



(A société anonyme established under the laws of France)

**Euro 750,000,000
5 per cent. Bonds due 2021**

Issue Price: 98.928 per cent.

*The Euro 750,000,000 5 per cent. Bonds due 2021 (the "**Bonds**") of Cofiroute (Compagnie Financière et Industrielle des Autoroutes) (the "**Issuer**") will be issued outside France on 24 May 2006 (the "**Issue Date**") and will bear interest from 24 May 2006 at the rate of 5 per cent. per annum payable annually in arrear on 24 May of each year commencing on 24 May 2007.*

The Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank and will rank pari passu without any preference among themselves and equally and rateably with any other present or future unsecured and unsubordinated indebtedness of the Issuer (as more fully described under "Terms and Conditions of the Bonds - Status of the Bonds").

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed in full at their principal amount on 24 May 2021. The Bonds may, and in certain circumstances shall, be redeemed, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (as more fully described under "Terms and Conditions of the Bonds - Redemption and Purchase").

Application has been made for the Bonds to be admitted to the official list and traded on the Regulated Market (regulated by Directive 2004/39/EC) of the Luxembourg Stock Exchange.

*The Bonds will be issued in book-entry "dematerialised bearer" form (au porteur) in the denomination of Euro 50,000 and will, upon issue, be inscribed in the books of Euroclear France S.A. ("**Euroclear France**") which shall credit the accounts of the relevant "intermédiaires financiers habilités" ("**Euroclear France Account Holders**") entitled to hold directly or indirectly accounts with Euroclear France, including the depositary banks of Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear, Brussels**") and of Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and therefore no physical document of title (including "certificats représentatifs" pursuant to Article R.211-7 of the French Code monétaire et financier) will be issued in respect of the Bonds. Title to the Bonds will be evidenced in accordance with Article L.211-4 of the French Code monétaire et financier (the "**Code**") by book-entries.*

The Bonds are rated A- outlook negative by Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

This Prospectus has not been submitted to the approval of the Autorité des marchés financiers.

Joint Lead Managers and Joint Bookrunners

BNP PARIBAS

CALYON CORPORATE AND INVESTMENT BANK

THE ROYAL BANK OF SCOTLAND

The date of this Prospectus is 19 May 2006

*This Prospectus comprises a prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") and for the purpose of giving information with regard to the Issuer, the Issuer and the Bonds which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.*

This Prospectus does not constitute an offer of, or an invitation or solicitation by or on behalf of the Issuer or the Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Bonds. The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions, including France, the United States of America and the United Kingdom, may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Bonds and distribution of this Prospectus, see "Subscription and Sale" below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

*The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).*

All references in this document to "euro", "EUR", "Euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.

Stabilisation

*In connection with the issue of the Bonds, CALYON (the "**Stabilising Manager**") or any person acting on behalf of the Stabilising Manager may over-allot Bonds (provided that the aggregate principal amount of Bonds allotted does not exceed 105 per cent. of the aggregate principal amount of the Bonds) or effect transactions with a view to supporting the market price of the bonds at a level higher than that which might otherwise prevail. However there is no assurance that the Stabilising Manager (or any persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Such stabilisation shall be made in accordance with applicable laws and regulations.*

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RESPONSIBLE PERSONS IN RESPECT OF THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

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6-10 rue Troyon
92310 Sèvres
France

Duly represented by Henri Stouff
Président Directeur Général

RISK FACTORS

Prospective investors should consider carefully the risks set forth below and the other information contained in this Prospectus prior to making any investment decision with respect to the Bonds. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial condition or prospects of the Issuer, which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Bonds. In addition, each of the risks highlighted below could adversely affect the trading price of the Bonds or the rights of investors under the Bonds and, as a result, investors could lose some or all of their investment.

Risk Factors relating to the Issuer

The motorway concession activity of the Issuer affords it with a 25-year period (as at 1 January 2006) of visibility on the first concession agreement (interurban network) (as set out in "Description of the Issuer") and a 70-year period for the second concession agreement (A86) (as set out in "Description of the Issuer"). Some general risks relating to the Issuer and its business are as follows: operational risks; building risks; diversification risks; rating risk, risks relating to indebtedness, risks relating to rates, accounting risk related to the adoption of IFRS accounting standards in the future, risks related to the "Toll Collect" project and risks related to the A86 motorway tunnels.

I. Operational risks: Traffic and revenues

The Issuer's turnover is influenced by variable levels of traffic, toll prices increases and the extent to which their customers are prepared to pay such prices. Traffic volumes depend upon a number of factors such as petrol prices in France, availability of alternative means of transport, the economic conditions in Europe and specifically for transportation via heavy goods vehicles, tourism (including seasonal travel), prevailing weather conditions and quality, security and maintenance of the network. The Issuer can give no assurance that it will have adequate means to adapt its operations in response to any significant changes in traffic volumes.

II. Building risks

The Issuer is the employer (*maître d'ouvrage*) for building works carried out on the granted network and is therefore exposed to risks associated with such works. Such risks may result in cost increases or in late opening of structures. However, the majority of the works are carried out under turnkey contracts by companies controlled by Vinci, Colas and Eiffage, the Issuer's shareholders, which bear the largest part of the building risks.

III. Diversification risks

The Issuer's sales turnover is constituted at 98.4 per cent by toll revenues received under the concession agreements. The balance is constituted by royalties related to sub-concessions (motorway service stations and restaurants) and rental of optical fibres to telecommunication operators.

In addition, the Issuer exercises, through its non-consolidated subsidiary Cofiroute Participations, activities outside the scope of the concession agreements (operation and maintenance activities linked to motorway infrastructures) and activities outside France. Activities outside France consist essentially in operating transportation infrastructures (a motorway in Chile and the United States, bridges and tunnels in the United Kingdom and Greece) under services contracts.

In total, the subsidiaries of Cofiroute Participations performed 22 million euros of turnover in 2005 (part of interest), essentially outside France.

The Issuer has a 10 per cent. interest in a consortium developing and operating an automated heavy goods vehicle toll collection service on the German motorway network.

The Issuer considers that the risks related to the diversification of its business are limited.

IV. Risks related to indebtedness and to rates

The Issuer's indebtedness levels have risen in 2005, mainly through the investment programme provided in the interurban concession agreement and its amendments and the building of the East tunnel on the A86 motorway. The Issuer's indebtedness will continue to grow until the completion of the program of work, in 2008 for the interurban network and 2009 for the last opening of East tunnel of the A86.

The Issuer has set up a policy for the active management of its indebtedness which has lead it to index part of its debt on a floating rate. However, to avoid excessive exposure to rising interest rates, the Issuer has hedged against a significant rise in interest rates through derivative instruments such as caps (OTC contracts which protect the buyer against a rise in interest rates beyond a pre-determined ceiling). The portion of fixed rate debt or "capped" debt is presently set at approximately two-thirds of the Issuer's net indebtedness.

V. Rating Risk

In March 2006, the Issuer was awarded a "A- outlook negative" rating from Standard & Poor's. The negative outlook reflects uncertainties linked to the disposal by Eiffage of its stake in the Issuer. When these uncertainties are cleared, Standard & Poor's will re-examine whether a one-notch rating differential between Vinci and Cofiroute is still warranted. In particular, in the event that Vinci came to own two-thirds of voting rights, Cofiroute's ratings would be equalised with those of Vinci, currently BBB+ stable outlook. Any such downgrade would not automatically trigger an early redemption of the Issuer's indebtedness contracts.

The terms and conditions of the loan agreements between the Issuer as borrower and the European Investment Bank (EIB) as lender, provide that if the Issuer is downgraded, the parties shall consult one another in order to provide the lender with sufficient information to assess the situation. Following such consultation, the lender is authorised to request the provision of guarantees or collateral in its favour. Unless the Issuer fails to satisfy this request within a reasonable time, the lender may require an early redemption of the loans. Since the execution of the loans mentioned above, the Issuer has been downgraded. The EIB after having considered the Issuer's situation following such downgrade, has not requested the provision of guarantees or collateral, but is at liberty to do so in future.

VI. Accounting risk related to the adoption of IFRS accounting standards

The Issuer does not prepare consolidated financial statements due to the non-recurring and immaterial nature of revenue from its subsidiaries to date. The clarification by the International Financial Reporting Interpretations Committee (IFRIC) of the application of the IFRS rules to concession contracts is awaited. The introduction of IFRS may affect the Issuer's financial non consolidated statements.

VII. Risk related to the "Toll Collect" project

The Issuer has a 10 per cent interest in a consortium financing, developing and operating an automated heavy goods vehicle toll collection service on the German motorway network. The entry into service initially planned for 31 August 2003 has been delayed until 1 January 2006 for technical reasons and has generated losses. As a result, the German government made various claims, in particular in respect of damages and penalties, against the consortium which are currently dealt with through an arbitration procedure.

The consortium and its two majority partners Deutsche Telekom and DaimlerChrysler Financial Services on the one side and the German Government on the other side, are in this arbitration procedure; the Issuer has not been assigned personally.

The Issuer's liability in this consortium and in the operating company is however limited to €70 million by contractual arrangements with the two majority partners, which amount has been fully paid as at 31 December 2004 and fully written down by the Issuer. Additional financing and guarantees have been and will be (if necessary) provided by the majority partners of the consortium in the context of this project. The majority partners have undertaken to indemnify the Issuer from any liability in connection with being a member of the consortium that would exceed the €70 million maximum contribution, including advance payments in certain instances.

VIII. Risks related to the A86 motorway tunnels

This concession relates to the financing, construction and running of two toll tunnels located to the West of Paris.

The first tunnel (the East tunnel), reserved to light vehicles, is being constructed. New studies relating to the second tunnel (the West tunnel) are being carried out, at the request and under the control of the French State, in order to reconsider the conditions under which it should be realised in light of the new security rules. No realisation relating to the West tunnel will be started by Cofiroute until an amendment to the concession agreement reflecting the State's decisions on this tunnel have been agreed. Such amendment could modify as well terms and conditions of the concession in order to re-establish the financial equilibrium of the concession.

At completion, total construction costs of the East tunnel will amount to 1.7 billion euros, including additional costs resulting from the new security rules. The tunnelling process of the first section of the East tunnel is complete and this tunnel will be opened to traffic at the end of 2007. The second section is being constructed with the view to be opened to traffic by end 2009. The progress which has been made so far in respect of construction (nearly 54 per cent. as at 31 March 2006) and the fact that works are carried out under turnkey contracts, limit the construction risk. The concession is granted to the Issuer for a period of 70 years following the opening to traffic of both tunnels. The return on investment will depend on the traffic and on the acceptability of tolls in urban zones.

Risk Factors relating to the Bonds

I. Prior Market for the Bonds, Resale Restrictions

There can be no assurance that any market will develop and/or be maintained for the Bonds, or that holders of the Bonds will be able to sell their Bonds in the secondary market in which case the market or trading price and liquidity of the Bonds may be adversely affected.

II. Fixed Rate Interest

Subsequent changes in interest rates may adversely affect the value of the Bonds.

III. The Bonds may be redeemed prior to maturity

In the event that the Issuer would be obliged to pay additional amounts in respect of any Bonds due to any withholding as provided in Condition 5(b) of the Terms and Conditions of the Bonds, the Issuer may and, in certain circumstances, shall redeem all of the Bonds then outstanding in accordance with such Condition. As a consequence, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Bonds.

IV. Change of Law

The Conditions of the Bonds are based on French law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Prospectus.

V. Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial Bonds such as the Bonds. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

VI. EU Saving Directive

The EU Savings Directive of 3 June 2003 (in this section "Risk Factors", the "**Directive**") provides that each Member State is required, as from 1 July 2005 to give to the tax authorities of another Member State details of payments of interest (or similar income) paid by a paying agent within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments unless the beneficiary elects for the exchange of information regime (the ending of such transitional period being dependent upon the conclusion of certain agreements relating to information exchange with certain other countries).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a paying agent, the

Issuer will be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

VII. Exchange Rate

Prospective investors of the Bonds should be aware that an investment in the Bonds may involve exchange rate risks. The reference assets or the Bonds may be denominated in a currency other than the currency of the purchaser's home jurisdiction; and/or the reference assets or the Bonds may be denominated in a currency other than the currency in which a purchaser wishes to receive funds. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Bonds or the reference assets.

