NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

1 March 2011

CONTENTS

(*Figures in millions of euros unless otherwise indicated)*

NOTES

Declaration of compliance:

The consolidated financial statements of the Bouygues group for the year ended 31 December 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 December 2010. The Bouygues group has not early adopted as of 31 December 2010 any standard or interpretation not endorsed by the European Union.

The financial statements are presented 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 shareholders' 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.

1. SIGNIFICANT EVENTS OF THE YEAR

1.1. SCOPE OF CONSOLIDATION AS AT 31 DECEMBER 2010

1,158 entities were consolidated at 31 December 2010, against 1,236 at the end of 2009. The net reduction of 78 mainly relates to Bouygues Construction (in particular, construction project joint ventures), Colas (various asphalt companies accounted for by the proportionate consolidation method) 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 of €128 million, plus a consolidated net gain of €41 million recognised in “Other financial income”.

B) As of 31 December 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 Bouygues for the year ended 31 December 2010 was €235 million, after taking account of the Bouygues group’s €66 million share of net restructuring costs incurred by Alstom.

Amortisation of fair value remeasurements of Alstom’s identifiable intangible assets and other items had a negative impact of €17 million on the Bouygues group consolidated income statement for the year ended 31 December 2010 (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 €4,366 million (including goodwill of €2,589 million).

- TF1: 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 TF1 group, 20% minority interests).

The equity interests acquired in June 2010 were paid for in cash, at a price of €195 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".

The transaction costs incurred in connection with the acquisition (€6.5 million) were recognised in the income statement as a reduction in the remeasurement gain, in "Other operating income".

After recognition of these various items, provisional goodwill of €399 million was recognised.

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 in the other activities of Groupe AB, classified as a non-current financial asset. 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.

- COLAS:

  - Acquisition of SRD (Société de la Raffinerie de Dunkerque):
    Colas acquired SRD, a bitumen production plant at Dunkirk (France), for €20.5 million on 30 June 2010. The results of SRD's operations for the second half of 2010 are included in the consolidated income statement for the year ended 31 December 2010.

  - As of 31 December 2010, Colas recognised an impairment loss of €27 million against the goodwill of its Central European subsidiaries (Romania, Croatia, Slovakia), against a background of economic crisis.

1.2. BOND ISSUES

- 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 eight years.

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

- In order to extend the maturity of its bond debt, and to take advantage of favourable market conditions during the fourth quarter of 2010, Bouygues carried out a €1-billion bond issue on 29 October 2010, bearing interest at 3.641% and maturing 29 October 2019. This issue was exchanged for the residual bonds due to mature in:

- 2013 (€441 million);
- 2014 (€242 million).

1.3. CONSOLIDATED SALES FOR THE YEAR ENDED 31 DECEMBER 2010

Consolidated sales for the year ended 31 December 2010 were €31,225 million, down 0.4% on a comparable basis relative to the 2009 figure of €31,353 million.

1.4. Bouygues capital increase: "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 took place on 30 December 2010 via the issuance of 9,838,593 new shares.

- The main features of the plan are as follows:

• **Number of employees subscribing to the plan**	**30,054**
• **Reference price per share**	**€31.76**
• **Subscription price per share** **(after 20% discount)**	**€25.41**
• **Date of announcement of the plan to employees**	**25 October 2010**
• **Maximum discount per share granted to employees** *	**€6.35**
• **Fair value of the benefit to subscribing employees under IFRS:**	**€7.81** **per share**
• **Opening share price on the date of the capital increase** **(30 December 2010)**	**€32.515**

* *Subscription price before discount = average of the opening share prices on the 20 trading days preceding 27 July 2010 (date of the Board meeting).*

The overall expense recognised for the employee share ownership plan in the year ended 31 December 2010 was measured using the same policies and methods as were applied to the 2009 and 2007 plans, and included the fair value of the benefit granted to employees via the subscription price. The expense recognised in the consolidated income statement amounted to €7.7 million.

1.5. Significant events and changes in scope of consolidation subsequent to 31 December 2010

None.

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, energy and services)
- Bouygues Immobilier (property)
- Colas (roads)

b) Telecoms/media:

- TF1 (television)
- Bouygues Telecom (mobile, fixed, TV and internet services)

c) At 31 December 2010, the Bouygues group also held a 30.77% 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 the *Autorité des Normes Comptables* (ANC), the French national accounting standard-setter.

The consolidated financial statements were adopted by the Board of Directors on 1 March 2011.

The consolidated financial statements for the year ended 31 December 2010 were 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 year ended 31 December 2009.

The Bouygues group applied the same standards, interpretations and accounting policies for the year ended 31 December 2010 as applied in its consolidated financial statements for the year ended 31 December 2009, except for new IFRS requirements applicable from 1 January 2010 (see below). These changes did not have a material impact on the consolidated financial statements.

- *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 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 31 December 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; see Note 2.7.4, "Impairment testing of non-current assets".

  - Note 3.2 to the consolidated financial statements shows the consolidated carrying amount of listed shares held by Bouygues (TF1, Alstom, Colas) relative to the closing quoted share price at 31 December 2010.

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. Exclusive control by Bouygues over TF1 is demonstrated by the following:

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

Bouygues has clearly had exclusive power to determine decisions at TF1 shareholders' meetings during 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 definition applies in particular to Bouygues Construction and Colas construction project companies, and to Bouygues Immobilier property 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 the assets and liabilities of such entities are accounted for by the equity method.

  - Alstom: Bouygues exercises significant influence over Alstom, as demonstrated by its 30.77% interest in the capital and its control of two seats on the Board of Directors. The carrying amount of this investment (including 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 the scope of consolidation**

	December 2010	December 2009
Fully consolidated	**882**	**903**
Proportionately consolidated	**217**	**272**
Equity method (associates)	**59**	**61**
	1,158	**1,236**

The main changes during 2010 are described in "Significant Events".

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.

In a business combination, the fair value of the consideration transferred is allocated to the identifiable assets and liabilities of the acquiree, which are measured at fair value at the acquisition date and 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.

The 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), ie 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), ie no share of goodwill is allocated to the minority interests.

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

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 (ie 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 Note 2.7.4 below, in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

In accordance with the revised IFRS 3, any previously-held equity interest is remeasured at fair value at the date on which control is obtained, with the resulting gain or loss 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.

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

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 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.

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. INCOME TAXES

- Deferred taxation is recognised on differences between the carrying amount and tax base of assets or 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), where it is probable that these losses will be recovered in future periods.

  Deferred taxes are measured using known applicable national 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. NON-CURRENT ASSETS

2.7.1. Property, plant and equipment

Property, plant and equipment is measured at acquisition cost net of accumulated depreciation and impairment. Depreciation is recognised on a straight line basis over the estimated useful life of the asset.

Useful lives by main asset category and business segment:

	CONSTRUCTION	MEDIA	TELECOMS	
- Mineral deposits (quarries)	(1)			
- Non-operating buildings	10 to 40 years	25 to 50 years	-	
- Industrial buildings	10 to 20 years	-	20 years	
- Plant, equipment and tooling	3 to 15 years	3 to 7 years	5 to 10 years	(2)
- Other property, plant and equipment (vehicles and office equipment)	3 to 10 years	2 to 10 years		(2)

In accordance with IAS 16, when an item of property, plant and equipment consists of components with different useful lives, each component is accounted for and depreciated as a separate item of property, plant and equipment.

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognised in the income statement under "Other operating income and expenses".

(1) Depreciated on the basis of the rate of depletion, up to a maximum of 40 years (Colas).

(2) Depending on the type of asset.

Depreciation periods are reviewed annually, and may be adjusted if expectations differ from previous estimates.

Leases

Items of property, plant and equipment held under leases (or agreements containing leases in the sense of IFRIC 4) whereby the Bouygues group retains substantially all the risks and rewards of ownership are recognised as assets in the balance sheet. Leases are classified as finance leases or operating leases in accordance with the criteria specified in IAS 17.

Assets held under finance leases are recognised in the balance sheet in “Property, plant and equipment” at the lower of fair value or the present value of the minimum lease payments, less accumulated depreciation and impairment losses. They are depreciated over their estimated useful lives. The lease obligation is recognised as a liability under “Debt” in the balance sheet.

Obligations under operating leases are disclosed in off-balance sheet commitments.

- **Grants received**

Investment grants received from national, regional or local governments are netted off the value of the assets concerned in the balance sheet, and depreciated at the same rate as those assets once receipt of the grant becomes unconditional.

2.7.2. Intangible assets

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance which is controlled by the entity. An asset is identifiable:

- if it is separable, ie capable of being independently sold, transferred, licensed, rented or exchanged;
- or if it is derived from contractual or other legal rights, whether separable or not.

An asset is controlled:

- if the entity has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits.

Intangible assets with finite useful lives are depreciable. Intangible assets with indefinite useful lives are not depreciable, but are subject to impairment testing and are reviewed at each balance sheet date to ensure that their useful lives are still indefinite.

Intangible assets include:

- **Development expenses**
    - In accordance with IFRS, incorporation and research expenses are expensed as incurred.
    - Development expenses are capitalised if the IAS 38 criteria are met, ie if they are expected to generate future economic benefits and their cost can be reliably measured.

- **Concessions, patents and similar rights**

  These include the following assets held by Bouygues Telecom:

Type of asset	Amortisation method	Period
UMTS licence (1)	straight line	**17.5 years** (1)
IAP-IRU and front fees (indefeasible right of use)	straight line	**15 years**
IT system software and developments, office applications	straight line	**3 to 8 years**

(1) **UMTS licence:**
Amortised from the date on which the broadband network opened (26 May 2005).

The fee for the UMTS licence, awarded for a 20-year period, comprises:

- a fixed component of €619.2 million, recognised as an intangible asset on the date the licence was awarded (12 December 2002);

- a variable component, calculated at 1% of sales generated by the operation of the third generation mobile network, recognised as incurred from the date on which the UMTS network opened (November 2007).

2.7.3. Other intangible assets

Other intangible assets recognised by the Group include leasehold rights and broadcasting rights (TF1).

TF1 broadcasting rights:

This item includes shares in films and programmes produced or co-produced by TF1 Films Production, TF1-Vidéo, TF1 Production and Téléma; distribution and trading rights owned by TF1 DA, TCM DA and TF1 Entreprises; and music rights owned by Une Musique and Baxter.

Broadcasting rights are recognised as assets, at historical cost. Dates of initial recognition and amortisation methods are as follows:

Initial recognition	Amortisation method		
	Film co-production shares	Broadcasting rights Distribution/Trading	Music rights
▪ At end of shooting or on receipt of censor's certificate	in line with revenues over 8 years		
▪ On signature of contract for distribution and/or trading rights		Distribution = in line with revenues, minimum 3 years straight line Trading: 5 years straight line	2 years 75% of gross value in year 1 25% of gross value in year 2

- For films co-produced by TF1 Films Production and Téléma, the Group adopts industry practice and amortises in line with revenues, based on a minimum straight-line charge over three years.

- An impairment loss is recognised against audiovisual rights on a line by line basis where estimated future revenues do not cover the carrying amount of the asset.

2.7.4. Impairment testing of non-current assets

Impairment tests are carried out on the carrying amount of intangible assets as at the balance sheet date 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 at least at the end of each financial year.

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). The recoverable amount of CGUs is measured as follows:

a) For segments that are listed on a stock market and with good liquidity: on the basis of the quoted share price if this exceeds the carrying amount of the assets, as was the case at the end of the 2010 financial year for TF1, after allowing for a control premium (€14.95 at 31 December 2010).

b) If the quoted share price does not exceed the carrying amount of the assets, and for Bouygues Telecom and Colas: using the discounted cash flow (DCF) method, applying the following key principles.

- The cash flows used are derived from the three-year business plan prepared by the management of the business segment and approved by the Boards of Directors of the entity and of Bouygues SA.

- The discount rate is determined using a weighted average cost of capital appropriate to the sector in which the segment operates, by reference to a panel of comparable companies.

- The terminal value is calculated by aggregating the discounted cash flows to infinity, based on normative cash flows and a perpetual growth rate that is consistent with the growth potential of the markets in which the business segment operates and with its competitive position in those markets.

The recoverable amount of the CGU as determined above is then compared with its carrying amount in the consolidated balance sheet. If this carrying amount is greater than the recoverable amount of the CGU, an impairment loss is recognised, this loss being allocated in the first instance to any goodwill recognised in the balance sheet.

- **Information about goodwill impairment tests performed for Bouygues Telecom and Colas**

  - The recoverable amount of Colas and Bouygues Telecom was determined using the method described above, based on three-year cash flow projections as per the business plans of each of the two subsidiaries.

  - Cash flows beyond the projection period were extrapolated using a reasonable, sector-specific perpetual growth rate.

  - The discount rates (weighted average cost of capital) and growth rates used at 31 December 2010 were as follows:

	DISCOUNT RATE		GROWTH RATE APPLIED TO CASH FLOWS AFTER A 5-YEAR TIME HORIZON
	SCENARIO 1*	SCENARIO 2*	
- BOUYGUES TELECOM	5.22%	4.69%	2%
- COLAS	7.46%	6.64%	2%

Depending on the capital structure: scenario 1 = ⅓ debt, ⅔ equity; scenario 2 = ⅔ debt, ⅓ equity

  - An analysis of the sensitivity of the calculation to the key parameters, including reasonably possible changes in those parameters, showed no probable scenario in which the recoverable amount of the CGU would become less than the carrying amount of the assets tested (and consequently, in which an impairment loss would need to be recognised).

c) Investments in associates: impairment testing of goodwill (Alstom)

Because goodwill included in the carrying amount of investments in associates is not shown separately, it is not tested separately for impairment under IAS 36. The total carrying amount of the investment is tested for impairment by comparing its recoverable amount with its carrying amount, determined as follows:

The recoverable amount of Alstom was tested for impairment as at 31 December 2010 on the basis of forecasts prepared by a panel of financial analysts. 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.

- Discount rates (weighted average cost of capital) and growth rate used for Alstom at 31 December 2010:

Discount rates		Growth rate
Scenario 1 ***(a)***	**Scenario 2** ***(a)***	
9.77%	**8.75%**	**2%**

(a) Depending on the capital structure: scenario 1 = ⅓ debt, ⅔ equity; scenario 2 = ⅔ debt, ⅓ equity.

- Note 3.2.3 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 December 2010. As of that date, there were no material events that might call into question the carrying amounts reported for these companies.

- **Other non-current assets:** for other non-current assets, in particular non-depreciable assets, an impairment loss is recognised as soon as there is evidence that the asset is impaired.

2.7.5. Non-current financial assets

In addition to deferred tax assets (treated as non-current), other non-current financial assets include loans and receivables (including amounts due from non-consolidated companies), deposits and caution money, and investments in non-consolidated companies over which the Bouygues group exercises neither control nor significant influence.

Investments in non-consolidated companies are measured at fair value, with changes in fair value taken to shareholders' equity.

Fair value is the market price for listed investments, and value in use for unlisted investments. Value in use is determined using the most appropriate criteria for each individual investment.

