

SANEF GROUP CONSOLIDATED ACCOUNTS

Consolidated Accounts

Consolidated Profit and Loss Account

(thousands of euros)

| | Note | 2003 | 2002 |
|--|--------------|------------------|------------------|
| SALES | 1.1.1 | 1,018,429 | 979,875 |
| OPERATING COSTS | | (603,977) | (601,402) |
| External purchases and costs | 1.1.2 | (127,307) | (126,448) |
| Personnel costs | 1.1.3 | (125,235) | (129,272) |
| Other (net) operating income | 1.1.4 | 9,858 | 18,059 |
| Tax | 1.1.5 | (117,356) | (113,244) |
| Depreciation and provisions | 1.1.6 | (243,937) | (250,497) |
| OPERATING PROFIT | | 414,452 | 378,473 |
| Net interest Income | 1.1.7 | (297,402) | (313,226) |
| ORDINARY PROFIT FROM CONSOLIDATED COMPANIES | | 117,050 | 65,247 |
| Extraordinary income | 1.1.8 | (56,899) | (3,930) |
| Income tax | 1.1.9 | (18,291) | (50,189) |
| CONSOLIDATED NET INCOME | | 41,860 | 11,128 |
| Minorities | | - | (39) |
| ATTRIBUTABLE NET INCOME | | 41,860 | 11,167 |
| Earnings per share (euros) | | 13.21 | 3.51 |
| Average number of shares | | 3,169,733 | 3,169,733 |
| Diluted earnings per share (euros) | | 13.21 | 3.51 |
| Diluted Average number of shares | | 3,169,733 | 3,169,733 |

Other financial ratios

(thousands of euros)

| | 2003 | 2002 |
|------------------------|----------------|----------------|
| Value added | 891,122 | 853,427 |
| Gross operating profit | 648,531 | 610,911 |
| Gross operating margin | 63.7% | 62.35% |
| EBITDA (1) | 658,389 | 628,970 |
| EBITDA Margin | 64.6% | 64.2% |
| CASH FLOW | 341,792 | 295,305 |

(1) Operating profit before depreciation and provisions.

Consolidated Balance Sheet

Assets

(thousands of euros)

| | Note | 2003 | 2002 |
|----------------------------------|-------|------------------|------------------|
| Intangible Fixed Assets | 1.2.1 | 5,376 | 7,251 |
| Tangible Fixed Assets | | | |
| - Scope of concessions | 1.2.2 | 7,991,587 | 7,847,393 |
| - Depreciation | 1.2.2 | (2,617,202) | (2,397,064) |
| Investments | 1.2.3 | 8,836 | 9,325 |
| TOTAL FIXED ASSETS | | 5,388,596 | 5,466,905 |
| Stocks and work in progress | 1.2.4 | 6,018 | 6,223 |
| Accounts receivable | 1.2.5 | 54,408 | 56,570 |
| Other debtors and accrued income | 1.2.6 | 113,001 | 108,906 |
| Marketable securities and cash | 1.2.7 | 145,137 | 27,340 |
| TOTAL CURRENT ASSETS | | 318,564 | 199,039 |
| TOTAL ASSETS | | 5,707,160 | 5,665,944 |

Liabilities

(thousands of euros)

| | Note | 2003 | 2002 |
|---|--------------|------------------|------------------|
| Share capital | | 48,322 | 48,322 |
| Consolidated premiums and reserves | 1.2.8 | 295,536 | 284,411 |
| Earnings | | 41,860 | 11,167 |
| ATTRIBUTABLE SHAREHOLDERS' FUNDS | | 385,718 | 343,900 |
| MINORITIES | | - | (41) |
| CONTINGENCY RESERVES | 1.2.9 | 35,967 | 39,005 |
| Loans and debts | 1.2.10 | 4,905,401 | 4,891,926 |
| Accounts payable | 1.2.11 | 20,435 | 16,990 |
| Other creditors and accrued expenses | 1.2.12 | 359,639 | 374,164 |
| TOTAL DEBT | | 5,285,475 | 5,283,080 |
| TOTAL LIABILITIES | | 5,707,160 | 5,665,944 |

(thousands of euros)

| | 2003 | 2002 |
|-----------------------|------------------|------------------|
| Loans and debts | 4,905,401 | 4,891,926 |
| Cash | 145,137 | 27,340 |
| NET DEBT | 4,760,264 | 4,864,586 |
| CHANGE ON YEAR | (104,322) | |

