CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2012

CONTENTS

CONSOLIDATED FINANCIAL STATEMENTS 4

1. CONSOLIDATED BALANCE SHEET 4
2. CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME 5
3. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 6
4. CONSOLIDATED STATEMENT OF CASH FLOWS 7

NOTES TO THE 2012 CONSOLIDATED FINANCIAL STATEMENTS 8

1. GENERAL INFORMATION 8
2. SIGNIFICANT ACCOUNTING POLICIES AND METHODS 9
2.1. Basis of preparation 9
2.2. Basis and methods of consolidation 10
2.3. Non-current assets 10
2.3.1 Property, plant and equipment 10
2.3.2 Intangible assets arising from concessions 10
2.3.3 Other intangible assets 11
2.4. Borrowing costs 11
2.5. Asset impairment 11
2.6. Financial instruments 11
2.6.1 Financial assets and liabilities 11
2.6.2 Recognition and measurement 12
2.7. Inventories 13
2.8. Trade and other receivables 13
2.9. Employee benefits 13
2.9.1 Retirement indemnities 13
2.9.2 Commitments arising under the early retirement scheme 13
2.10. Provisions 13
2.10.1 Non-current provisions 13
2.10.2 Current provisions 14
2.11. Leasing agreements 14
2.11.1 Operating leases 14
2.11.2 Finance leases 14
2.12. Revenue and other income 14
2.13. Income tax 15
2.14. Dividends 15
2.15. Segment reporting 15
2.16. Basis of presentation 15
3. FINANCIAL RISK MANAGEMENT 16
4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS 18
5. NON-CURRENT ASSETS 18

6. INVESTMENTS IN ASSOCIATES ... 19
7. TRADE AND OTHER RECEIVABLES ... 20
8. OTHER CURRENT ASSETS ... 20
9. CASH AND CASH EQUIVALENTS ... 20
10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES ... 20
11. SHARE CAPITAL ... 24
12. PROVISIONS ... 24
13. EMPLOYEE BENEFITS PROVIDED UNDER DEFINED BENEFIT PLANS AND LONG-TERM BENEFITS ... 25
14. OTHER CURRENT AND NON-CURRENT LIABILITIES ... 26
15. REVENUE ... 27
16. PURCHASES AND EXTERNAL CHARGES ... 27
17. EMPLOYEE BENEFIT EXPENSES AND HEADCOUNT ... 27
18. TAXES (OTHER THAN INCOME TAX) ... 28
19. DEPRECIATION AND AMORTISATION EXPENSE ... 28
20. OTHER OPERATING INCOME AND EXPENSES ... 28
21. INCOME FROM CASH AND CASH EQUIVALENTS ... 28
22. FINANCE COSTS ... 29
23. INCOME TAX EXPENSE ... 29
24. EARNINGS PER SHARE ... 30
25. DIVIDEND ... 30
26. COMMITMENTS ... 30
27. RELATED PARTY TRANSACTIONS ... 31
28. MANAGEMENT INDICATORS ... 31
29. EVENTS AFTER THE BALANCE SHEET DATE ... 32
30. FEES PAID TO THE STATUTORY AUDITORS ... 32

CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED BALANCE SHEET

Assets

At 31 December (€ million)	Notes	2012	2011
Non-current assets			
Property, plant and equipment	5	167.1	171.9
Intangible assets arising from concessions	5	6,952.8	7,093.1
Other intangible assets	5	37.8	33.2
Investments in associates	5	3.7	16.6
Other non-current financial assets	5	83.8	76.0
Other non-current assets	5	0.1	-
Total non-current assets		**7,245.3**	**7,390.8**
Current assets			
Inventories		9.3	10.0
Trade and other receivables	7	112.9	125.6
Current tax assets		-	3.8
Other current assets	8	168.4	182.8
Cash and cash equivalents	9	702.3	1,214.0
Total current assets		**993.0**	**1,536.2**
Total assets		**8,238.2**	**8,926.9**

Equity and liabilities

At 31 December (€ million)	Notes	2012	2011
Capital and reserves			
Share capital	11	33.9	33.9
Consolidated reserves		(540.2)	281.7
Profit for the year		391.8	395.2
Group share of shareholders' equity		(114.5)	710.8
Non-controlling interests		0.1	0.2
Total equity		**(114.4)**	**711.0**
Non-current liabilities			
Borrowings	10	6,904.2	6,673.5
Deferred tax liabilities	23	61.7	86.7
Provisions	12	249.8	245.6
Other non-current liabilities	14	54.3	62.0
Total non-current liabilities		**7,270.0**	**7,067.8**
Current liabilities			
Trade and other payables		104.5	113.2
Borrowings	10	337.0	224.9
Non-current borrowings due within one year	10	352.1	538.9
Current tax liability		4.8	-
Provisions	12	71.4	66.9
Other current liabilities	14	212.8	204.2
Total current liabilities		**1,082.7**	**1,148.1**
Total equity and liabilities		**8,238.2**	**8,926.9**

2. CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Consolidated income statement

Year ended 31 December (€ million)	**Notes**	**2012**	**2011**
Revenue	**15**	**2,226.5**	**2,180.6**
Of which revenue:			
- From the operation of the infrastructures		2,038.6	2,021.6
- From construction of infrastructures held under concessions		187.9	159.0
Purchases and external charges	16	(322.8)	(302.1)
Employee benefit expenses	17	(220.4)	(218.7)
Taxes (other than income tax)	18	(258.2)	(264.4)
Depreciation and amortisation expenses	19	(387.7)	(383.1)
Provisions		(29.3)	(20.7)
Other operating income (expenses) from ordinary activities	20	2.4	3.1
Operating profit from ordinary activities		**1,010.4**	**994.8**
Other income (expenses) from operations	20	0.2	(0.8)
Operating profit		**1,010.6**	**994.0**
Income from cash and cash equivalents	21	18.0	11.0
Finance costs	22	(393.7)	(350.3)
Net finance costs		**(375.8)**	**(339.2)**
Other financial income (expenses)	22	(6.3)	(26.2)
Share of profit of associates		(5.9)	(6.0)
Income tax expense	23	(230.6)	(227.1)
Profit for the year from continuing operations		**392.0**	**395.4**
Profit for the year		**392.0**	**395.4**
Attributable to:			
- Equity holders of the parent company		391.8	395.2
- Non-controlling interests		0.2	0.2
Earnings per share attributable to equity holders of the parent company			
- Basic earnings per share (euros)		3.47	3.50
- Diluted earnings per share (euros)		3.47	3.50