If there is objective evidence that an investment is impaired, the accumulated losses taken to shareholders' equity are recognised in the income statement.

Advances to non-consolidated companies, and other loans and receivables, are accounted for at amortised cost, determined using the effective interest method.

In the case of variable-rate loans and receivables, cash flows are periodically re-estimated to reflect changes in market interest rates, resulting in an adjustment to the effective interest rate and hence to the valuation of the loan or receivable.

Loans and receivables are reviewed for objective evidence of impairment. An impairment loss is recognised if the carrying amount of a financial asset is greater than the estimated recoverable amount as determined by impairment testing. Impairment losses are recognised in the income statement (see Note 3.2.4 for details).

2.8. CURRENT ASSETS

2.8.1. Inventories

Inventories are stated at the lower of cost (first in first out or weighted average cost, depending on the nature of the business) or market price.

Where the realisable value of inventory is lower than cost, the necessary provision for impairment is recognised.

2.8.2. Property development projects

Property development project inventories are measured at cost, which includes land acquisition costs and taxes, construction and fitting-out costs, utilities costs, professional fees and ancillary costs.

Sales agency fees and commission incurred on property development projects, and all advertising costs, are recognised in profit or loss as incurred.

Preliminary studies relating to property development projects are recognised in inventory. If the probability of the project being completed is low, especially if there is a risk of withdrawal or refusal of planning permission, the amount recognised is written down via a provision for impairment.

2.8.3. Programmes and broadcasting rights (TF1)

In order to secure broadcasting schedules for future years, the TF1 group enters into binding contracts, sometimes for a period of several years, under which it acquires (and the other party agrees to deliver) programmes and sports transmission rights.

A programme is treated as ready for transmission and recognised in inventory under "Programmes and broadcasting rights" when the following two conditions are met: technical acceptance (for in-house and external productions), and opening of rights (for external productions). In the case of rights and programmes for which these two criteria have not been met (programmes not yet delivered, sports rights for which the right to broadcast is not activated until the date of the event, etc.), the Group takes the view that it does not control the asset, since it has neither the right nor the ability to broadcast the programme. Consequently, these rights are not recognised in the balance sheet, and any advance payments made to acquire such rights are treated as supplier prepayments.

Programmes and broadcasting rights

The "Programmes and broadcasting rights" line in the balance sheet includes:

- in-house productions, made by TF1 group companies for TF1 channels;

- external productions, comprising broadcasting rights acquired by the TF1 group's channels and co-production shares of broadcasts made for the TF1 group's channels.

- Programmes that have not been broadcast and the rights to which have expired are written off as a component of current operating profit, and any previously-recognised provisions are reversed.

- The value of programmes and broadcasting rights is measured as follows:

  - in-house production: overall production cost (direct costs plus a portion of indirect production costs);

  - broadcasting rights and co-productions: purchase cost, less consumption for the year calculated at each balance sheet date and any impairment losses.

TF1 SA programmes (which account for most of the group's programme inventory) are deemed to have been consumed as transmitted. If they are acquired for a single transmission, they are regarded as having been consumed in full at the time of this transmission. If they are acquired for two or more transmissions, consumption is calculated according to the type of programme using the rules described below (unless otherwise specified in the acquisition contract):

	Type of programme		
	Dramas with a running time of at least 52 minutes	Films, TV movies, serials and cartoons	Other programmes and broadcasting rights
1st transmission	80%	50%	100%
2nd transmission	20%	50%	-

"Other programmes and broadcasting rights" in the table above refers to children's programmes (other than cartoons), entertainment shows, plays, factual and documentary programmes, news, sport, and dramas with a running time of less than 52 minutes.

A provision for impairment is recorded once it becomes probable that a programme will not be transmitted, or if the contractual value at which it was recognised in inventory exceeds the value attributable to it using the rules described above. Probability of transmission is assessed on the basis of the most recent programming schedules approved by management. If rights are resold, a provision is recorded once the sale is probable to cover any excess of the value at which the rights were initially recognised in inventory (or the amount of advance payments) over the actual or estimated selling price.

2.8.4. Trade receivables

Trade receivables are carried at face value, net of impairment recorded to reflect the probability of recovery. These receivables are usually short-term and non interest-bearing. They are measured at the original invoice amount, unless application of an implied interest rate would have a material effect.

In line with the percentage of completion method of accounting for long-term contracts, trade receivables include:

- statements issued as works are executed or services provided, and accepted by the project owner;
- unbilled receivables, arising where works are entitled to acceptance but billing or acceptance by the project owner has been temporarily delayed.

2.8.5. Other current receivables and prepaid expenses

Other receivables are carried at face value, net of impairment recorded to reflect the probability of recovery.

2.9. Financial instruments

Some Group entities use hedging instruments to limit the impact on the income statement of fluctuations in exchange rates and interest rates. The Group's policy on the use of financial instruments is described below.

2.9.1. Risks to which the Group is exposed

Currency risk

In general, the Bouygues group has little exposure to currency risk in routine commercial transactions, given that its international operations (primarily Bouygues Construction and Colas) do not involve exports. Where possible, expenses relating to a contract are incurred in the same currency as that in which the contract is billed. This applies to most projects executed outside France, on which local-currency expenses (sub-contracting and supplies) represent a much higher proportion than euro-denominated expenses. Exposure to currency risk is therefore limited to contract margins, and to any design work carried out in France. The Bouygues group also pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

Interest rate risk

The Group's financial expenses have low sensitivity to interest rate risk. The bulk of debt is in the form of fixed-rate bond issues, and a range of hedging instruments is used to convert variable-rate debt into fixed-rate debt.

Consolidated financial expenses would be only marginally affected by fluctuations in euro interest rates, or by a divergence in interest rate trends between the euro and other major currencies.

On average over the year, the amount of variable-rate debt in the balance sheet is less than the amount of surplus cash invested at variable rates.

2.9.2. Principles applied to all hedging instruments

The only instruments used for hedging purposes are forward currency purchases and sales, currency swaps and purchases of currency options for currency risk hedging purposes; and interest rate swaps, future rate agreements, and purchases of caps and collars for interest rate risk hedging purposes.

These instruments:

- are used solely for hedging purposes;
- are contracted solely with high-quality French and foreign banks;
- carry no liquidity risk in the event of a downturn.

Specific reports are prepared for those responsible for the management and supervision of the relevant Group companies describing the use of hedging instruments, the selection of counterparties with whom they are contracted, and more generally the management of exposure to currency risk and interest rate risk.

2.9.3. Hedging rules

Currency risk

Group policy is to hedge systematically all residual currency exposure relating to commercial transactions. If the future cash flow is certain, the currency risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed; if the hedged item ceases to exist (for example, if the service is not provided or the contract is cancelled), the hedge is closed out immediately.

In the interests of efficiency, the currency positions of some Group entities may be managed centrally, which in some cases may result in the offset of matching positions (currency derivatives are used solely for hedging purposes).

Interest rate risk

Group policy is for each sub-group to hedge some or all of its financial assets and liabilities, where these are foreseeable and recurring.
The aim is to control future interest expense by fixing the cost of debt using swaps and future rate agreements, or by limiting it through the use of caps, over a period equivalent to that of the financial liabilities to be hedged.

As with currency risk, the interest rate positions of some Group entities may, in the interests of efficiency, be managed centrally and partially offset.

2.9.4. Accounting methods

In general, the financial instruments used by the Group qualify for hedge accounting, which means that the hedging relationship is documented in accordance with the requirements of IAS 39. Two types of accounting treatment are used:

- Fair value hedges: changes in the fair value of the hedging instrument and changes in the fair value of the hedged item are recognised symmetrically in the income statement.

- Cash flow hedges: changes in the fair value of the hedging instrument are recognised in the income statement for the ineffective portion of the hedging relationship, and in shareholders' equity (until the hedge is closed out) for the effective portion.

2.10. CONSOLIDATED SHAREHOLDERS' EQUITY

Treasury shares are deducted from consolidated shareholders' equity. No expense or income arising on the cancellation of treasury shares is recognised in the income statement.

If a Group subsidiary holds its own shares, an additional percentage interest in that subsidiary is recognised at Group level.

Translation reserve

The translation reserve represents translation differences arising since 1 January 2004, when the reserve was deemed to be zero and the balance transferred to “Retained earnings”.

Information about the management of capital

The objective of Bouygues management in managing capital is to maintain consolidated shareholders' equity at a level consistent with:

- maintaining a reasonable gearing ratio (net debt to shareholders' equity);
- distributing regular dividends to shareholders.

However, the level of equity may vary over short periods, especially if a strategically important investment opportunity arises.

The business plan is a key management tool, used by the parent company to assess the financial position of each business segment and of the Group as a whole, and the effects on consolidated shareholders' equity.

Within these overall principles, Group management allows the subsidiaries responsible for segments and their respective parent companies a degree of autonomy to manage their equity in line with their specific objectives and needs, given that equity capital requirements vary from business to business and segment to segment.

Bouygues defines net debt as all financial liabilities (including financial instrument liabilities associated with debt and short-term investments), less cash and cash equivalents and associated financial instruments.

2.11. NON-CURRENT LIABILITIES

2.11.1. Non-current debt (portion due after more than one year)

With the exception of derivative instruments accounted for as financial liabilities measured at fair value, all other borrowings and financial liabilities are accounted for at amortised cost, measured using the effective interest method.

Transaction costs directly attributable to the acquisition or issuance of a financial liability are offset against that liability, and amortised over the life of the liability using the effective interest method.

The portion of long-term debt due within less than one year is included in current liabilities.

2.11.2. Non-current provisions

Under IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", a provision is recorded at the balance sheet date if the Group has an obligation to a third party resulting from a past event and it is probable that settlement of the obligation will result in a net outflow from the group of resources embodying economic benefits.

The amount recognised as a provision represents the Group's best estimate of the net outflow of resources.

Non-current provisions are not usually associated with the normal operating cycle of each segment (compare the definition of current provisions below).

Non-current provisions mainly comprise:

- Provisions established to cover the uninsured portion of risks under two-year and ten-year construction contract guarantees. These provisions are recognised in line with recognition of contract revenues, based on statistical data reflecting actual experience over the long term.

- Provisions related to tax exposures and to fines levied by the competition authorities.

- Provisions for litigation, claims and foreseeable risks relating to the Group's operations, especially foreign operations, including permanent withdrawal from projects and sundry risks and liabilities.

- Provisions for site rehabilitation and decommissioning costs (eg quarries).

- Costs incurred as a result of a contractual obligation to remedy immediate environmental damage are covered by a provision.

- Employee benefits:

  - ➢ Provisions for long-service awards.

  - ➢ Provisions for obligations to employees in respect of lump-sum benefits payable on retirement.

    This provision is calculated using the projected unit credit method based on final salary, and on the basis of the collective agreement for each business segment. The calculation takes account of:

    - ✓ status, age and length of service for each employee category;
    - ✓ employee turnover, calculated on the basis of the average number of leavers by business segment, age bracket and employee category;
    - ✓ average salary and wages including bonuses and benefits in kind, uplifted by a coefficient to reflect the applicable percentage of employer's social security charges;
    - ✓ a final salary inflation rate;
    - ✓ a discount rate applied to the obligation over the projected period to the retirement date;
    - ✓ estimated mortality, based on mortality tables.

  - ➢ Provisions for pension obligations (depending on the country and terms of the pension plan).

    To cover their pension obligations, Group companies make regular payments to external bodies including public and private pension funds and insurance companies (defined-contribution plans). There are however some remaining defined-benefit plans still in existence, mainly in the Colas group (United Kingdom, Ireland and Canada); only a limited number of employees are involved, as it was decided some years ago to close these plans to new entrants. The fair value of the assets held to cover these plans as of 31 December 2010 did not require any material impairment to be recognised in the consolidated financial statements.

    - The actuarial assumptions used to measure the present value of the pension obligation and the service cost for the period in respect of defined-benefit plans represent the best estimate of the variables that will determine the final cost of the benefits. These assumptions are internally consistent. The discount rate is determined by reference to the expected market rate for high-quality corporate bonds at the balance sheet date, taking into account the estimated timing of benefit payments.

    The Bouygues group recognises in consolidated shareholders' equity the effect of changes in actuarial assumptions on the pension obligation.

2.12. CURRENT LIABILITIES

2.12.1 Advances and down-payments on orders

This item comprises advances and down-payments received from customers on construction contract starts.

2.12.2. Current provisions

- Provisions relating to the normal operating cycle of each segment. These mainly comprise:

  - ✓ Provisions for construction contract risks, joint ventures, etc.

  - ✓ Provisions for restructuring.

- Provisions for losses to completion on construction contracts:

  These relate to construction contracts in progress, and take account of claims accepted by the customer. They are measured on a contract by contract basis, with no netting between them.

2.12.3. Trade payables and other current liabilities

Because of the short-term nature of these liabilities, the carrying amounts shown in the consolidated financial statements are a reasonable estimate of market value.

2.13. INCOME STATEMENT

As allowed under IAS 1, “Presentation of Financial Statements”, the Bouygues group presents an income statement that classifies expenses by nature, in the format specified in Recommendation 2009-R-03 issued by the French national accounting standard-setter, the *Conseil National de la Comptabilité* (CNC), now the *Autorité des Normes Comptables* (ANC), on 2 July 2009. An income statement classifying expenses by function is shown in Note 16 to the financial statements.

2.13.1. Definition of operating revenues

Revenues from the Group’s operations are recognised when:

- it is probable that the future economic benefits of the transaction will flow to the Group;
- the amount of revenue can be reliably measured;
- at the transaction date, it is probable that the amount of the sale will be recovered.

Bouygues Telecom:

- Bouygues Telecom generates revenue from services, and from sales of handsets and accessories.
- Services:

  Price plans and commercial services (mobile and fixed) are invoiced one month in advance, and the corresponding revenue is recognised on a straight-line basis over the service period.

  Revenues from call charges other than price plans, roaming fees and interconnection fees are recognised as the service is used.

  Services carried out on behalf of content providers in relation to SMS+ services, special numbers and i-mode services are not included in income and expenses for the period. Only the margin charged as consideration for the service is recognised in sales.

- Sales of handsets and accessories:

  Sales of handsets and SIM cards are recognised on sale to the distributor or retailer, but the margin on the sale is eliminated until the line is activated by the customer.

- The costs of acquiring and renewing customer contracts are recognised as an expense in the period in which they are incurred.
- Distributor/retailer commission:

  All commission payable to distributors and retailers is recognised as an expense.

- Consumer loyalty programme:

  Consumers earn points as and when they are billed, which they can then use to obtain a handset upgrade provided that they sign up again for a minimum period of 12 months.

  In accordance with IFRIC 13 (paragraphs AG1 to AG3), Bouygues Telecom has measured the fair value of the loyalty points awarded under its consumer loyalty programme, and has not deferred any revenues as a result.

2.13.2. Accounting for long-term contracts

Construction activities

All activities related to construction contracts are accounted for using the percentage of completion method.

