NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

August 31, 2010

CONTENTS

(Figures in millions of euros unless otherwise indicated)

NOTES

Declaration of compliance:

The Bouygues group condensed consolidated financial statements for the six months ended 30 June 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 30 June 2010. The Bouygues group has not early adopted as of 30 June 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 and for the six months ended 30 June 2009.

NOTE 1	SIGNIFICANT EVENTS OF THE PERIOD

1. 1. SCOPE OF CONSOLIDATION AS AT 30 JUNE 2010

1,170 entities were consolidated at 30 June 2010, against 1,236 at end-2009. The net reduction mainly relates to Bouygues Construction (primarily new joint ventures) and to Bouygues Immobilier (deconsolidation of real estate partnerships and property companies on project completion, etc).

The main acquisitions and other transactions during the period are described below:

- Alstom:

  A) Unwinding of the Alstom Hydro Holding put option:

  In 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%. In accounting terms, 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) As of 30 June 2010, 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 estimated net profit contribution recognised by the Bouygues group for the first half of 2010 was €216m.

  Amortisation of fair value remeasurements of identifiable intangible assets and other items had a negative impact of €8m on the Bouygues group consolidated income statement in the period (share attributable to the Bouygues group).

  The investment in Alstom is reported under “Investments in associates” in the balance sheet, at a carrying amount of €4,425m (including goodwill of €2,592m).

- ACQUISITION OF CONTROL OVER THE TMC AND NT1 CHANNELS

On 11 June 2010, TF1 and Groupe AB finalised the implementation of the agreement signed on 10 June 2009, as a result of which TF1 acquired from the other Groupe AB shareholders, for a total of €198m (including a contingent purchase consideration of €6m currently under review), their remaining 66.5% stake:

- in Groupe AB’s 40% interest in the capital of TMC, raising TF1’s overall interest in TMC to 80%;
- in the capital of NT1, raising TF1’s interest to 100%.

TF1 has retained the same interest in the other activities of Groupe AB (33.5%) as it held prior to this transaction. The Groupe AB management team has been granted a call option over this interest, exercisable at any time during a two-year period starting 11 June 2010 at a price of €155m.

Given the proximity of the closing date to the balance sheet date (30 June 2010), the TF1 group was unable to complete the customary due diligence on the financial statements of the acquired entities required for them to be incorporated into the consolidated financial statements as at 30 June 2010, even on a provisional basis.

The purchase price determination and allocation process (and in particular the calculation of goodwill and the remeasurement of the previously-held equity interests) are expected to have been finalised by the time the financial statements as at 30 September 2010 are prepared. TMC and NT1 will be consolidated from 1 July 2010.

Consequently, these acquisitions are reported on a provisional basis as of 30 June 2010, as described below:

The carrying amount of TF1's equity interest in Groupe AB, which stood at €264m prior to completion of the additional acquisition in June 2010, has been split into two components:

1. The TF1 group's retained interest in the activities of Groupe AB other than TMC and NT1 is accounted for by the equity method and reported in "Investments in associates" in the balance sheet at a value of €155m.

2. The balance of €109m plus the €198m purchase price paid on closing of the transaction, ie a total of €307m, is reported in "Non-current financial assets". This represents the total investment made to acquire 40% of the capital of TMC and 100% of the capital of NT1.

- ACQUISITION OF SRD:

  On 30 June 2010, Colas acquired SRD, a bitumen production facility at Dunkirk (France), for €20.5m. Only the balance sheet prepared as of the acquisition date has been included in the Bouygues group consolidated financial statements for the six months ended 30 June 2010.

- SPS: ACQUISITION BY TF1 OF THE INTEREST HELD BY SERENDIPITY.

  In March 2010, TF1 completed the buyout of the 50% interest in SPS held by the Serendipity investment fund for a total of €6.4m. Following this transaction, TF1 holds 100% of the capital of SPS; this entity, previously proportionately consolidated by the Bouygues group at 75%, is fully consolidated as at 30 June 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 8 years.

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

1. 3. CONSOLIDATED SALES FOR THE SIX MONTHS ENDED 30 JUNE 2010

Consolidated sales for the six months ended 30 June 2010 were €14,655m, down 0.9% on the first six months of 2009 on a like-for-like basis (2009 first-half sales €14,790m, after elimination of sales from the divested Finagestion business).