Cash flow statement

(thousands of euros)

| | 2003 | 2002 |
|---|------------------|------------------|
| NET INCOME FROM CONSOLIDATED COMPANIES | 41,860 | 11,128 |
| Add back costs and revenue not affecting cash flow or not related to operations | | |
| Depreciation and provisions | 253,925 | 271,585 |
| Capital gains/losses on asset disposals | 55,457 | (100) |
| Change in deferred tax | (435) | 12,692 |
| Other | (4,943) | 0 |
| GROSS CASH FLOW | 345,864 | 295,305 |
| Change in operating working capital requirement | | |
| Accounts Receivable | 18,711 | (22,763) |
| Prepayments | (1,327) | (413) |
| Stocks and work in progress | 205 | 774 |
| Operating and other debt | 26,433 | (47,663) |
| Other | (53,245) | (2,737) |
| CHANGE IN OPERATING WORKING CAPITAL REQUIREMENT | (9,223) | (72,798) |
| NET OPERATING CASH FLOW | 336,641 | 222,503 |
| Acquisition of tangible and intangible fixed assets | (235,311) | (178,684) |
| Disposal of tangible and intangible fixed assets | 1,372 | 44 |
| Net change in other investments | 713 | (46) |
| Change in investment-related working capital requirement | 995 | 15,073 |
| NET INVESTMENT-RELATED CASH FLOW | (232,231) | (163,613) |
| Capital increase | | 0 |
| Investment subsidies received | 6,840 | 8,882 |
| Dividends paid | | (58,756) |
| New loans taken out | 250,000 | 306,000 |
| Loans repaid | (243,157) | (298,075) |
| Other changes | (297) | (3,518) |
| NET FINANCING-RELATED CASH FLOW | 13,386 | (45,467) |
| CHANGE IN CASH FLOW | 117,796 | 13,423 |
| Opening cash | 27,342 | 13,919 |
| Closing cash | 145,137 | 27,342 |

Change in Consolidated shareholders' funds and minorities

(thousands of euros)

| | Number of Shares | Share capital | Issue, merger and capital increase premiums | Consolidated reserves (including profit) | Shareholders' funds | Minorities | Total |
|---|------------------|---------------|---|--|---------------------|----------------|----------------|
| AT DECEMBER 31, 2001 | 3,169,733 | 48,322 | | 194,258 | 242,580 | (3,104) | 239,476 |
| (dividend pay-out and deductions) | | | | (58,756) | (58,756) | | (58,756) |
| Change in treasury stock | | | | | | | |
| Change of method for major repairs and renewals | | | | 109,457 | 109,457 | 270 | 109,727 |
| Change of method for assets by components | | | | 39,449 | 39,449 | 132 | 39,581 |
| Change in scope and other | | | | 2 | 2 | 2,700 | 2,702 |
| 2002 retained profit | | | | 11,168 | 11,168 | (39) | 11,129 |
| AT DECEMBER 31, 2002 | 3,169,733 | 48,322 | 0 | 295,578 | 343,900 | (41) | 343,859 |
| Buy out of minority | | | | | 41 | 0 | |
| 2003 retained profit | | | | 41,860 | 41,860 | 0 | 41,860 |
| AT DECEMBER 31, 2003 | 3,169,733 | 48,322 | | 337,438 | 385,760 | 0 | 385,718 |

Appendix to the Consolidated Accounts

This appendix forms an integral part of the annual accounts.

It includes additional information relating to the balance sheet, profit and loss account and funds flow statement, so that the whole gives a true picture of the company's assets, financial situation and profits.

Non-compulsory items are not mentioned unless they are significant.

COMPANY PRESENTATION AND HIGHLIGHTS

SANEF has agreements with the French government granting it concessions for 1,684 km of motorway, most of which is in use. It is currently negotiating amendments for the purpose of establishing a long-term balance in its concessions following reforms implemented by the regulation of 28.03.01, which led in particular to the Government guarantee being abandoned and the expiry of the concessions being extended to 2028. The negotiations are also covering 2004-2008 service contracts which will lead to price increases allowing the group to implement the operations it has planned.

In 2003, sales amounted to €1,018.4m, an increase of 3.9% year on year.

This increase was basically the result of an increase in toll payment receipts, which represent 95.7% of total sales. During 2003, there was a significant increase in traffic compared with 2002. For Sanef SA the increase was 1.3% and for SAPN, which benefited from unusually fine weather in the summer, the increase was 5.4%.

Other sales saw mixed developments.

Operating Costs

Operating costs remained stable at €604m, demonstrating the Group's ability to control its production costs and improve productivity.

External purchases and costs remained stable at €127m compared with €126m in 2002.

Personnel costs were reduced by 3%, this decrease being mainly due to a reduction in employee profit-sharing, which went down from €10.2m to €2.4m.

Other operating revenue mainly includes transfers of costs and reimbursement received from insurance claims. This item, which is deducted from operating costs, was significantly reduced in 2003 compared with 2002. In fact, the amount recorded in 2002 included €8m of non-recurrent telecom cancellation compensation.

The slight increase in tax, which rose from €113m to €117m, was due to an increase in business and development taxes.

Ordinary Profit

Operating profit increased by almost 80% to €117m due to a reduction in depreciation and interest charges (-2.6% and -5.1% respectively),.