Consolidated statement of comprehensive income

Year ended 31 December (€ million)	**2012**	**2011**
Profit for the year	392.0	395.4
Re-measurement of hedging instruments	8.3	(2.2)
Gains and losses recognised directly to equity of associates	(7.0)	(8.8)
Tax on items recognised directly to equity (*)	(3.1)	1.0
Total income and expense recognised directly to equity	(1.8)	(10.0)
Comprehensive income for the year	390.2	385.4
Attributable to:		
- Equity holders of the parent company	390,0	385.2
- Non-controlling interests	0.2	0.2

(*) Tax relates exclusively to the fair value adjustments of derivative hedging instruments.

3. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ million)	Share capital	Share premium	Reserves	Financial instruments	Group share	Non controlling interests	Total equity
At 1 January 2011	**33.9**	**0.3**	**347.6**	**(45.8)**	**336.1**	**0.1**	**336.2**
Share-based payments			0.3		0.3		0.3
Dividends			(11.3)		(11.3)	(0.1)	(11.4)
Profit for the year			395.2		395.2	0.2	395.4
Income and expense recognised directly to equity				(10.0)	(10.0)		(10.0)
Total recognised income and expense	-	-	*395.2*	*(10.0)*	*385.2*	*0.2*	*385.4*
Changes in scope and reclassifications			0.5		0.5		0.5
At 31 December 2011	**33.9**	**0.3**	**732.3**	**(55.8)**	**710.8**	**0.2**	**711.0**

(€ million)	Share capital	Share premium	Reserves	Financial instruments	Group share	Non controlling interests	Total equity
At 1 January 2012	**33.9**	**0.3**	**732.3**	**(55.8)**	**710.8**	**0.2**	**711.0**
Share-based payments			0.3		0.3		0.3
Dividends			(1,216.3)		(1,216.3)	(0.3)	(1,216.6)
Profit for the year			391.8		391.8	0.2	392.0
Income and expense recognised directly to equity				(1.8)	(1.8)		(1.8)
Total recognised income and expense	-	-	*391.8*	*(1.8)*	*390.0*	*0.2*	*390.2*
Changes in scope and reclassifications			0.6		0.6		0.6
At 31 December 2012	**33.9**	**0.3**	**(91.2)**	**(57.5)**	**(114.5)**	**0.1**	**(114.4)**

4. CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December (€ million)	Notes	2012	2011
Cash and cash equivalents at the beginning of the year	**9**	**1,214.0**	**53.3**
- Profit for the year		392.0	395.4
- Net impact of associates		5.9	6.0
- Depreciation and amortisation expense and provisions	19	374.7	354.9
- Other adjustments		20.9	22.2
- Gains on disposals		(0.7)	(1.0)
Cash generated by operations		**792.9**	**777.5**
- Net interest expense		369.2	340.2
- Interest paid		(322.1)	(291.3)
- Income tax expense	23	230.6	227.1
- Income taxes paid		(230.5)	(266.9)
- Movement in working capital related to ordinary activities		30.4	17.7
Net cash from operating activities (I)		**870.5**	**804.4**
- Purchases of non-current assets		(254.9)	(247.5)
- Purchases of non-current financial assets		(4.2)	-
Total purchases on non-current assets		(259.1)	(247.5)
Proceeds from disposals of non-current assets		1.0	1.4
Net cash from (used in) investing activities (II)		**(258.1)**	**(246.1)**
Dividends paid to the shareholders	25	(1,216.6)	(11.4)
Repayment of borrowings	10	(529,8)	(1,419.3)
New borrowings	10	622.4	2,033.2
Net cash used from (used in) financing activities (III)		**(1,124.1)**	**602.4**
Net increase (decrease) in cash and cash equivalents (I+II+III)		**(511.7)**	**1,160.7**
Cash and cash equivalents at the end of the year	**9**	**702.3**	**1,214.0**

NOTES TO THE 2012 CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The network covers a total of 2,282 kilometres of motorways, 2,264 kilometres of which are in service.

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

The principal provisions that could influence the operating outlook include:

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

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

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

APRR is controlled by Eiffage Group through its subsidiary Eiffarie, whose entire capital at 31 December 2012 was owned jointly by Eiffage Group and investment funds managed by the Macquarie group.

The 2012 consolidated financial statements were approved by the Board of Directors on 21 February 2013 and shareholders will be invited to approve these financial statements at the General Meeting that is to be held on 20 June 2013.

Significant events in 2012

Following the re-opening of the public repurchase offer and squeeze-out procedure in December 2012, Eiffarie now controls the entire capital of APRR, whose shares are no longer listed since 18 December 2012.

2. SIGNIFICANT ACCOUNTING POLICIES AND METHODS

2.1. Basis of preparation

The consolidated financial statements of APRR Group for the year ended 31 December 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union on 31 December 2012.

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

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

- cash equivalents, financial investments and derivative instruments are measured at fair value;
- provisions for liabilities and charges represent the discounted present value of the estimated expenditure to settle the obligation;
- provisions for employee benefits provided under defined benefit plans are measured on the basis described in Note 2.9 and section 13.

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

The amendment to IFRS 7, “Financial Instruments: Disclosures”, on enhancing disclosures about transfers of financial assets, took effect for annual periods beginning on or after 1 January 2012.

The above amendment had no impact on the 2012 consolidated financial statements.

A number of new standards, interpretations and amendments will be effective for annual periods beginning on or after 1 January 2012. These were not applied for the preparation of these consolidated financial statements. These texts are not expected to have a material impact on the Group’s consolidated financial statements except for IFRS 9, “Financial Instruments: Recognition and Measurement of Financial Assets and Financial Liabilities”, for which the effective date has been deferred to annual periods beginning on or after 1 January 2015 (subject to the standard’s adoption by the European Union).

