BOUYGUES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED 31 MARCH 2010

1 June 2010

CONTENTS

(Figures in millions of euros unless otherwise indicated)

NOTES

Declaration of compliance:

The Bouygues group consolidated financial statements for the three months ended 31 March 2010 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 and applicable as of 31 March 2010. The Bouygues group has not early adopted as of 31 March 2010 any standard or interpretation not endorsed by the European Union.

The financial statements are prepared in millions of euros (unless otherwise indicated) and comprise:

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

The comparatives presented are from the consolidated financial statements for the year ended 31 December 2009.

NOTE 1	SIGNIFICANT EVENTS OF THE PERIOD

1. 1. SCOPE OF CONSOLIDATION AS AT 31 MARCH 2010

1,153 entities were consolidated as at 31 March 2010, against 1,236 as at 31 December 2009. The net reduction mainly relates to Bouygues Construction (construction project joint ventures in particular) and to Bouygues Immobilier (deconsolidation of real estate partnerships and property companies, etc).

Principal acquisitions during the first quarter of 2010:

- **Alstom:**

A) Unwinding of the Alstom Hydro Holding put option

At the end of November 2009, Bouygues exercised the put option over its 50% equity interest in Alstom Hydro Holding, in exchange for 4,400,000 Alstom shares. This transaction was carried out further to the agreements reached with Alstom in 2006 on the creation of this jointly-owned company.

The transaction was approved by the European Commission on 13 January 2010 and completed on 12 March 2010, once final clearance had been obtained from the competition authorities in some of the countries where Alstom Hydro Holding has operations.

This exchange deal raised the percentage interest held in Alstom to 30.8% as at 31 March 2010. The additional acquisition of Alstom shares, valued at €217.5m (based on the average quoted price of Alstom shares on the date of the capital increase), generated additional goodwill of €128m, plus a net gain of €41m recognised in "Other financial income".

B) 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 contribution recognised by the Bouygues group for the first quarter of 2010 was €115m.

Amortisation of fair value remeasurements of identifiable intangible assets and other items had a negative impact of €4m on the Bouygues group consolidated income statement in the period (share attributable to the Bouygues group).

The investment in Alstom continues to be reported under "Investments in associates" in the balance sheet, at a carrying amount of €4,441m (including goodwill of €2,591m).

- **Proposed acquisition of TMC and NT1:**

In June 2009, the TF1 group and Groupe AB signed an agreement under which TF1 was to acquire 40% of TMC and 100% of NT1 for €192m.

The proposed acquisition received clearance from the French Competition Authority on 26 January 2010, and from the CSA (French broadcasting authority) on 23 March 2010.

As at 31 March 2010, the transaction had not yet been finalised.

- **SPS: acquisition by TF1 of the equity interest held by serendipity:**

On 8 March 2010, TF1 completed the buyout of the 50% interest in SPS held by the Serendipity investment fund (proportionately consolidated by the Bouygues group at 50%), for a total of €6.4m (€1.7m in the form of equity instruments, €4.7m via the offset of current account advances). Following this transaction, TF1 holds 100% of the capital of SPS; this entity, which was previously proportionately consolidated by the Bouygues group at 75% (including 25% via Serendipity), is fully consolidated as at 31 March 2010.

In accordance with the revised IFRS 3, the existing equity interest held by the Bouygues group prior to the acquisition of control was remeasured, with the impact of this remeasurement (which was not material) recognised in profit or loss for the period.

1. 2. February 2010 bond issue

In February 2010, Bouygues carried out a €500m bond issue with an issue price of 99.651%, an interest rate of 4% and a maturity of eight years.

This issue is redeemable in full at par on 12 February 2018.

1. 3. Consolidated sales for the three months ended 31 March 2010

Consolidated sales for the three months ended 31 March 2010 were €6,443m, down 2.1% on the first three months of 2009 on a like-for-like basis (2009 first-quarter sales €6,579m, after elimination of sales from the divested Finagestion business – impact -€76m).

1. 4. Significant events and changes in scope of consolidation subsequent to 31 March 2010

None.

NOTE 2	ACCOUNTING POLICIES

2.1. BUSINESS AREAS

The Bouygues group is a diversified industrial group. Its businesses are split into two sectors, and are based in more than 80 countries:

a) Construction:

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

b) Telecoms/Media:

- TF1 (television)
- Bouygues Telecom (mobile/fixed-line telephony)

c) As at 31 March 2010, the Bouygues group also held a 30.8% interest in Alstom (Power and Transport).

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, and take account of the recommendations on presentation (Recommendation 2009-R-03) issued on 2 July 2009 by the French national accounting standard-setter, the CNC (now known as the ANC).

The consolidated financial statements were adopted by the Board of Directors on 1 June 2010.

The consolidated financial statements for the three months ended 31 March 2010 have been prepared in accordance with IFRS 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 31 March 2009 and 31 December 2009.

The Bouygues group has applied the same standards, interpretations and accounting policies for the three months ended 31 March 2010 as those disclosed in its consolidated financial statements for the year ended 31 December 2009, except for new IFRS requirements mandatorily applicable from 1 January 2010 (see below). Consequently, Note 2 to the consolidated financial statements for the three months ended 31 March 2010 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 2009.

