% recycled materials.

Five-yearly inspections were carried out on 171 of the 980 bridges and other engineering structures on the network, and more than 720 visits were made.

Modernisation of the existing network focused on widening the A10. On 2 June 2005, we brought a third lane into service over 28 km to the north of Tours. The whole journey between Tours and the Saint Arnoult en Yvelines toll plaza is now three-lane dual carriageway.

Roadwork at night on the A10 to the north of Artenay

To minimise disruption for customers, repair work on 30 km of road to the north of Artenay was carried out while the traffic was at its lightest, i.e. between 10 p.m. and 6 a.m.

As stipulated in the 2004–2008 master plan, we submitted the requisite information to government departments on the project to widen the A71 between Olivet and the Orleans Centre junction, as well as on the modifications to be made to the A20/A71 junction at Vierzon Nord. Meetings held with local partners went



Opening of third lane to the north of Tours

well and both projects are scheduled for completion and opening to traffic for the end of 2008.

The master plan also calls for 660 emergency refuge areas (ERAs) to be built over the next four years to give people with reduced mobility better access to the emergency phones. In application of that requirement, we installed an initial series of 240 ERAs in 2005.

The temporary traffic management zones needed for these numerous worksites had no impact on motorists.

In addition, we launched a programme to increase the number of parking spaces for heavy goods vehicles at service areas. In 2005, 30 spaces were added to the existing 934.

To comply with the new Paris–Toulouse signage plan, we replaced 150 direction signs between Saint Arnoult en Yvelines and the A20/A71 junction at Vierzon Nord. This operation, costing €2 million, involved numerous meetings with government departments and consultation with the elected officials of all the communities affected. Deployment started in 2005 and will be completed by the summer of 2006.

Essonne general council decided to continue its project for the construction of a motorway bus terminal at Briis sous Forge. The innovative concept will enable motorists resident in the area to leave their vehicle at a nearby car park and take one of the two bus services operating on the A10. The infrastructure we completed in April 2005 will be brought into service at the end of the first quarter of 2006.

Lastly, as regards improving the Gendarmerie's existing buildings on the network (upkeep, renovation, extension), Henri Stouff and General Guy Parayre, head of the Gendarmerie Nationale, signed an agreement on 15 December 2005 setting forth the rules of occupation of premises designed for motorway law enforcement units.

Optimisation of journey time and traffic flow

The third commitment in Cofiroute's safety and quality charter is that the company will limit roadwork activity on its network during heavy traffic periods and guarantee at least one lane at each major toll plaza for Liber-t tag holders.

Sales of Liber-t tags take off

One of the highlights of 2005 was the increase in number of Liber-t accounts.

We launched a promotion and sales campaign in June aimed at boosting the growth of Liber-t, the light vehicle electronic toll collection (ETC) system common to all motorway operators in France. We timed our campaign to coincide with the television advertising campaign run by ASFA, the federation of French motorway and toll facility companies. The main objective was to change the positioning of the product, perceived to date as being only for people who drive for professional purposes. We supported the promotion by setting up a more accessible distribution network around new points of sale and information, creating a call centre and introducing the possibility of opening an account by telephone or via the Internet. Alongside these measures, we made the price more attractive by cancelling the €20 registration cost as soon as a new account holder made a second journey on the Cofiroute network and we introduced Internet invoicing.



A mobile customer area

We are taking action to be closer to our customers with a view to making it easier for them to find out about Liber-t and open an account. To that end, we signed an agreement with VINCI Park, which distributes Liber-t in its car parks, particularly in Ile de France. Moreover, two new "mobile customer areas" are touring the city centres of communities served by the network.

In all, we registered over 32,000 new account holders in 2005, a 50% increase over the number recorded in 2004.

We are considering the possibility of introducing a professional package tailored to the management constraints of corpo-

rate customers, which only represent 20% of account holders at present.

Lastly, the agreements reached in 2005 between ASFA members have cleared the way for the launch of a heavy goods vehicle ETC system in 2006.

Tailored account packages and services

We are continuing to develop attractive account packages in partnership with local authorities. By transferring traffic onto the motorway, these packages alleviate congestion in the city centre. Within this framework, Charles-Eric Lemaigen, president of the joint district authority of greater Orleans, and Henri Stouff, chairman and chief executive officer of Cofiroute, signed an extension to the Transloire agreement on 31 May 2005. The agreement, which has been in force since 1996, enables residents of the greater Orleans area to obtain an 80% reduction – partially funded by the local authority – on their journeys between Orleans Nord, Orleans Centre and Olivet on the A10.

ASFA's new advertising campaign





Winter maintenance

Cofiroute is the first French motorway company to provide haulage companies with a computerised statement so that they can integrate the data in their statistical analysis and facilitate monitoring routes travelled and onward invoicing. CAPLIS account holders using our network can register for this free electronic data interchange (EDI) on our website – www.cofiroute.fr – and download a report on routes travelled and billed in the three most recent invoices.