1. 4. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 30 JUNE 2010

None

NOTE 2	ACCOUNTING POLICIES

2.1. BUSINESS AREAS

The Bouygues group is a diversified industrial group, with operations in more than 80 countries. Its businesses 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/fixed-line telephony, TV, internet)

c) As at 30 June 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 Conseil National de la Comptabilité – CNC (now called Autorité des Normes Comptables – ANC) the French national accounting standard-setter.

The consolidated financial statements were adopted by the Board of Directors on 31 August 2010.

The condensed consolidated financial statements for the six months ended 30 June 2010 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 June 2009 and 31 December 2009.

The Bouygues group has applied the same standards, interpretations and accounting policies for the six months ended 30 June 2010 as those disclosed in its consolidated financial statements for the year ended 31 December 2009, except for new IFRS requirements applicable from 1 January 2010 (see below). Consequently, Note 2 to the consolidated financial statements for the six months ended 30 June 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 balance sheet of the Bouygues group as at 30 June 2010, or on its income statement for the six months then ended.

- Bouygues has not early adopted any standards, amendments and interpretations as of 30 June 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" (1 July 2010).

- 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 specific transactions, events or conditions, 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.

Disclosures about judgements made by management are provided in the notes to the consolidated financial statements.

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.

- **Change of accounting policy**

Bouygues has made no 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.

  - Assessment of 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:**

	JUNE 2010	DECEMBER 2009
Fully consolidated	**890**	**903**
Proportionately consolidated	**217**	**272**
Equity method (associates)	**63**	**61**
	1,170	**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 Note 2.4.1. below, in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

2. 4. 1. Impairment testing of non-current assets

Impairment tests on the carrying amount of non-current assets are carried out at least once a year at the end of the financial year (and more frequently if there is evidence of impairment), in accordance with the accounting policies applied by the Bouygues group; the carrying amount of indefinite-lived intangible assets and goodwill is compared to their recoverable amount.

In determining the recoverable amount, intangible assets to which independent cash flows cannot be directly allocated are grouped within the cash-generating unit (CGU) to which they belong, or within the appropriate group of CGUs representing the lowest level at which management monitors return on investment (business segment level in the case of the Bouygues group).

As regards the recoverable amount of Alstom, a sensitivity analysis was conducted at end-June 2010 on the basis of forecasts prepared by a panel of financial analysts; this analysis did not indicate any scenario in which the recoverable amount of the Alstom assets tested would be less than their carrying amount (and hence would require an impairment loss to be recognised).

The discount rates (weighted average cost of capital) and growth rate used for Alstom as at 30 June 2010 were:

	Discount rate		Growth rate
	Scenario 1 [a]	**Scenario 2** [a]	
	9.40%	**8.43%**	**2%**

[a] *Depending on the capital structure:*
Scenario 1 = 1/3 debt, 2/3 equity
Scenario 2 = 2/3 debt, 1/3 equity

Note 3.5 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 30 June 2010. As of that date, there were no material events that might call into question the carrying amount of these shares.

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 six months ended 30 June 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 period).

- 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, and are reported in non-current assets and liabilities.

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 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.

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. Cash flow

Consolidated net profit before: net depreciation and amortisation expense, net changes in provisions, gains and losses on asset disposals, cost of net debt, and net income tax expense for the period.

2. 8. 2. 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. 3. Free cash flow

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

2. 8. 4. 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 had no material impact on the financial statements for the six months ended 30 June 2010 as presented, and do not impair comparability with the first half of 2009 (Finagestion was divested at the end of 2009, but the effects of the divestment were reflected in the financial statements for the six months ended 30 June 2009).