IAS 19 (revised), “Employee Benefits”, adopted by the European Union, will be applied retrospectively from 1 January 2013. The effect of this revision is to reduce consolidated shareholders’ equity by around €3.1 million as at 1 January 2013 and to increase consolidated shareholders’ equity by around €0.6 million as at 1 January 2012, taking into account deferred tax effects.

IFRS 10, "Consolidated Financial Statements", IFRS 11, "Joint Arrangements", and IFRS 12, "Disclosure of Interests in Other Entities", have not yet been adopted by the European Union. The Group is currently examining the possible impact of these standards on the consolidated financial statements for the period beginning on 1 January 2014.

2.2. Basis and methods of consolidation

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

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

APRR Group consists of the parent company Société des Autoroutes Paris-Rhin-Rhône (APRR), Société des Autoroutes Rhône-Alpes (AREA), its 99.84%-owned subsidiary which is consolidated under the full method, and Adelac, a 49.90%-owned associate of AREA that is consolidated under the equity method. It also includes Axxès, which is 28.09% owned by APRR (including 5.30% by AREA) and consolidated under the equity method.

2.3. Non-current assets

Non-current assets are classified in three categories:

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

2.3.1 Property, plant and equipment

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

They are depreciated using the straight line method over their useful life, which is estimated at between 3 and 10 years.

2.3.2 Intangible assets arising from concessions

Since the application of IFRIC 12 in 2009, intangible assets arising from concessions correspond to the right of the operator to charge users of the motorway networks held under concession arrangements, which was given in return for building the infrastructure.

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

The intangible asset is amortised over the term of the concession using an appropriate method to reflect the rate at which the economic benefits derived from the service concession arrangement are consumed, as from the date the infrastructure is brought into service.

2.3.3 Other intangible assets

Other intangible assets comprise mainly of software applications that are amortised using the straight-line method over their useful life, estimated at between three and five years.

2.4. Borrowing costs

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

In respect of qualifying assets:

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

2.5. Asset impairment

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

Impairments tests are performed when there is any indication that an asset may be impaired. When there is an indication of impairment, the net carrying amount of the asset is compared to its recoverable amount, which is defined as the higher of an asset's fair value less costs to sell and its value in use. The value in use is the discounted present value of the future cash flows expected to be generated by the cash-generating unit, taking into account the asset's residual value when appropriate. The present value of this cash flow is determined using a discount rate appropriate to the nature of the cash-generating unit.

2.6. Financial instruments

2.6.1 Financial assets and liabilities

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

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

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

2.6.2 Recognition and measurement

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

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

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

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

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

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

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

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

   Changes in fair value of the ineffective portion are recognised in profit or loss. Instruments not qualifying as hedging instruments for accounting purposes are recognised initially and measured subsequently at fair value, with changes in fair value recognised in profit or loss under other financial income and charges.

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

2.7. Inventories

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

2.8. Trade and other receivables

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

2.9. Employee benefits

2.9.1 Retirement indemnities

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

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

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

2.9.2 Commitments arising under the early retirement scheme

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

The provision was determined on an actuarial basis for the population concerned. The average retirement age was estimated at 62 years (given the particular characteristics of the population). The same discount hypotheses were used as for retirement indemnities.

The provision covers the replacement indemnity payable to the employee until the effective retirement date for that part that is borne by the employer.

2.10. Provisions

2.10.1 Non-current provisions

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

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

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

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

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

2.10.2 Current provisions

Current provisions comprise mainly:

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

2.11. Leasing agreements

2.11.1 Operating leases

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

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

2.11.2 Finance leases

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

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

2.12. Revenue and other income

Revenue from the operation of infrastructure is generated mainly by the tolls collected for the use of the infrastructure. It is recognised as and when the corresponding services are provided.

As required by IFRIC 12, revenue from the construction of infrastructure held under concession includes the income relating to construction services subcontracted by the Group (determined using the percentage of completion method as required by IAS 11). Related costs are included under purchases and external charges.

2.13. *Income tax*

Income tax includes current tax and deferred tax.

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

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

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

Deferred tax assets and liabilities are offset, regardless of the period when they are expected to reverse, given the existence of a tax group, provided these assets and liabilities relate to transactions entered into since the election to be assessed on a group basis.

2.14. *Dividends*

Dividends distributed to the Company's shareholders are recognised as a liability in the consolidated financial statements in the period when these dividends have been approved by the Shareholders' General Meeting.

2.15. *Segment reporting*

The Group has a single activity consisting of the operation of motorway networks under concession agreements. In the case of the two main concessions consolidated under the full method, the agreements expire on the same date in 2032. These networks are located exclusively in France. All key indicators for the Group and its performances are analysed by management at the consolidated level. Furthermore, the Toll activity accounts for 97% of revenue (excluding revenue from the construction of infrastructures held under concessions), so that ancillary activities are not material to the Group's performances. Consequently, information broken down by business segment or by geographic region is not provided in the consolidated financial statements.

2.16. *Basis of presentation*

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

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

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

Net finance costs represent total finance costs on borrowings less financial income generated by cash and cash equivalents.

3. FINANCIAL RISK MANAGEMENT

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

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

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

To finance its day-to-day operations, the Group has negotiated a €719.5 million syndicated loan bearing a variable interest rate. At 31 December 2012, no amount had been drawn down against this loan.

A bond issue was made in January 2012 as part of the €6 billion EMTN programme put into place in October 2007. This issue consisted of €500 million of bonds maturing in January 2018.

To date €3,450 million has already been issued in connection with this programme.

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

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

These two ratios were 4.8 times and 3.7 times, respectively, at 31 December 2012.

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

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

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

An analysis of financial liabilities is provided in Note 10.

Interest rate risk
At 31 December 2012, 83% of the Group's gross borrowings bore fixed rates, 12% fixed rates on a nominal amount indexed to inflation, and 5% variable rates.

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

A sensitivity analysis was performed, which indicates that:

- Based on borrowings at 31 December 2011, a 100 basis point change in variable rates would impact finance costs by €0.8 million and net profit by €0.5 million.

- Based on borrowings at 31 December 2012, a 100 basis point change in variable rates would impact finance costs by €1.4 million and net profit by €0.9 million.

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

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

The portion of the borrowings in question amounted to 12% at 31 December 2012, stable compared with the year before.