Under this method, the revenue recognised equals the latest estimate of the total selling price of the contract multiplied by the actual completion rate determined by reference to the physical state of progress of the works. The latest estimate of the total selling price takes account of claims that have been accepted by the client or are highly probable.

If it is regarded as probable that a contract will generate a loss on completion, a provision for expected losses on completion is recognised as a current provision in the balance sheet. The loss is provided for in full as soon as it is can be reliably measured, irrespective of the completion rate.

Property development

- Accounting treatment for property development projects:

  Revenues and profits are recognised using the percentage of completion method once the following conditions have been met:

  - building permit with no appeal;
  - signature of notarised deed of sale or development contract;
  - construction contract signed (order given to start works).

  The percentage of completion represents costs recognised to date as a proportion of the total estimated costs to completion of the project.

  Accrued expenses are recognised for finishing costs on this type of project, based on the percentage of completion; residual expenses on delivered projects are also recognised in “Trade payables”.

  Overheads, including sales force costs and all advertising costs, are expensed as incurred.

2.13.3. Profits/losses from joint operations

These profits and losses are included in “Other operating income and expenses”, and represent the Group’s share of profits or losses from non-consolidated companies involved in the operation of production facilities for road-building and asphalt products; they are included in current operating profit.

2.13.4. Share-based payment

In accordance with IFRS 2, stock subscription options granted to corporate officers or employees of the Group are accounted for in the financial statements as follows: the fair value of the options granted (corresponding to the fair value of the services rendered by the employees as consideration for the options) is recognised as an employee benefit under “Personnel costs” in the income statement, with the matching entry credited to shareholders' equity.

The amount of the employee benefit is measured at the grant date of the option using the Black & Scholes model, and is charged to the income statement over the vesting period of the rights.

2.14. CASH FLOW STATEMENT

The cash flow statement is presented in accordance with IAS 7 and with CNC Recommendation 2009-R-03 of 2 July 2009, using the indirect method.

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:

  The Bouygues group defines cash flow as:

  Consolidated net profit before: net depreciation and amortisation expense, net changes in provisions and impairment losses, 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.

2.15. OTHER FINANCIAL INDICATORS

2.15.1. 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).

2.15.2. Free cash flow

Cash flow (determined after cost of net debt and net income tax expense, but before changes in working capital) minus net capital expenditure for the period.

2.15.3. Net debt

This represents the aggregate of:

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

2.16. 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.

2.17. COMPARABILITY OF THE FINANCIAL STATEMENTS

Changes in the scope of consolidation during the year ended 31 December 2010 did not have a material effect on the consolidated financial statements as presented for the year then ended, and do not impair comparisons with the consolidated financial statements for the year ended 31 December, 2009 (after the divestment of Finagestion at the end of 2009).

NOTE 3 NON-CURRENT ASSETS 18,620

3.1 Acquisitions of non-current assets during the year, net of disposals

	2010	2009
Acquisitions of property, plant and equipment	1,377	1,219
Acquisitions of intangible assets	130	146
Capital expenditure	**1,507**	**1,365**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies, other long-term investments)	494	62
Acquisitions of non-current assets	**2,001**	**1,427**
Disposals of non-current assets	-323	-904
Acquisitions of non-current assets, net of disposals	**1,678** (a)	**523**

(a) - Includes net acquisitions of €681m by Bouygues Telecom and €500m by Colas
- TF1: TMC/NT1 acquisition, €195m

For a breakdown of non-current assets by business segment see note 16, "Segment Information".

3.2 Non-current assets: movements during the period

3.2.1 Property, plant and equipment 6,159

Gross value	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
1 January 2009	**1,925**	**9,534**	**2,225**	**449**	**14,133**
Movements during 2009					
Translation adjustments	8	25	6		39
Changes in scope of consolidation	(133)	(197)	(106)	(73)	(509)
Acquisitions during the period	56	612	260	291	1,219
Disposals, transfers and other movements	4	(194)	(97)	(297)	(584)
31 December 2009	**1,860**	**9,780**	**2,288**	**370**	**14,298**
of which finance leases	24	107	92		223
Movements during 2010					
Translation adjustments	35	117	34	1	187
Changes in scope of consolidation	(23)	121	12	18	128
Acquisitions during the period	62	691	293	331	1,377 (a)
Disposals, transfers and other movements	(11)	(396)	(97)	(289)	(793)
31 December 2010	**1,923**	**10,313**	**2,530**	**431**	**15,197**
of which finance leases	24	109	82		**215**

Depreciation and impairment	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
1 January 2009	**(616)**	**(5,922)**	**(1,475)**		**(8,013)**
Movements during 2009					
Translation adjustments	(2)	(11)	(4)		(17)
Changes in scope of consolidation	51	117	84		252
Net expense for the period	(70)	(849)	(257)		(1,176)
Disposals and other reductions	16	447	120		583
31 December 2009	**(621)**	**(6,218)**	**(1,532)**		**(8,371)**
of which finance leases	(9)	(65)	(81)		(155)
Movements during 2010					
Translation adjustments	(11)	(69)	(21)		(101)
Changes in scope of consolidation	30	(104)	(10)		(84)
Net expense for the period	(68)	(872)	(277)		(1,217)
Disposals and other reductions	21	540	174		735
31 December 2010	**(649)**	**(6,723)**	**(1,666)**		**(9,038)**
of which finance leases	(9)	(60)	(74)		(143)

Carrying amount	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
31 December 2009	**1,239**	**3,562**	**756**	**370**	**5,927**
of which finance leases	15	42	11		68
31 December 2010	**1,274**	**3,590**	**864**	**431**	**6,159**
of which finance leases	15	49	8		72

(a) Includes €623m for Bouygues Telecom (mobile network investments of €396m), and €499m for Colas.
Analyses by business segment and geographical area of the carrying amount of intangible assets and property, plant and equipment, and of net capital expenditure, are provided in Note 16, "Segment Information".

. <u>Operating commitments not yet recognised involving future outflows of resources</u>:

	Falling due: within less than 1 year	within 1 to 5 years	after more than 5 years	Total 2010	Total 2009
Colas: orders in progress for plant & equipment	**42**	**40**		**82**	**35**
Bouygues Telecom: orders in progress for PP&E (network equipment assets)	**232**	**43**		**275**	**178**
Total	**274**	**83**		**357**	**213**

3.2.2 Intangible assets

990

- Overall increase in carrying amount: €2m

Gross value	Development expenses [a]	Concessions, patents and similar rights	Other intangible assets	Total
1 January 2009	**203**	**1,190**	**1,360**	**2,753**
Movements during 2009				
Translation adjustments	0	0	1	1
Changes in scope of consolidation	0	(9)	(48)	(57)
Acquisitions during the period	22	68	54	144
Disposals, transfers and other movements	(5)	(22)	(10)	(37)
31 December 2009	**220**	**1,227**	**1,357**	**2,804**
Movements during 2010				
Translation adjustments	0	2	2	4
Changes in scope of consolidation	0	33	7	40
Acquisitions during the period	7	65	54	126
Disposals, transfers and other movements	26	(49)	(66)	(89)
31 December 2010	**253**	**1,278**	**1,354**	**2,885**

Amortisation and impairment	Development expenses [a]	Concessions, patents and similar rights	Other intangible assets	Total
1 January 2009	**(148)**	**(425)**	**(1,084)**	**(1,657)**
Movements during 2009				
Translation adjustments	0	0	0	0
Changes in scope of consolidation	0	0	17	17
Net expense for the period	(27)	(89)	(84)	(200)
Disposals, transfers and other movements	5	3	16	24
31 December 2009	**(170)**	**(511)**	**(1,135)**	**(1,816)**
Movements during 2010				
Translation adjustments	0	(1)	(1)	(2)
Changes in scope of consolidation	0	(2)	(4)	(6)
Net expense for the period	(11)	(104)	(56)	(171)
Disposals, transfers and other movements	(25)	66	59	100
31 December 2010	**(206)**	**(552)**	**(1,137)**	**(1,895)**

- Carrying amount:

Net	Development expenses [a]	Concessions, patents and similar rights	Other intangible assets	Total
31 December 2009	**50**	**716**	**222**	**988**
31 December 2010	**47**	**726** [b]	**217**	**990**

(a) - Development expenses:
- software development expenses are usually capitalised (relates mainly to Bouygues Telecom);
- development expenses of a permanent and recurring nature that do not meet the IAS 38 capitalisation criteria are expensed (relates mainly to Colas).

(b) Includes Bouygues Telecom's UMTS licence: carrying amount €418m

3.2.3 Goodwill 5,531

Overall increase in carrying amount during the year: €375m (fully consolidated entities only; amounts for associates are disclosed in Note 3.2.4.1, "Investments in associates")

	Gross value	Impairment	Carrying amount
1 January 2009	**5,200**	**(43)**	**5,157**
Movements during 2009			
Changes in scope of consolidation	(19)	9	(10)
Impairment losses charged during the period		(2)	(2)
Translation adjustments and other movements	9	2	11
31 December 2009	**5,190**	**(34)**	**5,156**
Movements during 2010			
Changes in scope of consolidation	392	(1)	391
Impairment losses charged during the period		(47)	(47)
Translation adjustments and other movements	29	2	31
31 December 2010	**5,611** (a)	**(80)**	**5,531**

(a) Includes €399m for TMC and NT1 at 31 December 2010 (increase during the year: €384m).

Split of goodwill by cash generating unit (CGU)

CGU	31/12/2010 Total	31/12/2010 % (Bouygues or subsidiaries)	31/12/2009 Total	31/12/2009 % (Bouygues or subsidiaries)
Bouygues Construction (a)	347	99.97	326	99.97
Colas (b)	1,063	96.62	1,086	96.62
TF1 (b)	1,468	43.09	1,091	43.02
Bouygues Telecom (b)	2,651	89.55	2,651	89.55
Other activities	2		2	
Total Bouygues group	**5,531**		**5,156**	

(a) Only includes goodwill on subsidiaries acquired by the CGU
(b) Includes goodwill on subsidiaries acquired by the CGU and on acquisitions made by the parent company (Bouygues SA) for the CGU

Consolidated carrying amount of listed shares as at 31 December 2010 (in euros)

	Consolidated carrying amount per share	Closing quoted share price at 31/12/2010 (a)
TF1	13.46 (b)	13.00
Colas	95.07	144.94
Alstom	49.48	35.81

Impairment tests carried out at 31 December 2010 using the methodology described in Note 2 showed no evidence that the recoverable amount of any CGU had fallen below the carrying amount of the assets tested.

(a) Before adjustment to reflect a control premium (TF1/Colas)
(b) €14.95 after adjustment to reflect a control premium

3.2.4 Other non-current assets 5,940

These comprise:
- investments in associates (companies accounted for by the equity method): €5,020m
- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc).
- deferred tax assets and non-current tax receivable

	Gross value						
		Other non-current financial assets					
	Investments in associates (a)	Investments in non-consolidated companies	Other non-current financial assets	Total gross value	Amortisation and impairment	Carrying amount	Deferred tax assets & non-current tax receivable
1 January 2009	**4,747**	**311**	**1,197**	**6,255**	**(204)**	**6,051**	**246**
Movements during 2009							
Changes in scope of consolidation	31	(33)	156	154	(9)	145	(9)
Acquisitions and other increases	408	14	68	490		490	
Amortisation and impairment, net					2	2	
Disposals and other reductions	(138)	(15)	(927)	(1,080)		(1,080)	
Transfers (including to equity)	(86)	(1)	(163)	(250)	(2)	(252)	36
31 December 2009	**4,962**	**276**	**331**	**5,569**	**(213)**	**5,356**	**273**
Amortisation and impairment	**(5)**	**(135)**	**(73)**	**(213)**			
Carrying amount	**4,957**	**141**	**258**	**5,356**			**273**
Movements during 2010							
Changes in scope of consolidation	(97)	11	1	**(85)**	(7)	**(92)**	**22**
Acquisitions and other increases	345	22	111	**478**		**478**	
Amortisation and impairment, net					(11)	**(11)**	
Disposals and other reductions	(157)	(10)	(82)	**(249)**		**(249)**	
Transfers (including to equity) (b)	(25)	168	57	**200**	(3)	**197**	**(34)**
31 December 2010	**5,028**	**467**	**418**	**5,913**	**(234)**	**5,679**	**261**
Amortisation and impairment	**(8)**	**(138)**	**(88)**	**(234)**			
Carrying amount	**5,020**	**329**	**330**	**5,679**			**261**

$$\underbrace{5{,}679 \quad 261}_{5{,}940}$$

(a) Includes goodwill on associates of €2,753m

(b) Mainly relates to actuarial gains/losses on lump-sum retirement obligations of Alstom (includes net movement of €32m in the translation reserve)

3.2.4.1 Investments in associates 5,020

Components of carrying amount at 31 December 2010	Share of net assets held	Share of profit for the period	Goodwill	Carrying amount
1 January 2009	**1,590**	**357**	**2,795**	**4,742**
Movements during 2009				
Translation adjustments	(9)			(9)
Acquisitions and share issues	25		21	46
Profit for the period		393		393
Impairment losses				
Appropriation of prior-year profit				
Disposals, transfers and other movements	142	(357)		(215)
31 December 2009	**1,748**	**393**	**2,816**	**4,957**
Movements during 2010				
Translation adjustments	32			32
Acquisitions and share issues	94		126 (b)	220
Profit for the period		281		281
Impairment losses			(3)	(3)
Appropriation of prior-year profit				
Disposals, transfers and other movements	112	(393)	(186)	(467)
31 December 2010	**1,986**	**281**	**2,753**	**5,020** (a)

(a) Includes: - Alstom = €4,366m (see below)
- Cofiroute (Colas) = €490m

(b) Includes: - Alstom = €126m (goodwill on additional acquisitions in 2010)

A list of associates in which the Bouygues group holds an interest is provided in Note 24 (Detailed list of consolidated companies at 31 December 2010).

Principal associates

	31/12/2009	Net movement in 2010	31/12/2010	Includes: share of profit/(loss) for the period
Alstom	4,054	312	4,366 (b)	218 (a)
Construction				
Concession companies	77	(15)	62	(8)
Other associates	4	1	5	(2)
Roads				
Cofiroute	469	21	490	52
Other associates	57	8	65	16
Media	275	(261)	14	6
Other associates	21	(3)	18	(4)
Total	**4,957**	**63**	**5,020**	**278**

(a) Contribution net of amortisation of €17m charged against fair value remeasurements in 2010
(b) Includes total goodwill of €2,589m

Summary information about the assets, liabilities, income and expenses of the Bouygues group's two principal associates is provided below.