DOCUMENT INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the Issuer's 2004 annual report which includes the financial statements of the Issuer as at 31 December 2004 and 2003 which has been previously published and that has been filed with the Luxembourg competent authority for the purpose of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, and shall be incorporated in, and form part of, this Prospectus.

The Issuer's 2004 annual report is available on the website of the Luxembourg Stock Exchange ("www.bourse.lu") and on the website of the Issuer ("www.cofiroute.fr"). It will also be available free of charge to the public at the premises of the Paying Agent in Luxembourg.

The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference list below as set out in section "Cross Reference list".

CROSS-REFERENCE LIST IN RESPECT OF THE ISSUER'S 2004 FINANCIAL INFORMATION

Regulation – Annex IX		2004 annual report of the Issuer which includes the audited non-consolidated annual financial statements for the year ended 31 December 2004
11. Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses	<u>11.1 Historical Financial Information</u>	
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TERMS AND CONDITIONS OF THE BONDS

*The terms and conditions of the Bonds (the "**Terms and Conditions**") will be as follows:*

The issue outside France of the Euro 750,000,000 5 per cent. Bonds due 2021 (the "**Bonds**") of Cofiroute (Compagnie Financière et Industrielle des Autoroutes) (the "**Issuer**") has been authorised pursuant to a resolution of the *Conseil d'Administration* of the Issuer dated 24 June 2005 and a decision of its *Président Directeur Général* dated 11 May 2006. The Bonds are issued with the benefit of a fiscal and paying agency agreement (the "**Agency Agreement**") dated 24 May 2006 between the Issuer and BNP Paribas Securities Services, as fiscal agent and principal paying agent (the "**Fiscal Agent**", which expression shall, where the context so admits, include any successor for the time being as Fiscal Agent) and the other paying agent named therein (together with any additional paying agents, the "**Paying Agents**", which expression shall, where the context so admits, include the Fiscal Agent and any successors for the time being of the Paying Agents). Holders of the Bonds (the "**Bondholders**") are deemed to have notice of the provisions of the Agency Agreement applicable to them. Certain statements in these Terms and Conditions are summaries of, and are subject to, the detailed provisions of the Agency Agreement, copies of which are available for inspection at the specified offices of the Paying Agents. References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Bonds will be issued in book-entry "dematerialised bearer" form (*au porteur*) in the denomination of Euro 50,000 and will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the relevant Euroclear France Account Holders (as defined below) entitled to hold directly or indirectly accounts with Euroclear France, including the depositary banks of Euroclear, Brussels and of Clearstream, Luxembourg and therefore no physical document of title (including "*certificats représentatifs*" pursuant to Article R.211-7 of the French *Code monétaire et financier* (the "**Code**")) will be issued in respect of the Bonds. Title to the Bonds will be evidenced in accordance with Article L.211-4 of the Code.

For the purpose of these Terms and Conditions "**Euroclear France Account Holders**" shall mean any authorised financial intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France and include the depositary banks of Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear, Brussels**") and of Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

2 Status of the Bonds

The Bonds will constitute (subject to the provisions of Condition 3) direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with any other present or future, unsecured and unsubordinated indebtedness of the Issuer without preference or priority by reason of date of issue, currency of payment or otherwise.

3 Negative Pledge

The Issuer, so long as any of the Bonds remains outstanding, shall not secure any of its Relevant Indebtedness (as defined below), or any guarantee or indemnity given by it in respect of Relevant Indebtedness of other persons, by any mortgage, charge, lien, pledge or other security interest (*sûreté réelle*) upon any of its present or future assets or revenues for the benefit of the holders of such Relevant Indebtedness other than (i) for the avoidance of doubt as provided in sub-paragraph (ii) of the definition of "Limited-recourse Borrowings" (as defined below) or (ii) by a security interest upon its shares (or equity equivalent) in, or its rights under a loan made to, a Project Entity (as defined below) for the benefit

of the holders of the Relevant Indebtedness of such Project Entity, without at the same time according to the Bonds (a) an equal and rateable interest in such mortgage, charge, lien, pledge or other security interest or (b) such other security as shall be approved by the *Masse* (as defined in Condition 9) pursuant to Condition 9.

"Relevant Indebtedness" means any present or future indebtedness for borrowed money which is in the form of, or represented by, bonds or notes (*obligations*), which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market and which, in the case of such indebtedness of the Issuer, does not constitute Limited-recourse Borrowings.

"Limited-recourse Borrowings" means any indebtedness for borrowed money, whether or not in the form of, or represented by, bonds or notes (**"Indebtedness"**) incurred by the Issuer to finance the ownership, acquisition, development, operation and/or maintenance of an asset or project in respect of which the person (or persons) to whom any such Indebtedness is or may be owed by the Issuer has (or have) no recourse to the Issuer for the repayment thereof other than:

- (i) recourse to the Issuer for amounts not exceeding an amount equal to the cash flow from, or the value of, such asset or project; and/or
- (ii) recourse to the Issuer for the purpose of enabling amounts to be claimed in respect of such Indebtedness in an enforcement of any security interest given by the Issuer over such asset or rights under, or in respect of, such project (or the income, cash flow or other proceeds deriving therefrom) to secure such Indebtedness; and/or
- (iii) recourse to the Issuer under any form of assurance, undertaking or support, which is limited to a claim for damages for breach of an obligation (not being a payment obligation or an indemnity in respect thereof, which, for the avoidance of doubt, would fall to be considered under subparagraph (i) above) by the Issuer.

"Project Entity" means a company, corporation, partnership, joint venture, undertaking association, organisation or trust whose principal business is constituted by the ownership, acquisition, development, operation or maintenance of an asset or a project.

4 Interest

- (a) Each Bond bears interest on its principal amount from, and including, 24 May 2006 (the **"Interest Commencement Date"**) to, but excluding, 24 May 2021 at the rate of 5 per cent. per annum payable annually in arrear on 24 May in each year (each an **"Interest Payment Date"**) commencing on 24 May 2007.
- (b) Each Bond will cease to bear interest from the due date for redemption unless, upon such due date, payment of principal is improperly withheld or refused or if default is otherwise made in respect of payment thereof. In such event such Bond shall continue to bear interest in accordance with this Condition (both before and after judgment) on the principal amount of such Bond until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (ii) the day five days after the Fiscal Agent has notified the Bondholders of receipt of all sums due in respect of all the Bonds up to that fifth day.
- (c) Interest will be calculated on an Actual/Actual (ICMA) basis. Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), it shall be calculated on the basis of the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

For the purpose of this Condition 4, "**Interest Period**" means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date.

5 Redemption and Purchase

The Bonds may not be redeemed prior to 24 May 2021, except for taxation reasons (as set out below) or following an Event of Default.

(a) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, the Bonds will be redeemed in full at their principal amount on 24 May 2021.

(b) *Redemption for Taxation Reasons*

- (i) If at any time, by reason of a change in French law, or any change in the official application or interpretation of such law, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as described in Condition 7, the Issuer may, at any time, subject to having given not more than 60 nor less than 30 days' prior notice to the Bondholders in accordance with Condition 10 (which notice shall be irrevocable), redeem all, but not some only, of the Bonds at their principal amount, together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal or interest without withholding for French taxes.
- (ii) If the Issuer would on the next payment of principal or interest in respect of the Bonds be obliged to pay additional amounts as described in Condition 7, and the Issuer would be prevented by French law from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts as described in Condition 7, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, and upon giving not less than seven days' prior notice to the Bondholders in accordance with Condition 10 (which notice shall be irrevocable), redeem all, but not some only, of the Bonds at their principal amount, together with interest accrued to the date fixed for redemption on the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Bonds or, if such date is past, as soon as practicable thereafter.

(c) *Redemption at the option of Bondholders (Change of Control)*

If at any time while any Bond remains outstanding, there occurs (i) a Change of Control and within the Change of Control Period (if, at the start of the Change of Control Period the Bonds are rated by any Rating Agency) a Rating Downgrade in respect of that Change of Control occurs; or (ii) a Change of Control (if at such time the Bonds are not rated) (in either case, a "**Put Event**"), the holder of each Bond will have the option (the "**Put Option**") (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Bonds to the Bondholders in accordance with Condition 5(b)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Bond on the Optional Redemption Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

“**Control**”, in respect of any entity, means (x) the holding or acquisition, directly or indirectly, by any person or persons acting in concert (including for the avoidance of doubt persons holding jointly the Control of the Issuer for the sole purpose of a Change of Control of the Issuer) or any person or persons acting on behalf of any such person(s) (the “**Relevant Person(s)**”) of (i) (A) more than 50 per cent of the issued ordinary share capital of such entity; or (B) such number of the shares in the capital of such entity carrying more than 50 per cent of the voting rights normally exercisable at a general meeting of such entity; or (C) a number of shares in the ordinary share capital of such entity carrying at least 40 per cent. of the voting rights in exercisable general meetings of such entity and no other shareholder of such entity, directly or indirectly, acting alone or in concert with others, holds a number of shares carrying a percentage of the voting rights exercisable in such general meetings which is higher than the percentage of voting rights attached to the number of shares held by such Relevant Person(s) or (y) whether by the ownership of share capital or the possession of voting power, contract or otherwise the ability, directly or indirectly, of such Relevant Person(s) to appoint or dismiss all or the majority of the members of the *Conseil d'Administration* or other governing or supervisory body of such entity.

A “**Change of Control**” in respect of the Issuer shall be deemed to have occurred at each time (whether or not approved by the Issuer) that any Relevant Person(s), at any time following the Issue Date acquire(s) Control of the Issuer provided that for the avoidance of doubt (i) a Change of Control in respect of the Issuer shall not be deemed to apply in respect of the Control of the Issuer by Vinci S.A. (“**Vinci**”) or its successor in the shareholding structure as at the Issue Date nor in the event of any increase in the level of Control of the Issuer by Vinci or its successor in the shareholding structure after the Issue Date and (ii) a Change of Control in respect of the Issuer shall be deemed not to have occurred in the case of a Change of Control in respect of the Issuer involving any Relevant Person(s) which at the time of such Change of Control are under the Control of Vinci.

“**Change of Control Period**” means the period commencing on the date that is the earlier of (i) the date of the first of any formal public announcement that the relevant Change of Control in respect of the Issuer has occurred and (ii) the date of the earliest relevant Potential Change of Control Announcement (if any) and ending 120 days after the date of the first public announcement of such relevant Change of Control in respect of the Issuer (the “**Initial Longstop Date**”) provided that unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Bonds, if one or more Rating Agency publicly announces at any time on or after the date which is 60 days prior to the Initial Longstop Date that it has placed its rating of the Bonds under consideration for rating review, the Change of Control Period shall be extended to the date which falls 60 days after the date of the first such public rating review consideration announcement .

“**Rating Agency**” means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. and/ or Moody's Investor Services and their respective successors or affiliates and/ or any other rating agency of equivalent international standing specified from time to time by the Issuer which has a current rating of the Bonds at any relevant time.

A “**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control in respect of the Issuer if within the Change of Control Period the rating previously assigned to the Bonds by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (iii) if the rating previously assigned to the Bonds by any Rating Agency was below an investment grade rating (as described above), lowered at least one full rating notch (for example, from BB+ to BB or their respective equivalents), provided that a Rating Downgrade otherwise arising by virtue of

a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control in respect of the Issuer if the Rating Agency making the change in rating does not publicly announce or publicly confirm that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, such Change of Control.

“Potential Change of Control Announcement” means any public announcement or statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control in respect of the Issuer.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **“Put Event Notice”**) to the Bondholders in accordance with Condition 10 (which notice shall be irrevocable) specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 5(c).

To exercise the Put Option to require redemption or, as the case may be, purchase of a Bond under this Condition 5 (c), the holder of that Bond must transfer or cause to be transferred by its Account Holder its Bonds to be so redeemed or purchased to the account of the Paying Agent specified in the Put Option Notice for the account of the Issuer within the period (the **“Put Period”**) of 45 days after the Put Event Notice is given together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **“Put Option Notice”**) and in which the holder may specify a bank account to which payment is to be made under this Condition 5 (c).

The Issuer shall redeem or, at the option of the Issuer, procure the purchase of, the Bonds in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Bonds the account of the Paying Agent for the account of the Issuer as described above on the date which is the fifth Business Day (as defined in Condition 6(b)) following the end of the Put Period (the **“Optional Redemption Date”**). Payment in respect of any Bond so transferred will be made in Euro to the holder to the specified Euro-denominated bank account in the Put Option Notice on the Optional Redemption Date via the relevant Account Holders.