- *Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable to periods beginning on or after 1 January 2010:*

  - **Revised IFRS 3 and IAS 27, "Business Combinations"**: Significant revisions that affect the accounting treatment of acquisitions and disposals of entities.

  - **IFRIC 12, "Service Concession Arrangements"**: The Bouygues group already applied IFRIC 12 within the Colas group to the Portsmouth PFI contract, 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 within Cofiroute (accounted for by the equity method as an associate).

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

  - **IFRIC 15, "Agreements for the Construction of Real Estate**": This interpretation does not materially change the profit recognition policies currently used for the Bouygues group's property development activities.

  - Application of these new standards, amendments and interpretations has not had a material impact on the financial statements for the three months ended 31 March 2010.

- Bouygues has not early adopted any standards, amendments and interpretations as of 31 March 2010.

- *Other key standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union:*

  - **Revised IAS 24**, "Related Party Disclosures" (1 January 2011);

  - **IFRIC 19**, "Extinguishing Financial Liabilities with Equity Instruments".

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

  Preparing financial statements to comply with IFRS standards and interpretations 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 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 the impairment testing of goodwill, share-based payment (stock options), employee benefits (lump-sum retirement benefits, etc), the fair value of unlisted financial instruments, deferred tax assets, and provisions.

  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.

Goodwill is tested annually for impairment at the end of the financial year, or during the year if there is evidence of impairment, to ensure that the Group's share of the recoverable amount of the goodwill is greater than its carrying amount in the consolidated financial statements. If it is not, a provision for impairment may be recorded in accordance with IAS 36.

Note 3 to the consolidated financial statements includes a table showing the consolidated carrying amount of listed shares held by Bouygues (TF1, Alstom, Colas) relative to the closing quoted share price at 31 March 2010. As of that date, there were no material events that might call into question the carrying amount of these shares.

- **Change of accounting policy**

Bouygues has made no material changes in accounting policy during 2010 to date apart from those arising from IFRS changes mandatorily applicable from 1 January 2010, as indicated earlier in note 2.2.

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 large 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 companies.

- 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 30.8% 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:**

	MARCH 2010	DECEMBER 2009
Fully consolidated	**876**	**903**
Proportionately consolidated	**215**	**272**
Equity method	**62**	**61**
	1,153	**1,236**

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

2. 4. BUSINESS COMBINATIONS

With effect from 1 January 2010, business combinations have been accounted for in accordance with the revised IFRS 3 and IAS 27, which use the concept of “obtaining control” in determining the accounting treatment to be applied to acquisitions or disposals of equity interests; depending on the circumstances, the impacts of such acquisitions and disposals are recognised either in consolidated profit or loss or in equity.

The acquisition cost of a business combination is allocated to the identifiable assets and liabilities of the acquiree, measured at fair value at the acquisition date. These identifiable assets and liabilities are presented in the balance sheet using the full fair value method in accordance with IFRS 3. This method involves remeasuring the assets and liabilities acquired at fair value in full (including minority interests), rather than remeasuring just the percentage interest acquired.

Goodwill recognised prior to 1 January 2004 continues to be measured using the partial fair value method. This method involves restricting the fair value remeasurement of identifiable items to the percentage interest acquired. Subsequent to this date, minority interests in these items have been measured under IFRS at the carrying amount of consolidated assets and liabilities as shown in the balance sheet of the acquired entity. The revised standards allow the acquirer to elect to account for each new business combination on either a full goodwill basis or a partial goodwill basis.

Fair value is the amount for which an asset or cash generating unit (CGU) could be sold between knowledgeable, willing parties in an arm’s length transaction. Goodwill represents the excess of acquisition cost over the acquirer’s interest in the fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities that can be reliably measured at the acquisition date; it is allocated to the CGU (which within the Bouygues group equates to the business segment) benefiting from the business combination.

The main initial allocations of acquisition cost to identifiable assets and liabilities may be adjusted within the twelve months following the acquisition date, after which they may no longer be adjusted.

Negative goodwill is taken to the income statement in the period in which the acquisition is made.

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described under “Impairment testing of non-current assets” in the consolidated financial statements for the year ended 31 December 2009, in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

Additional acquisitions of minority interests and partial disposals are accounted for in accordance with the revised IFRS 3 (as described above), by reference to the obtaining or loss of control.

2. 5. Foreign currency translation

2. 5. 1. Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated into euros at the average exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the closing exchange rate. Translation differences are recognised as income or expenses in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and accounted for at historical cost are translated using the exchange rate on the date of the transaction.

2. 5. 2. Financial statements of foreign entities

All assets and liabilities of consolidated entities with a functional currency other than the euro are translated at the closing exchange rate. Income and expenses are translated at the average exchange rate for the period. Translation differences arising from this treatment, and arising from the retranslation of a subsidiary's opening shareholders' equity at the closing exchange rate, are taken to the translation reserve (which is a component of consolidated shareholders' equity). Translation differences arising on the net investment in foreign subsidiaries and associates are recognised in shareholders' equity.