Amounts shown are for 100% of the associate	31 December 2010	
	Alstom (a)	Cofiroute
Non-current assets	11,753	5,841
Current assets	17,423	568
Total assets	**29,176**	**6,409**
Shareholders' equity	3,989	2,150
Non-current liabilities	5,047	3,726
Current liabilities	20,140	533
Total liabilities and equity	**29,176**	**6,409**
Sales	**10,432**	**1,292**
Current operating profit	**763**	**584**
Net profit	**416**	**312**
Net profit attributable to the Group	**401**	**312**

Amounts shown are for 100% of the associate	31 December 2009	
	Alstom (b)	Cofiroute
Non-current assets	8,898	5,934
Current assets	17,080	498
Total assets	**25,978**	**6,432**
Shareholders' equity	4,101	2,022
Non-current liabilities	3,888	3,720
Current liabilities	17,989	690
Total liabilities and equity	**25,978**	**6,432**
Sales	**19,650**	**1,284**
Current operating profit	**1,779**	**593**
Net profit	**1,205**	**312**
Net profit attributable to the Group	**1,217**	**312**

(a) Interim financial statements published by Alstom for the six months ended 30 September 2010 (Alstom's financial year-end is 31 March)
(b) Financial statements for the year ended 31 March 2010

Principal investments in non-consolidated companies at 31 December 2010

Investment	31/12/2010 Gross value	Impairment	Carrying amount	% interest	Total assets	Total current & non-current liabilities	Total sales	Net profit/ (loss)	31/12/2009 Carrying amount
French companies									
Groupe AB (put option)	155 (a)		**155**	**33.5%**					
Sofica Valor	13		**13**	**71.6%**					**8**
Sylver	4		**4**	**49.0%**					**4**
Asphalt and binder companies (Colas) (b)	14	(2)	**12**						**13**
Sub-total	**186**	**(2)**	**184**						**25**
Foreign companies									
IEC Investments (Hong Kong)	53		**53**	**15.0%**	**158**	**17**	**20**	**(21)**	**49**
Socoprim (Ivory Coast)	13		**13**	**64.0%**	**23**	**1**			**14**
A1- International (Netherlands)	13	(13)		**50.0%**					
Bombela (South Africa)	9		**9**	**17.0%**	**473**	**459**	**2**		**9**
CCIB (Romania)	6	(6)		**22.0%**					
VSL Corporation (United States)	22	(22)		**100.0%**					
Wikio	4		**4**	**13.2%**					
Asphalt and binder companies (Colas) (b)	2	(1)	**1**						**1**
Sub-total	**122**	**(42)**	**80**						**73**
Other investments	159	(94)	**65**						**43**
Total	**467**	**(138)**	**329**						**141**

(a) Most significant change during 2010

(b) The information provided for "Colas asphalt & binder companies" and "Other investments in French and foreign companies" relates to a large number of companies, for which individual information is not disclosed on grounds of immateriality.

Other non-current financial assets — 330

The main items included in this heading are:

- advances to non-consolidated companies	85	
- non-current loans and receivables	102	
- other long-term investments:	143	
- deposits and caution money		124
- other long-term investment securities		19 (a)

(a) Main components of "Other long-term investment securities"

- mutual funds	10
- other investments individually less than €2m	9
	19

Analysis of investments in non-consolidated companies and other non-current financial assets (excluding associates) by type — 659

	Measured at fair value			
	Available-for-sale financial assets (a)	Other financial assets measured at fair value (b)	Loans and receivables (c)	Total
31 December 2009	**180**	**4**	**215**	**399**
Movements during 2010	26	157 (d)	77 (e)	260
31 December 2010	**206**	**161**	**292**	**659**
Due within less than 1 year	10		13	**23**
Due within 1 to 5 years	1	155	73	**229**
Due after more than 5 years	195	6	206	**407**

(a) Impact of fair value remeasurements recognised in equity
(b) Impact of fair value remeasurements recognised in profit or loss
(c) Measured at amortised cost
(d) Includes the Groupe AB put option, initially designated at fair value
(e) Includes financial receivables relating to Public-Private Partnership (PPP) activities

Investments in joint ventures

The Bouygues group holds a number of interests in joint ventures, which are listed in Note 24 (Detailed list of consolidated companies at 31 December 2010).

Aggregate amounts of assets/liabilities and key income statement indicators are shown below:

Bouygues share in joint ventures	2010	2009
Non-current assets	183	147
Current assets	941	712
Total assets	**1,124**	**859**
Shareholders' equity	(136)	(62)
Non-current liabilities	136	158
Current liabilities	1,124	763
Total liabilities and equity	**1,124**	**859**
Sales	**1,181**	**1,230**
Operating profit/(loss)	**13**	**(48)**
Net profit/(loss)	**11**	**(50)**

3.2.5 Non-current tax assets — 261

See Note 7 for details.

NOTE 4 CURRENT ASSETS 16,966

4.1 Inventories 2,680

Inventories	31 December 2010 Gross value	Impairment [a]	Carrying amount	31 December 2009 Gross value	Impairment [a]	Carrying amount
Property development inventories	1,338	(112)	1,226 [b]	1,483	(117)	1,366
Raw materials and finished goods	877	(41)	836	757	(32)	725
Programmes and broadcasting rights (TF1)	771	(153)	618	746	(157)	589
Total	**2,986**	**(306)**	**2,680**	**2,986**	**(306)**	**2,680**

		2010	2009
(a) Includes:	impairment charged during the period:	(76)	(130)
	impairment reversed during the period:	90	133

(b) Includes Bouygues Immobilier: property under construction €889m, completed properties €240m

Operating commitments not yet recognised involving future outflows of resources:

· ***TF1: Programming schedules for future years***

The maturities of broadcasting and sports transmission rights contracts are as follows:

	Maturity within less than 1 year	within 1 to 5 years	after more than 5 years	Total 2010	Total 2009
Programmes and broadcasting rights (a)	531	925	149	1,605	1,524
Sports transmission rights	220	406	10	636	527
Total	**751**	**1,331**	**159**	**2,241**	**2,051**

(a) 2010: some of these contracts are denominated in foreign currencies: €16.8m in Swiss francs, €9.6m in pounds sterling, and €472.6m in U.S. dollars.

· ***Bouygues Immobilier:***

	Maturity within less than 1 year	within 1 to 5 years	after more than 5 years	Total 2010	Total 2009
Reciprocal operating off balance sheet commitments relating to the acquisition of land banks	**251**	**18**		**269**	**191**

· ***Bouygues Telecom:***

	Maturity within less than 1 year	within 1 to 5 years	after more than 5 years	Total 2010	Total 2009
Agreements to secure handset supplies	**156**			**156**	**219**

4.2 Advances and down-payments on orders — 396

	31 December 2010			31 December 2009		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments on orders	410	(14)	**396**	421	(21)	**400**

4.3 Trade receivables, tax assets and other receivables — 8,283

	31 December 2010			31 December 2009		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables	6,624	(457)	**6,167**	6,509	(377)	**6,132**
(including unbilled receivables)						
Current tax assets	136	(2)	**134**	73	(2)	**71**
(tax receivable)						
Other receivables and prepaid expenses:						
- Other operating receivables (employees, social security, government and other)	1,292	(76)	**1,216**	1,426	(60)	**1,366**
- Sundry receivables	630	(81)	**549**	536	(83)	**453**
- Prepaid expenses	217		**217**	198		**198**
Total other receivables and prepaid expenses	2,139	(157)	**1,982**	2,160	(143)	**2,017**

Split of carrying amount of trade receivables between non-past due and past due balances at 31/12/2010 and 31/12/2009

	Non-past due balances	Balances past due by: 0-6 months	6-12 months	> 12 months	Total
Trade receivables	4,585	1,370	240	429	**6,624**
Impairment of trade receivables	(102)	(78)	(56)	(221) (a)	**(457)**
Carrying amount of trade receivables at 31 December 2010	**4,483**	**1,292**	**184**	**208**	**6,167**
Carrying amount of trade receivables at 31 December 2009	**4,479**	**1,268**	**236**	**149**	**6,132**

(a) Includes €106m for Colas and €84m for Bouygues Construction

An analysis of unimpaired trade receivables more than 12 months past due revealed no additional credit risk (recoverable VAT, offset with trade creditors, etc.).

4.4 Cash and equivalents 5,576

Cash and equivalents	31 December 2010 Gross value	Impairment	Carrying amount	31 December 2009 Gross value	Impairment	Carrying amount
Cash	1,977		**1,977** (a)	1,690		**1,690**
Cash equivalents	3,601	(2)	**3,599** (b)	3,030	(7)	**3,023**
Total	**5,578**	**(2)**	**5,576**	**4,720**	**(7)**	**4,713**

(a) Includes €1,054m of term deposits maturing in less than 3 months recorded in the books of Bouygues SA
(b) €3,493m of these cash equivalents are held by Bouygues SA
Surplus cash is invested with high-quality French and foreign banks.
Cash equivalents are readily convertible into cash.
Cash and equivalents are measured at fair value.

All investments of cash and equivalents were available as at 31 December 2010.

The net cash position shown in the cash flow statement comprises the following items:

	31/12/2010	31/12/2009
Assets		
Cash	1,977	1,690
Cash equivalents	3,599	3,023
Sub-total: assets	**5,576**	**4,713**
Liabilities		
Overdrafts and short-term bank borrowings	(294)	(258)
Sub-total: liabilities	**(294)**	**(258)**
Total	**5,282**	**4,455**

Split of cash position by currency at 31 December 2010	Euro	Pound sterling	Swiss franc	Other European currencies	U.S. dollar	Other currencies	Total
Cash	1,329	103	53	68	38	386	**1,977**
Cash equivalents	3,599						**3,599**
Financial instruments							
Overdrafts and short-term bank borrowings	(133)			(87)		(74)	**(294)**
Total at 31 December 2010	**4,795**	**103**	**53**	**(19)**	**38**	**312**	**5,282**
Total at 31 December 2009	**3,840**	**92**	**37**	**(51)**	**99**	**438**	**4,455**

4.5 Analysis of depreciation, amortisation, provisions and impairment in the balance sheet and income statement

	01/01/2010	Translation adjustments	Charges and reversals (operating)			Other movements (a)	31/12/2010
			Depreciation and amortisation	Impairment and provisions	Reversals (unutilised)		
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	(10,188)	(104)	(1,412)			771	**(10,933)**
Impairment of goodwill	(34)	(1)		(47)		2	**(80)**
Impairment of investments in non-consolidated companies	(135)			(3)			**(138)**
Impairment of other non-current financial assets	(77)	(1)		(24)	4	2	**(96)**
Impairment of inventories	(306)	(1)		(76)	22	55	**(306)**
Impairment of trade receivables	(377)	(6)		(211)	59	78	**(457)**
Impairment of cash equivalents	(7)					5	**(2)**
Impairment of other current assets	(167)			(39)	2	31	**(173)**
Total deducted from assets	**(11,291)**	**(113)**	**(1,412)**	**(400)**	**87**	**944**	**(12,185)**
Current and non-current provisions	**(2,558)**	**(36)**		**(861)**	**289**	**366**	**(2,800)**
Total recognised as liabilities	**(2,558)**	**(36)**		**(861)**	**289**	**366**	**(2,800)**

(a) Reversals on disposals and changes in scope of consolidation, and net movement recognised in financial income/expenses

4.6 Other current financial assets 31

	31/12/2010	31/12/2009
Financial instruments used to hedge financial liabilities	13	21
Other financial assets (financial assets due within < 1 year, financial instruments related to working capital items, etc)	18	201 (a)
Total	**31**	**222**

(a) Includes **€175m** relating to Alstom Hydro Holding

NOTE 5 CONSOLIDATED SHAREHOLDERS' EQUITY

5.1 Share capital of Bouygues SA (in euros) €365,862,523

As of 31 December 2010, the share capital of Bouygues SA consisted of 365,862,523 shares with a par value of €1. Movements during 2010 were as follows:

	01/01/2010	Movements during 2010 Reductions	Movements during 2010 Increases	31/12/2010
Shares	**354,267,911**		11,594,612 [a]	**365,862,523**
Number of shares	**354,267,911**		**11,594,612**	**365,862,523**
Par value	**€1**			**€1**
Share capital (€)	**354,267,911**		**11,594,612**	**365,862,523**

(a) Capital increases related to the Bouygues Confiance 5 employee share ownership plan and the exercise of share options

5.2 Shareholders' equity as of 31 December 2010 attributable to the Group and to minority interests

	Share capital	Share premium	Reserves related to capital	Retained earnings	Consolidated reserves and profit for the year	Treasury shares	Items recognised directly in equity	Total 31/12/2010
Attributable to the Group	366	2,345	806	1,467	4,574	(155)	(86)	**9,317**
Attributable to minority interests					1,286		4	**1,290**
Total shareholders' equity	**366**	**2,345**	**806**	**1,467**	**5,860**	**(155)**	**(82)** [a]	**10,607**

(a) Cumulative balance of items recognised directly in equity as of 31 December 2010

5.3 Analysis of income and expense recognised directly in equity (change in the period)

	Ref.	Attributable to the Group 2010	Attributable to the Group 2009
Translation reserve	1	32	6
Fair value remeasurement reserve (financial instruments)	2	21	(16)
Actuarial gains/(losses)	3	(12)	38
Taxes on items recognised directly in equity		(4)	25
Share of remeasurements of associates (a)		(16)	(100)
Sub-total		**21**	**(47)**

(a) Income and expenses relating to associates have been reclassified to a separate line, "Share of remeasurements of associates".

	Minority interests 2010	Minority interests 2009
Other income and expenses relating to minority interests	**8**	**2**
Total	**29**	**(45)**

These items are reported in the statement of recognised income and expense, presented immediately after the consolidated income statement.

5.3.1 - Translation reserve

Principal translation differences in the year ended 31 December 2010 arising on foreign subsidiaries and associates reporting in:

	31/12/2009	Movements during 2010	31/12/2010
U.S. dollar	**(34)**	**21**	**(13)**
Canadian dollar	**7**	**23**	**30**
Australian dollar	**1**	**6**	**7**
Pound sterling	**(13)**	**1**	**(12)**
South African rand	**(17)**	**(38)**	**(55)**
Swiss franc	**2**	**5**	**7**
Czech koruna	**6**	**3**	**9**
Other currencies	**(8)**	**43**	**35**
Total	**(56)**	**64** [b]	**8** [a]

(a) Includes the cumulative translation difference on associates: +€21m (including +€18m for Alstom, not reported separately)
(b) Split: Subsidiaries +€32m, associates +€32m

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

Amounts recognised directly in equity on the remeasurement at fair value of financial instruments used for hedging purposes and available-for-sale financial assets

	31/12/2009	Movements during 2010	31/12/2010
Gross movement (excluding associates)	**32**	21	**53**

. Mainly currency hedging instruments and fair value remeasurement of financial instruments.