If 80 per cent. or more in principal amount of the Bonds then outstanding have been redeemed pursuant to this Condition 5(c), the Issuer may, on not less than 30 nor more than 60 days' notice to the Bondholders given within 30 days after the Optional Redemption Date, redeem on a date to be specified in such notice (the **“Squeeze Out Redemption Date”**), at its option, all (but not some only) of the remaining Bonds at their principal amount, together with interest accrued to but excluding the Squeeze Out Redemption Date.

(d) *Notice of redemption*

All Bonds in respect of which any notice of redemption is given by the Issuer under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

(e) *Purchases*

The Issuer may at any time purchase Bonds in the open market or otherwise at any price.

(f) *Cancellation*

All Bonds which are redeemed or purchased by or on behalf of the Issuer pursuant to paragraph (a), (b) (i) or (ii), (c) or (e) of this Condition 5 will be cancelled and accordingly may not be reissued or sold.

6 Payments

(a) *Method of Payment*

Payments of principal and interest in respect of the Bonds will be made in Euro by transfer to an account denominated in Euro (or any other account to which Euro may be credited or transferred). Such payments shall be made for the benefit of the Bondholders to the Euroclear France Account Holders.

All payments validly made to such Euroclear France Account Holders will be an effective discharge of the Issuer in respect of such payment.

Payments in respect of principal and interest on the Bonds will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments to the Issuer, the relevant Paying Agent, the relevant Euroclear France Account Holder or, as the case may be, the person shown in the records of Euroclear France, Euroclear, Brussels or Clearstream, Luxembourg as the holder of a particular principal amount of Bonds, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Bondholders in respect of such payments.

(b) *Payments on Business Days*

If the due date for payment of any amount of principal or interest in respect of any Bond is not a Business Day (as defined below), payment shall not be made of the amount due and credit or transfer instructions shall not be given in respect thereof until the next following Business Day and the Bondholder shall not be entitled to any interest or other sums in respect of such postponed payment. For the purposes of this paragraph (b) "**Business Day**" means any day, not being a Saturday or a Sunday, which is a TARGET Settlement Day and on which Euroclear France is open. "**TARGET Settlement Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is operating.

(c) *Fiscal Agent and Paying Agents*

The specified office of the initial Fiscal Agent and the name of the initial Luxembourg Paying Agent and its specified office are as follows:

Fiscal Agent

BNP Paribas Securities Services
Immeuble Tolbiac
25 quai Panhard Levassor
75450 Paris Cedex 09
France

Luxembourg Paying Agent

BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich
Howald-Hesperange
L-2085 Luxembourg

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and/or appoint another Fiscal Agent and additional or other Paying Agents or approve any change in the office through which the Fiscal Agent or any Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city and (ii) so long as the Bonds are listed and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and the rules of such stock exchange so require, a Paying Agent having a specified office in Luxembourg (which may be the Fiscal Agent). Any change of Fiscal

Agent or Paying Agent must be notified to the Bondholders by a publication in accordance with the provisions of Condition 10.

7 Taxation

(a) *Tax Exemption*

The Bonds being denominated in Euro will be deemed to be issued outside the Republic of France and, accordingly, under current French law, interest and other revenues in respect of the Bonds will benefit from the exemption from deduction of tax at source on account of French taxes provided by Article 131 *quater* of the *Code Général des Impôts*. Accordingly, such payments will not give the right to any tax credit from any French source.

(b) *Additional Amounts*

If French law should require that any payment of principal or interest in respect of the Bonds be subject to withholding for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of France or any authority therein or thereof having power to tax (together, "taxes"), the Issuer will, to the extent then permitted by law, pay such additional amounts as may be necessary in order that the Bondholders, after such deduction or withholding, receive the full amount provided in such Bonds to be then due and payable; provided, however that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond to a Bondholder or a beneficial owner (*ayant droit*):

- (a) who is liable for such taxes in respect of such Bond by reason of his having some connection with France other than the mere holding of such Bond; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (c) who would be able to avoid such withholding or deduction by requesting payment under the relevant Bond to another Paying Agent in a member State of the European Union.

8 Events of Default

If any of the following events (each an "**Event of Default**") shall occur:

- (a) default in any payment when due of interest on any of the Bonds, and the continuance of any such default for a period of 15 days thereafter; or
- (b) default in the performance of, or compliance with, any other obligation of the Issuer under the Bonds, if such default shall not have been remedied within 30 days after receipt by the Fiscal Agent of written notice of such default given by the Representative (as defined in Condition 9); or
- (c) any other present or future indebtedness of the Issuer for borrowed money which does not constitute Limited-recourse Borrowings (as defined in Condition 3) in excess of Euro 50,000,000 (or its equivalent in any other currency) shall become due and payable prior to its stated maturity as a result of a default thereunder, or any such indebtedness shall not be paid when due or, as the case may be, within any applicable grace period therefor, unless the Issuer is contesting in good

faith and by appropriate proceedings before a competent court that such indebtedness was due and payable; or

- (d) if the Issuer makes any proposal for a general moratorium in relation to its debt; or applies for the appointment of a *mandataire ad hoc*, or enters into an amicable settlement (*procédure de conciliation*) with its creditors; or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for the transfer of the whole business (*cession totale de l'entreprise*) of the Issuer; or to the extent permitted by applicable law, the Issuer is subject to any other insolvency or bankruptcy proceedings; or the Issuer makes any conveyance, assignment or other arrangement for the benefit of, or enters into a composition with, its creditors; or the Issuer ceases to carry on all or a substantial part of its business or operations or is dissolved except (i) any operation falling within the definition of Permitted Reorganisation (as defined below) or (ii) with the prior approval of the *Masse*, for the purposes of, or in connection with, an amalgamation, reorganisation, consolidation or merger (other than a Permitted Reorganisation) which is implemented;

then the Representative may, by notice in writing to the Issuer and the Fiscal Agent given on behalf of the Bondholders before all continuing Events of Default shall have been remedied, cause all the Bonds outstanding to become immediately due and payable whereupon they shall become immediately due and payable at their principal amount together with any accrued interest thereon. The occurrence of any Event of Default must be notified to the Bondholders by a publication in accordance with the provisions of Condition 10.

"Permitted Reorganisation" means a reconstruction, amalgamation, merger, consolidation or transfer of assets and/or activities (a **"Reorganisation"**) where the surviving legal entity which acquires or to which is transferred all or a substantial part of the business and/or activities of the Issuer :

- (a) is a company incorporated and resident in a Member State of the OECD;
- (b) carries on the same or similar business and activities of the Issuer;
- (c) expressly and effectively by law assumes all the obligations of the Issuer under the Bonds and has obtained all authorisations therefore; and
- (d) benefits of a senior long term debt rating of at least BBB+ with Standard & Poor's and/or Baa1 with Moody's within 180 days following the Reorganisation (it being understood that if the senior long term debt of the surviving entity is unrated, it must obtain at least such rating within the same delay following the Reorganisation).

9 Representation of the Bondholders

- (a) *The Masse*

The Bondholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the **"Masse"**).

The *Masse* will be governed in accordance with the *Code de Commerce* (with the exception of the provisions of Articles L.228-47, L.228-48, L.228-59 and L.228-71 thereof), of French decree no. 67-236 of 23 March 1967, as amended (with the exception of the provisions of Articles 218, 222, 224 and 226 thereof) and the conditions set out below.

- (b) *Legal Personality*

The *Masse* will be a separate legal entity, by virtue of Article L.228-46 of the *Code de Commerce* acting in part through one representative (the **"Representative"**) and in part through a general assembly of the Bondholders.

The *Masse* alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds.

(c) *Representatives*

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- (i) the Issuer;
- (ii) any entity holding, directly or indirectly, at least 10 per cent. of the share capital of the Issuer or at least 10 per cent. of the share capital of which is, directly or indirectly, held by the Issuer;
- (iii) any entity guaranteeing all or part of the obligations of the Issuer;
- (iv) any member of the Board of Directors (*Conseil d'Administration*), the Statutory Auditors or any employee, managing director or director (or their respective ascendants, descendants and spouses) of the entities referred to in (i), (ii) or (iii) above;
- (v) persons to whom the practice of banker is forbidden or who have been deprived of the right of direction, administering or managing a business in whatever capacity.

The initial Representative shall be:

Emmanuel Remenant
c/o Calyon
9 quai du Président Paul Doumer
92400 Courbevoie
France

The following person is designated as substitute Representative:

Sébastien Praicheux
c/o Calyon
9 quai du Président Paul Doumer
92400 Courbevoie
France

In the event of death, retirement or revocation of one or both Representatives, a replacement will be elected by a meeting of the general assembly of Bondholders.

The Issuer shall pay to the initial Representative an amount of Euro 200 per year, payable on the first Business Day following the Interest Payment Date falling on, or nearest to 24 May of each year during the issue.

The substitute Representative will replace the Representative if the Representative is prevented from carrying out its duties. The substitute Representative will not be remunerated until, and if, he effectively replaces the Representative.

All interested parties will at all times have the right to obtain the names and the addresses of the Representatives at the head office of the Issuer and at the offices of any of the Paying Agents.

(d) *Powers of the Representative*

The Representative shall, in the absence of any decision to the contrary of the general assembly of Bondholders, have the power to take all acts of management to defend the common interests of the Bondholders.

All legal proceedings against the Bondholders or initiated by them, must be brought against the Representative or by it, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

(e) *General Assemblies of Bondholders*

General assemblies of the Bondholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Bondholders, holding together at least one-thirtieth of outstanding Bonds may address to the Issuer and the Representative a demand for convocation of the general assembly; if such general assembly has not been convened within two months from such demand, such Bondholders may commission one of themselves to petition the competent court in Paris to appoint an agent who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a general assembly will be published as provided under Condition 10 not less than, in respect of the first convocation 15 days and in respect of the second convocation, 6 days prior to the date of the general assembly.

Each Bondholder has the right to participate in meetings of the Masse in person or by proxy. Each Bond carries the right to one vote.

(f) *Powers of General Assemblies*

A general assembly is empowered to deliberate on the fixing of the remuneration of the Representative and on their dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds, including authorising the Representative to act as law as plaintiff or defendant.

A general assembly may further deliberate on any proposal relating to the modification of the Terms and Conditions, including:

- (vi) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (vii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of the Bondholders under the Bonds;

it being specified, however, that a general assembly may not increase amounts payable by the Bondholders, nor establish any unequal treatment between the Bondholders, nor decide to convert the Bonds into shares of the Issuer or any other entity.

Meetings of a general assembly may deliberate validly on first convocation only if Bondholders present or represented hold at least one fifth of the principal amount of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by the Bondholders attending such meeting or represented thereat.

(g) *Notice of Decisions*

Decisions of the general assemblies must be published in accordance with the provisions set out in Condition 10 not more than 90 days from the date of the meeting thereof.

(h) *Information to the Bondholders*

Each Bondholder or representative thereof will have the right, during the 15 day or, in the case of a second convocation, 6 day period preceding the holding of each meeting of a general assembly,

to consult or make a copy of the text of the resolutions which will be proposed, and of the reports which will be presented at the general assembly, which will be available for inspection at the principal office of the Issuer, at the specified offices of the Paying Agents and at any other place specified in the notice of the general assembly.

(i) *Expenses*

The Issuer will pay all reasonable expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of general assemblies and the expenses which arise by virtue of the remuneration of the Representative, and more generally all reasonable administrative expenses resolved upon by a general assembly of the Bondholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Bonds.

10 Notices

Any notice to the Bondholders will be valid if published, so long as the Bonds are listed on the Regulated Market of the Luxembourg Stock Exchange in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort*) or on the Luxembourg Stock Exchange website (www.bourse.lu) or, if any such publication is not practicable, or the Bonds are no longer so listed, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

11 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

12 Further Issues

The Issuer may from time to time without the consent of the Bondholders issue further bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, provided that such further bonds and the Bonds shall carry rights identical in all respects (or in all respects save for the amount, the issue price and date of the first payment of interest thereon) and that the terms of such further bonds shall provide for such assimilation. In the event of such assimilation, the Bondholders and the holders of any assimilated (*assimilables*) bonds will for the defence of their common interests be grouped in a single Masse having legal personality.

13 Governing Law and Jurisdiction

The Bonds and the Agency Agreement are governed by the laws of France.

