NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

(in millions of euros)

2 December 2008

CONTENTS

(*Figures in millions of euros)*

NOTES

- Declaration of compliance:

  The consolidated financial statements of the Bouygues group for the nine months to 30 September 2008 have been prepared using the principles and methods defined in the standards issued by the International Accounting Standards Board (IASB), which comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the SIC and IFRIC Committees and are referred to collectively as “IFRS”, as endorsed by the European Union (unless otherwise indicated) and applicable as of 30 September 2008.

- The financial statements are presented in millions of euros and comprise:

  - ✓ the balance sheet and income statement;
  - ✓ the statement of changes in shareholders’ equity;
  - ✓ the cash flow statement;
  - ✓ the statement of recognised income and expenses;
  - ✓ the notes to the financial statements.

The comparatives presented are from the consolidated financial statements for the year ended 31 December 2007 and the nine months ended 30 September 2007.

NOTE 1	SIGNIFICANT EVENTS OF THE PERIOD

1.1. SCOPE OF CONSOLIDATION AS AT 30 SEPTEMBER 2008

- **Main changes in scope of consolidation:**

  1,239 entities were consolidated as at 30 September 2008, versus 1,211 as at 31 December 2007. The net increase of 28 mainly comprised a net reduction of 8 for Bouygues Construction (construction project joint ventures and other subsidiaries deconsolidated on project completion), offset by net increases of 15 for Bouygues Immobilier and 22 for Colas (miscellaneous acquisitions).

  There were no individually significant acquisitions or disposals in the nine months to 30 September 2008.

  Alstom: acquisition of additional shares during the first nine months of 2008:

  During the first nine months of 2008, Bouygues acquired a further 813,000 Alstom shares on the stock market for €113m. The interest held by Bouygues as at 30 September 2008 was unchanged at 30%, after dilutions arising from capital increases carried out by Alstom.

  Alstom is still accounted for by the equity method, and is carried at net acquisition cost plus Bouygues' share of Alstom's net profit since the acquisition date. Alstom's net profit for the first nine months of 2008 was estimated on the basis of the accounts as at 30 September 2008. The net profit contribution from Alstom recorded by Bouygues on this basis was €225m.

  In accordance with IAS 28, the investment in Alstom is reported under "Investments in associates" in the balance sheet, at an amount of €3,785m including goodwill.

  The additional interest acquired in 2008 has been allocated to goodwill. The definitive allocation of the purchase price to identifiable assets and liabilities will be completed as of 31 December 2008.

  Amortisation of fair value remeasurements of intangible assets and other items had a net negative impact of €14m (share attributable to the Bouygues group); this impact is included in the contribution of €225m recognised for the first nine months of 2008.

1.2. CONSOLIDATED SALES FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

Consolidated sales for the period were €24,120m, 13% higher than for the first nine months of 2007.

1.3. €1BN BOND ISSUE

At the start of July 2008, Bouygues carried out a €1bn bond issue bearing interest at 6.125%. This issue has a 7-year maturity and will be repaid in full at par on 3 July 2015; it is reported under "Non-current debt" in the consolidated balance sheet.

1.4. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 30 SEPTEMBER 2008

- Subsequent to 30 September 2008, there have been no material changes in the scope of consolidation and no transactions liable to have a material effect on the results, consolidated shareholders' equity or activities of the Bouygues group, based on information currently known.

NOTE 2	ACCOUNTING POLICIES

2.1. BUSINESS ACTIVITIES

Bouygues is a diversified industrial group. Its operations are split into two sectors:

a) Construction:

- Bouygues Construction (Building & Civil Works, Electrical Contracting)
- Bouygues Immobilier (Property)
- Colas (Roads)

b) Telecoms/Media

- TF1 (Television)
- Bouygues Telecom (Mobile Telephony)

c) As at 30 September 2008, Bouygues also held a 30% interest in Alstom (Power and Transport).

The Bouygues group has operations in more than 85 countries. In the nine months ended 30 September 2008, the Group generated sales of €24,120m (up 13.3% relative to the first nine months of 2007), of which €7,607m was generated outside France.

2.2. BASIS OF PREPARATION

The consolidated financial statements of the Bouygues group include the financial statements of Bouygues and its subsidiaries, and investments in associates. They are presented in millions of euros, the currency in which the majority of the Group's transactions are denominated.

The consolidated financial statements were adopted by the Board of Directors on 2 December 2008.

The consolidated financial statements as at 30 September 2008 have been prepared in accordance with IAS 34 ("Interim Financial Reporting") using the historical cost convention, except for certain financial assets and liabilities measured at fair value. They include comparatives as at and for the periods ended 30 September 2007 and 31 December 2007.

The general accounting policies applied by the Group in its interim consolidated financial statements for the nine months ended 30 September 2008 are the same as those applied in the consolidated financial statements for the year ended 31 December 2007. Consequently, Note 2 to the consolidated financial statements for the nine months ended 30 September 2008 does not include detailed disclosures of these accounting policies, and these financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2007.

- *New standards, amendments and interpretations effective within the European Union and mandatorily applicable to periods beginning on or after 1 January 2008*

The Bouygues group has applied the same standards, interpretations and accounting policies for the period ended 30 September 2008 as those disclosed in its consolidated financial statements for the year ended 31 December 2007.