5.3.3 - Actuarial gains and losses on employee benefits (IAS19) (portion attributable to the Group)

	31/12/2009	Movements during 2010	31/12/2010
Gross movement (excluding associates)	**1**	(12)	**(11)**

5.4 Analysis of "Other transactions with shareholders" (portion attributable to the Group)

Share-based payment (IFRS 2): impact on consolidated shareholders' equity

	2010	2009	(matching entry charged to profit or loss)
Stock options: TF1 and Bouygues SA			
Transfer to reserves:			
- TF1	**1**	**1**	
- Bouygues SA	**25**	**25**	Based on plans awarded since March 2004
Consolidated expense	**26**	**26**	
Employee share ownership plans			Cost of the employee benefit
- Bouygues Partage 2 plan		**8**	
- Bouygues Confiance 5 plan	**8**		
Total	**34**	**34**	

NOTE 6 NON-CURRENT AND CURRENT PROVISIONS

6.1 Non-current provisions = 1,870

	Long-term employee benefits (a)	Litigation and claims (b)	Guarantees given (c)	Other non-current provisions (d)	Total	
1 January 2009	**493**	**332**	**319**	**538**	**1,682**	
Movements during 2009						
Translation adjustments	2		2		4	
Changes in scope of consolidation	(17)	(1)	1	(54)	(71)	
Charges to provisions	41	118	127	136	422	
Reversals (utilised or unutilised)	(25)	(108)	(83)	(86)	(302)	(e)
Actuarial gains and losses	(39)				(39)	
Transfers and other movements		2	2	27	31	
31 December 2009	**455**	**343**	**368**	**561**	**1,727**	
Movements during 2010						
Translation adjustments	2		4	4	10	
Changes in scope of consolidation	20	(1)	(1)	37	55	
Charges to provisions	49	121	103	126	399	
Reversals (utilised or unutilised)	(40)	(97)	(105)	(115)	(357)	(f)
Actuarial gains and losses	11				11	
Transfers and other movements	1	(2)	3	23	25	
31 December 2010	**498**	**364**	**372**	**636**	**1,870**	

Provisions are based on management's best estimate of the risk, including risks relating to tax inspections.

			Principal segments involved	
(a) Long-term employee benefits		498	- Bouygues Construction	131
Lump-sum retirement benefits	318		- Colas	277
Long-service awards	124		- TF1	31
Other long-term employee benefits	56		- Bouygues Telecom	38
(b) Litigation and claims		364	- Bouygues Construction	193
Provisions for customer disputes	198		- Bouygues Immobilier	39
Subcontractor claims	37		- Colas	118
Employee-related litigation and claims	129			
(c) Guarantees given		372	- Bouygues Construction	262
Provisions for guarantees given	270		- Bouygues Immobilier	27
Provisions for additional building/civil engineering/ civil works guarantees	102		- Colas	83
(d) Other non-current provisions		636	- Bouygues Construction	196
Risks related to official inspections	160		- Colas	271
Provisions for miscellaneous foreign risks	33		- Bouygues Telecom	104
Provisions for subsidiaries and affiliates	47			
Other non-current provisions	396			

(e) Including reversals of unutilised provisions: -€101m

(f) Including reversals of unutilised provisions: -€157m

6.2 Current provisions = 930

Provisions related to the operating cycle (see Note 2):

	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for expected losses to completion	Other current provisions	Total	
1 January 2009	**55**	**177**	**144**	**252**	**628**	
Movements during 2009						
Translation adjustments			6	1	7	
Changes in scope of consolidation	(1)	(3)		(2)	(6)	
Charges to provisions	34	153	168	134	489	
Reversals (utilised or unutilised)	(26)	(82)	(84)	(135)	(327)	(c)
Transfers	(3)	8		35	40	
31 December 2009	**59**	**253**	**234**	**285**	**831**	
Movements during 2010						
Translation adjustments		6	12	9	27	
Changes in scope of consolidation		(5)	1	(1)	(5)	
Charges to provisions	27	159	142	134	462	
Reversals (utilised or unutilised)	(29)	(119)	(107)	(118)	(373)	(d)
Transfers				(12)	(12)	
31 December 2010	**57**	**294** (e)	**282** (b)	**297** (a)	**930**	

(a) Other current provisions comprise:

- reinsurance costs	16
- current customer disputes and vendor's liability guarantee (TF1)	45
- customer loyalty programs (Bouygues Telecom)	27
- site rehabilitation costs	12
- rental guarantees (Bouygues Immobilier)	8
- miscellaneous current provisions	189

Entities involved

- Challenger Réassurance	19
- Bouygues Construction	62
- Bouygues Immobilier	42
- Colas	78
- TF1	52
- Bouygues Telecom	38

(b) **Provisions relating to the Construction segment**, mainly Bouygues Construction and Colas.
(Individual project provisions are not disclosed for confidentiality reasons)

(c) **Including reversals of unutilised provisions: -€104m**

(d) **Including reversals of unutilised provisions: -€127m**

(e) Mainly Bouygues Construction and Colas

NOTE 7 NON CURRENT TAX ASSETS AND LIABILITIES

261 / 112

7.1 Non-current tax assets

	31/12/2009	Movements during 2010	31/12/2010
Deferred tax assets	**273**	**(12)**	**261**
Bouygues Construction	90	(34)	56
Bouygues Immobilier	42	(1)	41
Colas	102	36	138
Bouygues Telecom	19	(13)	6
Other business segments	20		20
Long-term tax receivable			
Total non-current tax assets	**273**	**(12)**	**261**

. Deferred tax assets mainly derived from:
- temporary differences (provisions temporarily non-deductible for tax purposes, etc);
- tax losses with a genuine probability of recovery (see note 7.4).

7.2 Non-current tax liabilities

	31/12/2009	Movements during 2010	31/12/2010
Deferred tax liabilities	**89**	**23**	**112** (a)
Other non-current tax liabilities			
Total non-current tax liabilities	**89**	**23**	**112**

(a) Includes €96m for Colas

7.3 Net deferred tax asset/liability by business segment

Deferred taxation by business segment and type	Net deferred tax asset/(liability) at 31/12/2009	Movements during 2010: Changes in scope of consolidation	Translation adjustments	Gain	Expense	Other items (a)	Net deferred tax asset/(liability) at 31/12/2010
A - Tax losses available for carry-forward							
Bouygues Construction	**5**			**8**			**13**
Bouygues Immobilier	**2**			**1**			**3**
Colas	**18**			**11**			**29**
TF1	**8**						**8**
Sub-total	**33**			**20**			**53**
B - Temporary differences							
Bouygues Construction	**84**			**1**	**(45)**		**40**
Bouygues Immobilier	**39**					**(1)**	**38**
Colas	**2**	**14**	**(2)**	**1**	**(6)**	**5**	**14**
TF1	**2**	**(7)**		**2**	**(11)**	**(2)**	**(16)**
Bouygues Telecom	**19**				**(13)**		**6**
Bouygues SA and other activities	**5**				**15**	**(6)**	**14**
Sub-total	**151**	**7**	**(2)**	**4**	**(60)**	**(4)**	**96**
Total	**184**	**7**	**(2)**	**24**	**(60)**	**(4)**	**149** (b)

(a) Mainly deferred taxation on changes in fair value remeasurements of financial instruments and on actuarial gains/losses on employee benefits

(b) ● Breakdown of net deferred tax asset:
- Deferred tax assets: €261m
- Deferred tax liabilities: (€112m)

} €149m

● Main sources of deferred taxation:

	2010	2009
- Deferred tax assets on employee benefits (mainly lump-sum retirement benefits)	138	137
- Deferred taxation on provisions temporarily non-deductible for tax purposes	80	100
- Restricted provisions booked solely for tax purposes	(127)	(106)
- Other	58	53
	149	184

7.4 Period to recovery of deferred tax assets

31 December 2010	Less than 2 years	2-5 years	More than 5 years	Total
Expected period to recovery of deferred tax assets	55	47	159 (a)	**261**

(a) Mainly Colas

7.5 Unrecognised deferred tax assets

Amount of deferred tax assets at 31 December 2010 not recognised due to low probability of recovery at that date (mainly tax loss carry-forwards):
Applies solely to companies not included in the Bouygues SA group tax election.

	31/12/2009	Movements during 2010	31/12/2010
Bouygues Construction	**66**	26	**92**
Bouygues Immobilier	**40**	8	**48**
Colas	**34**	24	**58**
TF1	**24**	4	**28**
Other	**4**	(3)	**1**
Total unrecognised deferred tax assets	**168**	**59**	**227**

NOTE 8 NON-CURRENT AND CURRENT DEBT 7,744

Non-current debt **6,750**
Current debt **994**

8.1 Interest-bearing debt by maturity

	Current debt (maturing 2011)				Non-current debt							
	Accrued interest	1 to 3 months	4 to 12 months	Total maturing 2011	1 to 2 years 2012	2 to 3 years 2013	3 to 4 years 2014	4 to 5 years 2015	5 to 6 years 2016	6 or more years 2017 and later	Total 31/12/2010	Total 31/12/2009
Bond issues	150	751		901		709	754	997	599	3,026	6,085	6,065
Bank borrowings		8	24	32	49	27	15	338	12	115	556	284
Finance lease obligations		6	17	23	21	12	8	4	1	1	47	40
Other borrowings		5	33	38	11	17	2	2	6	24	62	45
Total debt	150	770	74	994	81	765	779	1,341	618	3,166	6,750	6,434
Comparative at 31 December 2009	143	13	570	726	848	93	1,171	1,009	1,008	2,305		6,434

Finance lease obligations by business segment	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Non-current, 31 December 2010	1		24	16	6		**47**
Current, 31 December 2010			16	4	3		**23**
Non-current, 31 December 2009	1		29		10		**40**
Current, 31 December 2009			16	1	3		**20**

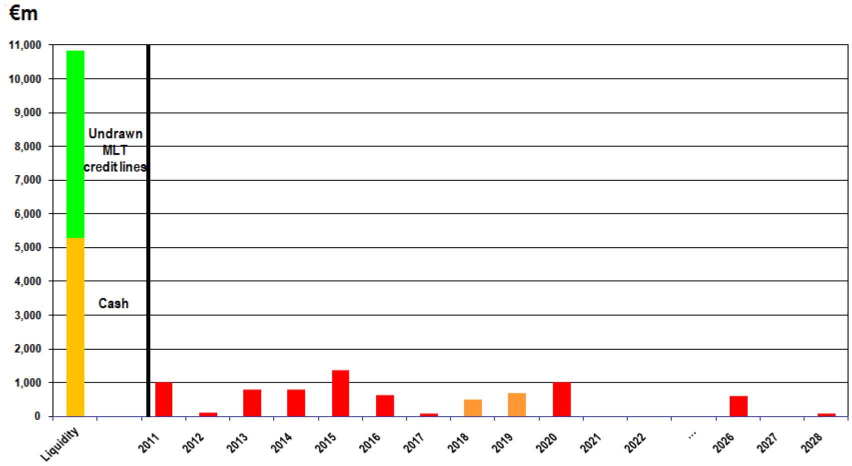
8.2 Confirmed credit facilities and drawdowns

Description	Confirmed facilities - Maturity				Drawdowns - Maturity			
	Less than 1 year	1 to 5 years	Over 5 years	Total	Less than 1 year	1 to 5 years	Over 5 years	Total
Bond issues (primarily Bouygues SA)	901	2,460	3,625	**6,986**	901	2,460	3,625	**6,986**
Bank borrowings	1,134	4,586	416	**6,136**	32	429	127	**588**
Finance lease obligations	23	45	2	**70**	23	45	2	**70**
Other borrowings	38	32	30	**100**	38	32	30	**100**
Total credit facilities	**2,096**	**7,123**	**4,073**	**13,292**	**994**	**2,966**	**3,784**	**7,744**

Undrawn confirmed credit facilities = €5,548m

8.3 Liquidity at 31 December 2010

As at 31 December 2010, available cash stood at €5,271m (including -€11m of financial instruments contracted to hedge net debt). The Group also had €5,548m of credit facilities as at the same date.



The bond issues maturing in 2013, 2015, 2016, 2018, 2019 and 2026 all contain a change of control clause relating to Bouygues SA.

The credit facilities contracted by Bouygues SA and its subsidiaries contain no financial covenants or trigger event clauses.

8.4 Split of current and non-current debt by interest rate type

Split of current and non-current debt, including the effect of all open interest rate hedging contracts at the balance sheet date:

	31/12/2010	31/12/2009
Fixed rate (a)	92%	95%
Variable rate	8%	5%

(a) Rates fixed for more than one year

8.5 Interest rate risk

The split of financial assets and financial liabilities by interest rate type at 31 December 2010 was as follows:

	Variable rate	Fixed rate	Total
Financial liabilities (debt)	908	6,836	**7,744**
Financial assets* (net cash position)	5,271		**5,271**
Net position before hedging	(4,363)	6,836	**2,473**
Interest rate hedges	(252)	252	
Net position after hedging	**(4,615)**	**7,088**	**2,473**
Adjustment for seasonal nature of certain activities	450		
Net position after hedging and adjustment	**(4,165)**		

* Includes -€11m for the fair value of financial instruments contracted to hedge net debt

The effect of an immediate 1% rise in short-term interest rates on the net position described above would be to reduce the cost of net debt by €41.7m over a full year.

8.6 Split of current and non-current debt by currency

	Europe						
	Euro	Pound sterling	Other currencies	U.S. dollar	HK dollar	Other currencies	Total
Non-current, 31 December 2010	5,968	670	53	12	26	21	**6,750**
Current, 31 December 2010	964	10	8	2	1	9	**994**
Non-current, 31 December 2009	5,659	670	60	4		41	**6,434**
Current, 31 December 2009	698	6	14			8	**726**

. An analysis of debt by business segment is provided in Note 16.
. An analysis of collateral and pledges given by the Bouygues group is provided in Note 18.1 (breakdown by business segment).

NOTE 9 MAIN COMPONENTS OF CHANGE IN NET DEBT (2,473)

9.1 Change in net debt

	31/12/2009	Movements in 2010	31/12/2010
Cash and equivalents	**4,713**	**863**	**5,576**
Overdrafts and short-term bank borrowings	**(258)**	**(36)**	**(294)**
Net cash and equivalents	**4,455**	**827**	(a) **5,282**
Non-current debt	**(6,434)**	**(316)**	**(6,750)**
Current debt	**(726)**	**(268)**	**(994)**
Financial instruments, net	**1**	**(12)**	**(11)**
Total debt	**(7,159)**	**(596)**	**(7,755)**
Net debt	**(2,704)**	**231**	**(2,473)**

(a) Net cash position as analysed in the 2010 cash flow statement (net cash flows + non-monetary movements)

9.2 Principal net debt transactions in the year ended 31 December 2010

Net debt at 31 December 2009	**(2,704)**	
Acquisitions/disposals	(255)	(a)
Dividends paid	(674)	
Transactions involving share capital	167	(b)
Changes in scope of consolidation	(36)	
Operating items	1,029	
Net debt at 31 December 2010	**(2,473)**	

(a) includes TF1: -€195m relating to the TMC/NT1 acquisition
(b) includes +€194m relating to the capital increase for the Bouygues Confiance 5 employee share ownership plan, +€37m for exercise of stock options, -€155m for acquisitions of treasury shares, and +€83m for sales of treasury shares in connection with the liquidity account

NOTE 10 CURRENT LIABILITIES 16,247

Breakdown of current liabilities:

	31/12/2010	31/12/2009
Advances and down-payments received	1,413	1,276
Current debt [(a)]	994	726
Current taxes payable	137	132
Trade payables	6,347	6,479
Current provisions [(b)]	930	831
Other current liabilities, deferred income and similar		
Other operating liabilities (employees, social security, government)	2,450	2,457
Deferred income	1,794	1,934
Other non-financial liabilities, differed income and similar	1,845	1,828
Overdrafts and short-term bank borrowings	294	258
Financial instruments	24	20
Other current financial liabilities	19	18
Total	16,247	15,959

(a) See analysis in Note 8, "Non-current and current debt".
(b) See analysis in Note 6.2.: "Current provisions"

NOTE 11 ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

11.1 Analysis by accounting classification

	2010	2009
Sales of goods	**2,722**	**2,469**
Sales of services	**12,176**	**12,286**
Construction contracts	**16,327**	**16,598**
Sales	**31,225**	**31,353**
Other revenues from operations	**144**	**139**
Other revenues from operations	**144**	**139**
Total revenues	**31,369**	**31,492**

There were no material exchanges of goods or services in the year ended 31 December 2010.