2. 6. Assessment of income taxes

- Income tax expense recognised by consolidated companies for the three months ended 31 March 2010 is assessed in accordance with IAS 34: income taxes for interim periods are recognised on the basis of the best estimate of the average annual effective income tax rate for the financial year (except in the case of holding companies, which recognise income taxes on the basis of the actual tax position at the end of the quarter).
- Deferred taxation is recognised on differences between the carrying amounts and tax bases of assets and liabilities, and arises as a result of:
  - Temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
    - . items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods; or
    - . items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes.
  - Tax losses available for carry-forward (deferred tax assets), provided that there is a genuine probability of recovery in future periods.

  Deferred taxes are measured using known applicable tax rates for the relevant country as at the balance sheet date.

  Deferred taxes are not discounted.

  Deferred tax assets are included in non-current assets.

2. 7. Cash flow statement

The cash flow statement is presented in accordance with IAS 7 and with Recommendation 2009-R-03 issued on 2 July 2009 by the French national accounting standard-setter, the CNC (now known as the ANC).

The net profit of consolidated entities is adjusted to eliminate the impact of transactions with no cash effect, and of income and expenses related to investing or financing activities.

- Cash flow:

  Cash flow is defined as:

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

  The cash flow statement explains changes in the Group's net cash position, which is defined as the net total of the following balance sheet items:

  - cash and equivalents;
  - overdrafts and short-term bank borrowings.

2. 8. Financial indicators

Definitions of the principal financial indicators:

2. 8. 1. EBITDA

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. 8. 2. Free cash flow

Net cash flow (i.e. cash flow as defined in note 2.7 above, minus cost of net debt and net income tax expense), minus net capital expenditure for the period.

2. 8. 3. Net debt

This represents the aggregate of:

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

2. 9. Statement of recognised income and expense

The Bouygues group presents a statement of recognised income and expense, disclosing a comparative net profit figure on the line "Total recognised income and expense" which includes income and expenses recognised directly in equity.

2. 10. Comparability of the financial statements

Changes in the scope of consolidation during the year to date have no material impact on the financial statements for the three months ended 31 March 2010 as presented, and do not impair comparability with the first quarter of the previous year.

NOTE 3 - NON-CURRENT ASSETS 18,136

3.1. ACQUISITIONS OF NON-CURRENT ASSETS DURING THE PERIOD, NET OF DISPOSALS 218

Period ended:	31 March 2010	31 March 2009
Acquisitions of property, plant and equipment	183	244
Acquisitions of intangible assets	32	39
Capital expenditure	**215**	**283**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies, other long-term investments)	239	32
Acquisitions of non-current assets	**454**	**315**
Disposals of non-current assets	(236)	(56)
Acquisitions of non-current assets, net of disposals	**218**	**259**

3.2. PROPERTY, PLANT AND EQUIPMENT 5,903

Carrying amount	Land and buildings [a]	Industrial plant and equipment	Other property, plant and equipment	Property, plant & equipment under construction and advance payments	Total
31 March 2010	**1,258**	**3,497**	**744**	**404**	**5,903**
of which finance leases	15	41	9		**65**
31 December 2009	**1,239**	**3,562**	**756**	**370**	**5,927**
of which finance leases	15	42	11		**68**

[a]Includes land and quarries: €693m, versus €681m at 31 December 2009

Analyses by business segment of the carrying amount of property, plant and equipment, and of acquisitions of property, plant and equipment and intangible assets (net of disposals), are provided in note 15, "Segment Information".

3.3. INTANGIBLE ASSETS 990

Carrying amount	Concessions, patents and similar rights [a]	Other intangible assets [b]	Total
31 March 2010	**702**	**288**	**990**
31 December 2009	**716**	**272**	**988**

[a]This item mainly relates to software and licences held by Bouygues Telecom.

[b]Includes €135m for Bouygues Telecom (of which leasehold rights: €85m), and €106m for TF1, vs. €112m at 31 December 2009 (mainly audiovisual rights)

3.4. GOODWILL 5,177

3.4.1. Movement in the carrying amount of goodwill during the period

(excluding goodwill on associates: see note 3.6)

	Gross value	Impairment	Carrying amount
31 December 2009	**5,190**	**(34)**	**5,156**
Acquisitions, remeasurements and other movements	8	3	11
Translation effects	11		11
Charges during the period		(1)	(1)
31 March 2010	**5,209**	**(32)**	**5,177**

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

Segment	31 March 2010		31 December 2009	
	Total	% Bouygues	Total	% Bouygues
Bouygues Construction (subsidiaries)	332	99.97%	326	99.97%
Colas[a]	1,090	96.62%	1,086	96.62%
TF1[a]	1,102	43.02%	1,091	43.02%
Bouygues Telecom	2,651	89.55%	2,651	89.55%
Other	2		2	
TOTAL	**5,177** [b]		**5,156**	

[a]Includes goodwill generated by the segment on acquisitions of subsidiaries.
[b]See Note 2 for a description of impairment testing methods.