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

Credit risk

(€ million)	2012	2011
Past dues: up to 3 months	3.5	2.3
Past dues: between 3 and 6 months	1.0	0.9
Past dues: over 6 months	3.7	3.7
Total past dues	8.2	6.9

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

The provisioning rate in respect of past dues is around 46% of the total amount receivable.

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

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

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

The mapping of the risks to which the Group is exposed was updated in 2012.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

The estimates are mainly in relation to the determination of recoverable amounts of the assets, retirement obligations, the fair value of derivative instruments, and current and non-current provisions.

5. NON-CURRENT ASSETS

2012

(€ million)	**At 1 January**	**Increases**	**Decreases**	**At 31 December**
a) Cost or valuation				
Property, plant and equipment	748	46	(29)	765
Intangible assets arising from concessions	12,337	201	(11)	12,527
Other intangible assets	158	14	(7)	165
Investments in associates	17	-	(13)	4
Unlisted participating interests	5	-	-	5
Loans	4	1	-	4
Sundry financial assets	70	8	-	77
Other financial assets	**78**	**8**	**(1)**	**86**
Total	**13,338**	**270**	**(60)**	**13,548**

(€ million)	**At 1 January**	**Increases**	**Decreases**	**At 31 December**
b) Accumulated depreciation and impairment (1)				
Property, plant and equipment	(576)	(51)	29	(598)
Intangible assets arising from concessions	(5,244)	(341)	10	(5,575)
Other intangible assets	(125)	(10)	7	(128)
Investments in associates	-	-	-	-
Unlisted participating interests	(2)	-	-	(2)
Other investments	-	-	-	-
Loans	-	-	-	-
Sundry financial assets	-	-	-	-
Other financial assets	(2)	-	-	(2)
Total	**(5,947)**	**(402)**	**46**	**(6,302)**
Carrying value (a-b)	**7,391**	**(132)**	**(14)**	**7,245**

(1) No impairment loss was recognised in 2012.

The increase in intangible assets arising from concessions in 2012 was due notably to new construction work (completion of Les Echets-La Boisse section and Montluçon slip road and construction of the Gannat-Vichy section) and to work widening motorway sections (A36 motorway).

Borrowing costs amounting to €3.0 million were capitalised in 2012 (2011: €4.7 million).

2011

(€ million)	At 1 January	Increases	Decreases	At 31 December
a) Cost or valuation				
Property, plant and equipment	718	56	(27)	748
Intangible assets arising from concessions	12,174	166	(3)	12,337
Other intangible assets	147	11	-	158
Investments in associates	31	-	(15)	17
Unlisted participating interests	5	-	-	5
Loans	4	1	-	4
Sundry financial assets	61	8	-	70
Other financial assets	**70**	**9**	**(1)**	**78**
Total	**13,141**	**242**	**(46)**	**13,338**

(€ million)	At 1 January	Increases	Decreases	At 31 December
b) Accumulated depreciation and impairment (1)				
Property, plant and equipment	(552)	(51)	27	(576)
Intangible assets arising from concessions	(4,919)	(328)	3	(5,244)
Other intangible assets	(114)	(11)	-	(125)
Investments in associates	-	-	-	-
Unlisted participating interests	(2)	-	-	(2)
Other investments	-	-	-	-
Loans	-	-	-	-
Sundry financial assets	-	-	-	-
Other financial assets	(2)	-	-	(2)
Total	**(5,586)**	**(390)**	**30**	**(5,947)**
Carrying value (a-b)	**7,555**	**(148)**	**(16)**	**7,391**

(1) No impairment loss was recognised in 2011.

(€ million)	31 December 2012	31 December 2011
Signed works contracts not executed	151.3	113.9

Furthermore, from 2013 to 2017, the Group is committed to undertaking work to build and widen motorways and to create new interchanges that are expected to cost €442 million.

6. INVESTMENTS IN ASSOCIATES

Investments in associates consist of the Group's shareholding in Adelac (which has been awarded the concession for a 19-kilometre section of the A41 motorway between Villy le Pelloux-Saint Martin-Bellevue and Saint-Julien-en-Genevois) and Axxès (which markets and manages electronic toll subscriptions for heavy goods vehicles).

Key financial data for associates are summarised in the table below:

(€ million)	Country	Total assets	Borrowings	Capital and reserves	Revenue	Net profit	% held
31 December 2012							
Adelac	France	798.4	773.2	22.1	36.6	(19.9)	49.90%
Axxès	France	271.0	5.7	17.4	885.7	2.5	28.09%
Total		1,069.4	778.9	39.5	922.3	(17.4)	
31 December 2011							
Adelac	France	811.3	765.6	42.0	32.7	(21.7)	49.90%
Axxès	France	269.4	4.8	14.8	842.8	3.9	28.09%
Total		1,080.7	770.4	56.8	875.5	(17.8)	

Changes in investments in associates during the period are summarised in the table below:

(€ million)	31 December 2012	31 December 2011
At 1 January	**16.6**	**31.4**
Share of net profit (loss)	(5.9)	(6.0)
Dividends paid	-	-
Share of gains and losses recognized directly to equity	(7.0)	(8.8)
31 December	**3.7**	**16.6**

7. TRADE AND OTHER RECEIVABLES

(€ million)	31 December 2012	31 December 2011
Trade receivables – Tolls	68.5	63.6
Trade receivables - Other activities	47.5	64.7
Impairment losses	(3.2)	(2.8)
Total	**112.9**	**125.6**

8. OTHER CURRENT ASSETS

(€ million)	31 December 2012	31 December 2011
State - Value added tax	34.2	33.8
Sundry receivables	106.8	122.6
Prepayments	26.7	25.5
Sundry current assets	0.7	0.8
Total	**168.4**	**182.8**

Sundry receivables comprise mainly of receivables linked to inter-company toll payments.

9. CASH AND CASH EQUIVALENTS

(€ million)	31 December 2012	31 December 2011
Cash at bank and in hand	190.1	50.5
Cash equivalents	512.2	1,163.5
Total	**702.3**	**1,214.0**

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which present negligible risk of changes in value.

10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In 2012, one new bond issue amounting to €500 million was completed in connection with the EMTN programme.

Loans totalling €530 million were repaid to Caisse Nationale des Autoroutes (CNA) in 2012. At 31 December 2012, no amount had been drawn against the €719.5 million syndicated loan, while there were no repayments in the year ended.