The Group has elected to apply IFRIC 11, "IFRS 2 – Group and Treasury Share Transactions" (share-based payment arrangements within a group) with effect from 1 January 2009, as permitted by EC Regulation 611-2007.

- *Other standards and interpretations issued by the IASB but not yet mandatorily applicable (whether or not endorsed by the European Union):*

  - Revised IAS 1, "Presentation of Financial Statements"
    ➔ Applicable from January 2009

- Revised IFRS 3 and IAS 27, Business Combinations phase 2
  ➔ Applicable to financial periods beginning on or after 1 July 2009, and not yet endorsed by the European Union or by the European Financial Reporting Advisory Group (EFRAG).

- IFRIC 12, "Service Concession Arrangements": Applicable to periods beginning on or after 1 January 2008, and in process of endorsement by the European Union. The Bouygues group applies this interpretation (i) to the Portsmouth PFI contract (Colas), which is accounted for as a receivable (financial asset) since this treatment most closely reflects the underlying financial and economic reality of the contract, and (ii) to its interest in Cofiroute (Colas).

  Bouygues Construction: PFI contracts are entered into with local and governmental authorities by companies in which the Bouygues group holds an interest of less than 20%. These entities are not consolidated, given the effective limitations on the Group's role in them. Most concession companies are accounted for as associates (equity method).

- IFRIC 13, "Customer Loyalty Programmes": Mandatorily applicable from 1 July 2008, and early adopted by Bouygues Telecom effective 31 December 2007.

- IFRIC 15, "Agreements for the Construction of Real Estate": Applicable to annual periods beginning on or after 1 January 2009; EFRAG position statement pending. IFRIC 15 is unlikely to materially change the profit recognition policies currently used for the Group's property development activities.

• *New standards, amendments and interpretations for which early adoption is allowed:*

  The Bouygues group has not early adopted in 2008 the following pronouncements issued by the IASB, which are not yet mandatorily applicable:

  - IFRS 8, "Operating Segments": applicable to annual periods beginning on or after 1 January 2009
  - Amendment to IAS 23, "Borrowing Costs": applicable to annual periods beginning on or after 1 January 2009
  - Amendment to IFRS 2, "Share-Based Payment" (vesting conditions and cancellations): applicable to annual periods beginning on or after 1 January 2009

• Elective accounting treatments and estimates used in the valuation of certain assets, liabilities, income and expenses:

  Preparing financial statements to comply with IFRS requires the use of estimates and assumptions which may have affected the amounts reported for assets, liabilities and contingent liabilities at the balance sheet date, and the amounts of income and expenses reported for the accounting period.

  These estimates and assumptions have been applied consistently on the basis of past experience and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may differ materially from these estimates if different assumptions or conditions apply.

  The main items involved are goodwill impairment, share-based payment (stock options), employee benefits (such as lump-sum retirement benefits), the fair value of unlisted financial instruments, deferred tax assets, provisions, etc.

  Where no standard or interpretation applies to a specific transaction, Group management has exercised its judgement to define and apply accounting policies that will provide relevant and reliable financial information, such that the financial statements:

  - represent faithfully the financial position, financial performance and cash flows of the Group;

  - reflect the economic substance of the underlying transactions;

  - are neutral, prudent, and complete in all material respects.

  Identifiable assets and liabilities and goodwill that were recognised in a purchase price allocation are tested for impairment annually as at 31 December, or during the course of the year if there is evidence that they may have become impaired. The purpose of these impairment tests is to compare the Group's share of the recoverable amount with the carrying amount as per the consolidated financial statements. If the carrying amount exceeds the recoverable amount, an impairment loss is recognised in accordance with IAS 36.

As at 30 September 2008, the consolidated assets relating to TF1 were tested for impairment. The recoverable amount of these assets was determined on the basis of cash flow projections derived from a business plan as approved by the TF1 Board of Directors on 13 November 2008, discounted at a rate of 7.37% or 6.66% depending on the assumptions used. The results showed that the recoverable amount of these assets still exceeds their carrying amount.

Note 3.6 to the consolidated financial statements shows the consolidated purchase price of listed shares held by the Group (TF1, Alstom, Colas), as compared with the closing market price on 30 September 2008. There is no evidence of impairment of the interest in Alstom as of that date.

- Change in accounting policy

The Bouygues group has made no significant changes in accounting policy in 2008. The consolidated financial statements reported as at 30 September 2007 have been restated to reflect the changes in accounting policy applied as at 31 December 2007 (the customer loyalty programme provision, and the option allowed under the revised version of IAS 19 in respect of actuarial gains and losses on defined-benefit post-employment benefit plans).

2.3. CONSOLIDATION METHODS

- Full consolidation:

  - Companies over which Bouygues exercises control are consolidated using the full consolidation method.

  - Exclusive control over TF1:

    Bouygues holds 43.02% of the capital and voting rights of TF1. The exercise of exclusive control over TF1 by Bouygues is demonstrated by the following:

    Bouygues has consistently and regularly held a majority of the voting rights exercised at TF1 shareholders' meetings, and no other shareholder directly or indirectly controls a higher share of voting rights than Bouygues.