Infrastructure and equipment improvement

We increased the number of Liber-t lanes to 182 in 2005. All motorway entrance and exit points now have lanes reserved for account holders.

The new signage and carefully calculated temporary traffic management areas have also helped improve traffic flow. To cope with the heavy traffic observed at the beginning and end of major holiday periods, we continued to install magnetic stripe card payment lanes, bringing the total to 71 at the end

of 2005. We also installed two automatic toll stations on the A28 at Montabon and Neuillé Pont Pierre, with further automated systems to be deployed at 18 low-traffic toll stations in 2006. Working closely with local Prefectures and the Gendarmerie, we analysed the situation at various points on the network and have identified emergency bypasses and alternative routes.

Winter maintenance

For the past two years, we have made strong efforts to improve driving conditions in winter. Each year, as the winter season (15 November to 15 March) draws near, we provide training programmes and run employee awareness campaigns. Over 7,000 hours of training were provided in 2005 to prepare and refresh winter maintenance know-how. Classes on theory are augmented by practical training such as the “Coup de Lame” (operation snowplough).

On 13 February 2005, freezing rain fell suddenly on Ile de France. After analysis of this and other very difficult periods,

we took action to improve internal and external responsiveness. The first concrete measures in this vein included installing additional cameras on the common A10/A11 motorway section between Les Ulis and Saint Arnoult en Yvelines, and the sharing of information with government departments.

We also implemented new measures with regard to materials and equipment. These included redefining salting procedures, checking the quality of salt delivered more thoroughly and assigning an extra salter and gritter to the joint A10/A11 motorway section.

In addition, we modernised some of the weather stations, installing more efficient systems, and decided to increase coordination with Météo France. In a complementary move, we are taking road surface temperature readings to identify the coldest areas of the network with a view to implementing solutions tailored to the various types of surface.

As a result of the actions taken in 2005, we were well equipped to manage the weather events that occurred on 30 December 2005, when a wave of freezing rain fell over all of western France during heavy traffic. In close cooperation with the police and local Prefectures, we launched operations to remove the ice from the road and take appropriate traffic management measures, including limiting heavy goods vehicle movement.

Parceval keeps traffic moving

Traffic at the Saint Arnoult en Yvelines toll plaza was extremely heavy on 8 May 2005, a public holiday in France. The Parceval traffic regulation plan was therefore activated on the Cofiroute network. The plan calls for good knowledge about traffic on the motorway and associated networks, as well as ensuring customers have sound information on traffic conditions on and off the motorway. The plan enabled Cofiroute to feed 102,669 vehicles through the Saint Arnoult en Yvelines toll plaza, i.e. over 6,000 vehicles an hour for 10 hours, with a peak of 7,062 vehicles in one hour.

Expansion: exporting know-how

Cofiroute's international business was strengthened in 2005 by the extension of operating contracts for the 91 Express Lanes in California and the Dartford Crossing near London. The company is also well placed for future tenders, especially for free flow toll systems, on the basis of the experience it is gaining through the continued operation of innovative toll systems such as Toll Collect in Germany and the variable pricing system in Minneapolis.

Contract renewal in California

Cofiroute USA's contract to operate the 91 Express Lanes in California was renewed in 2005 following a tender issued by the Orange County Transportation Administration (OCTA). The contract covers five years, with options for two extensions of two years each. The 91 Express Lanes are built down the median strip of a non-tolled motorway. It is the world's first entirely automated toll system and the first motorway with prices that vary each day. Cofiroute has been operating this infrastructure since it was opened in 1995.

Innovative motorway for Minnesota

On 11 April 2005, Cofiroute USA successfully launched the HOT lanes concept on a 16 km urban motorway to the west of Minneapolis. In HOT (high occupancy toll) lanes, cars with more than one occupant travel free; single occupancy vehicles pay a toll. On the

Minnesota system, which Cofiroute USA will operate until 2010, the toll price varies every three minutes based on traffic in the HOT lanes.

Dartford Crossing near London

The Dartford Crossing comprises two tunnels and a bridge that go under and over the River Thames between Dartford and Thurrock, forming a link in the M25 London Orbital Motorway. The 41-month contract to operate the crossing was signed by Le Crossing Limited Company, a Cofiroute UK subsidiary, and the Highways Agency. It came into force on 1 April 2003 and has been extended for a year from 31 August 2006 to 31 August 2007. Average traffic at the toll plaza in 2005 was in the order of 150,000 vehicles a day. In December 2005, Le Crossing Limited Company secured Investors in People certification in recognition of the vocational training, health and safety provisions made for employees.