3.5. CONSOLIDATED CARRYING AMOUNT OF LISTED SHARES (€)

	Consolidated carrying amount per share at 31 March 2010	Closing market price per share at 31 March 2010
TF1	12.54	13.74
Colas	84.30	183.20
Alstom	48.43	46.17

3.6. INVESTMENTS IN ASSOCIATES 5,346

	Carrying amount
31 December 2009	**4,957**
Translation effects	27
New equity investments and capital increases	218[a]
Share of net profit/(loss) for the period	121[b]
Payment of dividends	(4)
Other movements	27
31 March 2010	**5,346**[c]

[a]Including €217m for acquisitions of Alstom shares in exchange for Alstom Hydro Holding shares (see note 1)
[b]Including €111m (net) for Alstom and €9m for Cofiroute
[c]Including €4,441m for Alstom (goodwill: €2,591m) and €478m for Cofiroute (Colas)

3.7. OTHER NON-CURRENT ASSETS/DEFERRED TAX ASSETS 416 / 304

Carrying amount	Investments in non-consolidated companies	Other non-current assets	Total	Non-current tax assets[a]
31 March 2010	**160**	**256**	**416**	**304**
31 December 2009	**141**	**258**	**399**	**273**

[a]See note 7 for details.

NOTE 4 - CURRENT ASSETS 16,057

4.1. INVENTORIES 2,680

	31 March 2010 Gross value	Impairment	Carrying amount	31 December 2009 Carrying amount
Property development inventories	**1,429**	**(118)**	**1,311**	**1,366**
Raw materials and finished goods inventories	**828**	**(33)**	**795**	**725**
Programmes and broadcasting rights (TF1)	**725**	**(151)**	**574**	**589**
Total	**2,982**	**(302)** [a]	**2,680**	**2,680**

[a]Includes €4m for reversals of unused impairment provisions

4.2. ADVANCES AND DOWN-PAYMENTS ON ORDERS 436

	31 March 2010 Gross value	Impairment	Carrying amount	31 December 2009 Carrying amount
Advances and down-payments on orders	**457**	**(21)**	**436** [a]	**400**

[a]Includes €283m of advance payments for sport, feature film and TV series transmission rights (TF1)

4.3. TRADE RECEIVABLES, TAX ASSETS AND OTHER RECEIVABLES 7,890

	31 March 2010 Gross value	Impairment	Carrying amount	31 December 2009 Carrying amount
Trade receivables	6,122	(380)	5,742	6,132
Current tax assets receivable	122	(2)	120	71
Other receivables and prepaid expenses	2,176	(148)	2,028 [a]	2,017
Total	**8,420**	**(530)** [b]	**7,890**	**8,220**

[a]Includes €1,113m receivable from governmental and other local authorities (versus €1,204m at 31 December 2009)
[b]Includes €24m for reversals of unused impairment provisions

4.4. CASH AND EQUIVALENTS 5,008

	31 March 2010 Gross value	Impairment	Carrying amount	31 December 2009 Carrying amount
Cash	1,631		1,631	1,690
Cash equivalents	3,381	(4)	3,377	3,023
Total	**5,012**	**(4)**	**5,008**	**4,713**

4.5. OTHER CURRENT FINANCIAL ASSETS 43

	31 March 2010	31 December 2009
Financial instruments used to hedge financial liabilities	12	21
Other financial assets (financial assets due within < 1 year, financial instruments related to working capital items, etc)	31 [a]	201
Total	**43**	**222**

[a]2010: reduction mainly due to the exchange of the interest in Alstom Hydro Holding: -€175m

NOTE 5 CONSOLIDATED EQUITY

5.1. Share capital of Bouygues SA (€) €354,576,509

As at 31 March 2010, the share capital of Bouygues SA consisted of 354,576,509 shares with a par value of €1. Movements during the period were as follows:

	31 December 2009	Movements during the period Reductions	Increases	31 March 2010
Shares	**354,267,911**		308,598	**354,576,509**
Number of shares	**354,267,911**		**308,598**	**354,576,509**
Par value	**€1**			**€1**
Share capital (€)	**354,267,911**		**308,598**	**354,576,509**

5.2. Equity attributable to the Group and to minority interests as at 31 March 2010

	Share capital	Share premium	Reserves related to capital	Consolidated reserves and profit for the period	Recognised income and expense	Other items recognised directly in equity	Total 31 March 2010
Attributable to the Group	355	2,075	805	5,689	(61)	(3)	**8,860**
Minority interests				1,218	1		**1,219**
Total equity	**355**	**2,075**	**805**	**6,907**	**(60)** [a]	**(3)**	**10,079**

[a]Cumulative balance of items recognised directly in equity as at 31 March 2010, including €94m recognised in the first quarter of 2010 (see below)

5.3. Analysis of recognised income and expense

	1 January 2010	Movements in the period [a]	31 March 2010
Total attributable to the Group	**(150)**	**89**	**(61)**
Other income and expenses attributable to minority interests	**(4)**	**5**	**1**
Total attributable to the Group + minority interests (a)	**(154)**	**94**	**(60)**

[a]See the statement of recognised income and expense included in the financial statements.