Of the €244m in depreciation charges and provisions, €205m is attributable to write-downs for the obsolescence of fixed assets.

Net income

Net income amounted to €41.9m after an extraordinary charge of €54.2m due to the removal from the balance sheet of the preliminary works on the A16 in Ile-de-France and income tax of €18m compared with €50m in 2002.

Net earnings per share rose from 3.51 euros in 2002 to 13.21 euros.

Consolidated Balance Sheet

Fixed assets in the scope of concessions, amounting to 1,684 km of motorway on December 31, 2003, increased by €144m as a result of €243m in acquisitions and €99m in disposals. Of the €243m in acquisitions during 2003, €199m came from the construction of the A29.

Investments in 2003 amounted to €211m for Sanef SA (mostly for the construction of the A29 motorway between Amiens and Neufchâtel-en-Bray, which is expected to open in the first quarter of 2005, and the extension of coverage by the traffic information radio station, 107.7 FM, to the Châlons/Troyes section of the A26) and €39m for SAPN (mainly for the widening of the A13 motorway).

There were no significant changes in the other entries on the assets side of the balance sheet, apart from a substantial increase in marketable securities, which rose from €13m in 2002 to €120m in 2003. This entry mainly includes cash SICAVs, deposit receipts and negotiable certificates of deposit. There is no deferred revenue on these securities. Of the €118m change, €77m is due to tax on VAT returns.

Attributable shareholders' funds rose from €344m to €386m, following the addition of €42m in retained profit.

Group debt remained stable at €4,905m compared with €4,892m in 2002.

SAPN RECAPITALISATION AND SUPPORT PLAN

Sanef has a recapitalisation and support plan for SAPN under the terms of an agreement dated 31 January 2002.

This plan was put in place at the request of Government representatives (Sanef board meeting held on 22 May 2001) with a view to ensuring the group's financial solidarity, as laid down by the 1994 reform of the motorway system. Its objectives are as follows:

- Restoring the company's balance sheet.
- Returning the company's accounts to balance through tight management and a policy of making investments in proportion with future income.

It is broken down into two parts, recapitalisation and support.

The recapitalisation part of the plan led to a €244m capital increase subscribed in full by Sanef in 2002 and three quarters paid up. A further €23m capital increase will take place in 2006.

Sanef owns 99.918% of SAPN shares.

The support part consists of assistance from Sanef between 2002 and 2006 to be used for returning the heavily loss-making company's accounts to balance.

In 2002, Sanef wrote off a debt of €4.94m, awarded a subsidy of €27.92m and set up provisions covering the maximum subsidy planned for 2003-2006 of €212m.

The subsidy provided by Sanef in 2003, through the write-back of a provision set up in 2002, came to €52.2m.

On December 31, 2003, SAPN had positive shareholders' funds of €22.1m.

ACCOUNTING PRINCIPLES

The consolidated accounts have been prepared in accordance with the rules of consolidation as laid down by regulation 99-02 of the Accounting Regulation Committee (CRC).

Appendix to the Consolidated Accounts

In accordance with the terms of CRC regulations no.2002-10 of December 12, 2002 and 2003-07 of December 12, 2003 covering amortisation and depreciation of assets, since its 2002 accounts the Sanef Group has opted to use the method of accounting for assets by component for the cost of so-called class one major repairs.

METHODS AND SCOPE OF CONSOLIDATION

The Sanef Group consists of the Sanef parent company and its subsidiary, SAPN (Société des Autoroutes Paris Normandie), which is 99.92% owned and fully consolidated.

These two companies end their financial year on December 31.

Other subsidiaries and shareholdings which are not significant have not been consolidated (see table below).

(thousands of euros)

| Subsidiaries and shareholdings | Share capital | Other shareholders' funds (1) | Share owned | Gross Value | Net Value | Net Sales | 2003 profit |
|--|----------------------|--------------------------------------|--------------------|--------------------|------------------|------------------|--------------------|
| SUBSIDIARY (over 50% of shares) | | | | | | | |
| SODERANE | 15 | (6) | 99.4% | 15 | 9 | 940.8 | 41.7 |
| SONORA | 7.6 | / | 98.4% | 7.5 | 7.5 | 162.5 | 0 |
| SHAREHOLDINGS | | | | | | | |
| CENTAURE NORTH-PAS-DE-CALAIS | 320 | 324 | 34.0% | 259 | 259 | NC | NC |
| CENTAURE-NORMANDY | 700 | | 49.9% | 343 | 343 | 915 | 96.5 |
| ALIS (2) | 40 | | 7.96% | 3.2 | 3.2 | - | - |
| ROUTALIS (3) | 40 | | 30% | 12.0 | 12.0 | NC | NC |
| Autoroutes Trafic GIE | 300 | | 24% | 75.0 | 72.0 | NC | 43.9 |

(1) Does not include profit for year

(2) SAPN became a shareholder of the Seine-Sarthe link motorway company (ALIS) following a decision at the ALIS EGM on June 18, 2002.