Any action against the Issuer in connection with the Bonds will be submitted to the exclusive jurisdiction of the competent courts in Paris.

USE OF PROCEEDS

The net proceeds from the issue of the Bonds (after deduction of the Managers' commissions and expenses), which will be approximately Euro 741,960,000, will be used by the Issuer to pursue its investments in motorway projects and for other corporate purposes related to its business activity.

DESCRIPTION OF THE ISSUER

A. Information relating to the Issuer

1. History and development of the Issuer

The Issuer's corporate name is COMPAGNIE FINANCIERE ET INDUSTRIELLE DES AUTOROUTES ("**Cofiroute**" or the "**Issuer**").

The Issuer is registered under number 552 115 891 RCS at the *Registre du Commerce et des Sociétés* of Nanterre (Siret: 552 115 891 00152 - Code APE: 632 A).

The Issuer was created on 4 May 1970 by change of name of a company called COTECI created on 28 July 1955. Its term has been extended until 19 April 2098, unless further extended or dissolved prior to this date.

The Issuer's registered office is at 6-10, rue Troyon, 92310 Sèvres, France (telephone number: +33 (0)1.41.14.70.00). The Issuer is incorporated as a *société anonyme* (French limited liability company) and is governed by French law applicable to commercial entities (*sociétés commerciales*).

In March 2006, the rating agency Standard & Poor's gave to the Issuer a long-term rating of A-negative outlook. The negative outlook reflects uncertainties linked to the disposal by Eiffage of its stake in the Issuer. When these uncertainties are cleared, Standard & Poor's will re-examine whether a one-notch rating differential between Vinci and Cofiroute is still warranted. In particular, in the event that Vinci came to own two-thirds of voting rights, Cofiroute's ratings would be equalised with those of Vinci, currently BBB+ stable outlook. Any such downgrade would not automatically trigger an early redemption of the Issuer's indebtedness contracts.

The terms and conditions of the loan agreements between the Issuer as borrower and the European Investment Bank (**EIB**) as lender, provide that if the Issuer is downgraded, the parties shall consult one another in order to provide the lender with sufficient information to assess the situation. Following such consultation, the lender is authorised to request the provision of guarantees or collateral in its favour. Unless the Issuer fails to satisfy this request within a reasonable time, the lender may require an early redemption of the loans. Since the execution of the loans mentioned above, the Issuer has been downgraded. The EIB after having considered the Issuer's situation following such downgrade, has not requested the provision of guarantees or collateral, but is at liberty to do so in future.

2. Investments

Since 31 December 2005, the principal investments carried out by the Issuer followed its investment programme: all new sections of the new interurban network (the A85 between Tours and Vierzon, the A85 by-pass of Langeais, the A11 Angers' Northern by-pass) are on course, at different stages. On the A86, only the East tunnel has been the object of a state service order and is in the process of being constructed. The additional works on existing motorways consist of a variety of widening projects, facilities and installations.

The Issuer's long-term investment commitments are those identified in the 11th amendment to the interurban concession agreement and the completion of the construction of the A86 tunnels. The commitments regarding the interurban network are detailed in the Programme Plan (*Contrat de Plan*) for the period 2004-2008. The interurban sections yet to be built will be brought into service according to the timetable set in those texts. The realisation of the A86 East tunnel progresses in accordance with the contractual provisions and the State decisions. On the basis of this, the investment commitment will rise to 3 billion euros over the period 2004 – 2008, of which 1.2 billion euros was spent by the end of 2005. The investments in 2006 and 2007 should be comparable to those made in 2005 (see key figures below).

To contribute to finance its programme of works, the Issuer put into place in November 2004 a syndicated loan in an amount of 1,020,000,000 euros for a duration of five years, with an option (exercisable twice) to extend the loan by one year, the first option having been exercised in 2005. This loan is still undrawn. Elsewhere, it has recourse to the European Investment Bank and the bond markets.

B. Overview of the Issuer' Business

1. Principal Activities

Concession agreements and activities of the Issuer:

The Issuer is a private operator of motorway concessions granted by the State in France, active in the construction and operation of a motorway network that currently extends to 985 km and will reach 1,108 km when completed and which covers Western France and the A86 to the West of Paris.

The Issuer is the holder of two separate concessions, one relating to an interurban network (A10, A11, A28, A71, A81 and A85), the initial concession of the Issuer, the other relating to the A86 motorway tunnels.

The initial concession of the Issuer

The Issuer's objective was defined in a Concession Agreement approved by decree on 12 May 1970, entrusting it to build the Paris – Poitiers "A10 l'Aquitaine" and Paris – Le Mans "A11 l'Océane" motorways. This original concession was supplemented by several amendments:

- a) The first amendment, approved by decree on 6 March 1974, extended the concession in relation to the Angers - Nantes section of l'Océane.
- b) The second amendment, approved by decree on 18 November 1977, granted to the Issuer a concession regarding the A81 Le Mans – La Gravelle motorway (in the direction of Rennes) and the A71 Orléans – Bourges motorway.
- c) The third amendment, approved by decree on 10 March 1978, accelerated the construction of the Angers – Nantes section of l'Océane.
- d) The fourth amendment, approved by decree on 16 April 1987, accelerated the construction of the Salbris – Bourges section of the A71.
- e) The fifth amendment, approved by decree on 20 December 1990, granted a concession to the Issuer for the Nantes' Northern motorway by-pass.
- f) The sixth amendment, approved by decree on 12 April 1991, by which the Issuer (with similar provisions adopted by the other motorway concessions operators) assumed responsibility for contributing to an annual fund to cover the operating costs of the police services (*effectifs de gendarmerie*) on its network.
- g) The seventh amendment, approved by decree on 12 April 1994, granted to the Issuer the construction of the following sections:
 - A85 motorway between Angers and Langeais-Est and between Tours and Vierzon;
 - A86 underground motorway to the West of Paris between Rueil-Malmaison and Pont Colbert (reserved for light vehicles) and the stretch linking Rueil-Malmaison and the A12 motorway (accessible by all vehicles);
 - A28 motorway between Alençon and Tours;
 - A126 motorway between Saint-Quentin-en-Yvelines and Massy-Palaiseau. However the A126 project will be withdrawn from the concession, according to a letter of Christian Leyrit (*directeur des routes*) dated 12 May 1997.

- h) The eighth amendment, approved by decree on 26 September 1995 and published in the *Journal Officiel* (Official Journal) on 27 September 1995, was drafted under new regulations based on decree No. 95-81 dated 24 January 1995. The primary purpose of this decree is to transfer to the concession operators the responsibility for setting toll tariffs, within the context of the concession agreement and the Programme Plan (*Contrat de Plan*) with the State.

This new amendment recognises the intention of the State and of the Issuer to use their best efforts in order to conclude, on a regular basis, a Programme Plan (*Contrat de Plan*) to implement the programme of works anticipated by the concession, within the stability provided by this amendment for the rights and obligations of each party, and within the respect for the financial balance of the concession characterised in the annex to the *Cahier des Charges*.

In this spirit, the eighth amendment:

- establishes the technical and financial conditions for the construction of motorways A28 Alençon -Tours, A85 Tours - Vierzon and A86 Rueil-Malmaison - Versailles-Pont Colbert and Rueil-Malmaison – Bailly, granted to the Issuer under the seventh amendment to the concession;
- put into place the compensation provided by the law of 4 February 1995 instituting a regional development tax of 0.00305 euros per kilometre travelled, for the duration of the concession.

It extends the term of the concession:

- for the interurban network: until 31 December 2030;
- for the A86 underground ring-road motorway to the West of Paris: until 31 December of the 50th year following that the motorway was put into service.

By two decisions of 20 February 1998, the *Conseil d'Etat* (the highest administrative court in France) cancelled the decrees approving the 7th and 8th amendments, as they granted motorway A86 to the Issuer.

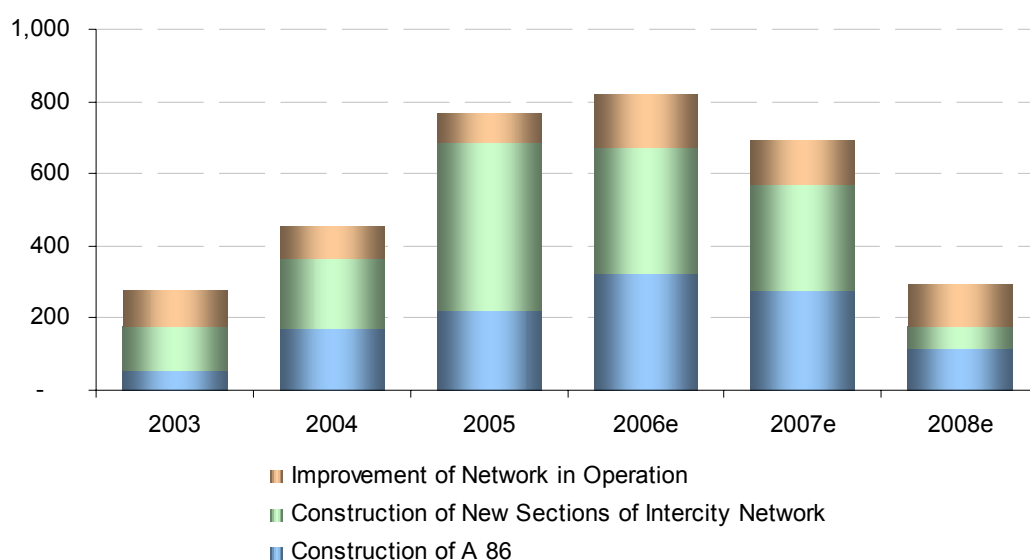
The termination of the initial term of the Issuer concession remains 31 December 2030.

- i) The ninth amendment, dated 12 December 1997, which applied to all operators of motorway concessions, approved by decree on 26 December 1997, compensated, by way of additional tariff increases, for the doubling of the *Taxe d'Aménagement du Territoire* (the Regional Development Tax).
- j) The tenth amendment, dated 19 December 2000, approved by decree on 30 December 2000, drew the first conclusions from the judgement of the European Court of Justice of 12 September 2000 relating to motorway VAT, and takes account of the new vehicle classification rules issued by the State that accompanied the change to the VAT regime.
- k) The eleventh amendment was signed on 4 May 2004 and approved by decree on 29 July 2004. It permitted:
 - the removal from the concession contract for the interurban network clauses relating to the initial concession of A86 cancelled by the *Conseil d'Etat* by its decisions of 20 February 1998;
 - to compensate definitely for the consequences of the change to the VAT regime and the new vehicle classification;
 - the update of the conditions for the construction of the new sections (design features, cost and programme of the investments), by, in particular, specifying firm dates for opening the sections to traffic ;

- the reinforcement of the obligations of the Issuer relating to operating and information of the conceding entity and the specification of the penalty regime applicable to the concession holder; and
- the withdrawal of certain clauses which had become null and void, in particular that relating to the principal concession of the A126, and that relating to the police costs (*fonds de concours de gendarmerie*) and a special tax applicable to operators of motorway concessions known as "*frais de contrôle*".

At the same time a Programme Plan (*Contrat de Plan*) for the years 2004–2008 was signed between the State and the Issuer. In compliance with amendment 11, it defines tariff provisions in this period (the tariff increase is 90% of inflation in 2004, 85% of inflation for the period 2005–2008), and specifies the investment interurban programme to be carried out by the Issuer, in particular as regards *Investissements Complémentaires sur Autoroutes en Service (ICAS)* (capital expenditures on existing sections) and *Investissements d'Exploitation sur Autoroutes en Service (IEAS)* (operating assets expenditures on existing sections). It includes qualitative purposes relating to operations.

	2003	2004	2005	2006	2007	2008
Capital Expenditure	277	456	770	817	694	291
Construction of A 86	58	174	223	325	280	114
Construction of New Sections of Intercity Network	118	189	465	346	289	63
Improvement of Network in Operation	101	93	81	146	125	114



"e" means estimate

The eleventh amendment sets the tariff increase at 85% until 2009 and 70% of inflation between 2010 and 2030 (confirmed even in the absence of a Programme Plan (*Contrat de Plan*)).

Independently of the sections that are subject to the concession, the construction of which has been entrusted to the Issuer, the concession also extends to the following sections initially built by the State:

- the Chartres (A11), Tours, Poitiers (A10) and Alençon (A28) by-passes;

- a part of the Angers by-pass laid between the RN23 and the expressway on the left bank of the Maine, for a length of 5 kilometres;
- a 1.75 kilometre stretch going from the Carquefou interchange for 1 km to the east of the *chemin départemental 37* in the urban area of Nantes.