Second generation OBU for Toll Collect in Germany

The free flow electronic toll collection system for heavy goods vehicles developed by a consortium comprising Cofiroute (10%), Deutsche Telekom (45%) and DaimlerChrysler Services (45%) was brought into service successfully on 1 January 2005. The system covers the 12,000 km German motorway network and uses mobile telephony (GSM) and GPS satellite technologies. It is to be managed by the consortium's joint-venture company, Toll Collect GmbH, for 12 years. In 2005, the system generated revenue of over €2.8 billion.

The second generation of on board units (OBU 2) was brought into service successfully on 1 January 2006. This version of the OBU software includes new functions, including the remote updating of toll prices and the motorway network

Minnesota



Dartford Crossing, near London





One of the Severn bridges

by mobile telephony. At the end of December 2005, with just over 480,000 vehicles fitted with OBUs, almost 86% of tolls were collected through the automatic, easy-to-use system.

Greece

Gefyra Litourgia, a Cofiroute subsidiary, completed the first full year of operation of Charilaos Trikoupis Bridge in 2005. Traffic on the bridge, which links Rion and Antirion over the Gulf of Corinth, averaged more than 12,000 vehicles a day, the record being over 30,000 vehicles in one day.

Severn Crossings

Through a contract signed with SRC, the concessionaire, Cofiroute UK is managing the toll system for two bridges over the River Severn between Bristol in England and Cardiff in Wales. Average traffic at the toll plazas exceeded 37,000 vehicles a day in 2005, with peak traffic

amounting to over 52,000 vehicles a day. Cofiroute UK and Cofiroute are assisting SRC with the modernisation of the toll equipment, which is scheduled for 2006.

Chile

Operadora Autopista Del Bosque, the local subsidiary operating the Chillan–Collipulli motorway, generated very satisfactory results in 2005. The company also maintained the very good safety performance for which it received an award from the Chilean government in 2004.

A19 Artenay–Courtenay, France

Arcour, a VINCI Concessions subsidiary, signed the concession contract for the A19 Artenay–Courtenay motorway (101 km) on 31 March 2005. Arcour then signed a seven-year operating contract with Cofiroute on 14 April. During the construction phase, estimated at four years, Cofiroute will be in charge of the land acquisition programme.

Telecommunications

Investment in telecommunications networks remained brisk in 2005, both by private operators and local authorities.

Cofiroute supported this momentum by signing a long-term contract with Free, France's second biggest Internet service provider, and by developing partnerships with local authority networks, which offer extensions of optical fibre links into greater urban areas and business parks. One example is the optical fibre network of Régie d'Electricité du Pays Chartrain, which interconnects with Cofiroute's. To meet the new demand and its own needs, Cofiroute is laying new optical fibre cables along motorway sections that have reached their capacity limit.

Charilaos Trikoupis Bridge, Greece







2005 financial statements

4

Balance sheet at 31 December 2005

Assets

In euros

	31 December 2005			31 December 2004
	Gross	Depreciation, amortisation and provisions	Net	
INTANGIBLE ASSETS	78,307	0	78,307	78,307
OWNED NON-CURRENT ASSETS				
Land	808,953		808,953	812,167
Plant and equipment	9,587,249	8,132,157	1,455,092	2,776,493
Other	21,627,321	13,818,853	7,808,468	11,658,679
	32,023,523	21,951,010	10,072,513	15,247,339
CONCESSION NON-CURRENT ASSETS				
Non-renewable assets in service	3,790,473,529	1,397,854,236	2,392,619,293	2,072,619,121
Renewable assets in service	472,178,094	309,808,283	162,369,811	144,420,358
Non-renewable assets in progress	1,456,141,984	0	1,456,141,984	1,129,645,637
Renewable assets in progress	72,548,880	231,990	72,316,890	31,247,696
	5,791,342,487	1,707,894,509	4,083,447,978	3,377,932,812
FINANCIAL FIXED ASSETS				
Investments in subsidiaries and associates and related receivables	49,121,281	47,005,000	2,116,281	2,296,281
Guarantees and deposits	43,334		43,334	41,404
	49,164,615	47,005,000	2,159,615	2,337,685
INVENTORIES	1,147,538	0	1,147,538	1,242,728
RECEIVABLES				
Trade receivables	36,768,496	1,977,523	34,790,973	33,236,721
Employees	67,254		67,254	217,713
State	29,496,477		29,496,477	10,856,597
Advances and progress payments made	76,322,158		76,322,158	92,537,536
Other receivables	6,557,768	0	6,557,768	8,069,735
	149,212,153	1,977,523	147,234,630	144,918,302
PREPAID EXPENSES	47,155,094		47,155,094	9,969,213
CASH AND CASH EQUIVALENTS	388,783,769		388,783,769	634,414,290
TRANSLATION DIFFERENCE, ASSETS	0		0	50,332
TOTAL	6,458,907,486	1,778,828,042	4,680,079,444	4,186,191,008