SAPN purchased 200 shares in ALIS, representing 8% of the share capital of ALIS which is currently set at €40,000 (order dated June 18, 2002), for the sum of €3,200. SAPN undertook to maintain this 8% level in ALIS' forthcoming 2.9 million euro capital increase, implying 232,000 euros for SAPN.

(3) SAPN took 30% of the share capital of ROUTALIS which will be responsible for operating the A28. One hundred and twenty 100 euro shares were bought on 29 May 2002.

EXPLANATIONS OF PROFIT AND LOSS ACCOUNT AND BALANCE SHEET ITEMS, AND CHANGES

1.1. Profit and Loss Account

1.1.1 Sales

Sales broke down as follows:

(thousands of euros)

| | 2003 | 2002 |
|--|------------------|----------------|
| Toll payments | 974,834 | 930,401 |
| Subscription sales | 10,455 | 9,180 |
| Rents from shopping facilities | 17,346 | 17,917 |
| Sale of fuel and miscellaneous services | 1,237 | 1,311 |
| Telecom services | 11,838 | 18,065 |
| Engineering services and sale of systems | 2,719 | 3,000 |
| SALES | 1,018,429 | 979,875 |

a) Toll payments

The table below explains the increase in "Toll payments" between 2003 and 2002.

| INCREASE IN TOLL PAYMENTS 2002-2003 | 4.7% |
|--|------|
| Increase in traffic on like for like network | 2.1% |
| Effect of price rise | 1.9% |
| Other effects | 0.7% |

b) Subscription sales

Toll payments are now accounted net of billing of annual duty or management costs on subscription. These sales increasingly represent an entirely separate business, particularly with the development of Liber-t electronic toll payments.

c) Rents from shopping facilities

Rents include a share of the write-back of "shopping facility operators' investment" in infrastructure.

d) Sales of fuel and miscellaneous services

These services are carried out on the network or in its immediate area.

e) Telecom Services

These correspond to the renting of fibre optic cable or pylons to telecommunications operators. The reduction reflects the conclusion of contracts following the reorganisation or disappearance of operators.

f) Engineering services and sales of systems

Engineering services mainly involve assistance in contracting and consultancy services or the sale of toll payment and data communications systems.

Appendix to the Consolidated Accounts

1.1.2 External Purchases and Costs

External purchases and costs are broken down as follows:

(thousands of euros)

| | 2003 | 2002 |
|-------------------------------------|------------------|------------------|
| Power, supplies and spare parts | (17,640) | (15,618) |
| Maintenance of infrastructure | (20,567) | (24,840) |
| Standard maintenance | (13,833) | (14,352) |
| Government fees | (30,289) | (29,605) |
| Other external costs | (44,978) | (42,033) |
| EXTERNAL PURCHASES AND COSTS | (127,307) | (126,448) |

The government fees laid down by decree no.97-606 of May 31, 1997 are payable by motorway concessionaires for the possession of public property.

1.1.3 Personnel Costs

a) Cost Analysis

(thousands of euros)

| | 2003 | 2002 |
|---|------------------|------------------|
| Salaries and allowances | (82,836) | (81,664) |
| Social security costs and deferred social costs | (36,551) | (34,336) |
| Profit-sharing and contribution to savings plan | (3,465) | (3,106) |
| Profit-sharing (1) | (2,384) | (10,166) |
| PERSONNEL COSTS | (125,235) | (129,272) |

(1) Employee profit-sharing was affected in a significant way in 2002 (4,547,000 euros) due to changes in accounting methods).

b) Weighted average employees

The information detailed below concerns shows the weighted average number of employees in Group companies (social report index: 114)

| | 2003 | 2002 |
|------------------------|--------------|--------------|
| Executives | 272 | 248 |
| Supervisors | 759 | 749 |
| Workers | 2,106 | 2,139 |
| TOTAL EMPLOYEES | 3,137 | 3,136 |

1.1.4 Other (net) operating revenues and costs

This entry, which is presented as a deduction from operating costs, mainly consists of transfers of costs and reimbursement received from insurance claims.

In 2002, "Other" included a sum of 4,082,000 euros in non recurring revenue.

(thousands of euros)

| | 2003 | 2002 |
|--|--------------|---------------|
| Transfer of capitalised costs | 4,080 | 4,624 |
| Reimbursement of insurance claims | 5,104 | 5,131 |
| Others | 674 | 8,304 |
| OTHER (NET) OPERATING REVENUE AND COSTS | 9,858 | 18,059 |

1.1.5 Taxes

(thousands of euros)

| | 2003 | 2002 |
|-----------------|------------------|------------------|
| Development tax | (86,646) | (84,768) |
| Business tax | (25,889) | (23,924) |
| Payroll taxes | (2,343) | (2,407) |
| Other taxes | (2,478) | (2,145) |
| TAXES | (117,356) | (113,244) |

The development tax amounted to 6.86 euros per thousand kilometres travelled.