Consolidated balance sheet: information about construction contracts

	Bouygues Construction	Colas	Total
Unbilled works	415	375	790
Warranty retentions	71	53	124
Works billed in advance	1,314	(321)	993
Advance payments received	854	(107)	747

11.2 Analysis by business segment

Sales reported by consolidated companies (excluding associates) include accounting revenues from works contracts and sales of goods and services.

	2010 sales				2009 sales			
BUSINESS SEGMENT	**France**	**International**	**Total**	**%**	**France**	**International**	**Total**	**%**
Construction	4,875	4,127	9,002	29	4,978	4,187	9,165	29
Property	2,206	203	2,409	8	2,719	252	2,971	9
Roads	6,598	4,994	11,592	37	6,629	4,882	11,511	37
Media	2,199	390	2,589	8	1,991	348	2,339	7
Telecoms	5,621		5,621	18	5,352		5,352	16
Bouygues SA & other activities	7	5	12		9	6	15	
Consolidated sales	**21,506**	**9,719**	**31,225**	**100**	**21,678**	**9,675**	**31,353**	**100**
% change 2010 vs. 2009	**-1%**		0%					

11.3 Analysis by geographical area

	2010 sales		2009 sales	
	Total	**%**	**Total**	**%**
France	**21,506**	69	**21,678**	69
European Union (27 members)	**3,171**	10	**3,820**	12
Rest of Europe	**1,106**	4	**1,012**	3
Africa	**1,351**	5	**1,396**	5
Middle East	**127**	1	**140**	
United States, Canada	**2,301**	7	**1,956**	6
Central and South America	**145**		**188**	1
Asia-Pacific	**1,367**	4	**1,048**	3
Oceania	**149**		**115**	1
Other	**2**			
Total	**31,225**	**100**	**31,353**	**100**

11.4 Split by type of contract, France/International (%)

	2010			2009		
	France	**International**	**Overall**	**France**	**International**	**Overall**
Public-sector contracts (a)	32	54	**39**	32	51	**38**
Private-sector contracts	68	46	**61**	68	49	**62**

(a) Sales billed directly to government departments or local authorities (mainly works and maintenance contracts) in France and abroad.

NOTE 12 OPERATING PROFIT 1,791

		2010	2009
Current operating profit			
Sales		**31,225**	**31,353**
Other revenues from operations		**144**	**139**
Purchases used in production and external charges		**(20,977)**	**(20,681)**
Personnel costs		**(6,504)**	**(6,474)**
Taxes other than income tax		**(633)**	**(706)**
Net depreciation, amortisation, provisions and impairment			
Depreciation and amortisation	*	**(1,392)**	**(1,361)**
Net charge to provisions and impairment losses	*	**(549)**	**(657)**
Change in production & property development inventories		**(116)**	**(286)**
Other income from operations		**1,250**	**1,119**
Reversals of provisions no longer required	*	371	257
Other miscellaneous income (a)		879	862
Other expenses on operations (a)		**(688)**	**(591)**
Current operating profit	*	**1,760**	**1,855**
Other operating income (b)		**108**	
Other operating expenses (c)		**(77)**	**0**
Operating profit		**1,791**	**1,855**

* Components used in the calculation of EBITDA

See Note 16 for an analysis by business segment.

(a) Includes €39m of net gains on disposals.

(b)
Colas: gain on bargain purchase (negative goodwill) on buyout of minority interests = €6m
TF1: Other operating income of €102m for the year ended 31 December 2010 includes a gain of €95.9m on the remeasurement at fair value of the previously-held equity interests in TMC and NT1.

(c)
Colas : - Fines relating to competition issues and associated claims: -€31m
- Goodwill impairment: -€27m
TF1 : Other operating expenses include goodwill impairment and other items.

NOTE 13 COST OF NET DEBT/ OTHER FINANCIAL INCOME AND EXPENSES

(330)
6

13.1 COMPONENTS OF COST OF NET DEBT

	2010	2009
Financial expenses	**(394)**	**(425)**
Financial income	**64**	**81**
Including:		
- on finance leases	***(4)***	***(3)***
- on financial instruments	***(6)***	***0***
Total cost of net debt	**(330)**	**(344)**

	2010	2009
- Interest expense on net debt	(346)	(381)
- Interest expense related to treasury management	(30)	(35)
- Interest expense on finance leases	(4)	(3)
- Net effect of financial instruments	(6)	0
- Income from cash equivalents	56	75
Total cost of net debt	**(330)**	**(344)**

13.2. OTHER FINANCIAL INCOME AND EXPENSES

	2010	2009
Other financial income	101	117
Other financial expenses	(95)	(92)
Other financial income/(expenses), net	6	25

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

NOTE 14 INCOME TAX EXPENSE (482)

14.1 Analysis of income tax expense

	2010			2009		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(326)	(120)	(446)	(395)	(137)	(532)
Change in deferred tax liabilities	(10)	(9)	(19)	2	3	5
Change in deferred tax assets	(24)	7	(17)	42	(2)	40
Total	**(360)**	**(122)**	**(482)**	**(351)**	**(136)**	**(487)**

See Note 16 for an analysis by business segment.

14.2 Tax proof (reconciliation between standard tax rate and effective tax rate)

Differences between the standard corporate income tax rate applicable in France and the effective tax rate based on the consolidated financial statements are as follows:

	2010	2009
Net profit (100%)	**1,263**	**1,456**
Eliminations:		
Income tax expense	482	487
Net profit of discontinued and held-for-sale operations	N/A	(14)
Share of profits and losses of associates	(278)	(393)
Net pre-tax profit from continuing operations excluding associates	**1,467**	**1,536**
Standard tax rate in France	34.43%	34.43%
Recognition and utilisation of tax loss carry-forwards	3.36%	(0.88%)
Effect of permanent differences	(6.22%)	0.69%
Flat-rate taxes, dividend taxes and tax credits	1.11%	0.07%
Taxes at rates not linked to profits: differential tax rates, long-term capital gains, foreign taxes	0.17%	(2.60%)
Effective tax rate	**32.85%**	**31.71%**

NOTE 15 NET PROFIT FROM CONTINUING OPERATIONS AND BASIC/DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS

15.1 Net profit from continuing operations

Net profit from continuing operations for the period was €1,071m.

	2010	2009	Change
Net profit from continuing operations (100%)	1,263	1,442	(12%)
Minority interest in net profit from continuing operations	(192)	(137)	40%
Net profit from continuing operations attributable to the Group	**1,071**	**1,305**	(18%)

15.2 Basic and diluted earnings per share from continuing operations

Basic earnings per share from continuing operations is calculated by dividing net profit from continuing operations attributable to the Group by the weighted average number of shares outstanding during the year, excluding the average number of ordinary shares bought and held as treasury shares.

	2010	2009
Net profit from continuing operations attributable to the Group (€m)	1,071	1,305
Weighted average number of shares outstanding	353,494,819	345,165,830
Basic earnings per share from continuing operations (€)	**3.03**	**3.78**

Diluted earnings from continuing operations per share is calculated by reference to the weighted average number of shares outstanding, adjusted for the conversion of all potentially dilutive shares (i.e. stock subscription options legally exercisable and in the money at the balance sheet date).

	2010	2009
Net profit from continuing operations used to calculate diluted earnings per share (€m)	1,071	1,305
Weighted average number of shares outstanding	353,494,819	345,165,830
Adjustment for potentially dilutive effect of stock options	1,518,148	1,056,524
Diluted earnings per share from continuing operations (€)	**3.02**	**3.77**

NOTE 16 SEGMENT INFORMATION

Segment information is provided in two forms:

1. By business segment (CGU): Construction (Bouygues Construction), Property (Bouygues Immobilier), Roads (Colas), Media (TF1), Telecoms (Bouygues Telecom), Bouygues SA and other activities.

2. By geographical area: France, European Union, Rest of Europe, Africa, Asia-Pacific, Americas and Middle East.
(Sales are allocated by the location where the sale is generated, and property, plant and equipment by the location of the asset).

Inter-segment sales are generally conducted on an arm's length basis.

16.1 Analysis by business segment - Year ended 31 December 2010

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total 2010
Income statement							
Total sales	9,235	2,418	11,661	2,622	5,636	132	**31,704**
Inter-segment sales	(233)	(9)	(69)	(33)	(15)	(120)	**(479)**
Third-party sales	**9,002**	**2,409**	**11,592**	**2,589**	**5,621**	**12**	**31,225**
Net depreciation and amortisation expense	(155)	(4)	(470)	(91)	(664)	(8)	**(1,392)**
Net charges to provisions	(306)	(13)	(173)	(14)	(41)	(2)	**(549)**
Current operating profit	**315**	**204**	**365**	**230**	**692**	**(46)**	**1,760**
Cost of net debt	23	(2)	(30)	(18)	(9)	(294)	**(330)**
Income tax expense	(133)	(67)	(122)	(69)	(232)	141	**(482)**
Share of profits/(losses) of associates	(10)	(1)	69	6		214 (a)	**278**
Net profit from continuing operations	**203**	**112**	**223**	**229**	**444**	**52**	**1,263**
Net profit of discontinued and held-for-sale operations							
Net profit	**203**	**112**	**223**	**229**	**444**	**52**	**1,263**
Net profit attributable to the Group	**201**	**108**	**216**	**98**	**397**	**51**	**1,071**
Balance sheet							
Property, plant and equipment	560	13	2,454	186	2,798	148	**6,159**
Intangible assets	74	3	68	147	695	3	**990**
Goodwill	347		1,063	1,468	2,651	2	**5,531**
Deferred tax assets and long-term tax receivable	56	41	138	3	6	17	**261**
Investments in associates	67		555	14	1	4,383 (b)	**5,020**
Other non-current assets	257	14	168	181	9	30	**659**
Cash and equivalents	521	61	368	39	20	4,567	**5,576**
Other assets							**11,390**
Total assets							**35,586**
Non-current debt	70	43	200	16	331	6,090	**6,750**
Non-current provisions	782	94	750	46	148	50	**1,870**
Deferred tax liabilities and non-current tax liabilities	3		96	11		2	**112**
Current debt	3	5	50	4	31	901	**994**
Overdrafts and short-term bank borrowings	(2,721)	(363)	167	2	(174)	3,383	**294**
Other liabilities							**25,566**
Total liabilities							**35,586**
Net debt (c)	**2,856**	**376**	**(57)**	**17**	**(170)**	**(5,495)**	**(2,473)**
Cash flow statement							
Cash flow	**509**	**195**	**814**	**297**	**1,327**	**102**	**3,244**
Acquisitions of property, plant and equipment and intangible assets, net of disposals	**221**	**4**	**474**	**43**	**680**	**1**	**1,423**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**14**	**8**	**26**	**203** (d)	**1**	**3**	**255**
Other indicators							
EBITDA	**606**	**184**	**894**	**319**	**1,367**	**(40)**	**3,330**
Free cash flow	**178**	**122**	**188**	**167**	**406**	**(52)**	**1,009**

(a) Includes €218m for Alstom
(b) Includes €4,366m for Alstom
(c) Contribution at business segment level, including Bouygues Relais and Uniservice internal current accounts (these inter-segment accounts are eliminated in the "Bouygues SA & other activities" column).
(d) Includes €195m for the TMC/NT1 acquisition

16.2 Analysis by business segment - Year ended 31 December 2009

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total 2009
Income statement							[a]
Total sales	9,546	2,989	11,580	2,365	5,368	135	31,983
Inter-segment sales	(381)	(18)	(69)	(26)	(16)	(120)	(630)
Third-party sales	**9,165**	**2,971**	**11,511**	**2,339**	**5,352**	**15**	**31,353**
Net depreciation and amortisation expense	(162)	(6)	(482)	(100)	(604)	(7)	(1,361)
Net charges to provisions	(347)	(81)	(183)	(14)	(25)	(7)	(657)
Current operating profit	**335**	**203**	**541**	**101**	**730**	**(55)**	**1,855**
Cost of net debt	26	(6)	(34)	(22)	(10)	(298)	(344)
Income tax expense	(124)	(49)	(172)	(15)	(246)	119	(487)
Share of profits/(losses) of associates	(7)		55	15		330	393
Net profit from continuing operations	**241**	**113**	**391**	**115**	**471**	**111**	**1,442**
Net profit of discontinued and held-for-sale operations						14	14
Net profit	**241**	**113**	**391**	**115**	**471**	**125**	**1,456**
Net profit attributable to the Group	**240**	**110**	**374**	**49**	**422**	**124**	[a] **1,319**
Balance sheet							
Property, plant and equipment	411	15	2,312	191	2,737	261	**5,927**
Intangible assets	48	3	60	136	739	2	**988**
Goodwill	326		1,086	1,091	2,651	2	**5,156**
Deferred tax assets and long-term tax receivable	90	42	102	12	19	8	**273**
Investments in associates	81		526	275		4,075	[b] **4,957**
Other non-current assets	161	14	166	20	8	30	**399**
Cash and equivalents	519	97	498	124	15	3,460	**4,713**
Other unallocated assets							**11,522**
Total assets							**33,935**
Non-current debt	347	91	212		293	5,491	**6,434**
Non-current provisions	738	83	663	46	167	30	**1,727**
Deferred tax liabilities and non-current tax liabilities	1	1	84	1		2	**89**
Current debt	8	17	45	502	15	139	**726**
Overdrafts and short-term bank borrowings	(3,121)	(156)	115	(443)		3,863	**258**
Other unallocated liabilities							**24,701**
Total liabilities							**33,935**
Net debt [c]	**3,285**	**146**	**116**	**73**	**(294)**	**(6,030)**	**(2,704)**
Cash flow statement							
Cash flow	**569**	**181**	**1,066**	**186**	**1,340**	**88**	**3,430**
Acquisitions of property, plant and equipment and intangible assets, net of disposals	**142**	**6**	**362**	**70**	**683**	**7**	**1,270**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**(20)**		**8**	**(739)** [d]	**1**	**3**	**(747)**
Other indicators							
EBITDA	**746**	**269**	**1,109**	**194**	**1,344**	**(46)**	**3,616**
Free cash flow	**329**	**120**	**498**	**79**	**401**	**(98)**	**1,329**