Equity and liabilities

In euros

	31 December 2005	31 December 2004
EQUITY		
Share capital	158,282,124	158,282,124
Legal reserve	15,828,212	15,828,212
Other reserves	4,209,755	4,209,755
Unappropriated profit and loss	961,389,159	839,737,131
NET PROFIT FOR THE PERIOD	282,732,783	260,209,764
INTERIM DIVIDEND	(121,755,480)	(104,019,765)
INVESTMENT GRANTS	63,150,985	53,252,856
TAX-REGULATED PROVISIONS	27,115,414	28,725,634
	1,390,952,952	1,256,225,711
PROVISIONS		
Provisions	49,471,939	46,111,215
FINANCIAL DEBT		
Other borrowings	2,933,185,176	2,617,087,075
Debts to central and local government	10,820,069	12,093,018
	2,944,005,245	2,629,180,093
LIABILITIES		
Trade payables	105,799,818	75,773,368
Customer guarantee deposits	4,043,924	3,052,973
Employees	18,384,251	19,772,641
Tax and social benefit liabilities	109,186,715	134,817,635
Other liabilities	7,269,814	5,767,513
	244,684,522	239,184,130
DEFERRED INCOME	50,945,948	15,489,859
TRANSLATION DIFFERENCE, LIABILITIES	18,838	0
TOTAL	4,680,079,444	4,186,191,008

Income statement for the period ended 31 December 2005

In euros

	31 December 2005	31 December 2004
OPERATING INCOME		
REVENUE		
Toll revenue	875,009,847	849,062,702
Ancillary revenue	13,631,434	13,239,380
NET REVENUE	888,641,281	862,302,082
Reversal of provisions	16,748,149	24,978,873
Other income	5,482,048	4,212,543
TOTAL I	910,871,478	891,493,498
OPERATING EXPENSES		
Purchases of consumables	9,616,778	9,193,002
External costs related to investments	30,026,368	32,129,311
Major repairs	33,975,685	25,893,278
External costs related to operations	21,755,403	23,107,014
Transfer of insurance claim settlement income	(3,636,775)	(3,840,651)
Taxes and duties	103,936,979	102,379,176
Employment costs	89,157,422	86,580,952
Statutory employee profit-sharing	5,859,524	7,121,029
Other ordinary management expenses	238,498	1,674,565
Depreciation of owned fixed assets	4,727,372	4,729,698
Depreciation of renewable assets	35,353,613	31,004,798
Special concession amortisation	88,145,669	84,318,406
Provisions for operating expenses	20,219,154	6,634,582
TOTAL II	439,375,690	410,925,160
1. OPERATING PROFIT (I - II)	471,495,788	480,568,338
FINANCIAL INCOME		
Capitalised borrowing costs	61,740,289	55,884,339
Other financial income	51,523,276	52,975,699
Reversal of provisions	50,332	0
TOTAL III	113,313,897	108,860,038
FINANCIAL EXPENSE		
Finance charges	154,096,928	146,885,427
Allowance for impairment of securities	0	34,502,600
Provision for exchange losses	0	50,332
Other financial expenses	43,350	29,178
TOTAL IV	154,140,278	181,467,537
2. NET FINANCIAL INCOME / (EXPENSE) (III - IV)	(40,826,381)	(72,607,499)
3. OPERATING PROFIT AFTER NET FINANCIAL EXPENSE (1 + 2)	430,669,407	407,960,839
EXCEPTIONAL INCOME V	9,511,896	47,477,393
EXCEPTIONAL EXPENSES VI	10,661,337	32,971,126
4. NET EXCEPTIONAL INCOME / (EXPENSE) (V - VI)	(1,149,441)	14,506,267
INCOME TAX EXPENSE VIII	146,787,183	162,257,342
TOTAL INCOME (I+ III+ V)	1,033,697,271	1,047,830,929
TOTAL EXPENSES (II + IV + VI + VII)	750,964,488	787,621,165
NET PROFIT	282,732,783	260,209,764

Notes to the accounts for the year ended 31 December 2005

1 - Key events during the year

Opening of last section of the A28 Ecommoy–Tours

The last section, 57.5 km long, was opened on 14 December 2005, completing the 134 km motorway between Le Mans and Tours. It is now possible to drive on motorway for the entire Calais-Bayonne journey without transiting via Paris.

Widening from two to three lanes

On 2 June 2005, Cofiroute brought the last section, 28 km long, of widened three-lane motorway on the A10 motorway to the north of Tours into service. The Saint Arnoult en Yvelines to Tours section, one of the busiest roads in France for heavy vehicles, is now three-lane motorway in both directions.

Financing activities

A supplementary issue of the 2001 bond issue maturing in 2016 was made on 8 August 2005 for €200 million. On 1 December 2005, Cofiroute also drew on a new EIB loan in connection with the financing of the A28, for €190 million (a 20-year 3.965% fixed-rate loan).