1.1.6 Depreciation and provisions

(thousands of euros)

| | 2003 | 2002 |
|---|------------------|------------------|
| Depreciation of road surfaces (1) | (20,563) | (16,619) |
| Depreciation of fixed assets | (28,453) | (30,586) |
| Write-down for obsolescence of fixed assets | (200,228) | (197,808) |
| Other charges net of provisions (2) | 5,307 | (5,484) |
| DEPRECIATION AND PROVISIONS | (243,937) | (250,497) |

(1) Following the change of method on January 1, 2002 to "assets by components".

(2) Including 5,047,000 euros write-back of provisions for debts written off.

1.1.7 Interest Income

(thousands of euros)

| | 2003 | 2002 |
|---|------------------|------------------|
| Interest and indexing on loans | (311,342) | (319,332) |
| Capitalised building loan interest | 5,818 | 3,945 |
| Amortisation of issue costs and loan premiums | (2,456) | (2,544) |
| Other interest income | 10,578 | 4,705 |
| NET INTEREST INCOME | (297,402) | (313,226) |

Appendix to the Consolidated Accounts

1.1.8 Extraordinary costs and revenue

(thousands of euros)

| | 2003 | 2002 |
|--|-----------------|----------------|
| Capital gains and losses on disposal of fixed assets | (55,457) | (100) |
| Tangible fixed assets and investments (1) | | |
| Other (2) | (1,442) | (3,829) |
| EXTRAORDINARY INCOME | (56,899) | (3,930) |

(1) Including an extraordinary loss of 54,222,000 euros for the A16 (recording the lack of value of these preliminary works).

(2) Including 2,700,000 euros in 2002 for amortisation of goodwill on SAPN's capital increase.

1.1.9 Corporation Tax

(thousands of euros)

| | 2003 | 2002 |
|-------------------------|-----------------|-----------------|
| Ordinary tax | (18,725) | (37,497) |
| Deferred tax assets (1) | 435 | (12,692) |
| TOTAL | (18,291) | (50,189) |

(1) Deferred taxes are calculated at the last known tax rate: 35.43% for 2003 and for 2002.

The corporation tax charge breaks down as follows:

(thousands of euros)

| | 2003 | 2002 |
|---|-----------------|-----------------|
| Attributable net profit | 41,860 | 11,167 |
| Tax | 18,291 | 50,189 |
| Minorities | (10) | (39) |
| Pre-tax profit | 60,140 | 61,317 |
| Theoretical tax due (35.43%) | (21,308) | (21,725) |
| Reconciliation | | |
| Amortisation of goodwill | | (956) |
| Permanent differences | 52 | (55) |
| Tax increase (staggered payments related to pay-outs) | | (4,521) |
| Other | 2,966 | (2,592) |
| Adjustment (1) | | (20,340) |
| TOTAL REAL TAX CHARGE | (18,291) | (50,189) |

(1) In 2001, after the accounts for 2000 were closed, a review of Sanef's tax returns since its start-up showed that costs against fixed assets or other assets had not been charged against tax. The tax return for 2000 therefore reflects an adjustment for prior deferred depreciation of €114,032,000, which means a corporation tax adjustment of €41,542,000 at a rate of 36.43%.

A return was made to the Tax Authorities. A difference of interpretation showed a risk of 55,835,000 euros against which provisions were written for 2002 at a rate of 36.43%, giving 20,340,000 euros.

(thousands of euros)

| | 2003 | 2002 |
|---|----------------|----------------|
| Deduction of depreciation for obsolescence on transferred costs | 147,910 | 131,394 |
| Other provisions | 10,414 | 11,112 |
| Deferred depreciation and ordinary deficits | 12,280 | 12,280 |
| Pension provisions and related | 10,205 | 8,810 |
| Profit-sharing | 2,384 | 10,166 |
| BASE FOR DEFERRED TAX ASSETS | 183,193 | 173,762 |
| Interest charges and transferred construction costs | 560,803 | 552,577 |
| Concession costs deducted against tax | 72 | 95 |
| BASE FOR DEFERRED TAX LIABILITIES | 560,875 | 552,672 |

Deferred taxes are presented as follows in the balance sheets at December 31.

(thousands of euros)

| | 2003 | 2002 |
|--------------------------|----------------|----------------|
| Deferred tax assets | | |
| Deferred tax liabilities | 133,812 | 134,247 |
| NET DEFERRED TAX | 133,812 | 134,247 |

1.1.10 Goodwill

Sanef's stake in SAPN was increased without generating any significant goodwill; as a result, this goodwill was depreciated in the same year as it was recorded. In 2002, depreciation included an operating cost of 2,700,000 euros for this purpose.