    Bouygues has clearly had exclusive power to determine decisions at TF1 shareholders' meetings for at least two consecutive financial years.

    Other factors indicating the existence of exclusive control include:

    - the large number of seats on the TF1 Board of Directors allocated to Bouygues;
    - the role of Bouygues in appointing key executives of TF1.

    All these factors clearly establish that Bouygues exercises exclusive control over TF1.

- Proportionate consolidation: investments in joint ventures

  A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control. Bouygues consolidates the assets, liabilities, income and expenses of such entities using the proportionate consolidation method based on the percentage of control exercised. This applies in particular to Bouygues Construction and Colas construction project joint ventures.

- Investments in associates

  An associate is a company over which Bouygues exercises significant influence without exercising control. Significant influence is presumed to exist where Bouygues directly or indirectly holds at least 20% of the entity's voting rights.

  The net profit or loss and assets and liabilities of such entities are accounted for by the equity method.

  - Alstom: Bouygues exercises significant influence over Alstom, as demonstrated by (i) its 30% interest in the capital and (ii) its control of two seats on the Board of Directors. The carrying amount of the interest in Alstom (inclusive of goodwill) is reported under “Investments in associates” in the balance sheet.

In accordance with IAS 39, equity investments in non-consolidated entities are recognised at fair value and are subject to impairment testing.

Changes in scope of consolidation:

	30 September 2008	31 December 2007
Fully consolidated	958	917
Proportionately consolidated	243	258
Equity method	38	36
	1,239	1,211

- The main changes during the period are described in the “Significant Events” section.

2.4. Financial indicators

2.4.1. Cash flow

Cash flow is defined as:

Consolidated net profit before net depreciation and amortisation expense, changes in provisions, gains and losses from assets disposals, cost of net debt, and income tax expense for the period (cost of net debt is included in cash flows from financing activities in the cash flow statement).

2.4.2. EBITDA

Current operating profit excluding net depreciation and amortisation expense and changes in provisions, and impairment losses (after reversals of utilised and non-utilised provisions and of impairment losses).

2.4.3. Free cash flow

Cash flow (as defined above) less net capital expenditure for the period.

2.4.4. Net debt

This represents the aggregate of:

- cash and equivalents;
- overdrafts and short-term bank borrowings;
- non-current and current debt;
- financial instruments (used to hedge financial liabilities measured at fair value).

2.5. Statement of recognised income and expense

The Bouygues group presents a statement of recognised income and expense, including comparatives for 2007, which shows items recognised directly in equity due to the application of consolidation principles (such as changes in the cumulative translation adjustment and in fair value, and actuarial gains/losses on employee benefits under the IAS 19 option).

2.6. Other information

Comparability of the IFRS financial statements:

- The accounting policies applied under IFRS as at 30 September 2008 are the same as those applied as at 31 December 2007.

- The comparative financial statements presented for the period ended 30 September 2007 take account of the changes in accounting policy effective 31 December 2007, and in particular the effect on shareholders’ equity and profit or loss.

- The first-time application during 2008 of certain standards or interpretations (IFRIC 12: Cofiroute) has had no material effect on the consolidated financial statements.

NOTE 3	NON-CURRENT ASSETS	18,448

3.1. PROPERTY, PLANT AND EQUIPMENT

Net	Land and buildings (1)	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
31 December 2007	**1,212**	**3,309**	**696**	**347**	**5,564**
of which finance leases	21	35	17		73
30 September 2008	**1,302**	**3,410**	**722**	**514**	**5,948**
of which finance leases	16	51	15		82

(1) Including land and quarries: €598m in 2007, €644m in 2008

Analyses by business segment of the carrying amount of property, plant and equipment, and of capital expenditure net of disposals, are provided in note 13, "Segment Information".

3.2. INTANGIBLE ASSETS

Net	Concessions, patents & similar rights, and software (1)	Other intangible assets (2)	Total
31 December 2007	**679**	**394**	**1,073**
30 September 2008	**720**	**446**	**1,166**

(1) This item mainly comprises software and licences held by Bouygues Telecom.

(2) Includes TF1 (audiovisual rights): €180m in 2007, €214m in 2008

3.3. GOODWILL

3.3.1. Movement in the carrying amount of goodwill in the nine months ended 30 September 2008

(excluding goodwill on associates)

	Gross value	Impairment	Carrying amount
1 January 2008	**5,160**	**(37)**	**5,123**
Change in scope of consolidation	49 (1)		49
Impairment losses			
Translation and other movements	(8)		(8)
30 September 2008	**5,201**	**(37)**	**5,164**

(1) The movement during the first nine months of 2008 was mainly due to various acquisitions by Colas and Bouygues Construction, including €26m for the acquisition of SAMI (Drawmac Group) by Colas.