NOTE 3 - NON-CURRENT ASSETS — 18,410

3.1. ACQUISITIONS OF NON-CURRENT ASSETS DURING THE PERIOD, NET OF DISPOSALS — 747

Period ended:	30 June 2010	30 June 2009
Acquisitions of property, plant and equipment	471	534
Acquisitions of intangible assets	61	67
Capital expenditure	**532**	**601**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies, other long-term investments)	468	36
Acquisitions of non-current assets	**1,000**	**637**
Disposals of non-current assets	(253)	(100)
Acquisitions of non-current assets, net of disposals	**747**	**537**

3.2. PROPERTY, PLANT AND EQUIPMENT — 5,945

Carrying amount	Land and buildings [a]	Industrial plant and equipment	Other property, plant and equipment	Property, plant & equipment under construction and advance payments	Total
30 June 2010	**1,278**	**3,504**	**775**	**388**	**5,945**
of which finance leases	15	49	7		**71**
31 December 2009	**1,239**	**3,562**	**756**	**370**	**5,927**
of which finance leases	15	42	11		**68**

[a] Includes land and quarries: €715m, 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 — 988

Carrying amount	Concessions, patents and similar rights [a]	Other intangible assets [b]	Total
30 June 2010	**693**	**295**	**988**
31 December 2009	**716**	**272**	**988**

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

[b] Includes €136m for Bouygues Telecom (of which leasehold rights: €85m), and €103m for TF1, vs. €112m at 31 December 2009 (mainly audiovisual rights)

3.4. GOODWILL — 5,197

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 and remeasurements	13	3	16
Translation effects	26	(1)	25
30 June 2010	**5,229**	**(32)**	**5,197**

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

Segment (excludes associates)	30 June 2010		31 December 2009	
	Total	% Bouygues	Total	% Bouygues
Bouygues Construction (subsidiaries)	341	99.97%	326	99.97%
Colas[(a)]	1,101	96.55%	1,086	96.62%
TF1[(a)]	1,102	43.07%	1,091	43.02%
Bouygues Telecom	2,651	89.55%	2,651	89.55%
Other	2		2	
TOTAL	**5,197**[(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 30 June 2010	Closing market price per share at 30 June 2010
TF1	12.73	12.39[(*)]
Colas	87.37	189.74[(*)]
Alstom	49.37	37.48

[(*)]Includes an estimated control premium

Sensitivity analyses conducted in accordance with the principles described in note 2 did not indicate that the recoverable amount had fallen below the carrying amount of the assets tested.

3.6. INVESTMENTS IN ASSOCIATES 5,234

	Carrying amount
31 December 2009	**4,957**
Translation effects	34
New equity investments and capital increases	217[(a)]
Share of net profit/(loss) for the period	237[(b)]
Payment of dividends	(127)
Other movements	(84)
30 June 2010	**5,234**[(c)]

[(a)]Including €217m for acquisitions of Alstom shares in exchange for Alstom Hydro Holding shares (see note 1)
[(b)]Including €208m (net) for Alstom and €24m for Cofiroute
[(c)]Including €4,425m for Alstom (goodwill: €2,592m) and €485m for Cofiroute (Colas)

3.7. OTHER NON-CURRENT ASSETS / DEFERRED TAX ASSETS 773 / 273

Carrying amount	Investments in non-consolidated companies	Other non-current assets	Total	Non-current tax assets[(a)]
30 June 2010	**474**	**299**	**773**	**273**
31 December 2009	**141**	**258**	**399**	**273**

[(a)]See note 7 for details.

NOTE 4 - CURRENT ASSETS 16,809

4.1. TRADE RECEIVABLES, TAX ASSETS AND OTHER RECEIVABLES 9,486

	30 June 2010			31 December 2009
	Gross value	Impairment	Carrying amount	Carrying amount
Trade receivables	7,582	(409)	7,173	6,132
Current tax assets receivable	84	(2)	82	71
Other receivables and prepaid expenses	2,379	(148)	2,231 [(a)]	2,017
Total	**10,045**	**(559)** [(b)]	**9,486**	**8,220**

[(a)] Includes €1,229m receivable from governmental and other public authorities (versus €1,204m at 31 December 2009)
[(b)] Includes €35m for reversals of unused impairment provisions

4.2. CASH AND EQUIVALENTS 4,144

	30 June 2010			31 December 2009
	Gross value	Impairment	Carrying amount	Carrying amount
Cash	1,477		1,477	1,690
Cash equivalents	2,674	(7)	2,667	3,023
Total	**4,151**	**(7)**	**4,144**	**4,713**