Appendix to the Consolidated Accounts

1.2. Balance Sheet

1.2.1 Intangible Fixed Assets

(thousands of euros)

| | 2003 | 2002 |
|---|--------------|--------------|
| Intangible fixed assets | 14,413 | 15,250 |
| Amortisation of intangible fixed assets | (9,038) | (7,999) |
| INTANGIBLE FIXED ASSETS | 5,376 | 7,251 |

Intangible fixed assets consist mainly of software programmes amortised over a period of 3 to 5 years.

1.2.2 Tangible Fixed Assets

Fixed assets from the scope of concessions

(thousands of euros)

| Gross Values | 2003 | Purchases | Transfers | Putting into service | 2002 |
|--|------------------|-----------------|-----------------|----------------------|------------------|
| Fixed construction assets in service | 7,374,081 | | (52) | 87,904 | 7,286,229 |
| Fixed construction assets | | | | | |
| Renewable road surfaces | 206,522 | 29,769 | (27,517) | 2,270 | 202,000 |
| Fixed operating assets in service | 312,652 | 16,544 | (4,613) | 4,505 | 296,217 |
| Fixed assets in progress | 226,865 | 199,493 | (67,271) | (94,679) | 189,322 |
| TANGIBLE FIXED ASSETS | 8,120,120 | 245,806 | (99,453) | 0 | 7,973,768 |
| Investment subsidies | (128,533) | (2,158) | | | (126,373) |
| TANGIBLE FIXED ASSETS FROM OWN SCOPE OF CONCESSIONS | 7,991,587 | 2,43,648 | (99,453) | 0 | 7 847,393 |

The entire network of concessions in service amounted to 1,684 kilometres of motorway at December 31, 2003.

NB: A16-Ile-de-France Region motorway section

The accumulated costs relating to this section, accounted for under "tangible fixed assets from construction in progress" were charged off in 2003 for the sum of 54,222,000 euros.

An extraordinary loss was recorded, reflecting the lack of value of these preliminary works.

(thousands of euros)

| Depreciation | 2003 | Charge | Write-backs and disposals | 2002 |
|--|------------------|-----------------|---------------------------|------------------|
| Depreciation charges | 205,213 | 29,700 | (4,397) | 179,910 |
| Depreciation charge – renewable road surfaces | 80,091 | 17,443 | (27,516) | 90,164 |
| Allowance for obsolescence of non-renewable fixed assets | 2,261,876 | 203,403 | | 2,058,473 |
| Allowance for obsolescence of operating fixed assets | 70,021 | 1,504 | | 68,517 |
| TOTAL DEPRECIATION OF TANGIBLE FIXED ASSETS | 2,617,202 | 2,52,050 | (31,913) | 2,397,064 |

1.2.3 Investments

(thousands of euros)

| | 2003 | 2002 |
|--|--------------|--------------|
| Investments and claims relating to investments | 6,550 | 6,882 |
| Loans | 2,241 | 2,416 |
| Other investments | 45 | 27 |
| INVESTMENTS | 8,836 | 9,325 |

On December 31, 2003, investments and related claims included in particular 1,141,000 euros in advances to the GIE and an attributable 4,574,000 euros to ALIS.

1.2.4 Stocks

(thousands of euros)

| | 2003 | 2002 |
|--|--------------|--------------|
| Stocks and work in progress | 6,018 | 6,794 |
| Stock depreciation | 0 | (571) |
| NET STOCKS AND WORK IN PROGRESS | 6,018 | 6,223 |

Stocks consist mainly of the supplies required for maintenance and road serviceability of motorways, spare parts for the various equipment (toll booths, electrical items, transport, machinery, etc.), and computer and office supplies.

1.2.5 Trade Accounts Receivable

(thousands of euros)

| | 2003 | 2002 |
|---|---------------|---------------|
| Receivables – toll payments (subscribers) | 43,236 | 40,564 |
| Receivables – related businesses | 15,170 | 24,886 |
| Amortisation of doubtful debt | (3,998) | (8,880) |
| ACCOUNTS RECEIVABLE AND RELATED | 54,408 | 56,570 |

1.2.6 Other debtors and accrued income

(thousands of euros)

| | 2003 | 2002 |
|--|----------------|----------------|
| Government and other public bodies | 24,642 | 16,707 |
| Other fees and accounts receivable | 56,955 | 60,778 |
| Prepayments | 16,784 | 15,457 |
| Deferred expenses | 14,620 | 15,927 |
| Currency translation adjustment on assets | | 37 |
| OTHER TRADE ACCOUNTS RECEIVABLE AND RELATED | 113,001 | 108,906 |

“Other fees and accounts receivable” include, especially for Sanef, 16,154,000 euros of revenue to be received from “shopping facilities and similar” at the end of December 2003 and 16,150,000 euros at the end of 2002. Moreover, the SAPN receivable from ALIS still appears as 25 million euros on December 31, 2003.