(a) Includes €329m for Alstom
(b) Includes €4,054m for Alstom
(c) Contribution at business segment level, including Bouygues Relais and Uniservice internal current accounts (these inter-segment accounts are eliminated in the "Bouygues SA & other activities" column).
(d) Includes €744m on the disposal of the equity interest in Canal+ France

16.3 Analysis by geographical area

Year ended 31 December 2010	France*	European Union	Rest of Europe	Africa	Asia-Pacific Oceania	Americas	Middle East	Total
Income statement								
Third-party sales	21,506	3,171	1,108	1,351	1,516	2,446	127	**31,225**
Balance sheet								
Property, plant and equipment [(a)]	4,629	381	82	222	171	666	8	**6,159**
Intangible assets	943	25	1		2	19		**990**
Cash flow statement								
Purchase price of property, plant & equipment and intangible assets	1,095	53	36	90	47	166	20	**1,507**

* includes French overseas departments
(a) includes assets held under finance leases

Year ended 31 December 2009	France*	European Union	Rest of Europe	Africa	Asia-Pacific Oceania	Americas	Middle East	Total
Income statement								
Third-party sales	21,678	3,820	1,012	1,396	1,163	2,144	140	**31,353**
Balance sheet								
Property, plant and equipment [(a)]	4,643	387	77	164	142	510	4	**5,927**
Intangible assets	952	24				12		**988**
Cash flow statement								
Purchase price of property, plant & equipment and intangible assets	1,067	55	17	74	63	87	2	**1,365**

* includes French overseas departments
(a) includes assets held under finance leases

16.4 Income statement by function

Year ended 31 December 2010	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Consolidated sales	**9,002**	**2,409**	**11,592**	**2,589**	**5,621**	**12**	**31,225**
Cost of sales	(7,664)	(2,001)	(10,166)	(1,959)	(4,067)	(3)	(25,860)
Gross profit	**1,338**	**408**	**1,426**	**630**	**1,554**	**9**	**5,365**
Research and development expenses	(15)	(2)	(69)	(6)	(16)	(2)	(110)
Selling expenses	(420)	(134)		(116)	(189)		(859)
Administrative expenses	(588)	(68)	(992)	(278)	(657)	(53)	(2,636)
Current operating profit	**315**	**204**	**365**	**230**	**692**	**(46)**	**1,760**

Year ended 31 December 2009	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Consolidated sales	**9,165**	**2,971**	**11,511**	**2,339**	**5,352**	**15**	**31,353**
Cost of sales	(7,816)	(2,559)	(9,862)	(1,902)	(3,870)	(9)	(26,018)
Gross profit	**1,349**	**412**	**1,649**	**437**	**1,482**	**6**	**5,335**
Research and development expenses	(12)	(1)	(70)	(21)	(19)	(2)	(125)
Selling expenses	(438)	(149)		(110)	(185)		(882)
Administrative expenses	(564)	(59)	(1,036)	(211)	(548)	(56)	(2,474)
Goodwill impairment			(2)				(2)
Other income and expenses, net				6		(3)	3
Current operating profit	**335**	**203**	**541**	**101**	**730**	**(55)**	**1,855**

NOTE 17 FINANCIAL INSTRUMENTS

The tables below show the aggregate notional amounts at 31 December 2010 for each type of financial instrument used, split by residual maturity for interest rate hedges and by currency for currency hedges.

17.1 Interest rate hedges

Analysis by maturity

Maturity	Notional amounts at 31/12/2010				Notional amounts 31/12/2009
	2011	2012 to 2015	After 2015	Total	
Interest rate swaps					
- on financial assets	1,711	2		**1,713** (a)	**851**
- on financial liabilities	240	640	150	**1,030** (b)	**1,569**
Caps/floors					
- on financial assets					**-**
- on financial liabilities		150		**150**	**150**

(a) of which rate paid = fixed rate: €1,713m
(b) of which rate paid = fixed rate: €1,030m

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Notional amounts 31/12/2010	Notional amounts 31/12/2009
Interest rate swaps								
- on financial assets				100		1,613 (a)	**1,713**	**851**
- on financial liabilities			150		880 (a)		**1,030**	**1,569**
Caps/floors								
- on financial assets								**-**
- on financial liabilities		150					**150**	**150**

(a) Includes forward interest rate swaps used for hedging purposes
In the case of renewable interest rate hedges, the amounts shown in each column relate to the longest maturity.

17.2 Currency hedges

Analysis by original currency

Currency	31 December 2010 (equivalent value in € million) U.S. dollar	Pound sterling	Swiss franc	Other currencies	Total	Notional amount 31/12/2009
Forward purchases/sales						
- forward purchases	**215**	**5**	**1**	**127**	**348**	**419**
- forward sales	**162**	**20**	**1**	**212**	**395**	**247**
Currency swaps	**59**	**143**	**97**	**227**	**526**	**401**
Currency options						
- forward purchases						**34**
- forward sales						

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Notional amounts 31/12/2010	Notional amounts 31/12/2009
Forward purchases/sales								
- forward purchases	**165**		**14**	**132**	**37**		**348**	**419**
- forward sales	**291**		**75**	**29**			**395**	**247**
Currency swaps	**12**			**25**		**489**	**526**	**401**
Currency options								
- forward purchases								**34**
- forward sales								

17.3 Market value of hedging instruments

At 31 December 2010, the market value (net present value) of the hedging instruments portfolio was -€30.1m. This amount mainly comprises the net present value of interest rate swaps contracted to hedge the Group's debt (fair value hedges and cash flow hedges), and the net present value of forwards and futures contracted to hedge currency risk arising on commercial transactions.

The split of this market value by type of hedge is as follows:
- fair value hedges of components of net debt: -€13.5m
- cash flow hedges: -€16.6m

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of -€6.3m; in the event of a -1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of -€52.1m.

In the event of a uniform 1% depreciation in the euro against all other currencies, the hedging instruments portfolio would have a market value of -€37.3m.

These calculations were prepared by the Bouygues group, or obtained from the banks with whom the instruments were contracted.

NOTE 18 OFF BALANCE SHEET COMMITMENTS

Notes 18.1 and 18.2 disclose information about guarantee commitments and sundry contractual commitments. Operating lease obligations are shown separately in note 18.3.
(See also notes 3, 4 and 8)

18.1 Guarantee commitments

	31/12/2010	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Less than 1 year	1 to 5 years	Over 5 years	31/12/2009
. Pledges, mortgages and collateral	115	17		98				14	35	66	136
. Guarantees and endorsements given	252	35	2	67	4		144	172	62	18	150
Total guarantee commitments given	367	52	2	165	4		144	186	97	84	286
. Guarantees and endorsements received	11		8		3			1	8	2	3
Total guarantee commitments received	11		8		3			1	8	2	3
BALANCE	356	52	(6)	165	1		144	185	89	82	283

In connection with its ordinary activities, the Bouygues Group grants multi-year guarantees (such as 10-year building guarantees), which are usually covered by statistically-based provisions on the liabilities side of the balance sheet. Contract guarantees provided by banks to Group customers represent off balance sheet commitments for those banks; where such guarantees are liable to result in payments being made, a provision is recognised by Bouygues in the consolidated balance sheet.

18.2 Sundry contractual commitments

	31/12/2010	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Less than 1 year	1 to 5 years	Over 5 years	31/12/2009
. Image transmission	119				119			56	60	3	160
. Network maintenance	133					133		80	53		152
. Retirement benefit obligations	41	15	2	22			2	3	11	27	45
. Other commitments	488	23	4		201	256	4	302	181	5	459 (a)
Total sundry contractual commitments given	781	38	6	22	320	389	6	441	305	35	816
. Image transmission	119				119			56	60	3	160
. Network maintenance	133					133		80	53		152
. Retirement benefit obligations	41	15	2	22			2	3	11	27	45
. Other commitments	457				201 (a)	256		271	181	5	451 (a)
Total sundry contractual commitments received	750	15	2	22	320	389	2	410	305	35	808
BALANCE	31	23	4				4	31			8

(a) Includes firm or optional commitments to deliver or receive securities, including the agreement signed with Groupe AB (put option): €155m in 2010, €192m in 2009.
The presentation of sundry contractual commitments has been harmonised across the Group's business segments.

No material off balance sheet commitments have been omitted from this disclosure, in accordance with applicable accounting standards.

18.3 Operating leases

	31/12/2010	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Less than 1 year	1 to 5 years	Over 5 years	31/12/2009
Operating lease commitments											
. Commitments given	**1,442**	31	31	165	146	1,069		244	811	387	**1,518**
. Commitments received	**1,442**	31	31	165	146	1,069		244	811	387	**1,518**
Operating lease commitments, net											

Minimum future lease payments due until the normal renewal date of the lease (or earliest potential termination date) under operating leases relating to current operations (land, buildings, plant & equipment, etc).
After revaluation (projected increase in rentals), these amounts mainly take account of a discounting calculation (incremental borrowing rate).

Bouygues Telecom: commitments given in connection with operating activities, primarily commercial leases of property and land intended to house technical installations for the network: includes site rentals of €650m, property and other rentals of €136m, rentals for the new Sequana and Technopole buildings of €267m, and miscellaneous commitments of €16m.

18.4 Finance leases (already recognised as liabilities in the balance sheet)

	31/12/2010	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Less than 1 year	1 to 5 years	Over 5 years	31/12/2009
. Finance leases	**70**	**1**		**40**	**20**	**9**		**23**	**45**	**2**	**59**

18.5 Other commitments

Bouygues Telecom

Blind spots

The agreement signed in 2003 by the three operators, the French government, the French regional authorities and ARCEP stipulated that coverage be provided in blind spots in some 3,000 communities. By the end of 2010, coverage had been extended to over 98% of the communities included in this initial agreement. The operators have also agreed, in addition to their initial commitment, to extend coverage to a further 364 communities, taking the final target to over 3,300 communities that must have coverage by 2011.

3G mobile network site-sharing agreement

In February 2010, Bouygues Télécom, Orange and SFR signed an agreement under the auspices of ARCEP on the sharing of 3G network sites in the less dense zones of the territory. This agreement, which was amended in July 2010 in anticipation of the future Free Mobile roll-out, deals with coverage for some 3,600 communities, including all those covered by the 2G blind spots programme; by end 2013, it will enable approximately 99.8% of the population to enjoy 3G coverage on a par with 2G coverage, over and above the coverage obligations entered into by the operators.

18.6 Contingent assets and liabilities

Bouygues Telecom

Contingent assets:

Audiovisual Services Tax

The French Audiovisual Law (no. 2009-258 of 5 March 2009) introduced a tax on services payable by all electronic communications operators, levied at 0.9% on the portion of annual taxable revenues above €5m (before VAT).
Operators who are members of the French telecoms federation (FFT) have filed a complaint about this new tax with the European Commission, which has instituted an infringement procedure against the French government in respect of this tax.

NOTE 19 HEADCOUNT, EMPLOYEE BENEFITS OBLIGATIONS AND EMPLOYEE SHARE OWNERSHIP

19.1 Average headcount

	2010	2009	
Managerial staff	22,201	21,804	
Supervisory, technical and clerical staff	21,761	21,246	
Site workers	32,241	31,143	
Sub-total: France	**76,203**	**74,193**	
Expatriates and local contract staff	61,205	70,161	(a)
Total average headcount	**137,408**	**144,354**	

(a) Includes Finagestion until 30 September 2009

19.2 Employee benefit obligations

	31/12/2009	Movement in 2010	31/12/2010
Lump-sum retirement benefits	**311**	7	**318**
Long-service awards	**104**	20	**124**
Other post-employment benefits (pensions)	**40**	16	**56**
Total	**455**	**43**	**498**

19.3 Employee benefit obligations: post-employment benefits (excluding long-service awards)

The tables below disclose information about the Bouygues group's post-employment benefit obligations.

19.3.1 Defined-contribution plans

	2010	2009
Amounts recognised as expenses	**(1,651)**	**(1,679)**

These defined-contribution expenses comprise contributions to:
- health insurance and mutual insurance funds
- pension funds (compulsory and top-up schemes)
- unemployment insurance funds

For related-party information, see Note 20.

19.3.2 Defined-benefit plans

Net expense recognised in the income statement (as an operating item)

(a)	Lump-sum retirement benefits		Pensions (b)	
	2010	2009	2010	2009
Current service cost	**(12)**	**2**	**(3)**	**0**
Interest expense on obligation	**13**	**11**	**12**	**11**
Expected return on plan assets			**(12)**	**(10)**
Past service cost	**3**	**4**	**(16)**	**(1)**
Net expense recognised in the income statement	**4**	**17**	**(19)**	**0**

(a) Sign convention:
- net expense: plus sign
- net gain: minus sign

(b) Colas: pensions are managed by independent funds

Amounts recognised in the balance sheet

	Lump-sum retirement benefits		Pensions (b)		Total	Total
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Present value of obligation	**364**	363	**324**	283	**688**	**646**
Fair value of plan assets (dedicated funds)	**1**		**(270)**	(246)	**(269)**	**(246)**
Unrecognised past service cost	**(42)**	(47)	**2**	3	**(40)**	**(44)**
Other	**(5)** (a)	(5) (a)			**(5)**	**(5)**
Net obligation recognised (provision)	**318**	**311**	**56**	**40**	**374**	**351**
Ratio of dedicated funds to present value of obligation			**83%**	**87%**		

(a) Residual TF1 fund covering a portion of the obligation.
(b) Relates primarily to Colas group pension funds located in the United Kingdom.

Movement in balance sheet items (non-current provisions)

	Lump-sum retirement benefits		Pensions	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Position at 1 January	**311**	**358**	**40**	**29**
Expense recognised	4	20	(19)	
Changes in scope of consolidation	5		16	
Transfers between items and other movements	7	(22)	(1)	
Actuarial gains/losses recognised directly in equity	(9)	(45)	20	11
Position at 31 December	**318**	**311**	**56**	**40**

Analysis by business segment: year ended 31 December 2010

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Net lump-sum retirement benefit expense	6	1	(4)	(3)	3	1	**4**
Non-current provisions (balance sheet):							
- Lump-sum retirement benefits	103	6	145	23	29	12	**318**
- Pensions	1		55				**56**

Analysis by geographical area: year ended 31 December 2010

	France (incl. overseas departments)	European Union	Rest of Europe	Africa	Americas	Asia-Pacific	Middle East	Total
Net lump-sum retirement benefit expense (a)	4							**4**
Non-current provisions (balance sheet):								
- Lump-sum retirement benefits	309			5	1	2	1	**318**
- Pensions	16	30				10		**56**

(a) Pension expense for the year ended 31 December 2010 is not material.