Net debt analysed by maturity and related interest receivable and payable

At 31 December 2012 (€ million)	Carrying value	Capital and interest movements	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Financial assets: cash and cash equivalents								
Marketable securities	512.2							
Cash at bank and in hand	190.1							
Financial assets	**702.3**							
Financial liabilities: current and non current								
Long-term borrowings	6,772.9	6,782.1	-	1,116.4	1,334.8	933.0	1,391.2	2,006.7
Derivative instruments – liabilities	131.4							
Interest payable in respect of non-current financial liabilities		*1,638.9*	*342.1*	*332.5*	*307.3*	*231.0*	*163.2*	*262.9*
Non-current financial liabilities	**6,904.2**	**8,421.1**	**342.1**	**1,448.9**	**1,642.1**	**1,164.0**	**1,554.4**	**2,269.5**
Long-term borrowings due within 1 year	352.1	350.2	350.2					
Interest payable in respect of long-term borrowings due within 1 year		*20.3*	*20.3*					
Non-current borrowings due within 1 year	**352.1**	**370.4**	**370.4**	**-**	**-**	**-**	**-**	**-**
Current borrowings and other debts	**337.0**	**65.0**	**65.0**					
Total borrowings	**7,593.4**	**8,856.5**	**777.5**	**1,448.9**	**1,642.1**	**1,164.0**	**1,554.4**	**2,269.5**
Net debt	**(6,891.1)**							

Capital and interest movements excluding loan issuance costs, issuance premiums and other items not involving the movement of funds.

Capital and interest movements in the above table are in relation to the debt as reported on the balance sheet at 31 December 2012. They do not reflect any early repayments or new loans that may occur in the future.

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

Interest movements for variable rate loans are based on the interest rates prevailing on 31 December 2012. Movements for loans with fixed rates on an indexed nominal are based on projected annual inflation of 2.25%.

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

At 31 December 2011 (€ million)	Carrying value	Capital and interest movements	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Financial assets: cash and cash equivalents								
Marketable securities	1,163.5							
Cash at bank and in hand	50.5							
Financial assets	**1,214.0**							
Financial liabilities: current and non current								
Long-term borrowings	6,546.2	6,546.2	-	349.2	1,116.2	1,331.1	928.2	2,821.4
Derivative instruments – liabilities	127.3							
Interest payable in respect of non-current financial liabilities		*1,810.3*	*308.4*	*334.4*	*304.6*	*257.6*	*163.2*	*442.1*
Non-current financial liabilities	**6,673.5**	**8,356.5**	**308.4**	**683.6**	**1,420.8**	**1,588.8**	**1,091.4**	**3,263.6**
Long-term borrowings due within 1 year	538.9	532.0	532.0					
Interest payable in respect of long-term borrowings due within 1 year		*30.1*	*30.1*					
Non-current borrowings due within 1 year	**538.9**	**562.1**	**562.1**	**-**	**-**	**-**	**-**	**-**
Current borrowings and other debts	**224.9**							
Total borrowings	**7,437.3**	**8,918.6**	**870.5**	**683.6**	**1,420.8**	**1,588.8**	**1,091.4**	**3,263.6**
Net debt	**(6,223.3)**							

Capital and interest movements excluding loan issuance costs, issuance premiums and other items not involving the movement of funds.

(€ million)	31 December 2012		31 December 2011	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Cash and cash equivalents	702.3	702.3	1,214.0	1,214.0
Loans	4.4	4.4	4.1	4.1
Interest rate swaps	12.5	12.5	8.9	8.9
Other financial assets	67.0	67.0	63.0	63.0
Trade and other receivables	112.9	112.9	125.6	125.6
Other current assets	168.4	168.4	182.8	182.8
Liabilities				
Variable-rate loans	336.7	398.5	284.8	322.8
Fixed rate loans on indexed nominal	840.1	1,042.7	831.0	1,000.9
Fixed rate loans	5,923.4	6,726.1	5,944.4	6,644.9
Interest rate swaps	131.4	131.4	127.3	127.3
Other financial liabilities	361.8	361.8	249.8	249.8
Trade and other payables	104.5	104.5	113.2	113.2
Other non-current liabilities	54.3	54.3	62.0	62.0
Other current liabilities	212.8	212.8	204.2	204.2

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

At 31 December 2012, the portfolio of derivative instruments held by the Autoroutes Paris-Rhin-Rhône Group consisted of:

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

- a remaining group of five derivative contracts (including one swap receiving a fixed rate and paying a variable rate, designated as a fair value hedge, with a nominal of €75 million and maturing in 2018, along with three options entered into to mitigate to some extent the exposure to an increase in interest rates, and a swap paying a fixed rate and receiving a variable rate, resulting from the exercise of the swaption that matured in April 2010, treated as autonomous instruments for accounting purposes) entered into in the second half of 2005 as part of a variable rate programme scaled back to €300 million at 30 June 2010, matched to the following loans:

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

- five interest rate swaps entered into in March 2008 for a total nominal amount of €500 million that are backed to a loan for the same amount arranged in August 2007 and for which interest periods are identical. Under these swaps, the Company pays a fixed rate and receives a variable rate until they mature in August 2014; hedge accounting is applied to these instruments; and

- two swaps entered into in the first half of 2009 for nominal amounts of €250 million and €50 million, under the terms of which the Company pays fixed rates and receives variable rates, for which the respective maturity dates are in July 2014 and December 2012 and for which the interest periods are matched to those of two loans for the same nominal amounts arranged respectively in July 2008 and in December 2008. Following the early repayment in the first half of 2011 of the underlying €50 million loan, due to mature in December 2012, the second of the swaps, intended to hedge the interest flows on said loan until its repayment, no longer qualified as a cash flow hedge and therefore ceased to be accounted for as such.

Financial assets and financial liabilities analysed by category

At 31 December 2012

Financial assets (€ million)	Carrying value	Financial asset category (*)				Fair value	
		Financial assets available for sale	Financial at fair value through profit or loss	Loans and receivables	Financial hedging instruments		
Other non-current financial assets	87.5	2.2	3.7	69.2	12.5	87.5	(2)
Trade and other receivables	112.9	-	-	112.9	-	112.9	(2)
Other current assets	168.4	-	-	168.4	-	168.4	(2)
Cash and cash equivalents	702.3	-	702.3	-	-	702.3	(1) (2)
Total	**1,071.1**	**2.2**	**706.0**	**350.5**	**12.5**	**1,071.1**	

(*) There was no reclassification of financial assets between categories in 2012.