3.3.2. Split of goodwill by cash generating unit (CGU)

Segment (1)	30 September 2008		31 December 2007	
	Total	% Bouygues SA	Total	% Bouygues SA
Bouygues Construction	334	99.97%	326	99.97%
Colas	1,088	96.69%	1,052	96.44%
TF1	1,091	43.02%	1,094	43.06%
Bouygues Telecom	2,651	89.55%	2,651	89.55%
TOTAL	**5,164**		**5,123**	

(1) Includes goodwill generated by the segment on acquisitions of subsidiaries

Impairment losses charged against goodwill and identifiable depreciable assets (excluding those relating to associates) in the nine months ended 30 September 2008 amounted to €23m.

3.4. INVESTMENTS IN ASSOCIATES

	Carrying amount
1 January 2008	**4,393**
Change in scope of consolidation, translation effects	85 [1]
Share of net profit/loss for the period	283 [3]
Payment of dividends	(83)
Other movements	(24)
30 September 2008	**4,654** [2]

[1] Primarily, net acquisitions of further Alstom shares (including offset of various dilutive transactions)

[2] Includes:
- Alstom €3,785m, including goodwill of €2,451m
- Cofiroute €464m

[3] Includes €225m for Alstom (net of amortisation of fair value remeasurements) and €45m for Cofiroute

3.5. OTHER NON-CURRENT ASSETS

Net	Investments in non-consolidated companies	Other non-current assets [1]	Total	Non-current tax assets [2]
31 December 2007	**151**	**1,072**	**1,223**	**225**
30 September 2008	**177**	**1,124**	**1,301**	**215**

[1] Includes:

a) *Alstom Hydro Holding: €166m*
In October 2006, Bouygues acquired 50% of Alstom Hydro Holding (Alstom's hydro-power division) from Alstom for €150m.
Under the agreements with Alstom signed on 29 September 2006 and 31 October 2006:
- Alstom has specific rights, in particular in the event of a disagreement between the shareholders.
- Bouygues has an option to sell its shares back to Alstom in November 2009, or earlier in the event of disagreement with Alstom:
  . for €175m;
  . in exchange for 4.4 million Alstom shares, or the equivalent value in euros.

Consequently, Alstom has exclusive control over Alstom Hydro Holding, and the interest in this company is not consolidated by the Bouygues group but recognised as a non-current financial asset, with a carrying amount of €166m as at 30 September 2008.
Because of the long-term industrial strategy underpinning relations between Bouygues and Alstom, the Bouygues group does not account for the option entitling it to exchange this asset for Alstom shares in October 2009 as a financial instrument.
The change in the fair value of this asset, which represented a gain of €6m in the nine months ended 30 September 2008, is recognised in "Other financial income and expenses".
If this item had been accounted for as a financial instrument, the resulting volatility would have had an estimated negative impact of €63m on the financial statements for the nine months ended 30 September 2008, giving a cumulative favourable impact of €44m since inception (versus €107m as at 31 December 2007), based on the intrinsic after-tax value of the option as at 30 September 2008.

b) Canal+ France financial asset (TF1): €695m
The Canal+ France financial asset received in exchange for the transfer of TPS shares represents a 9.9% interest in the capital of Canal+ France plus a put option exercisable in February 2010. This option will enable TF1 to sell all its Canal+ France shares at the greater of:
  . a minimum price of €746m;
  . an independent valuation at the exercise date.

On initial recognition, the TF1 Group designated the Canal+ France financial asset (comprising the equity interest and the put option) as a financial asset at fair value through profit or loss.
The fair value of this financial asset is determined on the basis of the minimum price of €746m, discounted at the interest rate derived from the agreement signed on 6 January 2006. During the nine months to 30 September 2008, the change in the fair value of the asset represented a gain of €29m, recognised in "Other financial income and expenses", raising the reported value of the asset to €695m as at that date.

[2] See note 6 for details.

3.6. CONSOLIDATED PURCHASE PRICE OF LISTED SHARES (IN EUROS)

	Consolidated purchase price per share [1]	Closing market price 30 September 2008
TF1	12.51	12.41 [2]
Colas	88.46	156.01
Alstom	44.61	52.77

[1] Carrying amount per share in the consolidated financial statements
[2] Value in use based on a discounted cash flow calculation: range between €24.83 and €22.08, depending on the assumptions used

NOTE 4	CONSOLIDATED SHAREHOLDERS' EQUITY	8,562

4.1. SHARE CAPITAL OF BOUYGUES SA (IN EUROS)

€342,732,616

As at 30 September 2008, the share capital of Bouygues SA consisted of 342,732,616 shares with a par value of €1.
Movements in the nine months ended 30 September 2008 were as follows:

	1 Jan. 2008	Movements during the period Reductions	Increases	30 Sept. 2008
Shares	347,502,578	(6,952,935) (2)	2,182,973 (1)	342,732,616
Number of shares	**347,502,578**	**(6,952,935)**	**2,182,973**	**342,732,616**
Par value	€1			€1
Share capital in euros	**347,502,578**	**(6,952,935)**	**2,182,973**	**342,732,616**

(1) Capital increase on exercise of options
(2) Capital reduction on cancellation of treasury shares

4.2. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP AND TO MINORITY INTERESTS AS AT 30 SEPTEMBER 2008

Position at 30 September 2008	Share capital and share premium	Reserves related to capital/ retained earnings	Translation reserve	Consolidated reserves and profit for the period	Items recognised directly in equity	Total 30/09/08
Attributable to the Group	2,202	1,485	(20)	3,700	18	**7,385**
Minority interests				1,177		**1,177**
Total shareholders' equity	**2,202**	**1,485**	**(20)**	**4,877**	**18**	**8,562**

4.2.1. Changes in shareholders' equity attributable to the Group and to minority interests

A statement of changes in consolidated shareholders' equity is included in the consolidated financial statements as at 30 September 2008.