The Company also put caps in place on €525 million of floating rate debt to hedge against rises in interest rates.

2 - Accounting policies

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

2 - 1 Non-current assets

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

Concession non-current assets

Concession non-current assets are the movable and immovable non-current assets that are directly necessary for the design, construction and operation of the motorway network. They are financed by the concession operator and will be returned free of charge to the French government at the end of the concession. They are recognised at their historical cost and comprise:

- land, studies, works and subsequent improvements;
- pre-operational expenses and borrowing costs: loan issuance expenses and premiums, redemption premiums and capitalised borrowing costs;

- the cost of staff allocated to monitoring construction of the asset.

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

There are two kinds of concession asset:

- **Non-renewable assets:** their useful life is greater than the length of the concession contract and may require major repairs. They relate in particular to the network infrastructure, tunnels and bridges, etc.
- **Renewable assets:** since their economic life is less than the term of the concession, they must be renewed at least once during the term of the concession. These relate in particular to plant and equipment needed to ensure road safety, winter maintenance and toll collection.

Capitalised borrowing costs

This relates to interest that has been capitalised during the construction period and deducted from finance charges for the period. It is capitalised under the cost of construction of non-renewable assets until these enter service and is therefore included under assets in the balance sheet.

Depreciation and amortisation

- Special concession amortisation charges are applied to non-renewable assets in service and non-current operating assets. The purpose of the special concession amortisation charges is to reduce the value of these assets to zero at the end of the concession term, not to recognise any wearing out or obsolescence of the assets.

- The special concession amortisation charges in respect of non-renewable assets are applied to the cost of the assets net of any grants received, on a straight-line basis between the date of entry into service and the end of the concession.
- The special concession amortisation charges in respect of non-current operating assets are based on their carrying amount and the period remaining until the end of the concession (26 years at 1 January 2005).

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

- Normal depreciation charges are taken in respect of assets with a useful life that is less than the length of the concession contract, and are calculated using either the straight-line or diminishing balance method in accordance with Article 39A of the French Tax Code. The difference between depreciation for accounting and for tax purposes is reported under “tax-regulated provisions”, under liabilities.
- Depreciation periods are between 10 and 30 years for buildings, and from 3 to 10 years for fittings, equipment, furniture and vehicles. Software is written off over one year for tax purposes.

Owned non-current assets

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

Financial assets

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

2 - 2 Inventories

Chlorides and fuel are measured on a FIFO basis. A provision for impairment is recognised through an allowance whenever their carrying amount is less than their cost.

2 - 3 Trade and other operating receivables

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

This item includes progress payments made to main contractors for construction work.

2 - 4 Marketable securities

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

2 - 5 Borrowings

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

2 - 6 Financial instruments

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

2 - 7 Grants related to assets

Grants received to finance non-current assets are recognised under equity. They are deducted from concession non-current assets for the purposes of calculating the special concession amortisation.

2 - 8 Provisions

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

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

2 - 9 Income tax

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

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

2 - 10 Consolidation

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

Cofiroute's financial statements are fully consolidated in the consolidated financial statements of VINCI, a French *société anonyme* with share capital of €988,148,610 as at 2 February 2006 and with its registered office at 1 cours Ferdinand de Lesseps, 92851 Rueil Malmaison Cedex, France.

3 - Notes to the accounts

3 - 1 Assets

3 - 1 - 1 Non-current assets – gross

Assets in progress mainly comprise the cost of work connected with the sections under construction on the A86, the A85 between Bourgueil and Langeais, the A85 between Saint Romain sur Cher and Tours, the northern Angers bypass and the related capitalised borrowing costs. The Ecommoy–Tours section of the A28, which was under construction at 31 December 2004, entered service on 14 December 2005.

	€ millions			
	Movements in the period			31 December 2005
	1 January 2005	Increases	Decreases	
Intangible assets	0.1	0.0	0.0	0.1
Owned non-current assets	37.6	0.8	6.4	32.0
Concession non-current assets	4,977.3	830.7	16.7	5,791.3
in service	3,816.1	463.3	16.7	4,262.7
in progress	1,161.2	367.4		1,528.6
Non-current financial assets	49.3	0.0	0.1	49.2
TOTAL	5,064.3	831.5	23.2	5,872.6

3 - 1 - 2 Depreciation and amortisation

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

	€ millions			
	Movements in the period			31 December 2005
	1 January 2005	Charges	Reversals	
Intangible assets	0.0	0.0	0.0	0.0
Owned non-current assets	22.3	4.7	5.1	21.9
Concession non-current assets				
– Special concession amortisation	1,309.7	88.1	0.0	1,397.8
– Renewable assets	289.4	35.3	14.9	309.8
TOTAL	1,621.4	128.1	20.0	1,729.5