4.3. OTHER CURRENT FINANCIAL ASSETS 63

	30 June 2010	31 December 2009
Financial instruments used to hedge financial liabilities	19	21
Other financial assets (financial assets due within < 1 year, financial instruments related to working capital items, etc)	44 [(a)]	201
Total	**63**	**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 (€) €355,604,191

As at 30 June 2010, the share capital of Bouygues SA consisted of 355,604,191 shares with a par value of €1. Movements during the period were as follows:

	31 December 2009	Movements during the period		30 June 2010
		Reductions	Increases	
Shares	**354,267,911**		1,336,280 [a]	**355,604,191**
Number of shares	**354,267,911**		**1,336,280**	**355,604,191**
Par value	**€1**			**€1**
Share capital (€)	**354,267,911**		**1,336,280**	**355,604,191**

[a] Capital increases arising from the exercise of stock options during the first half of 2010

5.2. Equity attributable to the Group and to minority interests as at 30 June 2010

	Share capital	Share premium	Reserves related to capital	Other consolidated reserves and profit for the period	Total 30 June 2010
Attributable to the Group	356	2,095	2,273	3,966	**8,690**
Minority interests				1,163	**1,163**
Total equity	**356**	**2,095**	**2,273**	**5,129**	**9,853**

5.3. Analysis of recognised income and expense

	1 January 2010	Movements in the period [a]	30 June 2010
Total attributable to the Group	**(150)**	**108**	**(42)**
Other income and expenses attributable to minority interests	**(4)**	**11**	**7**
Total attributable to the Group + minority interests (a)	**(154)**	**119**	**(35)**

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

5.3.1. - Translation reserve (portion attributable to the Group) 62

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

	1 January 2010	Movements in the period	30 June 2010
US dollar	**(34)**	45	**11**
Canadian dollar	**7**	43	**50**
Pound sterling	**(13)**	6	**(7)**
South African rand	**(17)**	(24)	**(41)**
Other currencies	**1**	48 [b]	**49**
Total	**(56)**	**118**	**62** [a]

[a] Includes €34m of translation differences on associates

[b] Includes cumulative translation differences of €23m on associates

NOTE 6 - NON-CURRENT AND CURRENT PROVISIONS

6.1. NON-CURRENT PROVISIONS — 1,816

	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	3		4	4	**11**
Changes in scope of consolidation	18	(1)		25	**42**
Charges to provisions	21	44	38	40	**143**
Reversals of provisions (used and unused)	(13)	(36)	(35)	(45)	**(129)**
Actuarial gains and losses	15				**15**
Transfers between items & other movements	1	1		5	**7**
30 June 2010	**500**	**351**	**375**	**590**	**1,816**

[a] Long-term employee benefits	**500**
• Lump-sum retirement benefits and long-service awards	435
• Other long-term employee benefits	65

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	**351**
• Provisions for customer disputes	189
• Provisions for subcontractor claims	33
• Other litigation and claims	129
[c] Guarantees given	**375**
• Provisions for customer warranties	269
• Provisions for additional building and civil works guarantees	106
[d] Other non-current provisions	**590**
• Provisions for risks related to official inspections and to subsidiaries and other equity investees	179
• Provisions for site remediation costs	200
• Other non-current provisions	211

6.2. CURRENT PROVISIONS — 873

- 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	1	8	12	11	**32**
Changes in scope of consolidation	(1)	(4)	2	(1)	**(4)**
Charges to provisions	10	64	91	61	**226**
Reversals of provisions (used and unused)	(12)	(56)	(68)	(77)	**(213)**
Transfers between items & other movements		(1)		2	**1**
30 June 2010	**57**	**264**	**271**	**281**	**873**

[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).

Analysis by segment:

	31 December 2009	Movements in the period	30 June 2010
Deferred tax assets	273	0	**273**
Bouygues Construction	90	(13)	**77**
Bouygues Immobilier	42	0	**42**
Colas	102	27	**129**
TF1	12	(3)	**9**
Bouygues Telecom	19	(10)	**9**
Bouygues SA and other activities	8	(1)	**7**
Other non-current tax assets	0	0	**0**
Total non-current tax assets	**273**	**0**	**273**

. Deferred tax assets generated mainly by:
- temporary differences (provisions temporarily not allowable for tax purposes, etc);
- tax losses with a genuine probability of recovery.