4.3. ANALYSIS OF INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (AMOUNTS ATTRIBUTABLE TO THE GROUP)

	2008: 9-month movement	2007: full-year movement
Total attributable to the Group	**(75)**	**72**
Other income and expenses attributable to minority interests		(3)
Total attributable to the Group + minority interests (1)	**(75)**	**69**

(1) See the statement of recognised income and expense included in the financial statements.

4.3.1. Translation reserve (portion attributable to the Group)

Principal translation differences on companies reporting in:

	31/12/07	Movement	30/09/08
US dollar	(40)	11	(29)
Canadian dollar	10	(5)	5
Other currencies	2	2	4
Total	**(28)**	**8**	**(20)**

4.3.2. Fair value remeasurement reserve (portion attributable to the Group)

Reserve arising on the remeasurement of financial instruments and available-for-sale financial assets at fair value:

	31/12/07	Movement	30/09/08
Gross amount	**115**	**(20)**	**95**

4.3.3. Actuarial gain/loss reserve on employee benefits under IAS 19 (portion attributable to the Group), excluding associates

	31/12/07	Movement	30/09/08
Gross amount	**8**	**(1)**	**7**

NOTE 5	NON-CURRENT AND CURRENT PROVISIONS	1,547 / 565

5.1. NON-CURRENT PROVISIONS = 1,547

	Long-term employee benefits (1)	Litigation and claims (2)	Guarantees given (3)	Other non-current provisions (4)	TOTAL
1 January 2008	**425**	**295**	**296**	**477**	**1,493**
Translation adjustments	(1)			2	**1**
Transfers between items and other	2		3	(1)	**4**
Changes in scope of consolidation		1	1	1	**3**
Charges to provisions	37	49	65	55	**206**
Provisions utilised	(11)	(15)	(39)	(41)	**(106)**
Provisions no longer required	(2)	(22)	(11)	(19)	**(54)**
30 September 2008	**450**	**308**	**315**	**474**	**1,547**

			Principal segments involved:	
(1) **Long-term employee benefits:**		**450**		
• Lump-sum retirement benefits and long-service awards	419		*- Bouygues Construction*	*114*
• Other long-term employee benefits	31		*- Colas*	*236*
NB: The Bouygues group makes only limited use of defined-benefit plans, in France and other countries (Colas/USA-UK, etc)			*- TF1*	*33*
(2) **Litigation and claims**		**308**		
• Provisions for customer disputes	155		*- Bouygues Construction*	*140*
• Provisions for subcontractor claims	33		*- Bouygues Immobilier*	*41*
• Other litigation and claims	120		*- Colas*	*109*
(3) **Guarantees given**		**315**		
• Provisions for customer warranties	223		*- Bouygues Construction*	*206*
• Provisions for additional building and civil works guarantees	92		*- Bouygues Immobilier*	*19*
			- Colas	*90*
(4) **Other non-current provisions**		**474**		
• Risks related to official inspections	146		*- Bouygues Construction*	*151*
• Provisions for subsidiaries and associates	28		*- Colas*	*172*
• Provisions for site remediation costs	103		*- Bouygues Telecom*	*60*
• Other non-current provisions	197			

5.2. CURRENT PROVISIONS = 565

- Provisions related to the operating cycle

	Customer warranties	Construction project risks and project completion	Losses to completion	Other current provisions	Total
1 January 2008	**50**	**181**	**131**	**235**	**597**
Translation adjustments		1	(1)		
Transfers between items and other	1	(2)		(1)	**(2)**
Changes in scope of consolidation	1		1		**2**
Charges to provisions	17	38	66	65	**186**
Provisions utilised	(14)	(24)	(60)	(67)	**(165)**
Provisions no longer required	(3)	(23)	(10)	(17)	**(53)**
30 September 2008	**52**	**171**	**127** (1)	**215** (2)	**565**

(1) Provisions for losses to completion relate to the Construction segment (Bouygues Construction, Bouygues Immobilier and Colas).
(Individual project provisions are not disclosed for confidentiality reasons)

(2) Including:

- reinsurance costs	20	*- Challenger Reassurance*	*20*
- site remediation costs (current portion)	14	*- Bouygues Construction*	*38*
- rent guarantees (Bouygues Immobilier)	23	*- Bouygues Immobilier*	*43*
- film co-financing (TF1)	14	*- Colas*	*39*
- customer claims & vendor's liability guarantees (TF1)	24	*- TF1*	*48*
- business customer loyalty provision (Bouygues Telecom)	15	*- Bouygues Telecom*	*21*
- other current provisions	105		