The concession for the A86 tunnels

On 10 April 1998, the State launched a call for tender for the reallocation of the concession for the A86 tunnels. The Issuer took part in this process and submitted a bid on 2 November 1998, which was accepted by the State on 28 January 1999.

The new A86 concession contract, established on the basis of this bid, was signed between the State and the Issuer on 3 September 1999. The decree approving the A86 concession was published in the *Journal Officiel* (Official Journal) on 30 November 1999.

The concession for the A86 motorway tunnels will end on the expiry of the 70th year following the year that both motorway tunnels are open to traffic.

Contractual obligations of the Issuer

The Issuer's role, as a result of these two Concession Contracts, is therefore:

- to design and build the motorway in question and its accompanying installations, in accordance with the annex to the *Cahier des Charges*;
- to raise the resources necessary to finance the works;
- to operate and maintain the network during the term of the concession.

For this purpose, the concession holder is authorised to collect tolls from the motorway users and rental charges from the operators of the commercial installations established on the service areas.

The current concessions will terminate:

- for the interurban network: on 31 December 2030;
- for the A86: on the expiration of the 70th year following the year that the motorway tunnels are put into service.

Calendar of the completions

A	- La Folie Bessin - Ponthévrard - Chartres	68 Km	Opened 30.10.1972
A	- Tours by-pass	13 Km	" 06.04.1973
B	- Ponthévrard - Allainville.....	10 Km	" 23.03.1973
B	- Allainville - Orléans - Nord	57 Km	" 12.10.1973
C	- Orléans – Nord - Orléans – Centre	6 Km	" 14.12.1973
C	- Orléans – Centre - Tours - Nord	101 Km	" 18.07.1974
E	- Chartres - La Ferté-Bernard	70 Km	" 19.12.1975
D	- Chatellerault - Poitiers	39 Km	" 01.07.1977
D	- Tours – Chatellerault.....	60 Km	" 28.10.1977
E1	- La Ferté-Bernard - Le Mans	39 Km	" 12.08.1978
F	- Orléans-Centre - Olivet	6 Km	" 26.03.1980

H	- Angers – Nantes-Est	65 Km	"	23.12.1980
J1	- Le Mans - Thorigne	39 Km	"	14.03.1980
J2	- Thorigne - La Gravelle.....	55 Km	"	24.10.1980
F1	- Olivet – Lamotte-Beuvron.....	31 Km	"	24.10.1986
F2	- Lamotte-Beuvron - Salbris.....	20 Km	"	24.10.1986
F3	- Salbris – Bourges	53 Km	"	29.06.1989
H1	- Nantes' Northern by-pass.....	10 Km	"	12.08.1993
A85-	Angers – Vivy	38 Km	"	10.01.1997
A85-	Vivy – Ingrandes.....	25 Km	"	01.10.1997
A28-	Maresché – Ecommoy.....	45 Km	"	22.10.2000
A28-	Maresché – Alençon.....	31 Km	"	25.06.2001
A85-	Theillay – Villefranche sur Cher	21 Km	"	31.10.2001
A85 -	Villefranche sur Cher – St Romain	32 Km	"	12.12.2003
A28-	Ecommoy -Tours.....	57 Km	"	14.12.2005
A85 -	Ingrandes – Langeais	18 Km	opening at the latest in 08/2007	
A11	- Angers by-pass	18 Km	opening at the latest in 08/2008	
A85	- St Romain - Tours	63 Km	opening at the latest in 04/2008	
A86	- Rueil-Malmaison – Pont Colbert.....	10 Km	opening at the end of 2009	
A86-	Rueil-Malmaison - Autoroute A12.....	7.5 Km	under studies	
TOTAL		1, 108 Km		

Cost of the works:

The cost of investment linked to the construction of the motorway includes:

- land acquisitions necessary for the establishment of the motorway and the additional installations;
- studies and works concerning the motorway and the equipment necessary for its operation; and
- financing costs paid during the construction period (*charges financières intercalaires*).

The gross value, including *charges financières intercalaires*, of investments already carried out or in progress under the concessions had risen to nearly 5.8 billion euros as at 31 December 2005.

Operating network and turnover

The operating network in April 2006 extends over 985 kilometres; it comprises the following sections:

- on the A10: La Folie Bessin - Ponthévrard - Orléans - Tours - Poitiers;
- on the A11: Ponthévrard - Chartres - La Ferté-Bernard - Le Mans - and Angers-Nantes - as well as Nantes' Northern by-pass;

- on the A81: Le Mans - La Gravelle;
- on the A71: Orléans – Bourges;
- on the A85: Angers – Vivy;
- on the A28: Alençon-Nord – Tours;
- on the A85: Theillay – Saint Romain.

2005 key figures

- Total revenues €889 million +3%
of which toll revenues €875 million +3.1%
- EBITDA €603 million +4% EBITDA margin 67.9%
- Net income €283 million +9%
- Capital expenditures €770 million +69%
 - Construction of A86 €223 million
 - Construction of interurban network €465 million
 - Improvement of network in operation € 81 million
- Workforce as at 31 December 1,960

The characteristics of the use of the Issuer' network for the last two years are summarised in the table below:

Year	Number of transactions annually (millions)	Km travelled (millions)	Toll revenues (thousands of euros)
2004	105.2	8,962	849,063
2005	107.5	9,041	875,010

The average traffic intensity, for a stable network, has risen for 2005 to 27,846 vehicles per day (against 27,540 vehicles in 2004). The breakdown between light and heavy vehicles is as follows:

	Traffic	Revenues
- Light vehicles	85%	70%
- Heavy vehicles	15%	30%

The Issuer has pursued its automation policy by installing 23 automatic toll lanes for magnetic cards and 2 fully automatic toll stations. Automatic transactions (light and heavy vehicles) represent 39% of total transactions (compared with 33% at 31 December 2004).

Toll revenues have increased by 25,947,000 euros compared with 2004, following the increase in traffic and the increased toll tariffs from 1 February 2005 (1.42 per cent. for light vehicles). The impact on toll revenues of the new section opened on 15 December 2005 between Ecommoy and

Tours is negligible. The increase in toll revenues may be broken down as follows: (i) 0.8 per cent increase of revenues on the existing network, (ii) 0.1 per cent. increase of revenues on the new section and (iii) 2.2 per cent. due to the tariff increase.

Indebtedness as at 31 December 2005

- Net financial debt: €2,555 million
- Gross financial debt: €2,944 million
- Net Debt / EBITDA : 4.2
- EBITDA / net interest exp. : 5.9
- Gearing (i.e. net financial debt/shareholders' equity) : 184%
- Average cost of debt: 4.06%
- Breakdown fixed vs. floating: 74% of the net debt was at fixed or floating-capped rate

Toll Collect

Cofiroute has a 10 per cent. interest in the Toll Collect consortium and in an operating company, both being formed with Deutsche Telekom (holding 45%) and DaimlerChrysler Services (also holding 45%). These entities have a contract to finance, develop and operate an automated heavy goods vehicle toll collection service on the German motorway network.

According to an amendment signed with the federal government in February 2004, the system was put in service on 1st January 2005 with limited functionalities, and has operated fully since 1 January 2006.

2. Main markets

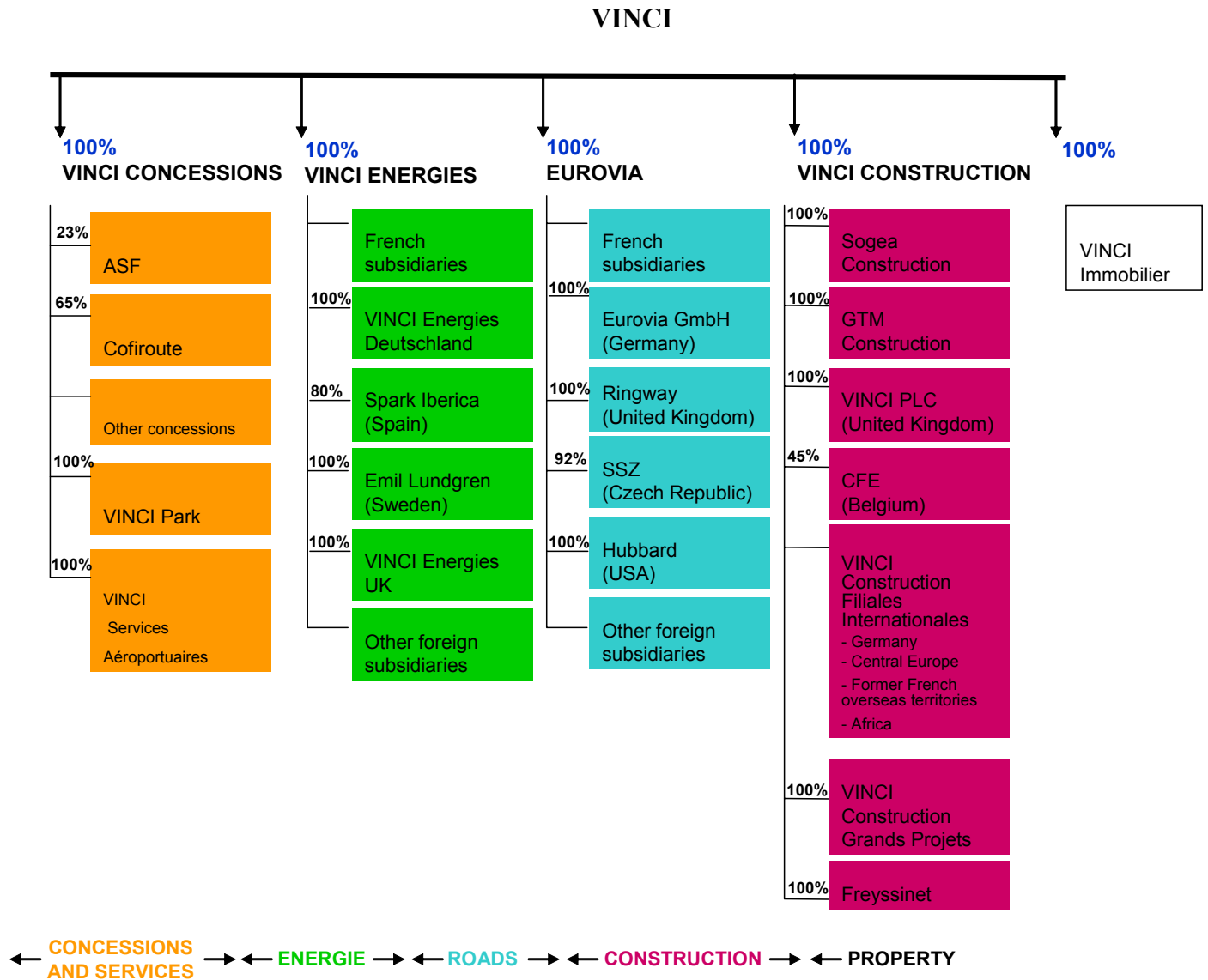
The Issuer operates in the motorway sector, essentially in France. The Issuer's activities outside of France represent about two (2) per cent. of the Issuer's annual turnover.

Activities outside France, non consolidated, consist essentially in operating transportation infrastructures (including a motorway in Chile and the United States, bridges and tunnels in the United Kingdom and Greece) under services contracts. The Issuer has developed specific know how in (i) electronic toll collection interoperable systems, (ii) tunnels and bridges operation and (iii) large interurban motorways operation with more than 90,000,000 transactions per year abroad.

3. Organisational Structure of the Issuer

The Issuer is part of the Vinci group and 65.34 per cent. owned by VINCI CONCESSIONS, which is in charge of the concession and service activity of VINCI S.A. VINCI CONCESSIONS is a wholly owned subsidiary of VINCI S.A. (key figures 2005 from VINCI S.A: Sales turnover euro 21,543 million, Net income euro 871 million, Net indebtedness as at 31 December 2005 euro 1,579 million).

The simplified chart below shows the main companies owned directly or indirectly by VINCI (including the Issuer) and the percentage of capital held at 31 December 2005:



Within this group, the Issuer occupies a significant share in terms of results and indebtedness. The Issuer's activity is not dependent upon other entities within the Vinci Group.

4. Trend information

No significant deterioration has affected the prospects of the Issuer since 31 December 2005.

