NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

2 December 2010

CONTENTS

(Figures in millions of euros unless otherwise indicated)

NOTES

Declaration of compliance:

The Bouygues group condensed consolidated financial statements for the nine months to 30 September 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 September 2010. The Bouygues group has not early adopted as of 30 September 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 nine months ended 30 September 2009.

NOTE 1	SIGNIFICANT EVENTS OF THE PERIOD

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

1,166 entities were consolidated at 30 September 2010, against 1,236 at the end of 2009. The net reduction mainly relates to Bouygues Construction (primarily joint ventures) and 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 €217.5 million (based on the average quoted price of Alstom shares on the date of the capital increase), generated additional goodwill on consolidation of €128 million, plus a net gain of €41 million recognised in "Other financial income".

B) As of 30 September 2010, Alstom is 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 nine months of 2010 was €239 million.

Amortisation of fair value remeasurements of identifiable intangible assets and other items had a negative impact of €13 million 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 €4,374 million (including goodwill of €2,589 million).

- CONSOLIDATION OF TMC AND NT1:

On 11 June 2010, the TF1 group acquired control over TMC, TMC Régie and NT1.

TMC and TMC Régie, which prior to the acquisition were accounted for by the proportionate consolidation method at 40%, are now fully consolidated with effect from 1 July 2010. As from this date, 100% of all the assets, liabilities, income and expenses of these two companies are included in the consolidated financial statements. Net profit and shareholders' equity are split between the Group and minority interests on the basis of their respective interests in the companies (80% for the Group, 20% minority interests).

The equity interests acquired in June 2010 were paid for in cash, at a price of €198 million (including a contingent purchase consideration of €6 million).

The fair value of the equity interests in the channels was measured by an independent firm of experts at €429 million. Based on the €192 million paid for the equity interests acquired in 2010 and the €135 million carrying amount of the previously-held equity interests, a remeasurement gain of €102 million was recognised in “Other operating income”.

Transaction costs incurred in connection with the acquisition were €6.5 million, and were recognised in the income statement for the nine months ended 30 September 2010 as a reduction in the remeasurement gain, in “Other operating income”.

As part of the fair value remeasurement of the assets and liabilities of the acquired companies, the TMC brand was recognised as an asset in the balance sheet at its estimated fair value of €30 million, and an impairment loss of €11 million was recognised against acquired audiovisual rights.

After recognition of these various items, total goodwill of €401 million was recognised. The goodwill recognised in respect of this acquisition as of September 30, 2010 is provisional, and may be adjusted during a 12-month period from the acquisition date, i.e. up to and including 11 June 2011.

The TF1 Group elected to apply the partial goodwill method in accounting for this acquisition, which means that the minority interests in TMC held by the Principality of Monaco were not remeasured at fair value. Consequently, these minority interests were maintained at their carrying amount after remeasurement of the acquired assets and liabilities.

- TREATMENT OF THE EQUITY INTEREST IN GROUPE AB:

The TF1 Group retained a 33.5% equity interest, valued at €155 million, in the other activities of Groupe AB. TF1 has granted the Groupe AB management team a call option over this interest, exercisable at any time up to and including 12 June 2012 at a price of €155 million.

In accordance with IAS 27, and because the TF1 Group has granted a call option that is exercisable at any time, this interest is no longer accounted for as an associate by the equity method, but instead is recognised as a non-current financial asset in the balance sheet at its market value of €155 million.

- ACQUISITION OF SRD (COLAS):

On 30 June 2010, Colas acquired SRD, a bitumen production facility at Dunkirk (France), for €20.5 million. The balance sheet prepared as of the acquisition date has been consolidated, and the results of SRD’s operations for the third quarter of 2010 are included in the consolidated income statement.

- 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 (50% owned by the Bouygues group) for a total of €6.4 million. Following this transaction, TF1 holds 100% of the capital of SPS; this entity is now fully consolidated.

1. 2. FEBRUARY 2010 BOND ISSUE

In February 2010, Bouygues carried out a €500 million 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 NINE MONTHS ENDED 30 SEPTEMBER 2010

Consolidated sales for the period were €23,067 million, down 0.4% on the first nine months of 2009 on a like-for-like basis (€23,168 million, after elimination of sales from the divested Finagestion business).