3 - 1 - 3 Subsidiaries

	€ millions
SUBSIDIARIES* Cofiroute Participations 6-10 rue Troyon 92316 Sevres Cedex SIRET identification number: 352 579 353 00025	
SHARE CAPITAL	2.2
Other equity (1)	1.5
Percentage of capital owned	99.99%
Book value of shares owned	
– gross	1.8
– net	1.7
Outstanding loans and advances made by the Company	-
Guarantees given by the Company	-
Revenue excluding taxes (2) in the last financial year	0.0
Profit /(loss) for the last financial year	0.6
Dividends received by the Company during the period (3)	0.2
Observations	-

(*) Figures at 31 December 2005

(1) Including earnings for the year

(2) Financial income

(3) Received by the parent company

(Cofiroute Participations)

3 - 1 - 4 Maturity dates of receivables

Operating receivables amounted to €149.2 million in total and include €76.3 million for progress payments on work in progress (on the A85, northern Angers bypass and A86. All these operating receivables (except for progress payments) are due within one year.

3 - 1 - 5 Provisions for impairment losses

Provisions for impairment losses changed during the period as follows:

	Movements in the period			€ millions
	1 January 2005	Increase	Decreases	31 December 2005
Renewable assets	0.3	0.2	0.3	0.2
Shares in subsidiaries and associates*	47.0	0.0	0.0	47.0
Inventories	0.1	0.0	0.1	0.0
Trade receivables	1.8	0.2	0.0	2.0
TOTAL	49.2	0.4	0.4	49.2

* Provision for impairment of shares in Toll Collect

3 - 1 - 6 Prepaid expenses

Prepaid expenses amounted to €47.2 million and include a €36.6 million cash adjustment in respect of the supplementary issue of the 2001 bond issue and €10.2 million in respect of state fees (*redevance domaniale*) charged for the use of publicly owned land.

3 - 2 Equity and liabilities

3 - 2 - 1 Share capital

The share capital is represented by 4,058,516 shares of €39 nominal, fully paid-up.

3 - 2 - 2 Provisions

Movements in provisions over the period were as follows:

	Movements in the period			€ millions
	1 January 2005	Increases	Decreases	31 December 2005
Provisions for major repairs	37.4	19.9	16.6	40.7
Other provisions	8.7	0.1	0.0	8.8
TOTAL	46.1	20.0	16.6	49.5

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

3 - 2 - 3 Maturity dates of payables

Operating payables include deferred tax for €97.6 million.

	Gross	Maturity dates		
		Within one year	Payable after one year and within five years	Payable after five years
Borrowings	2,944.0	268.2	974.0	1,701.8
Trade and other operating payables	244.7	244.7		
Deferred income	50.9	6.2	21.8	22.9
TOTAL	3,239.6	519.1	995.8	1,724.7

3 - 2 - 4 Borrowings

Fixed-coupon debenture bonds have been issued for €2,320.9 million. European Investment Bank (EIB) loans have been taken out at a floating rate for €325 million and at a fixed rate for €265 million.

Interest rate swaps on a notional amount of €1,275 million have converted fixed rates into floating rates. Derivative interest rate instruments have the same maturity dates as the items hedged.

The prudent debt management policy involving the setting up of caps to provide protection against rises in interest rates has been continued. Taking account of swaps, the proportion of fixed or capped rate loans (on a net basis) was 74% at 31 December 2005.

There are no financial ratio covenants that may affect interest rates or trigger early repayment of borrowings. The EIB loans contain a consultation clause applicable in the event of a downgrading of the Company's rating by the rating agencies.

	€ millions			
	Gross	Within one year	Payable after one year and within five years	Payable after five years
Bond loans	2,320.9	244.7	968.9	1,107.3
Other loans (EIB)	590.0			590.0
Accrued interest	22.3	22.3		
TOTAL	2,933.2	267.0	968.9	1,697.3

3 - 2 - 5 Deferred income

Deferred income comprises mainly:

- Operating rights of €5.4 million paid by a telecommunications operator under an agreement covering several years, recognised as revenue on a straight-line basis over the duration of the agreement granting these rights;
- Financial income related to cash adjustments received by the Company and recognised over the period of the loans:
 - €1.8 million corresponding to the balance of cash adjustments received when interest rates were set up in respect of the bond loans dated November 1997, November 1999 and April 2003;
 - €7.4 million corresponding to the balance of an €11.8 million cash adjustment received in 2004 when swaps were offset;
 - €36.3 million corresponding to the balance of a €37.6 million cash adjustment received in August 2005 when interest rates swaps were set up in connection with the supplementary issue of the October 2001 bond issue.