Financial liabilities (€ million)	Carrying value	Liability at amortised cost	Financial hedging instruments	Fair value	
Borrowings and other debts	7,593.4	7,462.0	131.4	8,660.5	(2)
Trade payables	104.5	104.5	-	104.5	(2)
Other current and non-current liabilities	267.1	267.1	-	267.1	(2)
Total	**7,964.9**	**7,833.6**	**131.4**	**9,032.0**	

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

At 31 December 2011

Financial assets (€ million)	Carrying value	Financial asset category (*)				Fair value	
		Financial assets available for sale	Financial at fair value through profit or loss	Loans and receivables	Financial hedging instruments		
Other non-current financial assets	92.6	2.2	16.6	65.0	8.9	92.6	(2)
Trade and other receivables	125.6	-	-	125.6	-	125.6	(2)
Other current assets	182.8	-	-	182.8	-	182.8	(2)
Cash and cash equivalents	1,214.0	-	1,214.0	-	-	1,214.0	(1) (2)
Total	**1,615.0**	**2.2**	**1,230.6**	**373.3**	**8.9**	**1,615.0**	

(*) There was no reclassification of financial assets between categories in 2011.

Financial liabilities (€ million)	Carrying value	Liability at amortised cost	Financial hedging instruments	Fair value	
Borrowings and other debts	7,437.3	7,310.0	127.3	8,345.7	(2)
Trade payables	113.2	113.2	-	113.2	(2)
Other current and non-current liabilities	266.2	266.2	-	266.2	(2)
Total	**7,816.7**	**7,689.4**	**127.3**	**8,725.1**	

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

11. SHARE CAPITAL

At 31 December 2012	Number of shares	€
Ordinary shares issued and fully paid	113,038,156	33,911,446.80

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

The number of shares in issue and their par value have not changed since 1 January 2012.

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

12. PROVISIONS

(€ million)	At 1 January 2012	Additional provisions in the year	Provisions utilised	Provisions reversed	Other	At 31 December 2012
Provision for retirement indemnities	26.1	2.8	(1.1)	-	(0.4)	27.5
Provision for long service medals	1.1	0.2	(0.2)	-	-	1.1
Provision for maintaining infrastructures in condition	218.5	29.8	(38.8)	-	11.7	221.2
Non-current provisions	**245.6**	**32.8**	**(40.0)**	**-**	**11.4**	**249.8**
Provision for retirement indemnities	0.8	-	-	-	0.4	1.2
Provision for long service medals	0.2	-	-	-	-	0.2
Provision for maintaining infrastructures in condition	50.8	-	-	-	(11.7)	39.0
Other provisions for liabilities and charges	15.0	20.0	(2.8)	(1.4)	-	30.9
Current provisions	**67.0**	**20.0**	**(2.8)**	**(1.4)**	**(11.4)**	**71.4**

APRR and AREA were the subject of an inspection by the tax authorities covering the years ended 31 December 2007, 2008 and 2009.

Based on the tax adjustments notified, discussions are being held with the tax authorities over differences of opinion regarding the application of certain accounting and tax regulations, notably as regards the mechanism for deducting and adding back items to taxable income. The provision recognised in the company financial statements does not have a material impact on the consolidated income statement of APRR Group given that deferred taxation has been recognised.

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

These benefits consist of retirement indemnities and long service medals.

Assumptions

The expected return on plan assets was 4.5% in 2011 and 3.0% in 2012.

The actual return on plan assets was 3.68% in 2011 and 3.49% in 2012.

Changes during the year

	Retirement indemnities		Long service medals	
	2012	2011	2012	2011
Discount rate	3.00%	4.50%	3.00%	4.50%
Expected rate of inflation	2.00%	2.00%	2.00%	2.00%
Expected rate of salary increases	3.00%	3.00%	3.00%	3.00%
Mortality tables for men	TH 06-08	TH 06-08	TH 06-08	TH 06-08
Mortality tables for women	TF 06-08	TF 06-08	TF 06-08	TF 06-08
Retirement age for managers	63 years	63 years	63 years	63 years
Retirement age for non-managers	63 years	63 years	63 years	63 years
Social security charges	45.00%	45.00%	45.00%	45.00%

(€ million)	**Retirement indemnities**		**Long service medals**	
	2012	**2011**	**2012**	**2011**
Actuarial obligation at 1 January	28.7	28.5	1.3	1.4
Cost of past services	1.7	1.8	0.1	0.2
Interest on actuarial obligation	1.3	1.3	0.1	-
Benefits paid	(1.3)	(1.1)	(0.2)	(0.2)
Actuarial losses (gains) generated	5.8	(1.8)	0.1	-
Actuarial obligation at 31 December	**36.1**	**28.7**	**1.3**	**1.3**

Charge for the year

(€ million)	**Retirement indemnities**		**Long service medals**	
	2012	**2011**	**2012**	**2011**
Cost of past services	1.7	1.8	0.1	0.1
Interest on actuarial obligation	1.3	1.3	0.1	0.1
Expected return on plan assets	(0.1)	(0.1)	-	-
Amortisation of actuarial losses (gains) not recognised	-	-	0.1	-
Charge (income) recognised	**2.8**	**2.9**	**0.2**	**0.2**

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

Plan assets

(€ million)	Retirement indemnities		Long service medals	
	2012	**2011**	**2012**	**2011**
Plan assets at 1 January	2.6	2.7	-	-
Expected return on plan assets	0.2	0.1	-	-
Actuarial losses (gains)	-	0.1	-	-
Benefits paid	(0.3)	(0.2)	-	-
Plan assets at 31 December	**2.6**	**2.6**	**-**	**-**

Retirement indemnities

(€ million)	Retirement indemnities				
	2012	**2011**	**2010**	**2009**	**2008**
Actuarial obligation in respect of retirement indemnities	36.1	28.7	28.5	23.7	19.4
Fair value of plan assets	2.6	2.6	2.7	2.8	3.3
Net actuarial obligation	**33.5**	**26.0**	**25.8**	**20.9**	**16.1**