NOTE 6	NON-CURRENT TAX ASSETS AND LIABILITIES	215 / 87

6.1. NON-CURRENT TAX ASSETS = 215

	31/12/07	Movement	30/09/08
Deferred tax assets	225	(10)	215
- Bouygues Telecom	8	0	8
- Bouygues Construction	78	4	82
- Bouygues Immobilier	34	(10)	24
- Colas	86	3	89
- Other business segments	19	(7)	12
Total non-current tax assets	**225**	**(10)**	**215**

6.2. NON-CURRENT TAX LIABILITIES = 87

	31/12/07	Movement	30/09/08
Deferred tax liabilities	84	3	87 (1)
Other non-current tax liabilities	0	0	0
Total non-current tax liabilities	**84**	**3**	**87**

(1) Includes €76m relating to Colas

NOTE 7	NON-CURRENT AND CURRENT DEBT	7,360 / 1,425

7.1. BREAKDOWN OF DEBT BY MATURITY

	Current debt (less than 1 year)	Non-current debt						Total non-current debt 30/09/08	*Total non-current debt 31/12/07*
		1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 years or more		
- Bond issues	**1,163**		1,245		1,148		4,160 (b)	**6,553**	6,560
- Bank borrowings	**191**	437	54	34	21	10	84	**640**	380
- Finance leases	**24**	20	17	10	6	1	5	**59**	54
- Other debt	**47**	36	44	17	4	3	4	**108**	73
Total debt: 30 September 2008	**1,425** (a)	**493**	**1,360**	**61**	**1,179**	**14**	**4,253**	**7,360**	**7,067**
Total debt: 31 December 2007	***328***	***1,293***	***570***	***791***	***22***	***1,156***	***3,235***		**7,067**

(1) Change mainly attributable to the bond issue maturing May 2009

(b) The €1,000m bond issue maturing May 2009 is now classified as current debt; it has been refinanced by a €1,000m bond loan maturing 2015.

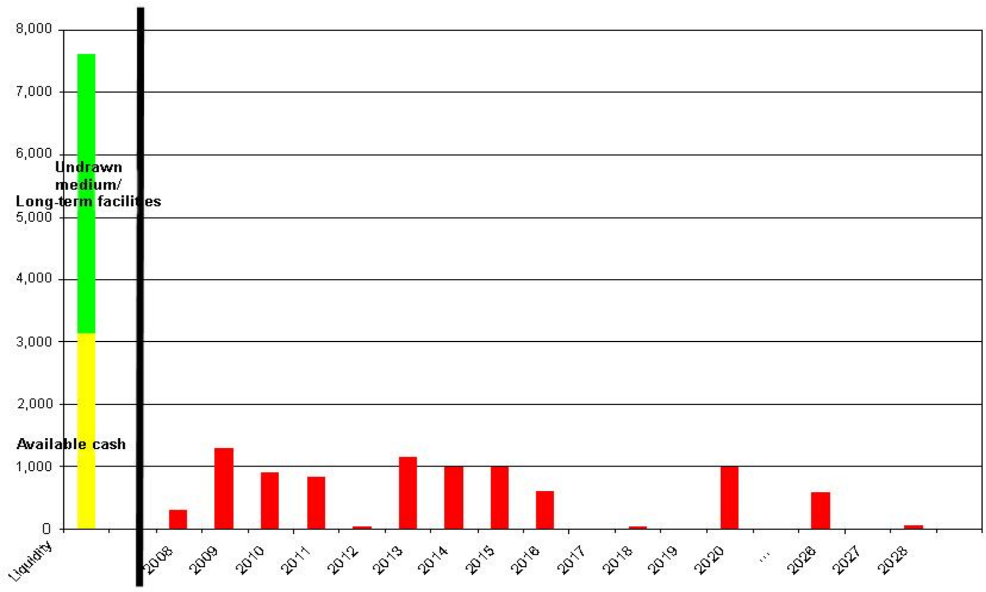
7.2. COVENANTS AND TRIGGER EVENTS

The 10-year bond issue maturing May 2016, the 7-year bond issue maturing May 2013 and the 20-year sterling bond issue maturing 2026 all contain a change of control clause relating to Bouygues SA.

The bank loans contracted by Bouygues and its subsidiaries do not include any covenants or trigger events, except for the syndicated loan used by Colas Inc. ($100m as at 30 September 2008) which is subject to covenants regarding compliance with a financial ratio.
This covenant was complied with as at 30 September 2008.

7.3. LIQUIDITY AS AT 30 SEPTEMBER 2008

As at 30 September 2008, available cash stood at €3,123m (including -€3m of financial instruments contracted to hedge net debt).
The Group also had €4,497m of undrawn confirmed medium-term credit facilities as at the same date.



NOTE 8	MAIN COMPONENTS OF CHANGE IN NET DEBT	(5,662)

8.1. CHANGE IN NET DEBT

	31/12/07	Movement	30/09/08
Cash and equivalents	3,386	237	**3,623**
Overdrafts and short-term bank borrowings	(276)	(221)	**(497)**
Net cash and equivalents	**3,110**	**16** [(1)]	**3,126**
Non-current debt	(7,067)	(293)	**(7,360)**
Current debt	(328)	(1,097)	**(1,425)**
Financial instruments, net	(3)	0	**(3)**
Gross debt	**(7,398)**	**(1,390)**	**(8,788)**
Net debt	**(4,288)**	**(1,374)**	**(5,662)**

[(1)] Cash flows as analysed in the consolidated cash flow statement for the period.