3 - 3 Income statement

3 - 3 - 1 Revenue

Revenue breaks down as follows:

	€ millions	
	31 December 2004	31 December 2005
Revenue	862.3	888.6
Toll revenue	849.1	875.0
Ancillary revenue	13.2	13.6

The change in toll revenue between 2004 and 2005 can be broken down as follows:

	2005/2004 change
Toll revenue	+3.1%
Increase in traffic assuming identical network	+0.8%
Traffic on new sections	+0.1%
Changes in prices	+2.2%

3 - 3 - 2 Purchases and external expenses

Purchases and external expenses break down as follows:

	€ millions	
	31 December 2004	31 December 2005
Purchases and external expenses	90.3	95.4
Purchases of consumables	9.2	9.6
External costs related to investments	32.1	30.0
External costs related to operations	23.1	21.8
Major repairs	25.9	34.0

3 - 3 - 3 Gross operating surplus

The gross operating surplus is the excess of operating revenue over operating expenses, excluding depreciation, amortisation and provision charges and reversals.

	€ millions	
	31 December 2004	31 December 2005
Operating income excluding reversals of provisions	866.5	894.1
Revenue	862.3	888.6
Other operating income	4.2	5.5
Operating expenses excluding depreciation, amortisation and provision charges	284.2	290.9
Purchases and external expenses	90.3	95.4
Insurance claim settlements	(3.8)	(3.6)
Employment costs including statutory profit-sharing	93.7	95.0
Taxes, levies and similar expenses	102.4	103.9
Other current management expenses	1.6	0.2
Gross operating surplus	582.3	603.2

In 2006, the ratio of gross operating surplus to revenue increased 3.6% to 67.9%.

3 - 3 - 4 Operating profit

	€ millions	
	31 December 2004	31 December 2005
Gross operating surplus	582.3	603.2
Net operating provision charges	18.3	(3.5)
Depreciation and amortisation	(120.0)	(128.2)
Operating profit	480.6	471.5

The decline in operating profit in 2005 is attributable to major repairs (expenses for the period and the net change in provisions), which had an adverse impact of €27 million.

3 - 3 - 5 Exceptional income and expense

Exceptional income and expense breaks down as follows:

	€ millions	
	31 December 2004	31 December 2005
Exceptional income	47.5	9.5
on operating transactions	0.0	0.0
on capital transactions	0.4	0.2
reversals of provisions, transfers of charges*	47.1	9.3
Exceptional expenses	33.0	10.6
on operating transactions	4.3	0.2
on capital transactions	11.5	3.2
depreciation, amortisation and provision charges	17.2	7.2
Net exceptional income/(expense)	14.5	(1.1)

* Including €36.3 million in respect of Toll Collect at 31 December 2004

3 - 3 - 6 Income tax

The tax charge of €146.8 million comprises:

- Income tax arising on ordinary operations for €123.7 million;
- Deferred tax for €17.2 million;
- The 1.5% exceptional levy for €1.9 million and the 3.3% social contribution levy for €4 million.

3 - 3 - 7 Unrealised tax position

The Company has recognised cumulative tax-regulated supplementary depreciation of €27.1 million as at 31 December 2005. Applying the 33.33% tax rate and 1.5% exceptional levy, this results in an unrealised tax liability of €9.2 million.

3 - 4 Additional information

3 - 4 - 1 Off balance sheet commitments

- Commitments given to third parties either in the form of guarantees issued by banks on behalf of Cofiroute or directly: €12.9 million;
- Commitments received in the form of guarantees issued by banks on behalf of toll subscribers in favour of Cofiroute: €12.6 million;
- Commitments received in the form of guarantees issued by banks on behalf of SAFER in favour of Cofiroute: €2.1 million;
- Financial commitments: signature in 2004 of a syndicated loan of €1,020 million;
- Investment commitments: under the terms of its concession contracts, the Company is committed to making investments of €2,033 million over the next five years.

3 - 4 - 2 Dispute in progress between transport companies and the French Government relating to VAT

Following recourse to the French Council of State by various haulage companies, the Council delivered a ruling on 29 June 2005 cancelling the letter of 15 January 2003 in which the Director of tax legislation informed the chairman of the committee for SEMCAs (public-private motorway concession companies) that motorway concession companies did not have good reason to provide amended invoices showing the value added tax paid by users between 1 January 1996 and 31 December 2000.

As a result of this ruling, which only applies to relations between the French Government and haulage companies, motorway concession companies would be under the obligation to provide amended invoices when requested to do so by haulage companies for the period 1996 to 2000. Legally and by virtue of Article 283-3 of the French General Tax Code, the companies could therefore have been liable for payment of the VAT specified on the amended invoices.

The Council of State's decision has been the subject of opposition by third parties (Cofiroute and all the other companies in the sector). Cofiroute has since received a letter from the Ministry for the Economy, Finance and Industry dated 19 October 2005, confirming that "settlement of this matter will entail no new financial expenses for the motorway concession operating companies". This was followed by a letter from the Minister Delegate for the Budget and Administrative Reform dated 7 February 2006 stating "I can confirm to you that the concession operating companies will not be rendered liable for payment of the VAT mentioned on the amended invoices that they will issue to their customers in respect of the tolls paid between 1 January 1996 and 31 December 2000".