Deferred items

(€ million)	Retirement indemnities		Long service medals	
	2012	**2011**	**2012**	**2011**
At 1 January	(0.9)	1.0	-	-
Losses (gains) on assets	5.8	(0.1)	-	-
Losses (gains) on actuarial obligation	(0.1)	(1.8)	-	-
Actuarial losses (gains) at 31 December	**4.8**	**(0.9)**	**-**	**-**

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

(€ million)	Retirement indemnities		Long service medals	
	2012	**2011**	**2012**	**2011**
Provision recognised in the balance sheet	28.7	26.9	1.3	1.3
Actuarial differences not recognised	4.8	(0.9)	-	-
Plan assets	2.6	2.6	-	-
Actuarial obligation	**36.1**	**28.7**	**1.3**	**1.3**

Benefits in respect of retirement indemnities and long service medals totalling €1.4 million are expected to be paid in 2013.

Sensitivity analysis

A 0.5 point change in the discount rate has an impact of 5.9% on the actuarial obligation in respect of retirement indemnities.

14. OTHER CURRENT AND NON-CURRENT LIABILITIES

(€ million)	31 December 2012	31 December 2011
Payments on account	11.7	10.9
Tax and social security	150.4	145.6
Deferred income	9.0	8.7
Other debts	41.6	39.0
Other current liabilities	**212.8**	**204.2**
Deferred income	54.3	62.0
Other non-current liabilities	**54.3**	**62.0**

15. REVENUE

Year ended 31 December (€ million)	2012	2011
Toll revenue	1,971.1	1,961.0
Rental income from commercial facilities	37.7	34.9
Revenue from leasing telecommunication installations	13.2	12.3
Other	16.6	13.4
Revenue excluding construction services	**2,038.6**	**2,021.6**
Construction services (IFRIC 12)	**187.9**	**159.0**
Total	**2,226.5**	**2,180.6**

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

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

16. PURCHASES AND EXTERNAL CHARGES

Year ended 31 December (€ million)	2012	2011
Energy	15.6	14.2
Supplies	8.5	7.4
Spare parts	5.8	5.9
Infrastructure maintenance	25.8	30.2
Routine maintenance	18.5	20.0
Construction services (IFRIC 12)	187.9	159.0
Other external charges	60.7	65.4
Total	**322.8**	**302.1**

17. EMPLOYEE BENEFIT EXPENSES AND HEADCOUNT

Year ended 31 December (€ million)	2012	2011
Wages and salaries	118.6	119.0
Social security contributions and deferred benefits	74.2	74.7
Discretionary employee profit sharing	9.4	5.6
Mandatory employee profit sharing	14.5	14.3
Employer’s contribution to profit sharing plans	3.7	5.1
Total	**220.4**	**218.7**

Headcount Year ended 31 December	2012	2011
Management grade	521	529
Supervisor grade	1,781	1,784
Workers and office staff	1,344	1,409
Total	**3,646**	**3,722**

18. TAXES (OTHER THAN INCOME TAX)

Year ended 31 December (€ million)	2012	2011
Regional development tax	145.2	148.5
Territorial economic contribution	57.4	61.8
Fee for the use of public property	49.0	47.8
Other taxes and duties	6.6	6.3
Total	**258.2**	**264.4**

The Territorial Economic Contribution is comprised of two different taxes: a Company Real Property Contribution (*Cotisation Foncière des Entreprises - CFE*), assessed only on real estate assets, and a Company Contribution on the Added Value (*Cotisation sur la Valeur Ajoutée des Entreprises - CVAE*). Since 2010, these two components of the Territorial Economic Contribution have been treated as operating expenses in the same way as the local business tax before it was repealed.

The fee for the use of public property is based on the revenue, the rental value and the length of the motorway network in kilometres, and is therefore treated as an operating expense.

The regional development tax is based on the number of kilometres travelled and is therefore treated as an operating expense.

19. DEPRECIATION AND AMORTISATION EXPENSE

Year ended 31 December (€ million)	2012	2011
Amortisation of other intangible assets	9.8	11.4
Amortisation of intangible assets arising from concessions	326.9	320.9
Depreciation of property, plant and equipment (other than assets made available under finance leases)	48.5	48.8
Depreciation of property, plant and equipment made available under finance leases	2.5	2.1
Total	**387.7**	**383.2**

20. OTHER OPERATING INCOME AND EXPENSES

Year ended 31 December (€ million)	2012	2011
Impairment losses recognised in respect of current assets	(0.3)	0.6
Gains on disposals	0.7	1.0
Other income	6.0	6.0
Other expenses	(4.0)	(4.5)
Other operating income (expenses) from ordinary activities	**2.4**	**3.1**

21. INCOME FROM CASH AND CASH EQUIVALENTS

Year ended 31 December (€ million)	2012	2011
Net proceeds from the disposal of marketable securities	0.2	0.7
Income from debt-related derivative instruments	0.1	3.5
Other financial income	17.7	6.8
Total	**18.0**	**11.0**

22. FINANCE COSTS

Year ended 31 December (€ million)	2012	2011
Interest and other financial charges	(375.5)	(340.0)
Charges on debt-related financial instruments	(21.2)	(14.9)
Financial charges transferred	3.0	4.7
Finance costs	**393.7**	**(350.3)**
Other financial income	5.7	0.3
Other financial charges	(12.0)	(26.5)
Other financial income and charges	**(6.3)**	**(26.2)**

Fees in respect of un-utilised credit lines came to €3.7 million in 2012 (2011: €2.2 million).