NOTE 8 - NON-CURRENT AND CURRENT DEBT

6,295 / 1,538

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 30 June 2010	31 Dec. 2009
Bond issues	193		1,249	**1,442**		1,148		993	598	3,075	**5,814**	6,065
Bank borrowings		14	26	**40**	43	55	12	144	13	120	**387**	284
Finance leases		4	24	**28**	20	10	7	4		2	**43**	40
Other debt		3	25	**28**	14	11	2	3	2	19	**51**	45
Total debt: 30 June 2010	**193**	**21**	**1,324**	**1,538**	**77**	**1,224**	**21**	**1,144**	**613**	**3,216**	**6,295**	**6,434**
Total debt: 31 December 2009	**143**	**13**	**570**	**726**	**848**	**93**	**1,171**	**1,009**	**1,008**	**2,305**		**6,434**

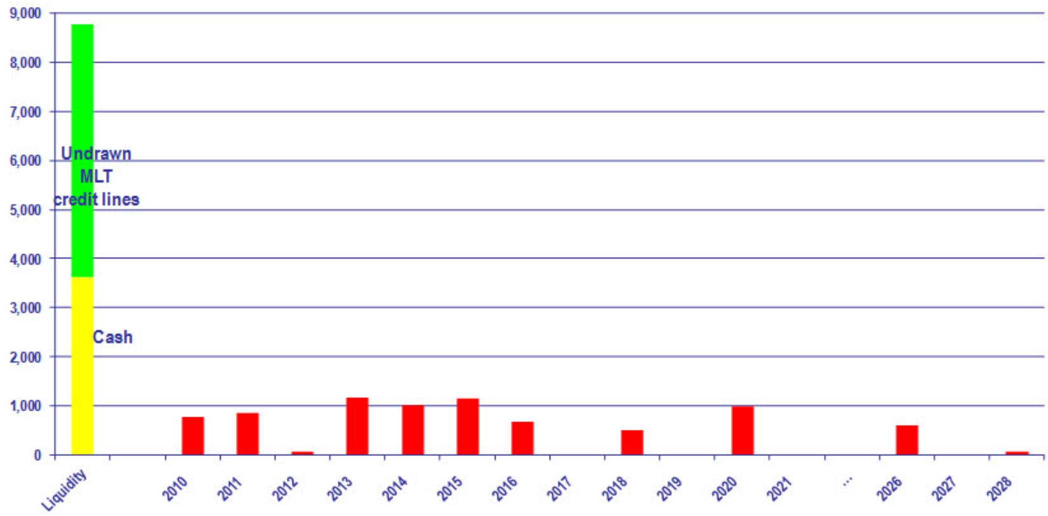
8.2. COVENANTS AND TRIGGER EVENTS

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 financial covenants or trigger events.

8.3. LIQUIDITY AS AT 30 JUNE 2010

As at 30 June 2010, available cash stood at €3,628m (including -€12m of financial instruments contracted to hedge net debt).
The Group also had €5,140m of undrawn confirmed medium/long-term credit facilities as at the same date.



NOTE 9 - MAIN COMPONENTS OF CHANGE IN NET DEBT **(4,205)**

9.1. CHANGE IN NET DEBT

	31 December 2009	Movement during the period	30 June 2010
Cash and equivalents	4,713	(569)	**4,144**
Overdrafts and short-term bank borrowings	(258)	(246)	**(504)**
Net cash and equivalents	**4,455**	**(815)** [a]	**3,640**
Non-current debt	(6,434)	139 [b]	**(6,295)**
Current debt	(726)	(812) [c]	**(1,538)**
Financial instruments, net	1	(13)	**(12)**
Total debt	**(7,159)**	**(686)**	**(7,845)**
Net debt	**(2,704)**	**(1,501)**	**(4,205)**

[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 debt

[c] Includes -€750m for reclassification of the Bouygues SA bond issue maturing 2011

9.2. NET DEBT: PRINCIPAL TRANSACTIONS DURING THE PERIOD

Consolidated net debt at 31 December 2009	**(2,704)**
Bouygues SA capital increase and acquisitions/disposals of treasury shares	**65**
Dividends paid	**(674)**
Dividends received from Alstom [a]	**112**
Acquisitions/disposals [b]	**(246)**
Other financial transactions	**(15)**
Changes in working capital at business segment level and other items	**(743)**
Consolidated net debt at 30 June 2010	**(4,205)**

[a] Dividends received from fully consolidated companies have no effect on the Group's consolidated net cash position.