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

- Bouygues capital increase under the “Bouygues Confiance 5” employee share ownership plan:

  A new employee share ownership plan was implemented by Bouygues between 5 and 28 November 2010. The terms of the plan were approved by the Board of Directors on 27 July 2010, and the capital increase reserved for Group employees will take place on 30 December 2010 via the issuance of new shares at a subscription price of €25.41.

- To extend the maturity of its bond debt and take advantage of currently favourable market conditions, Bouygues carried out a €1 billion bond issue on 29 October 2010. The issue, which bears interest at 3.641% and matures on 29 October 2019, is largely intended to enable the Group to exchange the outstanding bonds maturing in:

  - 2013: €441 million;
  - 2014: €242 million.

NOTE 2	ACCOUNTING POLICIES

2.1. BUSINESS AREAS

The Bouygues group is a diversified industrial group with operations in more than 80 countries.

The Group's activities are organised into a number of business areas:

a) Construction:

- Bouygues Construction (building & civil works, electrical contracting & maintenance)
- Bouygues Immobilier (property)
- Colas (roads)

b) Telecoms/media:

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

c) As at 30 September 2010, the Bouygues group also held a 30.8% interest in Alstom (Power, Transport and Transmission).

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 the *Autorité des Normes Comptables* (ANC), the French national accounting standard-setter.

The consolidated financial statements were adopted by the Board of Directors on 2 December 2010.

The condensed consolidated financial statements for the nine months ended 30 September 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 September 2009 and 31 December 2009.

The Bouygues group has applied the same standards, interpretations and accounting policies for the nine months ended 30 September 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 nine months ended 30 September 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 <u>on or after 1 January 2010</u>:*

  - **Revised IFRS 3 and IAS 27, "Business Combinations"**: Significant revisions that affect the accounting treatment of acquisitions and disposals of equity interests. For the impact of applying these revisions on the balance sheet and income statement for the period, see Note 1, "Significant events of the period".

- **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).

  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 Group's property development activities.

- *Other key standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union, for which early adoption effective 1 January 2010 is permitted.*

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

  - **IFRIC 19**, "Extinguishing Financial Liabilities with Equity Instruments" (1 January 2011).

  Bouygues has not early adopted any standards, amendments and interpretations as of 30 September 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 43.09% 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 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:**

	SEPTEMBER 2010	DECEMBER 2009
Fully consolidated	**893**	**903**
Proportionately consolidated	**211**	**272**
Equity method (associates)	**62**	**61**
	1,166	**1,236**

- The main changes during the period are described in "Significant events of the period".

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. Minority interests in these items are measured under IFRS on the basis of the carrying amount of the items 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.

Revised IFRS 3 allows entities to elect one of two methods of accounting for minority interests in each business combination:

- at fair value (full goodwill method), i.e. the minority interests are allocated their share of goodwill;
- at the minority interests' proportionate share of the acquired entity's identifiable assets and liabilities (partial goodwill method), i.e. no share of goodwill is allocated to the minority interests.

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; minority interests are either measured at fair value or not, depending on the option elected (see above). Goodwill is allocated to the CGU (which within the Bouygues group equates to the business segment) benefiting from the business combination.

The purchase price allocation period is limited to the time required to identify and measure the acquired entity's assets and liabilities, the minority interests, the consideration transferred and the fair value of any previously-held equity interest, subject to a maximum period of 12 months.

Negative goodwill (i.e. gain from a bargain purchase) 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 section 2.4.1. below, in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

Any previously-held equity interest is remeasured at fair value at the date on which control is obtained, with the gain or loss on remeasurement recognised in profit or loss for the period.

In the event of loss of control, the retained equity interest is also remeasured at fair value; the gain or loss on remeasurement is recognised in profit or loss for the period, along with the gain or loss arising on the disposal.

In the event of a change in percentage interest with no effect on control, the difference between the consideration paid or received and the carrying amount of the minority interest is recognised directly in equity attributable to the Group. Consequently, no additional goodwill is recognised.

From now on, acquisition-related costs are recognised as an expense in profit or loss for the period.