On 9 March 2006, Vinci, the controlling shareholder of the Issuer, acquired the majority of the shares of Autoroute du Sud de la France ("**ASF**"), a French main motorway concession company operating a network of 2,963 km (2005 figures).

Vinci declared notably in its "*Note d'Opération*" dated 10 February 2006 relating to its capital increase that it intends to develop synergies within its three French controlled motorway networks (ASF, Escota and Cofiroute). The acquisition of ASF is expected to generate synergies of revenues to the three complementary networks, expertise and the development of joint projects, in particular with respect to services.

5. Administrative, management and supervisory bodies

Board of Directors

The Board of Directors of the Issuer is composed of 11 Directors each appointed for six years:

	Other principal functions or corporate mandates at 1 February 2006
Henri Stouff <i>Président Directeur Général</i> of the Issuer	
Jean-François Poupinel Honorary President	Immediate First President of IBTTA
Patrick Faure	<i>Président</i> of RENAULT SPORT
VINCI Represented by Antoine Zacharias	M. Zacharias: <i>Président</i> of VINCI SA
VINCI Construction Represented by Roger Martin	M. Martin: <i>Président Directeur Général</i> of EUROVIA
VINCI Concessions Represented by David Azéma	M. Azéma: <i>Directeur Général</i> of VINCI Concessions
Colas Represented by Alain Dupont	M. Dupont: <i>Président Directeur Général</i> of COLAS
Eiffage Represented by Jean-François Roverato	M. Roverato: <i>Président Directeur Général</i> of EIFFAGE
BNP Paribas Participations Represented by Olivier de Vregille	M. de Vrégille: Director of SAUR
Sogepar Represented by Bernard Huvelin	M. Huvelin: <i>Vice-Président</i> of VINCI SA
Société Générale Represented by Pierre-Jean Brenugat	Bank Adviser

General Management:

Henri Stouff

Président Directeur Général of the Issuer

Odile Georges-Picot

Directeur Général Délégué

The members of the Board of Directors and of the General Management can be contacted at the registered office of the Issuer at 6 – 10, rue Troyon, 92310 SÈVRES.

No conflicts of interest exist between the duties to the Issuer of one of the members of the Board of Directors or General Management and their private or other interests.

Accounts Committee

The Issuer has an Accounts Committee chaired by Alain Dupont, Director representative of COLAS, and comprising 3 Directors, David Azéma, representative of VINCI Concessions, Olivier de Vregille, representative of BNP Paribas Participations and Pierre-Jean Brenugat, representative of Société Générale.

The Issuer complies with applicable regulations of business government in force in France.

6. Principal Shareholders of the Issuer

VINCI Concessions: 65.34 per cent. of the capital

Eiffage: 16.99 per cent. of the capital

Colas: 16.67 per cent. of the capital

Société Générale: 0.81 per cent. of the capital

BNP Paribas: 0.12 per cent. of the capital

No double voting rights exist.

The Issuer is indirectly controlled by VINCI S.A. through its wholly owned subsidiary VINCI CONCESSIONS.

The shareholders in the Issuer are represented on the Board of Directors as well as the different committees and participate in the decision-making process of the Issuer.

To the Issuer's knowledge, there is no agreement which may at a subsequent date result in a change in control of the Issuer.

FINANCIAL INFORMATION

NON-CONSOLIDATED BALANCE SHEET OF THE ISSUER FOR THE YEAR ENDED 31 DECEMBER 2005

(in euros)

ASSETS	31 December 2005			31 December 2004
	Gross	Depreciation, amortisation and provisions	Net	
INTANGIBLE ASSETS	78,307	0	78,307	78,307
OWNED FIXED ASSETS				
Land	808,953		808,953	812,167
Plant and equipment	9,587,249	8,132,157	1,455,092	2,776,493
Other property, plant and equipment	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 FIXED 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 ASSETS				
Investments in subsidiaries and affiliates & 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
ACCOUNTS RECEIVABLE				
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
BANK ACCOUNTS	388,783,769		388,783,769	634,414,290
FOREIGN CURRENCY TRANSLATION DIFFERENCE, ASSETS	0		0	50,332
TOTAL	6,458,907,486	1,778,828,042	4,680,079,444	4,186,191,008

(in euros)

SHAREHOLDERS' EQUITY AND LIABILITIES	31 December 2005	31 December 2004
<i>SHAREHOLDERS' EQUITY</i>		
Share capital	158,282,124	158,282,124
Legal reserve	15,828,212	15,828,212
Other reserves	4,209,755	4,209,755
Retained earnings	961,389,159	839,737,131
<i>NET INCOME FOR THE YEAR</i>	282,732,783	260,209,764
<i>INTERIM DIVIDEND</i>	-121,755,480	-104,019,765
<i>INVESTMENT GRANTS</i>	63,150,985	53,252,856
<i>TAX-REGULATED PROVISIONS</i>	27,115,414	28,725,634
	1,390,952,952	1,256,225,711
<i>PROVISIONS FOR CONTINGENT LIABILITIES</i>		
Provisions for liabilities	49,471,939	46,111,215
<i>FINANCIAL DEBTS</i>		
Other borrowings	2,933,185,176	2,617,087,075
Government and local authority payables	10,820,069	12,093,018
	2,944,005,245	2,629,180,093
<i>LIABILITIES</i>		
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 security contributions	109,186,715	134,817,635
Other liabilities	7,269,814	5,767,513
	244,684,522	239,184,130
<i>DEFERRED INCOME</i>	50,945,948	15,489,859
<i>FOREIGN CURRENCY TRANSLATION DIFFERENCE, LIABILITIES</i>	18,838	0
<i>TOTAL</i>	4,680,079,444	4,186,191,008

FIVE YEAR FINANCIAL SUMMARY IN RESPECT OF THE NON-CONSOLIDATED FINANCIAL STATEMENTS

Nature	2001	2002	2003	2004
1. FINANCIAL POSITION AT 31 DECEMBER				
- Share capital	158,282,124	158,282,124	158,282,124	158,282,124
- Number of shares issued	4,058,516	4,058,516	4,058,516	4,058,516
2. NET INCOME FROM OPERATIONS				
- Revenue (1)	740,813,796	787,098,646	829,118,747	860,118,747
- Income before tax, employee profit-sharing, depreciation, and provisions	429,776,875	452,478,797	503,507,687	530,118,747
- Income tax at 33.33%	96,708,539	104,107,072	104,113,407	130,118,747
- Additional income tax levies	8,828,894	6,533,566	6,533,965	6,533,965
- Income after tax and levies, employee profit-sharing, depreciation, and provisions	195,128,442	215,768,279	220,200,546	260,118,747
- Earnings distributed	105,521,416	116,479,409	124,718,197	130,118,747
- Long term debt	1,734,022,063	1,802,007,360	2,405,258,360	2,520,118,747
- Cost of the concession	4,058,277,615	4,279,084,434	4,494,056,141	4,970,118,747
3. INCOME PER SHARE				
- Income after tax and employee profit sharing, but before depreciation and provisions	78.48	82.82	95.52	100.12
- Income after tax, employee profit-sharing depreciation and provisions	48.08	53.16	54.26	58.12
- Dividend paid per share	26.00	28.70	30.73	32.00
4. EMPLOYEES				
- Average number of employees during period	1,981	1,962	1,991	2,000
- Wages and salaries	56,100,117	57,245,897	57,231,894	58,118,747
- Social security contributions and employee benefits	25,082,735	26,605,385	27,975,310	28,118,747

(1) Only comprised revenue from tolls until 2002.

**NON-CONSOLIDATED STATEMENT OF INCOME OF THE ISSUER
FOR THE YEAR ENDED 31 DECEMBER 2005**

(in euros)

ITEMS	31 December 2005	31 December 2004 PRO FORMA ¹
OPERATING INCOME		
REVENUE		
Toll revenue	875,009,847	849,062,702
Other revenue	13,631,434	13,239,380
NET REVENUE	888,641,281	862,302,082
Provision reversals	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 investment costs	30,026,368	32,129,311
Major repairs	33,975,685	25,893,278
External operating costs	21,755,403	23,107,014
Insurance income transferred	-3,636,775	-3,840,651
Taxes and duties	103,936,979	102,379,176
Wages, salaries and social security contributions	89,157,422	86,580,952
Statutory profit-sharing	5,859,524	7,121,029
Other administrative 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 amortization	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 INCOME (I - II)	471,495,788	480,568,338
FINANCIAL INCOME		
Interest capitalised in construction cost	61,740,289	55,884,339
Other financial income	51,523,276	52,975,699
Provision reversals	50,332	0
TOTAL III	113,313,897	108,860,038
FINANCIAL EXPENSE		
Financing costs	154,096,928	146,885,427
Provision for impairment of investments	0	34,502,600
Provision for foreign currency exchange loss	0	50,332
Other financial expenses	43,350	29,178
TOTAL IV	154,140,278	181,467,537
2. NET FINANCIAL EXPENSE (III - IV)	-40,826,381	-72,607,499
3. OPERATING INCOME LESS 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
NET EXCEPTIONAL INCOME (EXPENSE) (V - VI)	-1,149,441	14,506,267
INCOME TAX, DEFERRED TAX AND CONTRIBUTIONS VIII	146,787,183	162,257,342
TOTAL INCOME (I + III + V)	1,033,697,271	1,047,830,929
TOTAL EXPENSE (II + IV + VI + VII + VIII)	750,964,488	787,621,165
NET INCOME	282,732,783	260,209,764

¹ these accounts are pro forma because of the retreatment of the insurance products (reimbursement of damages) by deduction of the external costs. The 2004 accounts which were approved were presented on an operating income basis.

**NON-CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ISSUER FOR THE YEAR
ENDED 31 DECEMBER 2005**

(in millions of euros)

	31 December 2005	31 December 2004
Cash position at beginning of year	634.4	819.1
OPERATING ACTIVITIES		
Cash flow from operations excluding transferred expenses	353.8	321.8
Change in working capital requirement	1.3	-14.1
A. Net cash from operating activities	355.1	307.7
INVESTING ACTIVITIES		
Acquisition of fixed assets	-769.8	-488.8
Investment grants	9.9	2.9
Disposal of fixed assets	0.4	0.4
B. Net cash used in investing activities	-759.5	-485.5
FINANCING ACTIVITIES		
Dividends paid	-156.3	-129.9
Borrowings and advances	393.3	204.0
Repayment of borrowings and advances	-78.2	-81.0
C. Net cash from (used in) financing activities	158.8	-6.9
Decrease in cash position (A + B + C)	-245.6	-184.7
Cash position at end of year	388.8	634.4

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE YEAR ENDED 31 DECEMBER 2005

1 – Significant events

- **Final stretch of the A28 motorway between Ecommoy and Tours was completed and opened**

The final 57.5km stretch of the Alençon – Le Mans – Tours motorway was finally completed and opened on 14 December 2005. It provides drivers with a Paris bypass on the motorway from Calais to Bayonne.

- **Motorway widened from two to three lanes**

Cofiroute opened the final 28km three-lane extension of the A10 motorway North of Tours on 2 June 2005.

The entire route from Saint-Arnoult-en-Yvelines to Tours, one of the busiest stretches of motorway in France for Heavy Goods Vehicles (HGVs), is now three-lane in each direction.

- **Financing transactions**

On 8 August 2005 a €200 million contribution was made to the 2001 bond issue which matures in 2016.

In addition, on 1 December 2005 Cofiroute drew down €190 million from a new European Investment Bank (EIB) loan taken out to fund the A28 motorway. The 20-year loan bears fixed rate interest at 3.965%.

Finally, the company set up caps for €525 million of its floating debt to hedge against the risk of interest rate increases.

2 – Accounting policies

The financial statements of Cofiroute are denominated in euros in accordance with the provisions of the French chart of accounts (Ministerial order of 22 June 1999).

2 - 1 Fixed assets

Fixed assets are divided into two categories: concession fixed assets and owned fixed assets.

- Concession fixed assets:

Concession fixed assets are the movable and immovable assets that are directly required for the design, construction and operation of the motorway network. They are financed by the concession operator and are returned free of charge to the French government at the end of the concession.

They are recognised at their historic cost and comprise:

- land, research studies, work and subsequent improvements,
- organisational expenses and borrowing costs, such as loan issuance expenses and premiums, redemption premiums and interest incurred during the construction period,
- personnel costs of employees managing the construction project.