5.3.1. - Translation reserve (portion attributable to the Group) 11

Principal translation differences arising during the period on Group companies reporting in:

	1 January 2010	Movements in the period	31 March 2010
US dollar	**(34)**	20	**(14)**
Canadian dollar	**7**	25	**32**
Pound sterling	**(13)**	(1)	**(14)**
South African rand	**(17)**	(14)	**(31)**
Other currencies	**1**	37 [a]	**38**
Total	**(56)**	**67**	**11** [b]

[a]Includes €27m of translation differences on associates
[b]Includes cumulative translation differences of €16m on associates

5.3.2. - Fair value remeasurement reserve (portion attributable to the Group) 33

	1 January 2010	Movements in the period	31 March 2010
Changes in fair value of hedging instruments and other financial assets	**32**	1	**33**
Total	**32**	**1**	**33**

Reserve arising on the remeasurement at fair value of hedging instruments and available-for-sale financial assets; mainly relates to currency hedging instruments and to the fair value of financial instruments.

5.3.3. - Other recognised income and expense (primarily share attributable to associates) (105)

	1 January 2010	Movements in the period	31 March 2010
Other recognised income and expense	**(126)**	21	**(105)**
Total	**(126)**	**21**	**(105)**

5.4. Analysis of "Other transactions with shareholders" 6

Share-based payment (IFRS 2), primarily Bouygues SA stock option plans: - impacts on consolidated equity (matching entry for the expense recognised in profit or loss)	**7**
Other movements	**(1)**

NOTE 6 - NON-CURRENT AND CURRENT PROVISIONS

6.1. NON-CURRENT PROVISIONS — 1,748

	Long-term employee benefits [a]	Litigation and claims [b]	Guarantees given [c]	Other non-current provisions [d]	Total
1 January 2010	**455**	**343**	**368**	**561**	**1,727**
Translation adjustments			2	3	**5**
Changes in scope of consolidation	(1)	(1)		1	**(1)**
Charges to provisions	12	30	21	17	**80**
Reversals of provisions (used and unused)	(9)	(25)	(19)	(16)	**(69)**
Actuarial gains and losses	2				**2**
Transfers between items & other movements		1		3	**4**
31 March 2010	**459**	**348**	**372**	**569**	**1,748**

[a]**Long-term employee benefits**	**459**
• Lump-sum retirement benefits and long-service awards	420
• Other long-term employee benefits	39

NB: The Bouygues group makes only limited use of defined-benefit plans, in France and other countries (Colas/USA-UK, etc)

[b]**Litigation and claims**	**348**
• Provisions for customer disputes	193
• Provisions for subcontractor claims	35
• Other litigation and claims	120
[c]**Guarantees given**	**372**
• Provisions for customer warranties	262
• Provisions for additional building and civil works guarantees	110
[d]**Other non-current provisions**	**569**
• Provisions for risks related to official inspections and to subsidiaries and other affiliates	167
• Provisions for site remediation costs	178
• Other non-current provisions	224

[e]**Of which reversals of unused provisions**: -€24m

6.2. CURRENT PROVISIONS — 807

- Provisions related to the operating cycle

	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for expected losses to completion [a]	Other current provisions [b]	Total
1 January 2010	**59**	**253**	**234**	**285**	**831**
Translation adjustments		4	7	5	**16**
Changes in scope of consolidation		(3)		(6)	**(9)**
Charges to provisions	3	25	62	22	**112**
Reversals of provisions (used and unused)	(3)	(38)	(63)	(41)	**(145)** [e]
Transfers between items & other movements		1		1	**2**
31 March 2010	**59**	**242**	**240**	**266**	**807**

[a]**Provisions for expected losses to completion** relate to the Construction segment: Bouygues Construction, Bouygues Immobilier and Colas. (Individual project provisions are not disclosed for confidentiality reasons.)

[b]**The main items included in "Other current provisions"** are reinsurance costs, site remediation costs, rent guarantees (Bouygues Immobilier), film co-financing (TF1), customer claims and vendor's liability guarantee (TF1), and the business customer loyalty programme provision (Bouygues Telecom).

[e]**Of which reversals of unused provisions**: -€36m

NOTE 7 - NON-CURRENT TAX ASSETS AND LIABILITIES

304 / 91

7.1. NON-CURRENT TAX ASSETS

Analysis by segment:

	31 December 2009	Movement during the period	31 March 2010
Deferred tax assets	273	31	**304**
Bouygues Construction	90	(6)	**84**
Bouygues Immobilier	42	0	**42**
Colas	102	13	**115** [a]
TF1	12	(3)	**9**
Bouygues Telecom	19	(5)	**14**
Bouygues SA and other activities	8	32	**40** [b]
Other non-current tax assets	0	0	**0**
Total non-current tax assets	**273**	**31**	**304**

[a] Primarily, deferred tax assets on temporary tax losses during the period

[b] Bouygues SA: mainly relates to tax losses (group tax election)

7.2. NON-CURRENT TAX LIABILITIES

	31 December 2009	Movement during the period	31 March 2010
Deferred tax liabilities	89	2	**91** [a]
Other non-current tax liabilities	0	0	**0**
Total non-current tax liabilities	**89**	**2**	**91**