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 as of 30 September 2010 on the basis of forecasts prepared by a panel of financial analysts (prepared in most cases on 8 November). The recoverable amount determined on the basis of this analysis (using two different capital structure scenarios) was greater overall than the carrying amount of the Alstom assets tested.

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

Discount rates		Growth rate
Scenario 1 *[a]*	**Scenario 2** *[a]*	
8.90%	**7.99%**	**2%**

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

Note 3.3 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 30 September 2010. As of that date, there were no material events that might call into question the carrying amounts reported for these companies.

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 nine months ended 30 September 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

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

2. 8. 3. Free cash flow

Net cash flow (i.e. cash flow as defined above, minus cost of net debt and net income tax expense, and before changes in working capital), 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 nine months ended 30 September 2010 as presented, and do not impair comparability with the financial statements for the nine months ended 30 September 2010 (Finagestion was divested at end 2009, but the effects of the divestment were reflected in the financial statements for the nine months ended 30 September 2009).

NOTE 3 - NON-CURRENT ASSETS

• ACQUISITIONS OF NON-CURRENT ASSETS NET OF DISPOSALS: €1,120m, vs. €841m in the first nine months of 2009

3.1. PROPERTY, PLANT AND EQUIPMENT 5,896

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 September 2010	**1,256**	**3,476**	**780**	**384**	**5,896**
of which finance leases	15	50	6		**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: €698m, vs. €681m at 31 December 2009
For an analysis of the carrying amount of property, plant and equipment by business segment see note 11, "Segment information".

3.2. GOODWILL 5,568

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

(excluding goodwill on associates → see Note 3.4)

	Gross value	Impairment	Carrying amount
31 December 2009	**5,190**	**(34)**	**5,156**
Acquisitions, remeasurements and other movements	402	3	405
Translation effects	20		20
Impairment losses recognised in the period		(13)	(13)
30 September 2010	**5,612**	**(44)**	**5,568**

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

Segment	30 September 2010		31 December 2009	
	Total	% Bouygues	Total	% Bouygues
Bouygues Construction (subsidiaries)	340	99.97%	326	99.97%
Colas[(a)]	1,086	96.61%	1,086	96.62%
TF1[(a)]	1,489	43.09%	1,091	43.02%
Bouygues Telecom	2,651	89.55%	2,651	89.55%
Other	2		2	
TOTAL	**5,568**[(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

3.3. CONSOLIDATED CARRYING AMOUNT OF LISTED SHARES (€)

	Consolidated carrying amount per share at 30 September 2010	Closing market price per share at 30 September 2010
TF1	13.18	13.13 [(*)]
Colas	93.07	172.50 [(*)]
Alstom	49.57	37.42

[(*)]Includes an estimated control premium

3.4. INVESTMENTS IN ASSOCIATES 5,041

	Carrying amount
31 December 2009	**4,957**
Translation effects	34
New equity investments and capital increases, net of divestments	(25)[(a)]
Share of net profit/(loss) for the period	279 [(b)]
Payment of dividends	(128)
Other movements	(76)
30 September 2010	**5,041**[(c)]

[(a)]Includes +€217m for the acquisition of Alstom shares in exchange for Alstom Hydro Holding shares (see Note 1), and -€264m for the effect of the TMC/NT1 transaction carried out by TF1 (based on the carrying amount as at 31 December 2009)
[(b)]Includes €226m (net) for Alstom and €43m for Cofiroute
[(c)]Includes €4,374m for Alstom (goodwill: €2,589m) and €504m for Cofiroute (Colas)

NOTE 4 - CURRENT ASSETS

Inventories 2,731

	30 September 2010			31 December 2009
	Gross value	Impairment	Carrying amount	Carrying amount
Property development inventories	1,361	(119)	1,242	1,366
Raw materials and finished goods	876	(35)	841	725
Programmes and broadcasting rights (TF1)	806	(158)	648	589
Total	3,043	(312)	2,731	2,680

NOTE 5 CONSOLIDATED EQUITY

Share capital of Bouygues SA (€) €355,621,878

As at 30 September 2010, the share capital of Bouygues SA consisted of 355,621,878 shares with a par value of €1.
Movements during the period were as follows:

		Movements during the period		
	31 December 2009	Reductions	Increases	30 September 2010
Shares	**354,267,911**		1,353,967	**355,621,878**
Number of shares	**354,267,911**		**1,353,967**	**355,621,878**
Par value	**€1**		**€1**	**€1**
Share capital (€)	**354,267,911**		**1,353,967**	**355,621,878**

NOTE 6 - NON-CURRENT AND CURRENT PROVISIONS

6.1. NON-CURRENT PROVISIONS — 1,849

	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	1	**6**
Changes in scope of consolidation	18	(1)	(2)	30	**45**
Charges to provisions	34	68	60	49	**211**
Reversals of provisions (used and unused)	(15)	(55)	(53)	(60)	**(183)**
Actuarial gains and losses	30				**30**
Transfers between items & other movements	2	1	1	9	**13**
30 September 2010	**526**	**356**	**377**	**590**	**1,849**

[(a)] **Long-term employee benefits**	**526**
• Lump-sum retirement benefits and long-service awards	462
• Other long-term employee benefits	64

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**	**356**
• Provisions for customer disputes	191
• Provisions for subcontractor claims	31
• Other litigation and claims	134
[(c)] **Guarantees given**	**377**
• Provisions for customer warranties	274
• Provisions for additional building and civil works guarantees	103
[(d)] **Other non-current provisions**	**590**
• Provisions for risks related to official inspections and to subsidiaries and other equity investees	189
• Provisions for site remediation costs	201
• Other non-current provisions	200

6.2. CURRENT PROVISIONS — 869

- 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	8	6	**18**
Changes in scope of consolidation	(1)	(4)	2	(2)	**(5)**
Charges to provisions	12	79	88	114	**293**
Reversals of provisions (used and unused)	(17)	(74)	(82)	(96)	**(269)**
Transfers between items & other movements		(2)		3	**1**
30 September 2010	**53**	**256**	**250**	**310**	**869**

[(a)] **Provisions for expected losses to completion** relate to construction projects: 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 guarantees (TF1), and the business customer loyalty programme provision (Bouygues Telecom).

NOTE 7 - NON-CURRENT AND CURRENT DEBT

7.1. BREAKDOWN OF DEBT BY MATURITY

	Current debt (less than one year)		Non-current debt	
	Total 30 September 2010	Total 31 December 2009	Total 30 September 2010	Total 31 December 2009
Bond issues	**1,424**	640	**5,814**	6,065
Bank borrowings	**59**	44	**816**	284
Finance leases	**20**	20	**50**	40
Other debt	**35**	22	**54**	45
Total debt	**1,538**	**726**	**6,734**	**6,434**

7.2. 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.

NOTE 8 - MAIN COMPONENTS OF CHANGE IN NET DEBT

8.1. CHANGE IN NET DEBT

	31 December 2009	Movement during the period	30 September 2010
Cash and equivalents	4,713	215	**4,928**
Overdrafts and short-term bank borrowings	(258)	(152)	**(410)**
Net cash and equivalents	**4,455**	**63** [(a)]	**4,518**
Non-current debt	(6,434)	(300)	**(6,734)**
Current debt	(726)	(812)	**(1,538)**
Financial instruments, net	1	(17)	**(16)**
Total debt	**(7,159)**	**(1,129)**	**(8,288)**
Net debt	**(2,704)**	**(1,066)**	**(3,770)**

Includes:	*dividends paid*	*(674)*
	acquisitions of non-current financial assets, net of disposals	*(256)*
	business segment operations (working capital) and other items	*(52)*

[(a)] Net cash flows as analysed in the cash flow statement for the period

NOTE 9 - OPERATING PROFIT

	First 9 months 2010	2009
Current operating profit	**1,328**	**1,461**
Other operating income	96 [a]	0
Other operating expenses	(26) [b]	0
Operating profit	**1,398**	**1,461**

[a] TF1: other operating income of €96m for the period represents the net gain on the remeasurement of the previously-held equity interests in TMC and NT1.

[b] Colas: fines and claims related to competition cases (€13m); impairment of goodwill on various subsidiaries (€13m).