Deferred expenses mainly equate to the attributable share of government fees for next year. Deferred expenses mainly consist of the non-amortised sum for loan issue premiums and reimbursement of bonds.

Appendix to the Consolidated Accounts

1.2.7 Marketable securities and cash

(thousands of euros)

| | 2003 | 2002 |
|---|----------------|---------------|
| Marketable securities | 120,427 | 13,634 |
| Cash | 24,710 | 13,706 |
| MARKETABLE SECURITIES AND CASH (1) | 145,137 | 27,340 |

Marketable securities mainly include cash SICAVs, deposit receipts and negotiable certificates of deposit. There is no deferred revenue from these securities.

Cash includes cheques, cards for collection and bank balances.

(1) The 117,797,000 euros change in cash is explained by the charging of tax on VAT returns (cf. 6.3).

1.2.8 Shareholders' Funds

Sanef share capital amounts to 48,322,268 euros represented by 3,169,733 equal shares.

On December 31, 2003, there were no instruments causing dilution.

1.2.9 Contingency Reserves

(thousands of euros)

| | 2003 | Charge for year | Write-back for year (provisions used) | Write-back for year (provisions not used) | Other | 2002 |
|---|---------------|--------------------|--|--|----------|---------------|
| Provisions for pensions and similar liabilities | 11,233 | 1,587 | 54 | | | 9,700 |
| Provisions for legal action | 1,660 | 779 | 614 | 44 | | 1,539 |
| Provisions for tax (deferred depreciation lawsuits (1)) | 20,340 | | | | | 20,340 |
| Provisions for other contingencies | 2,732 | 357 | 460 | 4,591 | | 7,426 |
| CONTINGENCY RESERVES | 35 965 | 2,723 | 1,128 | 4,635 | 0 | 39,005 |

(1) A provision of 55,835,000 euros for deferred amortisation against lawsuits at a rate of 36.43% or 20,340,000 euros.

Provisions for pensions and similar liabilities

(thousands of euros)

| | Pension liabilities | Other liabilities (Medals) | Total |
|---------------------------------------|------------------------|-------------------------------|---------------|
| PROVISION ON DECEMBER 31, 2001 | 8,367 | 725 | 9,092 |
| Charge for 2002 financial year | 442 | 166 | 608 |
| PROVISION ON DECEMBER 31, 2002 | 8,809 | 891 | 9,700 |
| Charge for 2003 financial year | 1,394 | 139 | 1,533 |
| PROVISION ON DECEMBER 31, 2003 | 10,203 | 1,030 | 11,233 |

1.2.10 Loans and Financial Debts

(thousands of euros)

| | 2003 | 2002 |
|--|------------------|------------------|
| National Motorway Fund fixed rate loans | 4,405,084 | 4,498,553 |
| National Motorway Fund variable rate loans | 305,055 | 204,469 |
| Prepayments from regional groups | 1,334 | 1,906 |
| Prepayments from government | 17,318 | 17,318 |
| Other | 12,381 | 6,228 |
| subtotal | 4,741,172 | 4,728,474 |
| Accrued interest | 164,229 | 163,452 |
| TOTAL LOANS AND FINANCIAL DEBTS | 4,905,401 | 4,891,926 |

(loans taken out in 2003: 250,000,000 euros; loans paid off in 2003: 243,157,000 euros).

National Motorway Fund Loans

These loans were taken out by the group from the National Motorway Fund (CNA), a public administrative organisation, under an agreement between the CNA and the mixed economy motorway concession companies (SEMCA), including Sanef and SAPN. This agreement makes available to SEMCAs funds raised by the CNA either under its bond issuance programme or from the EIB. Loans from the CNA to SEMCAs carry the same conditions and the same repayment periods as the loans taken out by the CNA to fund them. The terms on loans granted to the Group also reflect exchange rate swaps carried out by the CNA. These exchange rate swaps have the effect of converting foreign currency (Swiss francs and Pounds Sterling) loans into euros and transforming some fixed rate loans into variable rate loans.

CNA loans are mainly fixed rate loans. Rates on CNA variable rate loans are set by reference to a market rate or are index-linked to inflation.

Others

This item consists of deposits and guarantees received.