[a] Primarily Colas: €84m

NOTE 8 - NON-CURRENT AND CURRENT DEBT   6,155 / 1,558

8.1. BREAKDOWN OF DEBT BY MATURITY

	Current debt (less than 1 year)				Non-current debt							Total non-current debt
	Accrued interest	1 to 3 mths	4 to 12 mths	Total	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 years or more	Total 31 Mar. 2010	31 Dec. 2009
Bond issues	187		1248	**1,435**			1,150	993	998	2,675	**5,816**	6,065
Bank borrowings		8	74	**82**	33	56	13	12	11	119	**244**	284
Finance leases		4	14	**18**	20	13	8	5	1	1	**48**	40
Other debt		5	18	**23**	9	12	2	2	2	20	**47**	45
Total debt: 31 March 2010	**187**	**17**	**1,354**	**1,558**	**62**	**81**	**1,173**	**1,012**	**1,012**	**2,815**	**6,155**	**6,434**
Total debt: 31 December 2009	**143**	**13**	**570**	**726**	**848**	**93**	**1,171**	**1,009**	**1,008**	**2,305**		**6,434**

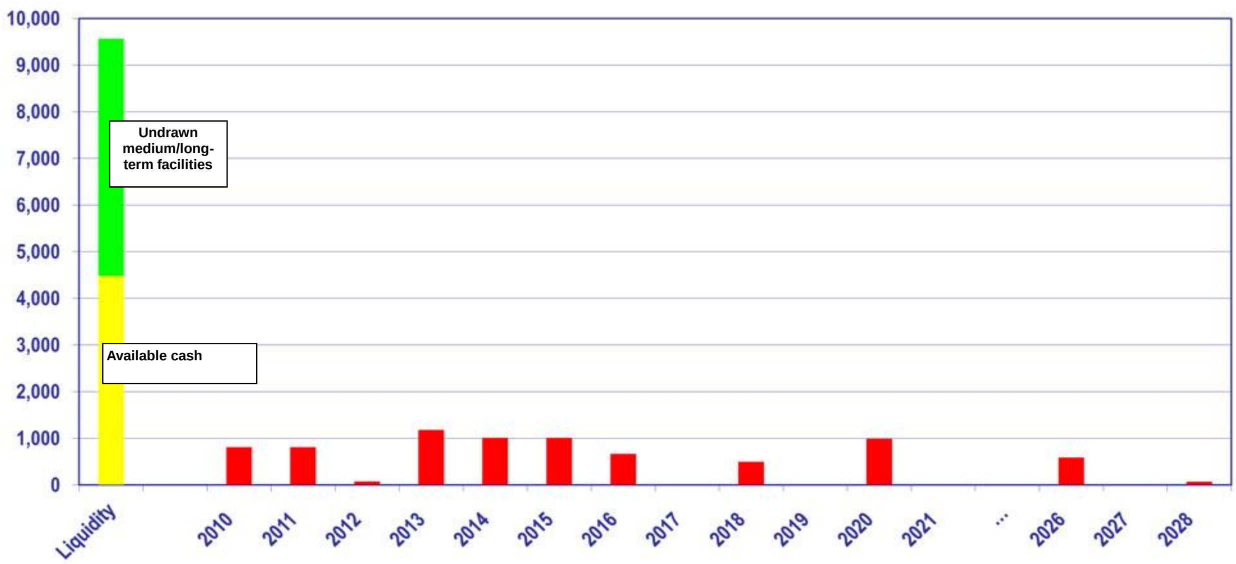
8.2. COVENANTS AND TRIGGER EVENTS

The bond issues maturing in 2013, 2015, 2016, 2018 and 2026 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.

8.3. LIQUIDITY AS AT 31 MARCH 2010

As at 31 March 2010, available cash stood at €4,483m (including -€11m of financial instruments contracted to hedge net debt).
The Group also had €5,083m of undrawn confirmed medium/long-term credit facilities as at the same date.



NOTE 9 - MAIN COMPONENTS OF CHANGE IN NET DEBT (3,230)

9.1. CHANGE IN NET DEBT

	31 December 2009	Movement during the period	31 March 2010
Cash and equivalents	4,713	295	**5,008**
Overdrafts and short-term bank borrowings	(258)	(256)	**(514)**
Net cash and equivalents	**4,455**	**39** [a]	**4,494**
Non-current debt	(6,434)	279 [b]	**(6,155)**
Current debt	(726)	(832) [c]	**(1,558)**
Financial instruments, net	1	(12)	**(11)**
Total debt	**(7,159)**	**(565)**	**(7,724)**
Net debt	**(2,704)**	**(526)**	**(3,230)**

[a] Cash flows as analysed in the cash flow statement for the period
[b] Bouygues SA: includes -€500m for the new bond issue, and +€750m for reclassification of the bond issue maturing 2011 to current
[c] Includes -€750m for reclassification of the Bouygues SA bond issue maturing 2011 from non-current

9.2. NET DEBT: PRINCIPAL TRANSACTIONS DURING THE PERIOD

Consolidated net debt at 31 December 2009	**(2,704)**
Bouygues SA capital increase and other equity transactions	**49**
Acquisitions/disposals of financial assets, net	**(18)**
Other financial transactions	**4**
Changes in working capital at business segment level and other items	**(561)**
Consolidated net debt at 31 March 2010	**(3,230)**