Given this guarantee from the French Government, the Company maintained at 31 December 2005 the solution adopted at 30 June 2005 of not taking any provision.

3 - 4 - 3 Average number of employees

	Employees	Temporary employees (1)
Management	193	
Supervisory	337	
Other clerical and manual	1,389	1
TOTAL	1,919	1

(1) Head office

	2001	2002	2003	2004	2005
					In euros
1. FINANCIAL POSITION AT THE END OF THE YEAR					
Share capital	158,282,124	158,282,124	158,282,124	158,282,124	158,282,124
Number of shares outstanding	4,058,516	4,058,516	4,058,516	4,058,516	4,058,516
2. OVERALL RESULT OF OPERATIONS FOR THE YEAR					
Revenue (1)	740,813,796	787,098,646	829,118,747	862,302,082	888,641,281
Profit before tax, employee profit-sharing, amortisation, depreciation and provisions	429,776,875	452,478,797	503,507,687	535,894,862	565,329,850
Income tax at 33.33%	96,708,539	104,107,072	104,113,407	136,464,521	123,659,366
Supplementary income tax levies	8,828,894	6,533,566	6,533,965	8,572,086	5,910,470
Profit after tax, levies, employee profit-sharing, amortisation, depreciation and provisions	195,128,442	215,768,279	220,200,546	260,209,764	282,732,783
Earnings distributed	105,521,416	116,479,409	124,718,197	138,557,736	150,368,018
Long-term debt	1,734,022,063	1,802,007,360	2,405,258,360	2,529,169,270	2,675,777,893
Acquisition cost of concession	4,058,277,615	4,279,084,434	4,494,056,141	4,977,305,322	5,791,342,487
3. RESULTS STATED PER SHARE					
Profit after tax and employee profit-sharing but before amortisation, depreciation and provisions	78.48	82.82	95.52	94.55	105.93
Profit after tax, employee profit-sharing, amortisation, depreciation and provisions	48.08	53.16	54.26	64.11	69.66
Dividend paid per share	26.00	28.70	30.73	34.14	37.05
4. PERSONNEL					
Average number of employees during the period	1,981	1,962	1,991	2,012	1,919
Wages and salaries	56,100,117	57,245,897	57,231,894	59,271,947	61,312,198
Social security costs and other social benefit expenses	25,082,735	26,605,385	27,975,310	27,309,005	27,845,224

(1) Until 2002 revenue comprised toll income only

Cash Flow Statement

	31 December 2005	31 December 2004
		€ millions
Cash position at beginning of the period	634.4	819.1
OPERATING ACTIVITIES		
Cash flow from operations excluding transfers of expenses	353.8	321.8
Change in working capital requirement	1.3	(14.1)
A. Net cash flows from operations	355.1	307.7
INVESTING ACTIVITIES		
Acquisition of non-current assets	(769.8)	(488.8)
Grants related to assets	9.9	2.9
Disposal of non-current assets	0.4	0.4
B. Net cash flows from investing activities	(759.5)	(485.5)
FINANCING ACTIVITIES		
Dividends paid	(156.3)	(129.9)
New loans and advances	393.3	204.0
Repayment of borrowings and advances	(78.2)	(81.0)
C. Net cash flows from financing activities	158.8	(6.9)
Change in cash position (A + B + C)	(245.6)	(184.7)
Cash position at end of period	388.8	634.4

Statutory Auditors' report on the annual financial statements for the year ended 31 December 2005

To the Shareholders,

In accordance with our appointment as statutory auditors by your Shareholders General Meeting, we hereby report to you for the year ended 31 December 2005 on:

- the audit of the accompanying annual financial statements of Compagnie Financière et Industrielle des Autoroutes, Cofiroute;
- the reasons for our conclusions; and
- the specific verifications and information required by law.

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

I. Opinion on the financial statements

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

In our opinion, the financial statements give a true and fair view of the company's financial position and assets and liabilities as of 31 December 2005 and of the results of its operations for the year then ended.

II. Reasons for our conclusions

As required by article L. 823-9 of the French Code of Commerce regarding disclosure of the reasons for our conclusions, we inform you that we formed conclusions on whether the accounting policies applied are appropriate and the material estimates made reasonable. These conclusions were formed as part of our audit of the annual financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this report.

III. Specific verifications and information

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

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

In accordance with the law, we have verified that the appropriate disclosures have been provided in the Board of Directors' report with regard to the acquisition of shares and controlling interests, and the identity of shareholders and holders of voting rights.

Paris and La Défense, 15 March 2006
The Statutory Auditors

Mazars & Guérard



Xavier Charton

Salustro Reydel

A member of KPMG International



Benoit Lebrun



Michel Berthet

Compagnie Financière et Industrielle des Autoroutes - Cofiroute

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