At December 31, 2003, the schedule for repayment of the principal of the company's debt was as follows:

(thousands of euros)

| Year | Capital due less than 1 year | Capital due 1 to 5 years | Capital due over 5 years | TOTAL to be repaid |
|------------------|------------------------------|--------------------------|--------------------------|--------------------|
| 2004 | 152,144 | | | 152,144 |
| 2005 | | 199,708 | | 199,708 |
| 2006 | | 261,779 | | 261,779 |
| 2007 | | 266,788 | | 266,788 |
| 2008 | | 439,970 | | 439,970 |
| 2009 | | | 349,871 | 349,871 |
| 2010 | | | 416,188 | 416,188 |
| 2011 | | | 444,755 | 444,755 |
| 2012 | | | 266,216 | 266,216 |
| 2013 | | | 401,171 | 401,171 |
| 2014 | | | 332,155 | 332,155 |
| 2015 | | | 323,155 | 323,155 |
| 2016 | | | 300,239 | 300,239 |
| 2017 | | | 306,000 | 306,000 |
| 2018 | | | 250,000 | 250,000 |
| TOTAL (1) | 152,144 | 1,168,245 | 3,389,750 | 4,710,139 |

(1) including 304,470,000 euros at variable or reviewable rates

Appendix to the Consolidated Accounts

1.2.11 Accounts Payable and Related*(thousands of euros)*

| | 2003 | 2002 |
|-------------------------------------|---------------|---------------|
| ACCOUNTS PAYABLE AND RELATED | 20,435 | 16,990 |

The "Accounts Payable" entry does not include suppliers of fixed assets, which are classified as "Other debts".

1.2.12 Other Creditors and Accrued Expenses*(thousands of euros)*

| | 2003 | 2002 |
|---|----------------|----------------|
| Debts on fixed assets | 42,992 | 41,997 |
| Tax and social debts (1) | 125,915 | 56,960 |
| Prepayments (2) | 44,783 | 51,182 |
| Corporation tax | 2,859 | 68,793 |
| Deferred tax | 133,812 | 134,247 |
| Other | 9,279 | 20,985 |
| OTHER CREDITORS AND ACCRUED EXPENSES | 359,639 | 374,164 |

Debts on fixed assets equate to accounts payable and invoices to be received for fixed assets.

(1) Including on December 31, 2003: 76,909,000 euros for tax on VAT returns constituting a debt payable in less than a year (cf. 6.3).

(2) Prepayments are mainly made up of "shareholdings of private organisations," 25,383,000 euros on December 31, 2003, and revenue from the fibre optic business, 7,406,000 euros.

1.2.13 Off-balance Sheet Liabilities**a) Commitments Made***(thousands of euros)*

| | 2003 | 2002 |
|----------------------------------|--------------|--------------|
| Future commitment 1% countryside | 2,939 | 7,418 |
| TOTAL | 2,939 | 7,418 |

b) Commitments Received*(thousands of euros)*

| | 2003 | 2002 |
|----------------------------|---------------|---------------|
| Bank guarantees on markets | 77,760 | 69,499 |
| TOTAL | 77,760 | 69,499 |

c) Mutual Commitments*(thousands of euros)*

| | 2003 | 2002 |
|------------------------------------|----------------|----------------|
| Work markets (signed and not paid) | 197,610 | 292,098 |
| TOTAL | 197,610 | 292,098 |

d) Information on financial instruments used by the Group

With the exception of the instruments described in note 4.2.10 above, the Sanef Group does not use derivative financial instruments in its business.

Additional Information

Tax consolidation

The scope of tax consolidation for the group includes the parent company Sanef, the subsidiary SAPN and the Radio subsidiaries SODERANE and SONORA. The agreement between the companies consolidated was set up in accordance with the tax neutrality method for the various group companies.

Directors' Salaries

Salaries paid in 2003 to persons managing, directing and controlling the Sanef group came to 358,012 euros gross, including payments in kind, for their duties in Sanef and consolidated companies.

Lawsuits

- The Sanef Group is involved in a number of lawsuits during the normal course of its activities. Sanef considers that, at December 31, 2003, none of the lawsuits in progress relating to the conduct of its business is likely to have an unfavourable effect on its operating profit, its business or its financial situation (apart from risks effectively provided for in the accounts).
- Given the high level of uncertainty over admissibility for the MKI claim, with the Plaintiff claiming 3.1 million euros, the lawsuit is only mentioned off-balance sheet at present.
- Lawsuits in progress relating to tax have not changed since the end of 2002.
- Negotiations with Government on the establishment of a new contractual balance have the particular aim of bringing an end to the diverging assessment of the consequences of changes to the VAT system in 2000. The Sanef Group has opted to charge VAT totalling 76,909,000 euros on its tax returns in 2003 (cf. point 4.2.12) while awaiting finalisation of these negotiations in the near future, in order to preserve its possible rights.

Technical Specifications

The main concession agreements and attached technical specifications form the basic instruments defining relations between the Government and the Sanef Group: they regulate the construction and operation of motorways, the financial terms applicable, the duration of concessions and the methods for return of the facilities at the end of the concession. Among the main terms likely to influence prospects for operations are:

- the obligation to maintain all works in good condition and to do everything possible to maintain good conditions of continuous traffic flow.
- the Government's ability to cancel concession contracts in advance and to repurchase concession contracts: under public regulations, the Government has unilateral power to cancel concessions in the public interest and under the control of a judge.