NOTE 10 - CURRENT LIABILITIES 16,120

Analysis of current liabilities:

	31 March 2010	31 December 2009
Advances and down-payments received	1,345	1,276
Current debt [a]	1,558	726
Current tax liabilities	105	132
Trade payables	5,747	6,479
Current provisions [b]	807	831
Other current liabilities		
Other operating payables (employees, social security, government)	2,373	2,457
Deferred income	1,953	1,934
Unrealised foreign exchange gains	1	1
Other non-financial liabilities	1,669	1,827
Overdrafts and short-term bank borrowings	514	258
Financial instruments	23	20
Other current financial liabilities	25	18
Total	16,120	15,959

[a]See analysis in note 8, "Non-current and current debt".

[b]See analysis in note 6.2.

NOTE 11 - ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

11.1. ANALYSIS BY ACCOUNTING CLASSIFICATION

	First quarter	
	2010	2009
Sales of goods	468	488
Sales of services	2,911	2,847
Construction contracts	3,064	3,244
Sales	**6,443**	**6,579**
Other revenues from operations	29	45
Total	**6,472**	**6,624**

11.2. CONTRIBUTION OF BUSINESS SEGMENTS TO CONSOLIDATED SALES

BUSINESS SEGMENT	2010 first-quarter sales				2009 first-quarter sales			
	France	International	Total	%	France	International	Total	%
Construction	1,080	994	2,074	32	1,194	996	2,190	33
Property	579	41	620	10	588	37	625	10
Roads	1,199	616	1,815	28	1,268	688	1,956	30
Media	504	88	592	9	462	74	536	8
Telecoms	1,337		1,337	21	1,268		1,268	19
Bouygues SA & other activities	3	2	5		3	1	4	
Consolidated sales	**4,702**	**1,741**	**6,443**	**100**	**4,783**	**1,796**	**6,579**	**100**
% year-on-year change	**-2%**	**-3%**	**-2%**					

11.3. ANALYSIS OF SALES BY GEOGRAPHICAL AREA

GEOGRAPHICAL AREA	2010 first-quarter sales		2009 first-quarter sales	
	Total	%	Total	%
France	4,702	73	4,783	73
European Union	643	10	685	10
Other European countries	250	4	211	3
Africa	308	5	310	5
Middle East	28		70	1
United States and Canada	138	2	169	3
Central and South America	42	1	54	1
Asia-Pacific	293	5	265	4
Oceania	39		32	
Total	**6,443**	**100**	**6,579**	**100**

NOTE 12 - OPERATING PROFIT 162

See note 15 for an analysis of operating profit by business segment.

		First quarter 2010	First quarter 2009	
Sales		6,443	6,579	See analysis in note 10
Other revenue from operations		29	45	
Purchases used in production and external charges		(4,273)	(4,491)	
Taxes other than income tax		(156)	(176)	
Personnel costs		(1,568)	(1,592)	
Net depreciation, amortisation, provisions and impairment losses		(369)	(356)	
- Depreciation and amortisation expense	*	(305)	(295)	
- Net charges to provisions and impairment losses	*	(64) [a]	(61)	
Changes in production and property development inventories		(55)	11	
Other income from operations		280	308	
- Reversals of unused provisions and other items	*	97	47	
- Other miscellaneous income		183 [b]	261	
Other expenses on operations		(169)	(163)	
Current operating profit	*	**162**	**165**	(2)%
Other operating income and expenses		None		
Operating profit		**162**	**165**	

* Components included in determining EBITDA
See note 15 for an analysis by business segment.

[a] Includes -€51m for Bouygues Construction, and -€7m for Colas.

[b] Includes +€9m for the remeasurement (under the revised IFRS 3) of the previously-held equity interest in SPS (75% held by the Bouygues group) following the obtaining of control over SPS

NOTE 13 - COST OF NET DEBT AND OTHER FINANCIAL INCOME AND EXPENSES (82) 33

13.1. ANALYSIS OF COST OF NET DEBT

	1st quarter	
	2010	2009
Financial expenses	(95)	(113)
Financial income	13	28
Including:		
Finance leases	(1)	(1)
Financial instruments	(8)	3
Total	**(82)**	**(85)**

See note 15 (Segment Information) for a breakdown by business segment for the period.

13.2. OTHER FINANCIAL INCOME AND EXPENSES

	1st quarter	
	2010	2009
Other financial income	62[a]	21
Other financial expenses	(29)	(22)
Financial income/(expense), net	**33**	**(1)**

[a]Includes a €42m gain on the exchange of Alstom Hydro Holding shares (see note 1 for details).

"Other financial income and expenses" include interest paid to investors on calls for funds (commercial property), commitment fees, and fair value remeasurements of "Other current financial assets and other items".