[b] TMC/NT1, Société de Raffinerie de Dunkerque

NOTE 10 - CURRENT LIABILITIES 17,163

Analysis of current liabilities:

	30 June 2010	31 December 2009
Advances and down-payments received	1,415	1,276
Current debt [(a)]	1,538	726
Current tax liabilities	118	132
Trade payables	6,479	6,479
Current provisions [(b)]	873	831
Other current liabilities		
Other operating liablities (employees, social security, government)	2,587	2,457
Deferred income	1,879	1,934
Other non-financial liabilities	1,690	1,828
Overdrafts and short-term bank borrowings	504	258
Financial instruments	31	20
Other current financial liabilities	49	18
Total	17,163	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-half	
	2010	2009
Sales of goods	1,136	1,192
Sales of services	6,098	5,987
Construction contracts	7,421	7,611
Sales	**14,655**	**14,790**
Other revenues from operations	76	72
Total	**14,731**	**14,862**

11.2. CONTRIBUTION OF BUSINESS SEGMENTS TO CONSOLIDATED SALES

BUSINESS SEGMENT	2010 first-half sales				2009 first-half sales			
	France	International	Total	%	France	International	Total	%
Construction	2,387	1,990	4,377	30	2,505	2,042	4,547	31
Property	1,164	141	1,305	9	1,331	89	1,420	10
Roads	3,006	1,965	4,971	34	3,078	2,001	5,079	34
Media	1,082	188	1,270	9	960	160	1,120	7
Telecoms	2,725		2,725	18	2,616		2,616	18
Bouygues SA & other activities	5	2	7		6	2	8	
Consolidated sales	**10,369**	**4,286**	**14,655**	**100**	**10,496**	**4,294**	**14,790**	**100**
% year-on-year change	**-1%**	**0%**	**-1%**					

11.3. ANALYSIS OF SALES BY GEOGRAPHICAL AREA

GEOGRAPHICAL AREA	2010 first-half sales		2009 first-half sales	
	Total	%	Total	%
France	10,368	71	10,496	71
European Union	1,555	11	1,713	12
Other European countries	528	4	477	3
Africa	670	4	698	5
Middle East	64		96	1
United States and Canada	704	5	656	4
Central and South America	83	1	103	1
Asia-Pacific	608	4	488	3
Oceania	75		63	
Total	**14,655**	**100**	**14,790**	**100**

NOTE 12 - OPERATING PROFIT 698

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

		First-half		
		2010	2009	
Sales		14,655	14,790	See analysis in note 10
Other revenue from operations		76	72	
Purchases used in production and external charges		(9,684)	(9,817)	
Personnel costs		(3,274)	(3,270)	
Taxes other than income tax		(303)	(349)	
Net depreciation, amortisation, provisions and impairment losses		(838)	(824)	
- Depreciation and amortisation expense	*	(653)	(631)	
- Net charges to provisions and impairment losses	*	(185) [(a)]	(193)	
Changes in production and property development inventories		(166)	(90)	
Other income from operations		576	564	
- Reversals of unused provisions and other items	*	158 [(b)]	104	
- Other miscellaneous income		418	460	
Other expenses on operations		(344)	(304)	
Current operating profit	*	**698**	**772**	(10)%
Other operating income and expenses		None		
Operating profit		**698**	**772**	

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

[(a)] Includes -€152m for Bouygues Construction, and -€26m 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

	First-half	
	2010	2009
Other financial income	92[a]	45
Other financial expenses	(56)	(42)
Financial income/(expense), net	**36**	**3**

[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 (204)

ANALYSIS OF INCOME TAX EXPENSE

	First-half of 2010			First-half of 2009		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(161)	(24)	(185)	(165)	(25)	(190)
Change in deferred tax liabilities	4	1	5	2	1	3
Change in deferred tax assets	(25)	1	(24)	(16)		(16)
Total	**(182)**	**(22)**	**(204)**	**(179)**	**(24)**	**(203)**
Effective tax rate			**36%**			**33%**