They are subject to special concession amortisation, which charges the financing costs over the remaining term of the concession.

There are two types of concession asset:

- **Non-renewable assets:** Fixed assets that are not to be replaced during the concession period. These are assets that have a useful life longer than the term of the concession. They may require major repairs, and include network infrastructure and civil engineering constructions.
- **Renewable assets:** Fixed assets to be replaced at least once during the concession period as their economic life is shorter than the concession period. They correspond in particular to site development, security and toll material and equipment.

Interest capitalised in construction cost:

Interest is capitalised during the construction period. It is added to the construction cost of non-renewable assets on the balance sheet and is deducted from financing costs until the assets are placed in service.

Depreciation and amortisation:

- Non-renewable assets in service and operating assets are subject to special concession amortisation. The purpose of special concession amortisation is to reduce the net book value of the assets to zero by the end of the concession, rather than to recognise the technical depreciation of the assets.
- For non-renewable assets it is calculated on a straight-line basis from the date the asset is placed in service to the end of the concession period, on the basis of the net cost of the grants received.
- For operating assets it is calculated on the basis of the net book value of the asset over the number of years remaining to 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 a provision for renewal, because the net amount is amortised by a special amortisation charge.
- Depreciation is calculated using either the straight-line or reducing balance method in accordance with Article 39A of the French Tax Code. The difference between depreciation for financial accounting and for tax purposes is booked in the liability account “tax-regulated provisions”.
- The depreciation periods are between 10 and 30 years for buildings and between 3 and 10 years for fittings, equipment, furniture and vehicles. Software is written off over one year for tax purposes.
- Owned fixed assets

These are fixed assets which are Cofiroute’s property and comprise all the fixed assets not used to operate the motorway concession. They are recognised at cost and depreciated on a straight-line basis over their useful economic life, which is 3 to 10 years for software, fittings, equipment, furniture and vehicles.

- Financial assets

Investments in subsidiaries and affiliates are recognised in the balance sheet at historic cost. A provision is recognised if their fair value, based primarily on the company’s net book value, is lower than cost.

2 - 2 Inventories

Chlorides and fuel are measured on a First-In First-Out (FIFO) basis. Other inventories are measured at acquisition cost using the “weighted average unit cost method”. A provision for impairment is recognised 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 for collectibility risk.

This item includes advances paid to sub-contractors for construction work.

2 - 4 Marketable securities

Marketable securities (unit trusts) are recorded at cost and measured to fair value.

2 - 5 Borrowings

Loan issuance costs are written off on a straight-line basis over the duration 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 hedged items.

2 - 7 Investment grants

Grants received to finance fixed assets are recognised under shareholders' equity. They are deducted from concession fixed assets for the purposes of calculating special concession amortisation.

2 - 8 Provisions

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

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

2 - 9 Corporate income tax

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

Corporate income tax is calculated on the basis of the tax group comprising Cofiroute (parent company), Cofiroute Participations, SPTF and SERA (tax consolidated companies). The tax expense borne by these subsidiaries is equal to that which they would have borne had they not been part of the tax group. The 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 due to the non-recurring and immaterial nature of revenue from its subsidiaries to date.

Cofiroute's financial statements are fully consolidated in the consolidated financial statements of Vinci, a French public limited company, with share capital of €988,148,610 as of 2 February 2006, and a registered office at 1, cours Ferdinand de Lesseps, 92 851 RUEIL MALMAISON Cedex, France.

3 – Notes to the accounts

3 - 1 Assets

3.1.1 Fixed assets - gross

Construction in progress mainly relates to the cost of work on the A86, the A85 between Bourgueil and Langeais, and the A85 Saint-Romain-sur-Cher to Tours motorways, the North Angers Bypass, and the interest capitalised during these construction projects.

The Ecommoy to Tours stretch of the A28 motorway, in construction at 31 December 2004, was placed in service and opened to traffic on 14 December 2005.

<i>(in millions of euros)</i>	1 January 2005	Movements in the period		31 December 2005
		Increases	Decreases	
Intangible assets	0.1	0.0	0.0	0.1
Owned fixed assets	37.6	0.8	6.4	32.0
Concession fixed assets:	4,977.3	830.7	16.7	5,791.3
<i>in service</i>	3,816.1	463.3	16.7	4,262.7
<i>in progress</i>	1,161.2	367.4		1,528.6
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 amendment to the concession agreement between the French government 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 is therefore calculated based on this concession period.

<i>(in millions of euros)</i>	1 January 2005	Movements in the period		31 December 2005
		Increases	Decreases	
Intangible assets	0.0	0.0	0.0	0.0
Owned fixed assets	22.3	4.7	5.1	21.9
Concession fixed 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

(in millions of euros)

	SUBSIDIARIES* Cofiroute Participations 6 to 10 rue Troyon 92316 SEVRES Cedex Siret Number: 352 579 353 00025
SHARE CAPITAL	2.2
Other shareholders' 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 tax (2) last financial year	0.0
Net income for last financial year	0.6
Dividends received by the Company during the period (3)	0.2
Comments	-

(*) figures at 31 December 2005

(1) including net income for the period

(2) financial income

(3) received by the parent company (Cofiroute Participations)

3.1.4 Maturity of receivables

Operating receivables amounted to €149.2 million including €76.3 million progress payments on sections of the A85, Angers Bypass and A86 under construction. All operating receivables (excluding progress payments on sections under construction) are due within twelve months.

3.1.5 Provisions for impairment

Changes in provisions for impairment during the period were as follows:

(in millions of euros)	1 January 2005	Movements in the period		31 December 2005
		Increases	Decreases	
Renewable assets	0.3	0.2	0.3	0.2
Equity investments*	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 Toll Collect shares

3.1.6 Prepaid expenses

Prepaid expenses amounted to €47.2 million, which included a €36.6 million cash payment on the contribution to the October 2001 bond and €10.2 million for the State property fee (*redevance domaniale*).

3 - 2 Shareholders' equity and liabilities

3.2.1 Share capital

Share capital comprises 4,058,516 full paid-up shares with a par value of €39 per share.

3.2.2 Provisions

During the period the changes in provisions were as follows:

(in millions of euros)	1 January 2005	Movements in the period		31 December 2005
		Increases	Decreases	
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 are covered by an insurance policy.

3.2.3 Maturity of payables

Operating payables include deferred tax of €97.6 million.

<i>(in millions of euros)</i>	Gross	Within one year	After one year and within five years	After five years
Borrowings	2,944.0	268.2	974.0	1,701.8
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 bonds have been issued for €2,320.9 million. European Investment Bank (EIB) loans have been taken out at a floating rate for €325.0 million and at a fixed rate for €265 million.

Interest rate swaps for a notional amount of €1,275 million were used to change fixed rates to floating rates. Derivative interest rate instruments have the same maturity as the hedged items.

A cautious debt management policy has been adopted and caps set up to cover the risk of increases in interest rates.

Due to the use of swaps, 74% of the company's net borrowings were fixed rate or capped as of 31 December 2005.

There are no financial ratio covenants that may affect interest rates or trigger early repayment of borrowings. The EIB loans have contractual stipulations (loss of credit rating clause) which apply if credit rating agencies downgrade the company's credit rating.

<i>(in millions of euros)</i>	Gross	Within one year	After one year and within five years	After five years
Bonds	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 mainly comprises :

- Operating rights of €5.4 million paid by a telecommunications operator under a multi-annual contract. The associated revenue is recognised on a straight-line basis over the contract term.
- Financial income reflecting payments received by the Company in connection with swaps:

- €1.8 million corresponding to the payments received when the interest rate swaps were set up for the bonds issued in November 1997, November 1999 and April 2003.
- €7.4 million corresponding to payment of €11.8 million (initial amount received) following the offsetting of swaps in 2004,
- €36.3 million corresponding to the payment of €37.6 million received in August 2005 when interest rate swaps were set up in relation to the contribution to the bonds issued in October 2001.

3 – 3 Statement of Income

3.3.1 Revenue

The breakdown of revenue is as follows (in millions of euros):

<i>(in millions of euros)</i>	31 December 2004	31 December 2005
Revenue	862.3	888.6
Toll revenue	849.1	875.0
Other revenue	13.2	13.6

Toll revenue increased between 2004 and 2005 as follows:

<i>(in millions of euros)</i>	Increase 2005/2004
Toll revenue	+ 3.1 %
Increase in network traffic volume	+ 0.8 %
Traffic in new sections	+ 0.1 %
Increase in tariffs	+ 2.2 %

3.3.2 External purchases and expenses

The breakdown of purchases and expenses is as follows:

<i>(in millions of euros)</i>	31 December 2004	31 December 2005
External purchases and expenses	90.3	95.4
Purchases of consumables	9.2	9.6
External operation costs related to investments	32.1	30.0
Other external operating costs	23.1	21.8
Major repairs	25.9	34.0

3.3.3 Gross operating surplus

Gross operating surplus reflects operating income less operating expenses before additions and reversals of depreciation, amortisation and provisions.

<i>(in millions of euros)</i>	31 December 2004	31 December 2005
Operating income before provision reversals	866.5	894.1
Revenue	862.3	888.6
Other operating income	4.2	5.5
Operating expenses before depreciation, amortisation and provisions	284.2	290.9
External purchases and expenses	90.3	95.4
Reimbursement of insurance claims	-3.8	-3.6
Wages and salaries incl. employee profit-sharing	93.7	95.0
Tax and duties	102.4	103.9
Other administrative expenses	1.6	0.2
Gross operating surplus	582.3	603.2

In 2005, this ratio increased 3.6% and represents 67.9% of revenue.

3.3.4 Operating income

<i>(in millions of euros)</i>	31 December 2004	31 December 2005
Gross operating surplus	582.3	603.2
Operating provisions, net	18.3	-3.5
Amortisation and depreciation	-120.0	-128.2
Operating income	480.6	471.5

Major repairs (expensed during the period and net change in provisions) reduced operating income by €27 million, resulting in a lower result than for the previous period.

3.3.5 Exceptional income

Exceptional income items comprise the following:

<i>(in millions of euros)</i>	31 December 2004	31 December 2005
Exceptional income	47.5	9.5
from operating transactions	0.0	0.0
from capital transactions	0.4	0.2
Provision reversals & transferred expenses*	47.1	9.3
Exceptional expenses	33.0	10.6
from operating transactions	4.3	0.2
from capital transactions	11.5	3.2
Depreciation, amortisation & provisions	17.2	7.2
Exceptional income (expense)	14.5	-1.1

* including €36.3 million for Toll Collect as of 31 December 2004

3.3.6 Income tax

The tax expense amounted to €146.8 million comprising:

- income tax of €123.7 million arising on ordinary operations
- deferred tax of €17.2 million
- 1.5% exceptional levy of €1.9 million and 3.3% additional corporate income tax levy of €4.0 million.

3.3.7 Unrealised tax position

Cofiroute recognised a provision of €27.1 million for tax-regulated depreciation at 31 December 2005, which resulted in an unrealised tax liability of €9.2 million at the 33.33% tax rate with the 1.5% exceptional levy.

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 to Cofiroute or directly, amounted to €12.9 million.
- Commitments received in the form of guarantees issued by banks on behalf of toll subscribers in favour of Cofiroute amounted to €12.6 million.
- Commitments received in the form of guarantees issued by banks on behalf of SAFER in favour of Cofiroute amounted to €2.1 million.

- Financial commitments: signature in 2004 of a syndicated loan of €1.02 billion.
- Investment commitments: Cofiroute has agreed to invest €2,033 million over the next five years in connection with its concession contracts.

3.4.2 Dispute between road freight carriers and the French government over VAT

On 29 June 2005 the French administrative supreme court (Conseil d'Etat) delivered its judgement on the appeal filed by several road freight carriers regarding VAT on tolls. The judgement nullified the letter dated 15 January 2003 in which the French tax legislation director informed the Chairman of the Committee of motorway concession operators that concession operators were not justified in issuing corrective invoices showing the value-added tax paid by users between 1 January 1996 and 31 December 2000.

As a result of this decision, which only affects the relations between the government and the motorway concession operators, the concession operators will be required to issue corrective invoices for the period from 1996 to 2000 when so requested by road freight carriers. Formally, this meant that concession operators could have been obliged to pay the VAT stated on the corrective invoices, pursuant to Article 283-3 of the French tax code.