NOTE 10 - ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

10.1. ANALYSIS BY ACCOUNTING CLASSIFICATION

	First 9 months	
	2010	2009
Sales of goods	1,988	1,861
Sales of services	8,912	8,981
Construction contracts	12,167	12,326
Sales	**23,067**	**23,168**
Other revenues from operations	115	86
Total	**23,182**	**23,254**

10.2. CONTRIBUTION OF BUSINESS SEGMENTS TO CONSOLIDATED SALES

BUSINESS SEGMENT	Sales for the first 9 months of 2010				Sales for the first 9 months of 2009			
	France	International	Total	%	France	International	Total	%
Construction	3,592	3,026	6,618	29	3,708	3,124	6,832	30
Property	1,598	163	1,761	8	1,980	157	2,137	9
Roads	4,978	3,758	8,736	38	4,921	3,706	8,627	37
Media	1,527	279	1,806	8	1,359	253	1,612	7
Telecoms	4,134		4,134	17	3,947		3,947	17
Bouygues SA & other activities	9	3	12		9	4	13	
Consolidated sales	**15,838**	**7,229** [a]	**23,067**	**100**	**15,924**	**7,244** [a]	**23,168**	**100**
% year-on-year change	**-0.5%**	**-0.2%**	**-0.4%**					

[a] Includes export sales

10.3. ANALYSIS OF CONSOLIDATED SALES BY BUSINESS SEGMENT

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL: first 9 months	
INCOME STATEMENT							**2010**	**2009**
Total sales	6,801	1,769	8,785	1,826	4,146	99	**23,426**	**23,663**
Inter-segment sales	(183)	(8)	(49)	(20)	(12)	(87)	**(359)**	**(495)**
Third-party sales	**6,618**	**1,761**	**8,736**	**1,806**	**4,134**	**12**	**23,067**	**23,168**

NOTE 11 - SEGMENT INFORMATION

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

ANALYSIS BY BUSINESS SEGMENT: NINE MONTHS ENDED 30 SEPTEMBER 2010

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL	TOTAL
INCOME STATEMENT							First 9 months of 2010	2009
Operating profit	237	150	209	221	611	(30)	1,398	1,461
Net profit attributable to the Group	143	77	152	73	352	126	923	1,024
BALANCE SHEET							First 9 months of 2010	2009
Property, plant & equipment and intangible assets	483	17	2,396	349	3,391	266	6,902	6,915
Net debt	2,906	93	(666)	(8)	(339)	(5,756)	(3,770)	(2,704)
OTHER FINANCIAL INDICATORS							First 9 months of 2010	2009
Ebitda	433	144	565	172	1,100	(23)	2,391	2,675
Cash flow	375	145	572	160	1,073	103	2,428	2,607
Acquisitions of property, plant & equipment and intangible assets, net of disposals	(145)	(3)	(275)	(35)	(400)	(6)	(864)	(827)

NOTE 12 - PRINCIPAL EXCHANGE RATES

Convention: 1 local currency unit = x euros

Country	Currency	Closing euro exchange rate[1]		Average rate for the period[2]	
		30 September 2010	31 December 2009	First nine months 2010	Full year 2009
EUROPE					
Denmark	Danish krone	0.134194	0.134376	0.134308	0.134299
United Kingdom	Pound sterling	1.162858	1.125999	1.168061	1.123622
Hungary	Hungarian forint	0.003626	0.003698	0.003623	0.003553
Poland	Polish zloty	0.250960	0.243635	0.249775	0.230048
Czech Republic	Czech koruna	0.040650	0.037774	0.039373	0.037742
Romania	Romanian leu	0.234093	0.236055	0.238209	0.235754
Switzerland	Swiss franc	0.752615	0.674036	0.718890	0.663291
NORTH AMERICA					
United States	US dollar	0.732708	0.694155	0.761009	0.716174
Canada	Canadian dollar	0.710581	0.661026	0.730852	0.632161
REST OF THE WORLD					
Morocco	Moroccan dirham	0.089258	0.088464	0.089817	0.088884
Thailand	Thai baht	0.024130	0.020839	0.023630	0.020901
Hong Kong	Hong Kong dollar	0.094413	0.089518	0.097929	0.092393
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.104780	0.093756	0.102184	0.086801

[1]Translation of balance sheet items

[2]Translation of income statement items