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: SIX MONTHS ENDED 30 JUNE 2010

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL	TOTAL
INCOME STATEMENT							1st half 2010	1st half 2009
Total sales	4,530	1,313	5,002	1,285	2,732	70	14,932	15,135
Inter-segment sales	(153)	(8)	(31)	(15)	(7)	(63)	(277)	(345)
Third-party sales	4,377	1,305	4,971	1,270	2,725	7	14,655	14,790
Operating profit/(loss)	144	109	(47)	104	409	(21)	698	772
Cost of net debt	10	(2)	(14)	(10)	(5)	(141)	(162)	(170)
Income tax expense	(68)	(35)		(30)	(138)	67	(204)	(203)
Share of profits/(losses) of associates	(2)		29	7		203 [a]	237	206
Net profit attributable to the Group	89	56	(28)	32	237	146	532	547
BALANCE SHEET							30/06/2010	31/12/2009
Property, plant and equipment [b]	425	14	2,381	190	2,669	266	5,945	5,927
Intangible assets	77	3	66	129	711	2	988	988
Goodwill [c]	341		1,101	1,102	2,651	2	5,197	5,156
Investments in associates	67		551	173	1	4,442 [d]	5,234	4,957
Trade receivables	2,121	166	3,448	690	744	4	7,173	6,132
Cash and equivalents	613	41	272	133	15	3,070	4,144	4,713
Non-current debt	59	51	349	10	7	5,819	6,295	6,434
Non-current provisions	768	88	731	48	151	30	1,816	1,727
Current debt	5	12	45	525	22	929	1,538	726
Trade payables	2,282	359	2,153	721	952	12	6,479	6,479
CASH FLOW STATEMENT							1st half 2010	1st half 2009
Acquisitions of property, plant & equipment and intangible assets, net of disposals	(114)	(1)	(135)	(21)	(227)	(3)	(501)	(539)
Acquisitions of investments in consolidated companies and other investments, net of disposals	(8)	(8)	(31)	(198)		(1)	(246)	2
OTHER FINANCIAL INDICATORS							30/06/2010	31/12/2009
Ebitda	307	91	142	123	734	(19)	1,378	1,492

(a)Includes Alstom's contribution to Bouygues' net profit: €208m.

[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 €4,425m for Alstom, see note 3.6.

NOTE 16 - RELATED-PARTY INFORMATION

	Expenses	Income	Receivables	Liabilities
	First-half 2010	First-half 2010	30 June 2010	30 June 2010
Parties with an ownership interest (SCDM)	0	3		1
Joint ventures	15	72	205	105
Associates	2	42	49	20
Other related parties	22	6	69	57
Total	**39**	**123**	**323**	**183**
Maturity				
less than 1 year			275	183
1 to 5 years			31	
more than 5 years			17	
of which impairment of doubtful receivables (primarily non-consolidated entities and Bouygues Construction associates)			77	

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]	
		30 June 2010	31 December 2009	1st half 2010	Full year 2009
EUROPE					
Denmark	Danish krone	0.134250	0.134376	0.134341	0.134299
United Kingdom	Pound sterling	1.223316	1.125999	1.157088	1.123622
Hungary	Hungarian forint	0.003497	0.003698	0.003669	0.003553
Poland	Polish zloty	0.241138	0.243635	0.249732	0.230048
Czech Republic	Czech koruna	0.038924	0.037774	0.038871	0.037742
Romania	Romanian leu	0.228833	0.236055	0.239976	0.235754
Switzerland	Swiss franc	0.752842	0.674036	0.702329	0.663291
NORTH AMERICA					
United States	US dollar	0.814930	0.694155	0.760379	0.716174
Canada	Canadian dollar	0.775795	0.661026	0.730567	0.632161
REST OF THE WORLD					
Morocco	Moroccan dirham	0.090942	0.088464	0.089814	0.088884
Thailand	Thai baht	0.025146	0.020839	0.023281	0.020901
Hong Kong	Hong Kong dollar	0.104658	0.089518	0.097835	0.092393
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.106601	0.093756	0.100728	0.086801

[1]Translation of balance sheet items

[2]Translation of income statement items