NOTE 14 - INCOME TAX EXPENSE (24)

ANALYSIS OF INCOME TAX EXPENSE

	First quarter of 2010			First quarter of 2009		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(61)	7	(54)	(62)	6	(56)
Change in deferred tax liabilities	1	1	2	1	3	4
Change in deferred tax assets	27	1	28	35	6	41
Total	**(33)**	**9**	**(24)**	**(26)**	**15**	**(11)**
Effective tax rate			**21%**			**13%**

Effective tax rate of 21%, versus 31% for the year ended 31 December 2009; the difference is mainly due to the fact that the €42m gain on the Alstom Hydro Holding exchange was taxed at 1.72%, plus the effects of permanent differences and of tax credits (such as research credits).

The difference relative to the first quarter of 2009 (21% versus 13%) is mainly due to differences in tax rates (such as reduced-rate taxes on long-term capital gains and foreign taxes).

NOTE 15 - SEGMENT INFORMATION

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

ANALYSIS BY BUSINESS SEGMENT: THREE MONTHS ENDED 31 MARCH 2010

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL	TOTAL
INCOME STATEMENT							1st quarter 2010	1st quarter 2009
Total sales	2,161	624	1,828	597	1,340	38	6,588	6,741
Inter-segment sales	(87)	(4)	(13)	(5)	(3)	(33)	(145)	(162)
Third-party sales	2,074	620	1,815	592	1,337	5	6,443	6,579
Operating profit/(loss)	76	56	(202)	44	197	(9)	162	165
Cost of net debt	4	(1)	(6)	(5)	(2)	(72)	(82)	(85)
Income tax expense	(34)	(17)	66	(11)	(66)	38	(24)	(11)
Share of profits/(losses) of associates			11	4		106[a]	121	106
Net profit attributable to the Group	47	30	(125)	14	115	100	181	159
BALANCE SHEET							31/03/2010	31/12/2009
Property, plant and equipment[b]	423	15	2,327	191	2,685	262	5,903	5,927
Intangible assets	73	3	59	133	721	1	990	988
Goodwill[c]	332		1,090	1,102	2,651	2	5,177	5,156
Investments in associates	72		536	279	1	4,458[d]	5,346	4,957
Trade receivables	1,881	96	2,456	559	746	4	5,742	6,132
Cash and equivalents	629	48	330	128	7	3,866	5,008	4,713
Non-current debt	337	50	210	12	240	5,306	6,155	6,434
Non-current provisions	749	84	673	45	167	30	1,748	1,727
Current debt	4	58	41	509	18	928	1,558	726
Trade payables	2,156	325	1,622	703	931	10	5,747	6,479
CASH FLOW STATEMENT							1st quarter 2010	1st quarter 2009
Acquisitions of property, plant & equipment and intangible assets, net of disposals	(61)	(1)	(33)	(14)	(90)	(1)	(200)	(258)
Acquisitions of investments in consolidated companies and other investments, net of disposals	(1)	(7)	(9)	(1)			(18)	(1)
OTHER FINANCIAL INDICATORS							1st quarter 2010	1st quarter 2009
EBITDA	113	47	(129)	58	357	(12)	434	474

[a]Includes Alstom's net profit contribution to Bouygues: €111m.

[b]See note 3 for a breakdown by type of asset.

[c]Goodwill arising on acquisitions made by Bouygues SA is allocated to the acquired business (see note 3.4.).

[d]Includes €4,441m for Alstom, see note 3.6.

NOTE 16 - RELATED-PARTY INFORMATION

	Expenses	Income	Receivables	Liabilities
	1st quarter 2010	1st quarter 2010	31 March 2010	31 March 2010
Parties with an ownership interest (SCDM)	0	0		1
Joint ventures	6	33	183	78
Associates	3	17	58	20
Other related parties	13	3	78	75
Total	**22**	**53**	**319**	**174**
Maturity				
less than 1 year			279	174
1 to 5 years			16	
more than 5 years			24	
of which impairment of doubtful receivables (primarily non-consolidated entities and Bouygues Construction associates)			76	

NOTE 17 - PRINCIPAL EXCHANGE RATES

Convention: 1 local currency unit = x euros

Country	Currency	Closing euro exchange rate[1]		Average rate for the period[2]	
		31 March 2010	31 December 2009	1st quarter 2010	Full year 2009
EUROPE					
Denmark	Danish krone	0.134324	0.134376	0.134338	0.134299
United Kingdom	Pound sterling	1.123848	1.125999	1.132481	1.123622
Hungary	Hungarian forint	0.003763	0.003698	0.003718	0.003553
Poland	Polish zloty	0.258578	0.243635	0.252453	0.230048
Czech Republic	Czech koruna	0.039308	0.037774	0.038643	0.037742
Romania	Romanian leu	0.244081	0.236055	0.243566	0.235754
Switzerland	Swiss franc	0.700476	0.674036	0.688452	0.663291
NORTH AMERICA					
United States	US dollar	0.741895	0.694155	0.731440	0.716174
Canada	Canadian dollar	0.730620	0.661026	0.698243	0.632161
REST OF THE WORLD					
Morocco	Moroccan dirham	0.089322	0.088464	0.089149	0.088884
Thailand	Thai baht	0.022937	0.020839	0.022255	0.020901
Hong Kong	Hong Kong dollar	0.095554	0.089518	0.094204	0.092393
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.101090	0.093756	0.096876	0.086801

[1] Translation of balance sheet items

[2] Translation of income statement items