23. INCOME TAX EXPENSE

Tax charge for the year

Year ended 31 December (€ million)	2012	2011
Current tax	(258.6)	(240.3)
Deferred tax credit (charge)	28.1	13.1
Total	**(230.6)**	**(227.1)**

Reconciliation of theoretical tax charge to effective tax charge

Year ended 31 December (€ million)	2012	2011
Net profit for the year	392.0	395.4
Income tax expense	230.6	227.1
Share of profit of associates	5.9	6.0
Profit before tax	**628.5**	**628.6**
Applicable tax rate	34.43%	34.43%
Theoretical tax on the profit before tax determined above	216.4	216.4
Permanent differences	0.2	0.4
Other differences	14.0	10.4
Income tax expense recognised	**230.6**	**227.2**

Analysis of deferred tax assets and liabilities

At 31 December (€ million)	2012	2011
Deferred tax assets resulting from		
IFRIC 12	138.2	138.0
Provisions for retirement indemnities	10.9	11.3
Provisions for holiday pay	5.9	5.8
Employee profit sharing	5.3	5.2
Swap reversals	1.0	1.8
Other	16.5	19.3
Deferred tax assets	**177.8**	**181.4**
Deferred tax liabilities arising from		
Charges capitalised, net of depreciation	(143.4)	(170.7)
Depreciation of renewable fixed assets	(41.8)	(41.8)
Regulated provisions	(19.8)	(19.8)
Provisions for replacement	(31.1)	(30.9)
Other	(3.3)	(5.0)
Deferred tax liabilities	**(239.5)**	**(268.1)**
Net deferred tax liabilities	**(61.7)**	**(86.7)**

24. EARNINGS PER SHARE

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

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

Year ended 31 December (€ million)	2012	2011
Basic earnings per share		
Net profit for the year attributable to ordinary equity holders of the parent entity	392.0	395.4
Weighted average number of ordinary shares outstanding during the year	113,038,156	113,038,156
Basic earnings per share	**3.47**	**3.50**
Diluted earnings per share		
Net profit for the year attributable to ordinary equity holders of the parent entity	392.0	395.4
Weighted average number of ordinary shares outstanding during the year	113,038,156	113,038,156
Diluted earnings per share	**3.47**	**3.50**

There are no potentially dilutive instruments in issue.

25. DIVIDEND

In 2012, a dividend of €10.76 per share was distributed.

26. COMMITMENTS

Commitments given

(€ million)	31 December 2012	31 December 2011
Sundry guarantees	22.8	23.2
Work to be performed (1% landscape)	0.1	0.1
Total	**22.9**	**23.3**

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

Commitments received

(€ million)	31 December 2012	31 December 2011
Bank guarantees	26.1	24.8
Other	-	-
Total	**26.1**	**24.8**

(€ million)	31 December 2012	31 December 2011
Works contracts signed, not executed at the balance sheet date	151.3	113.9

Amounts payable under operating leases

(€ million)	31 December 2012	31 December 2011
Within 1 year	2.7	2.6
Between 1 and 5 years	3.1	3.6
After 5 years	-	-
Total	**5.7**	**6.3**

Amounts receivable under operating leases

(€ million)	31 December 2012	31 December 2011
Within 1 year	31.7	29.4
Between 1 and 5 years	95.1	97.7
After 5 years	113.9	129.6
Total	**240.7**	**256.7**

27. RELATED PARTY TRANSACTIONS

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

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

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

Company	Nature	Type	Amount (€ million)	Payable (Receivable)
Eiffage Group	Sundry services	Income	3.1	(0.2)
	Work	Charges	45.5	7.8
Eiffarie	Staff made available	Charges	0.9	0.1
Axxès	Heavy goods vehicles remote toll collection	Charges	1.2	(40.6)
Sira	Radio services (Autoroute Info)	Charges	1.6	(0.1)
	Sundry services	Income	0.2	(0.2)
	Cash advance	Income	0.2	-
	Cash advance	Charges	-	0.9
Park +	Cash advance	Income	-	(0.1)
	Sundry services	Income	0.1	-
Adelac	Sundry services	Income	4.5	(0.8)
	Sundry services	Charges	-	-
	Cash advance	Income	3.7	(64.7)
Autoroute Trafic	Financial income	Income	0.1	-
Cera	Financial income	Income	-	-

28. MANAGEMENT INDICATORS

(€ million)	2012	2011
Operating cash flow	812	806
EBITDA	1,428	1,399
EBITDA margin	70.0%	69.2%

EBITDA (earnings before interest, tax, depreciation and amortisation) corresponds to the operating profit on ordinary activities adjusted for employee profit sharing and before amortisation, depreciation and provisions.

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

29. EVENTS AFTER THE BALANCE SHEET DATE

There has been no event after the balance sheet date requiring disclosure.

30. FEES PAID TO THE STATUTORY AUDITORS

	KPMG SA				**PricewaterhouseCoopers Audit**			
	Amount (excluding VAT)		%		Amount (excluding VAT)		%	
	2012	2011	2012	2011	2012	2011	2012	2011
Audit								
Statutory audit, certification, review of company and consolidated financial statements								
- Issuer	140,700	137,850	90%	84%	140,700	137,850	62%	60%
- Fully consolidated subsidiaries		-			67,600	66,200	30%	29%
Other reviews and services directly linked to the statutory audit assignment								
- Issuer	15,200	26,750	10%	16%	15,200	26,750	7%	12%
- Fully consolidated subsidiaries		-		-	5000	-	2%	-
Subtotal	**155,900**	**164,600**	**100%**	**100%**	**228,500**	**230,800**	**100%**	**100%**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax and employment matters	-	-	-	-	-	-	-	-
- Issuer	-	-	-	-	-	-	-	-
- Fully consolidated subsidiaries	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
- Issuer	-	-	-	-	-	-	-	-
- Fully consolidated subsidiaries	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Total	**155,900**	**164,600**	**100%**	**100%**	**228,500**	**230,800**	**100%**	**100%**

SOCIETE DES AUTOROUTES PARIS RHIN RHONE

STATUTORY AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended 31 December 2012)

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

KPMG Audit
1, cours Valmy
92923 Paris – La Défense cedex

This is a free translation into English of the statutory auditor's report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.
This report also includes information relating to the specific verification of information given in the Group's management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended 31 December 2012))

SOCIETE DES AUTOROUTES PARIS RHIN RHONE
36, rue du Docteur Schmitt
21850 SAINT-APOLLINAIRE

To the shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended 31 December 2012, on:

- the audit of the accompanying consolidated financial statements of APRR SA ;
- the justification of our assessments;
- the specific verification required by law.

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

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated

financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

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

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

III – Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, 21 February 2013

The Stautory Auditors

PricewaterhouseCoopers Audit	**KPMG Audit** Department of KPMG S.A.
Yan Ricaud	Philippe Mathis