8.2. PRINCIPAL TRANSACTIONS IN THE PERIOD

Net debt at 31 December 2007	**(4,288)**
Capital called under the Bouygues Confiance 4 employee share ownership plan (2008 portion)	**126**
Acquisitions of treasury shares in 2008 (cancelled via reduction in capital of Bouygues SA)	**(328)**
Exercise of Bouygues options (capital increase)	**65**
Dividends paid (Bouygues SA and minorities)	**(685)**
Acquisitions and disposals of equity holdings	**(170)**
Other financial transactions	**(30)**
Operating and other items	**(352)**
Net debt at 30 September 2008	**(5,662)**

NOTE 9	ANALYSIS OF SALES	24,120
	AND OTHER REVENUES FROM OPERATIONS	85

9.1. ANALYSIS BY ACCOUNTING CLASSIFICATION

	9 months to 30/09/08	9 months to 30/09/07
Sales of goods	2,101	1,835
Sales of services	9,037	8,172
Construction contracts	12,982	11,287
Sales	**24,120**	**21,294**
Other revenues from operations	85	126
Total	**24,205**	**21,420**

Growth = 13.3%

9.2. ANALYSIS BY BUSINESS SEGMENT

	2008 9-month sales				2007 9-month sales			
BUSINESS SEGMENT	**France**	**International**	**Total**	**%**	**France**	**International**	**Total**	**%**
Construction	3,773	2,957	6,730	28	3,448	2,363	5,811	27
Property	1,893	95	1,988	8	1,196	96	1,292	6
Roads	5,471	4,098	9,569	40	5,010	3,487	8,497	40
Media	1,621	246	1,867	8	1,739	220	1,959	9
Telecoms	3,750		3,750	15	3,521		3,521	17
Bouygues SA & other activities	5	211	216	1	4	210	214	1
Consolidated sales	**16,513**	**7,607**	**24,120**	**100**	**14,918**	**6,376**	**21,294**	**100**
% year-on-year change	**11%**	**19%**	**13%**					

9.3. ANALYSIS BY GEOGRAPHICAL SEGMENT

	2008 9-month sales		2007 9-month sales	
	Total	**%**	**Total**	**%**
France	16,513	68	14,918	70
European Union	3,068	13	2,495	12
Rest of Europe	726	3	595	3
Africa	1,199	5	944	4
Middle East	174	1	95	
United States and Canada	1,599	7	1,599	8
Central and South America	136		161	1
Asia-Pacific	705	3	487	2
Total	**24,120**	**100**	**21,294**	**100**

NOTE 10	OPERATING PROFIT	1,798

Operating profit rose by 2% (see note 13 for an analysis by segment).

	9 months to 30/09/08	9 months to 30/09/07
Sales	24,120	21,294
Other revenues from operations	85	126
Purchases used in production and external charges	(16,509)	(14,580)
Taxes other than income tax	(499)	(452)
Personnel costs	(4,862)	(4,394)
Net depreciation, amortisation, provisions and impairment losses		
- Depreciation and amortisation expense	(982)	(909)
- Net charges to provisions and impairment losses (1)	(175)	(154) (*)
Changes in production and property development inventories	105	395
Other income and expenses from operations	515	422
- Reversals of unused provisions and impairment losses	137	139
- Gains on disposals of non-current assets	114	46
- Other income and expenses	264	237
Current operating profit	**1,798**	**1,748**
Other operating income and expenses		21
Operating profit	**1,798**	**1,769** (*)

(*) Includes +€15m on retrospective application of the change in accounting policy for the retail customer loyalty programme provision (Bouygues Telecom)

(1) Including reversals of utilised provisions

NOTE 11	COST OF NET DEBT	(211)
	OTHER FINANCIAL INCOME AND EXPENSES	(25)

11.1. ANALYSIS OF COST OF NET DEBT (211)

	9 months to 30/09/08	9 months to 30/09/07
- Net debt	(209)	(171)
- Finance leases	(3)	(2)
- Financial instruments	1	12
Total	**(211)**	**(161)**

. See Note 13 ("Segment information") for a breakdown by business segment for the period.

11.2. OTHER FINANCIAL INCOME AND EXPENSES (25)

This item includes gains arising from the discounting and capitalisation of financial assets and liabilities (Canal+ France and Alstom Hydro Holding financial assets), and changes in the fair value of "Other current financial assets".

NOTE 12	INCOME TAX EXPENSE	(501)

ANALYSIS OF INCOME TAX EXPENSE

	9 months to 30/09/08			9 months to 30/09/07 (*)		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(366)	(117)	(483)	(408)	(113)	(521)
Change in deferred tax liabilities	3	2	5	(6)		(6)
Change in deferred tax assets	(32)	9	(23)	(3)	1	(2)
Total	**(395)**	**(106)**	**(501)**	**(417)**	**(112)**	**(529)**

(*) Includes -€6m restatement on retrospective application of the change in accounting policy for the Bouygues Telecom retail customer loyalty programme provision.