Cofiroute and all other companies in the sector appealed against the court's decision. Cofiroute received a letter from the Minister for Industry, Finance and the Economy, dated 19 October 2005, confirming that motorway concession operators would not incur any expense due to the outcome of this case, followed by a letter dated 7 February 2006 from the Minister for the Budget and State Reform, confirming that concession operators would not be liable to pay the value-added tax stated on the corrective invoices issued to customers for tolls paid between 1 January 1996 and 31 December 2000.

As Cofiroute has received this guarantee from the French government, it has kept to the decision taken at the 30 June closing and has not recognised a provision for the VAT dispute in its financial statements as of 31 December 2005.

3.4.3 Average number of employees

<i>Numbers</i>	Salaried Employees	Interim Staff (1)
Management	193	
Supervisory staff	337	
Clerical and manual staff	1 389	1
TOTAL	1 919	1

(1) at Head Office

STATUTORY AUDITORS' REPORT ON THE NON-CONSOLIDATED ACCOUNTS OF THE ISSUER FOR THE YEAR ENDED 31 DECEMBER 2005

In compliance with the assignment entrusted to us by the Compagnie Financière et Industrielle des Autoroute "Cofiroute", we hereby report to you, for the year ended 31 December 2005, on:

- the audit of the accompanying financial statements of the Compagnie Financière et Industrielle des Autoroute "Cofiroute",
- the justification of our assessments,
- the specific verifications and information required by law.

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

1 - Opinion on the financial statements

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

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities as of 31 December 2005 and of the results of its operations for the year then ended in accordance with the accounting principles generally accepted in France.

2 - Justification of our assessments

In accordance with the requirements of Article L.823-9 of the Commercial Code relating to the justification of our assessments, we inform you that the assessments made by us focused on the appropriateness of the accounting principles and the extent to which the significant estimates made by management were reasonable. These assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

3 - Specific verifications and information

We have also performed the specific verifications required by law in accordance with auditing standards generally accepted in France.

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

In accordance with French law, we have ascertained that the information relating to the acquisition of shares and controlling interests and the identity of shareholders were included in the management report.

Paris and La Défense, 15 March 2006

The Statutory Auditors

MAZARS & GUERARD

SALUSTRO REYDEL

Member of KPMG International

Xavier CHARTON

Benoît LEBRUN Michel BERTHET

STATUTORY AUDITORS' REPORT ON THE NON-CONSOLIDATED ACCOUNTS OF THE ISSUER FOR THE YEAR ENDED 31 DECEMBER 2004

Salustro Reydel
8 avenue Delcassé
75378 Paris Cedex 08

Mazars & Guérard
Le Vinci – 4 allée de l'Arche
92075 Paris La Défense Cedex

To the Shareholders,

In accordance with our appointment as auditors by your Shareholders General Meeting, we hereby report to you for the year ended 31 December 2004 on:

- The audit of the accompanying financial statements of 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.

1. 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 2004 and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

2. Reasons for our conclusions

As required by article L. 225-235 of the French Code of Commerce regarding disclosure of the reasons for our conclusions, we bring the following matters to your attention:

Cofiroute has a holding of 10% in the "Toll Collect" consortium. The agreements and risks arising from the postponement of the entry into service of the project, and the financial and accounting consequences, are presented in Note 1 to the financial statements. On the basis of the information currently available, our assessment of the provisions was based on the contractual agreements within the consortium.

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 unqualified opinion, given in the first part of this report.

3. Specific verifications and information

We have also carried out, in accordance with the professional standards applicable in France, the procedures required by law on the financial information provided by the Board of Directors.

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.

Paris, 5 April 2005
The Statutory Auditors

Salustro Reydel Mazars & Guérard
Benoît Lebrun Xavier Charton Michel Berthet

Extract of note 1 to the financial statements for the year ended 31 December 2004²

"The Toll Collect project

The Company has a 10% interest in the Toll Collect consortium formed with Deutsche Telekom, DaimlerChrysler Services and others. This consortium has a contract to develop and operate an automated heavy goods vehicle toll collection service on the German motorway network. Entry into service, initially planned for 31 August 2003, was postponed for technical reasons related to the highly innovative nature of the project. As a result of this delay, the German government made various claims, in particular in respect of penalties, against the Consortium.

An agreement was reached on 29 February 2004 with the German government under which the consortium will continue the project and a two-stage entry into service was set: 1 January 2005 for a provisional version and 1 January 2006 for the final version.

The second amendment to the consortium agreement signed in 2004 between Cofiroute and its partners confirmed the €70 million ceiling on Cofiroute's financial commitments in respect of the Toll Collect project. At 31 December 2004, this €70 million commitment had been paid in full and the Company's interest in the consortium fully written down."

² This note has been reproduced in this Base Prospectus for information purposes and is not part of the auditors report

RECENT DEVELOPMENTS

1. A86 project

On the A86, only the East tunnel has been the object of a state service order and is in the process of being constructed. The construction of the A86 East tunnel, reserved to light vehicles, is pursued in conformity with the contractual provisions and the State decisions:

- the first section (Rueil-Malmaison – A13 motorway i.e. 4.5 km) will be opened at the end of 2007;

- the second section (A13 motorway – Versailles Pont-Colbert i.e. 5.5 km), completing the last link of A86 will be finished at the end of 2009.

The East tunnel takes into account the new security rules relating to road tunnels adopted by the French State in August 2000, following the fire in the tunnel under the Mont-Blanc. The French State has agreed the principle of compensation in favour of the Issuer as a consequence of the delays and additional costs which result from a change in the security rules. Discussions are currently taking place between the parties in order to determine the terms and conditions of this compensation.

New studies relating to the West tunnel are also being carried out, at the request and under the control of the French State, in order to reconsider the conditions under which it should be realised in light of the new security rules. No realisation relating to the West tunnel will be started by Cofiroute until an amendment to the concession agreement reflecting the State's decisions on this tunnel have been agreed. Such amendment could modify as well terms and conditions of the concession in order to re-establish the financial equilibrium of the concession.

2. Increase of toll tariffs

The toll tariffs' grid has been revised as at 1 February 2006 based on 1.62 per cent. increase for light vehicles.

3. Toll revenues 2006

At the end of the first quarter of 2006, traffic has increased by 0.4 per cent. This figure reflects a negative impact of the calendar constituted by the Easter weekend falling on the second quarter of 2006 and on the first quarter in 2005. Given the tariffs' increase applicable from 1 February 2006, the toll revenue has increased by 3.8 per cent during this quarter, in line with the forecasts.

TAXATION

The statements herein regarding taxation are based on the laws in force in the Republic of France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any change in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Bonds. Each prospective holder or beneficial owner of Bonds should consult its own tax advisor as to the French or, as the case may be, the Luxembourg tax consequences of any investment in, or ownership and disposition of, the Bonds.

EU Directive on the Taxation of Savings Income

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is widely defined and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interests payments. The rate of such withholding tax equals 15% during the first three years, 20% during the subsequent three years and 35% until the end of the transitional period. Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of several jurisdictions (Switzerland, Liechtenstein, San Marino, Monaco and Andorra), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same jurisdictions of a withholding tax on such payments at the rates defined for the corresponding periods and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The Directive was implemented into French law under article 242 *ter* of the French *Code Général des Impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

The Directive and several agreements concluded between Luxembourg and certain dependent territories of the European Union were implemented in Luxembourg by the Laws of 21 June 2005 (the “**Laws**”).

French Taxation

The Bonds issued in euros by a French legal entity are deemed to be issued outside the Republic of France for the purposes of Article 131 *quater* of the French *Code Général des Impôts*. Consequently, interest and other revenues with respect to the Bonds paid to non-French residents benefit from the exemption of withholding tax set out under Article 125 A III of the French *Code Général des Impôts*. Accordingly, such payments do not give the right to any tax credit from any French source.

Luxembourg Taxation

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposition of the Bonds under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Bondholders, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Bondholders, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Bonds.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the Directive on the taxation of savings income and several agreements concluded between Luxembourg and certain dependent territories of the European Union, a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State, unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals resident in certain EU dependent territories.

The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. and to 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals

A 10 per cent. withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents. Only interest accrued after 1 July, 2005 falls within the scope of the withholding tax. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

All prospective Bondholders should seek independent advice as to their tax positions.

SUBSCRIPTION AND SALE

BNP Paribas, CALYON and The Royal Bank of Scotland plc (the "**Managers**") have, pursuant to a subscription agreement (the "**Subscription Agreement**") dated 19 May 2006, jointly and severally agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Bonds at the issue price of 98.928 per cent., of their principal amount, less a combined management and underwriting commission of 0.25 per cent. of the total principal amount of the Bonds. There will be no selling concession. The Issuer has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment being made to the Issuer.

General

No action has been taken or will be taken by the Issuer or the Managers that would or is intended to, permit a public offering of the Bonds or the possession or distribution of this Prospectus or any offering material in relation to the issue of the Bonds in any country or jurisdiction where action for that purpose is required.

Each Manager must, to the best of its knowledge, comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Bonds or possesses or distributes the Prospectus (as supplemented and amended) or any part of it and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor any Manager shall have any responsibility therefore. No Manager will either offer, sell or deliver, directly or indirectly, any Bonds or distribute the Prospectus or any offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and which will not impose any obligations on the Issuer and all offers, sales and deliveries of Bonds and distributions of any offering materials relating to the bonds by such Manager will be made on the same terms.

United States of America

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except to the extent permitted by the Subscription Agreement.

Each Manager has agreed that it will not offer, sell or deliver the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the restricted period a confirmation of or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

United Kingdom

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;
- (ii) it has complied and will comply with all applicable provision of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

France

Each of the Managers and the Issuer has represented and agreed that the Bonds are issued outside the Republic of France and that it has not offered or sold, and will not offer or sell directly or indirectly any Bonds in the Republic of France, and has not distributed and will not distribute or cause to be distributed in the Republic of France the Prospectus or any other offering material relating to the Bonds, except to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) to the exclusion of any individual, all as defined and in accordance with Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

GENERAL INFORMATION

- 1 Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to the official list and traded on the Luxembourg Stock Exchange Regulated Market.
 - 2 The estimate of the total expenses related to the admission to trading is Euro 10,650.
 - 3 The Bonds have been accepted for clearance through Clearstream, Luxembourg and Euroclear, Brussels with the Common Code number of 025485505 and Euroclear France with the International Securities Identification Number (ISIN) FR0010327007. The address of Euroclear France is 155 rue de Réaumur, 75081 Paris Cedex 02 France.
 - 4 There has been no significant change in the financial or trading position of the Issuer since 31 December 2005.
 - 5 There has been no material adverse change in the prospects of the Issuer since 31 December 2005.
 - 6 The Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer.
 - 7 The issue of the Bonds was authorised pursuant to a resolution of the *Conseil d'Administration* of the Issuer dated 24 June 2005 and a decision of its *Président Directeur Général* dated 11 May 2006.
 - 8 There are no material contracts not entered into in the ordinary course of the Issuer's business, which could result in any member of the Issuer's group (meaning the Issuer and its subsidiaries taken as a whole) being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds being issued.
 - 9 Copies of the latest annual report of the Issuer, including its unconsolidated accounts may be obtained without charge from the specified offices for the time being of the Paying Agents during normal business hours, so long as any of the Bonds is outstanding.
 - 10 For as long as the Bonds are outstanding the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Issuer, the Fiscal Agent and the Paying Agent:
 - (i) this Prospectus ;
 - (ii) the *statuts* of the Issuer ;
 - (iii) the audited non-consolidated annual accounts of the Issuer for the two years ended 31 December 2005 and 2004. At the date of this Prospectus, the Issuer does not publish consolidated accounts.
- The Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).
- 11 The statutory auditors of the Issuer, Mazars et Guérard Le Vinci, 4 allée de l'Arche, 92075 Paris La Défense, France and Salustro et Reydel 8 avenue Delcassé, 75008 Paris, France (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux Comptes*), have audited and rendered unqualified audit reports on the non-consolidated financial statements of the Issuer for each of the financial years ended 31 December 2004 and 2005. As of the financial year starting on 1 January 2006, Salustro et Reydel are the sole statutory auditors of the Issuer.
 - 12 Legal opinions in connection with the issue of the Bonds will be given as to French law by Allen & Overy LLP, legal advisers to the Issuer and by Linklaters, legal advisers to the Managers.
 - 13 The yield of the Bonds is 5.104 per cent. per annum and is calculated at the issue date on the basis of the issue price. It is not an indication of future yield.

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