NOTE 13

SEGMENT INFORMATION

The table below shows the contribution made by each business segment to the principal items in the income statement, balance sheet and cash flow statement.

ANALYSIS BY BUSINESS SEGMENT: 30 SEPTEMBER 2008 VS. 30 SEPTEMBER 2007 OR 31 DECEMBER 2007

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL	TOTAL (*)
INCOME STATEMENT							9 months to 30/09/08	9 months to (*) 30/09/07
Total sales	6,971	1,988	9,615	1,880	3,762	354	**24,570**	**21,608**
Inter-segment sales	(241)		(46)	(13)	(12)	(138)	**(450)**	**(314)**
Third-party sales	**6,730**	**1,988**	**9,569**	**1,867**	**3,750**	**216**	**24,120**	**21,294**
Operating profit	**259**	**188**	**493**	**130**	**726**	**2**	**1,798**	**1,769**
Cost of net debt	**66**	**(12)**	**(16)**	**(20)**	**(2)**	**(227)**	**(211)**	**(161)**
Income tax expense	**(106)**	**(57)**	**(147)**	**(35)**	**(250)**	**94**	**(501)**	**(529)**
Share of profits and losses of associates	**3**		**46**	**8**		**226** (1)	**283**	**183**
Net profit attributable to the Group	**232**	**92**	**364**	**48**	**425**	**41**	**1,202**	**1,119**
BALANCE SHEET							30/09/08	30/09/07
Property, plant and equipment (2)	**558**	**17**	**2,319**	**169**	**2,489**	**396**	**5,948**	**5,564**
Intangible assets	**80**	**3**	**68**	**247**	**763**	**5**	**1,166**	**1,073**
Goodwill (3)	**334**		**1,088**	**1,091**	**2,651**		**5,164**	**5,123**
Investments in associates	**80**		**515**	**258**		**3,801** (4)	**4,654**	**4,393**
Trade receivables	**2,250**	**210**	**4,171**	**573**	**708**	**331**	**8,243**	**6,911**
Cash and equivalents	**467**	**95**	**375**	**72**	**5**	**2,609**	**3,623**	**3,386**
Non-current debt	**365**	**285**	**270**	**737**	**141**	**5,562**	**7,360**	**7,067**
Non-current provisions	**611**	**88**	**607**	**47**	**97**	**97**	**1,547**	**1,493**
Current debt	**17**	**168**	**41**	**20**	**6**	**1,173**	**1,425**	**328**
Trade payables	**2,407**	**568**	**3,059**	**677**	**863**	**282**	**7,856**	**7,442**
CASH FLOW STATEMENT							9 months to 30/09/08	9 months to 30/09/07
Capital expenditure, net of disposals	**(188)**	**(7)**	**(364)**	**(109)**	**(627)**	**(32)**	**(1,327)**	**(1,019)**
Net acquisitions of investments in consolidated companies and other investments	**61**	**(8)**	**(78)**	**(7)**		**(138)** (5)	**(170)**	**(1,885)**
OTHER INDICATORS							9 months to 30/09/08	9 months to 30/09/07
EBITDA	**387**	**217**	**822**	**220**	**1,155**	**17**	**2,818**	**2,672**

(*) Proforma, restated for retrospective application of change in accounting policy for retail customer loyalty programme provision, impact on net profit +€9m

(1) Includes contribution from Alstom of €225m (after purchase price allocation adjustments booked at Bouygues group level).

(2) See Note 3 for a breakdown by type of asset.

(3) Goodwill arising on acquisitions made by Bouygues SA is allocated to the acquired business (see note 3.3.2).

(4) Includes €3,785m for Alstom, see note 3.4.

(5) Includes acquisitions of additional shares in Alstom (€113m).

NOTE 14	PRINCIPAL EXCHANGE RATES

Convention : 1 local currency unit = x euros

Country	Currency	Closing rate		Average rate for the period	
		30 September 2008	31 December 2007	2008: 9 months	2007: full year
EUROPE					
Denmark	Danish krone	0.134028	0.134079	0.134088	0.134205
United Kingdom	Pound sterling	1.265342	1.363605	1.274544	1.455005
Hungary	Hungarian forint	0.004118	0.003941	0.004045	0.003978
Poland	Polish zloty	0.294403	0.278280	0.292128	0.264907
Czech Republic	Czech koruna	0.040552	0.037554	0.040150	0.036059
Romania	Romanian leu	0.267287	0.277185	0.273465	0.299315
Switzerland	Swiss franc	0.633955	0.604339	0.623075	0.607576
NORTH AMERICA					
United States	US dollar	0.699154	0.679302	0.655451	0.727786
Canada	Canadian dollar	0.668405	0.692089	0.645527	0.682012
REST OF THE WORLD					
Morocco	Moroccan dirham	0.088511	0.088090	0.087534	0.089048
Thailand	Thai baht	0.020630	0.022831	0.020151	0.022643
Hong Kong	Hong Kong dollar	0.089990	0.087108	0.084101	0.092928
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.084552	0.099703	0.084679	0.103267