Main actuarial assumptions used to measure lump-sum retirement benefit obligations

	2010	2009
Discount rate	**4.62% (Iboxx A10)**	**4.89% (Iboxx A10)**
Mortality table	**INSEE**	**INSEE**
Retirement age (depending on business segment):		
- Managerial staff	**63/65 years**	**62/65 years**
- Technical, supervisory & clerical staff, site workers	**62/63 years**	**60/65 years**
Salary inflation rate (depending on business segment) (a)	**2% to 4%**	**2% to 4%**

(a) Includes general inflation

19.4 Employee share ownership

19.4.1 Stock options

Total number of effectively exercisable options: 6,192,274

Quoted share price on 31 December 2010: €32.255

Plan	Outstanding options at 31/12/2010	Date of grant	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price (€)	Number of effectively exercisable options
2004.03	2,263,290	15/03/2004	15/03/2008	15/03/2005	25.15	2,263,290
2005.06	2,771,916	21/06/2005	21/06/2009	21/06/2006	31.34	2,771,916
2006.09	3,553,139	05/09/2006	05/09/2010	05/09/2007	40.00	-
2007.06	4,251,650	05/06/2007	05/06/2011	05/06/2008	63.44	-
2008.03	4,290,700	31/03/2008	31/03/2012	31/03/2009	43.23	-
2009.04	4,628,272	01/04/2009	01/04/2013	01/04/2010	25.95	1,157,068
2010.06	4,113,550	30/06/2010	30/06/2014	30/06/2011	34.52	-
					Total	**6,192,274**

To be regarded as effectively exercisable, stock options must meet two conditions:

1) They must be legally exercisable at 31 December 2010, either by normal exercise or by partial exercise ahead of the normal exercise date under the terms of the company savings scheme.

2) They must be in the money at 31 December 2010, in other words the exercise price must be less than the closing share price on 31 December 2010 (€32.255).

NOTE 20 DISCLOSURES ON RELATED PARTIES AND ON REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

20.1 Related-party disclosures

	Expenses		Income		Receivables		Liabilities	
	2010	2009	2010	2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Parties with an ownership interest	5	6	1	1	2			
Joint ventures	25	53	156	170	236	179	113	123
Associates	7	13	101	257	64	57	10	22
Other related parties	34	29	17	10	66	32	45	31
Total	**71**	**101**	**275**	**438**	**368**	**268**	**168**	**176**
Maturity								
less than 1 year					295	231	165	173
1 to 5 years					30	20	3	3
more than 5 years					43	17		
of which impairment of doubtful receivables (mainly non-consolidated companies)					77	77		

Identity of related parties:
- Parties with an ownership interest: SCDM (company controlled by Martin and Olivier Bouygues)
- Joint ventures: primarily quarry companies, project joint ventures and property development companies
- Associates: includes in particular transactions with concession companies
- Other related parties: mainly comprises transactions with non-consolidated companies in which the Group has an interest

20.2 Disclosures about remuneration and benefits paid to directors and senior executives (Bouygues)

These disclosures cover members of the Group's Management Committee who were in post on 31 December 2010.

Direct remuneration: €15,721,071, comprising basic remuneration of €7,321,699; variable remuneration of €8,399,372 paid in 2011 on the basis of 2010 performance; and €470,199 of directors' fees.
Directors' fees paid to non-executive and non-voting directors amounted to €455,962.

Short-term benefits: none.

Post-employment benefits: Members of the Management Committee belong to a top-up retirement plan based on 0.92% of their reference salary for each year's membership of the plan. This top-up plan is capped at eight times the annual French social security ceiling, and is contracted out to an insurance company. Contributions paid into the fund managed by the insurance company amounted to €1,100,000 in 2010.

Long-term benefits: none.

Termination benefits: these comprise lump-sum retirement benefits of €391,354.

Share-based payment: A total of 1,120,000 stock options were awarded to members of the Management Committee on 1 June 2010 at an exercise price of €34.52. The earliest exercise date is 1 July 2014, and the expense recognised for these options in the year ended 31 December 2010 was €218,262.

NOTE 21 ADDITIONAL CASH FLOW STATEMENT INFORMATION

21.1 Cash flows of acquired and divested subsidiaries

Breakdown by business segment of net cash flows resulting from acquisitions and divestments of subsidiaries

- On continuing operations

Acquired/divested subsidiaries	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total 2010
Cash and equivalents	53	21	(21)	(4)	-	2	51
Inventories	(1)	(4)	(4)	(27)	-	-	(36)
Trade and other receivables	11	(18)	(60)	(40)	-	0	(107)
Non-current assets	1	1	(50)	(16)	-	0	(64)
Goodwill	(1)	0	7	(181)	-	(222)	(397)
Trade payables & other current liabilities	(60)	(15)	20	70	-	1	16
Non-current liabilities	-	-	4	-	-	(2)	2
Non-current provisions	(2)	7	49	1	-	-	55
Non-current taxes	(2)	0	32	0	-	0	30
Net acquisition/divestment cost	**(1)**	**(8)**	**(23)**	**(197)**	**0**	**(221)**	**(450)**
Cash acquired or divested	(53)	(21)	21	4	-	(2)	(51)
Net debt on long-term investments	-	1	2	0	-	(2)	1
Net cash inflow/(outflow) resulting from acquisitions & divestments of subsidiaries	**(54)**	**(28)**	**0**	**(193)**	**0**	**(225)**	**(500)**

(a) Mainly the TMC/NT1 acquisition

- On discontinued operations: N/A

NOTE 22 AUDITORS' FEES

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of Bouygues and consolidated companies (excluding associates), as expensed through the income statement in 2010.

in € '000

Engagement	Mazars network				Ernst & Young network				Other firms (a)				Total expense	
	Amount (ex. VAT)		%		Amount (ex. VAT)		%							
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
A - Audit														
Audit of consolidated and individual company financial statements (1)	6,341	5,379	96%	96%	4,226	3,696	94%	92%	7,445	8,024	91%	87%	18,012	17,099
- Bouygues SA	218	216			219	217			0	0			437	433
- Consolidated companies	6,123	5,163			4,007	3,479			7,445	8,024			17,575	16,666
Related engagements (2)	148	236	2%	4%	287	311	6%	8%	203	77	2%	1%	638	624
- Bouygues SA	30				21	10				0			51	10
- Consolidated companies	118	236			266	301			203	77			587	614
Sub-total 1	**6,489**	**5,615**	**98%**	**100%**	**4,513**	**4,007**	**100%**	**100%**	**7,648**	**8,101**	**93%**	**88%**	**18,650**	**17,723**
B - Other services (3)														
Legal, tax, employment law	84	0	1%		0	0	0%		413	638	5%	7%	497	638
Other	40	0	1%		0	0	0%		114	450	2%	5%	154	450
Sub-total 2	**124**	**0**	**2%**	**0%**	**0**	**0**	**0%**	**0%**	**527**	**1,088**	**7%**	**12%**	**651**	**1,088**
Total fee expense	**6,613**	**5,615**	**100%**	**100%**	**4,513**	**4,007**	**100%**	**100%**	**8,175**	**9,189**	**100%**	**100%**	**19,301**	**18,811**

(a) In the interests of comprehensiveness, this table includes fees paid to other firms.
(1) Includes services provided by independent experts and member firms to the auditors in connection with their audit engagement.
(2) Includes procedures and directly related services provided to the issuer or its subsidiaries:
- by the auditors, in compliance with article 10 of the Code of Ethics;
- by a member firm of the auditor's network, in compliance with articles 23 and 24 of the Code of Ethics..

(3) Non-audit services provided, in compliance with article 24 of the Code of Ethics, by member firms to subsidiaries of the issuer on whose financial statements an audit opinion is issued.

NOTE 23 PRINCIPAL EXCHANGE RATES

Convention: 1 local currency unit = x euros

Country	Currency unit	Closing rate 31/12/2010	Closing rate 31/12/2009	Annual average rate 2010	Annual average rate 2009
EUROPE					
Denmark	Danish krone	**0.134165**	0.134376	**0.134269**	0.134299
United Kingdom	Pound sterling	**1.161778**	1.125999	**1.168215**	1.123622
Hungary	Hungarian forint	**0.003598**	0.003698	**0.003617**	0.003553
Poland	Polish zloty	**0.251572**	0.243635	**0.249695**	0.230048
Czech Republic	Czech koruna	**0.039903**	0.037774	**0.039583**	0.037742
Romania	Romanian leu	**0.234632**	0.236055	**0.237141**	0.235754
Switzerland	Swiss franc	**0.799744**	0.674036	**0.729949**	0.663291
NORTH AMERICA					
United States	U.S. dollar	**0.748391**	0.694155	**0.757189**	0.716174
Canada	Canadian dollar	**0.750638**	0.661026	**0.732055**	0.632161
REST OF THE WORLD					
Morocco	Moroccan dirham	**0.089497**	0.088464	**0.089724**	0.088884
Thailand	Thai baht	**0.024894**	0.020839	**0.023913**	0.020901
Hong Kong	Hong Kong dollar	**0.096287**	0.089518	**0.097455**	0.092393
African Financial Community	CFA franc	**0.001524**	0.001524	**0.001524**	0.001524
South Africa	South African rand	**0.112835**	0.093756	**0.103544**	0.086801

NOTE 24: List of principal consolidated companies at 31 December 2010

Company	City/Country	% interest 2010	% interest 2009	% direct and indirect control [a] 2010	% direct and indirect control [a] 2009
FRANCE					
FULL CONSOLIDATION					
CONSTRUCTION					
Bouygues Construction SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment Ile-de-France SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment International SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues TP SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Axione	Malakoff	99.97	99.97		
Bati-Rénov SA	Orly	99.32	99.32		
Brézillon SA	Noyon	99.32	99.32		
Challenger SNC	Paris	99.97	(b)		
DTP Terrassement SA	Saint-Quentin-en-Yvelines	99.97	99.97		
DV Construction SA	Mérignac	99.97	99.97		
ETDE SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Exprimm IT	Villebon sur Yvette	99.97	99.97		
Exprimm SA	Saint-Quentin-en-Yvelines	99.97	99.97		
GFC Construction SA	Caluire et Cuire	99.97	99.97		
GTB Construction SA	Nantes	99.97	99.97		
Mainguy SAS	Vertou	99.97	99.97		
Norpac SA	Villeneuve d'Ascq	99.97	99.97		
Pertuy Construction SA	Maxéville	99.97	99.97		
Quille SA	Rouen	99.97	99.97		
Serma SAS	Champforguei l	99.97	99.97		
Sodéarif SA	Saint-Quentin-en-Yvelines	99.96	99.96		
PROPERTY					
Bouygues Immobilier	Issy-les-Moulineaux	100.00	100.00		
SLC	Lyon	100.00	100.00		
SNC Bouygues Immobilier Entreprises Ile-de-France	Issy-les-Moulineaux	100.00	100.00		
SNC Bouygues Immobilier Est	Strasbourg	Deconsolidated	100.00		
SNC Bouygues Immobilier Paris	Issy-les-Moulineaux	100.00	100.00		

(a) Where percentage control differs from percentage interest
(b) Previously held by Bouygues SA

Company	City/Country	% interest 2010	% interest 2009	% direct and indirect control [a] 2010	% direct and indirect control [a] 2009
ROADS					
Colas SA and its regional subsidiaries *(Colas, Screg, and Sacer)*	Boulogne-Billancourt	96.62	96.62		
Aximum	Chatou	96.61	96.61	100.00	100.00
Colas Guadeloupe	Baie-Mahault (Guadeloupe)	96.61	96.61	100.00	100.00
Colas Martinique	Le Lamentin (Martinique)	96.61	96.61	100.00	100.00
Colas Rail	Maisons-Laffitte	96.61	96.61	100.00	100.00
Grands Travaux Océan Indien *(GTOI)* SA	Le Port (Reunion)	96.61	96.61	99.99	99.99
Smac and its subsidiaries	Boulogne-Billancourt	96.61	96.61	100.00	100.00
Société de la Raffinerie de Dunkerque	Dunkirk	96.61	-	100.00	-
Spac and its subsidiaries	Clichy	96.61	96.61	100.00	100.00
MEDIA					
Télévision Française 1 SA	Boulogne-Billancourt	43.09	43.02		
Dujardin and its subsidiaries	Cestas	43.09	43.02	100.00	100.00
E-TF1	Boulogne-Billancourt	43.09	43.02	100.00	100.00
Eurosport SA and its subsidiaries	Issy-les-Moulineaux	43.09	43.02	100.00	100.00
La Chaîne Info	Boulogne-Billancourt	43.09	43.02	100.00	100.00
NT1	Boulogne-Billancourt	43.09	-	100.00	-
Télé Monte Carlo	Monaco	43.09	(b)	100.00	-
Téléshopping	Boulogne-Billancourt	43.09	43.02	100.00	100.00
TF1 Droits Audiovisuels	Boulogne-Billancourt	43.09	43.02	100.00	100.00
TF1 Entreprises	Boulogne-Billancourt	43.09	43.02	100.00	100.00
TF1 Publicité	Boulogne-Billancourt	43.09	43.02	100.00	100.00
TF1 Vidéo	Boulogne-Billancourt	43.09	43.02	100.00	100.00
TV Breizh	Lorient	43.09	43.02	100.00	100.00
Une Musique	Boulogne-Billancourt	43.09	43.02	100.00	100.00
TELECOMMUNICATIONS					
Bouygues Telecom SA and its subsidiaries	Paris	89.55	89.55		
OTHER SUBSIDIARIES					
Bouygues Relais SNC	Paris	100.00	100.00		
Challenger SNC	Paris	(c)	100.00		
GIE 32 Hoche	Paris	90.00	90.00		
Société Française de Participation & Gestion *(SFPG)* SA and its subsidiaries	Paris	99.76	99.76		

(a) Where percentage control differs from percentage interest
(b) Proportionate consolidation in 2009
(c) Transferred to Bouygues Construction

Company	City/Country	% interest		% direct and indirect control [(a)]	
		2010	2009	2010	2009
PROPORTIONATE CONSOLIDATION					
ROADS					
Carrières Roy	Saint-Varent	**48.29**	**48.29**	**49.98**	**49.98**
OTHER SUBSIDIARIES					
Serendipity and its subsidiaries	Paris	**50.00**	**50.00**		
ASSOCIATES (EQUITY METHOD)					
CONSTRUCTION					
Adelac SAS	Beaumont	**46.09 (*b*)**	**45.86**		
Autoroute de liaison Seine-Sarthe SA	Bourg-Achard	**33.16**	**33.16**		
Axione Infrastructures SAS and its subsidiaries	Saint-Quentin-en-Yvelines	**15.00**	**15.00**		
Consortium Stade de France SA	Saint-Denis	**33.32**	**33.32**		
ROADS					
Cofiroute	Sèvres	**16.11**	**16.11**	**16.67**	**16.67**
MEDIA					
Groupe AB	La Plaine Saint-Denis	***(c)***	**14. 41**	**-**	**33.50**
Métro France Publications	Paris	**14.78**	**14 .76**	**34.30**	**34.30**
OTHER SUBSIDIARIES					
Alstom	Levallois-Perret	**30.77**	**29.80**		
Finagestion and its subsidiaries (Africa)	Saint-Quentin-en-Yvelines	**21.50**	**21.50**		

(a) Where percentage control differs from percentage interest
(b) 39.19% Bouygues Construction, 6.90% Colas
(c) See Note 1

Company	City/Country	% interest 2010	% interest 2009	% direct and indirect control [(a)] 2010	% direct and indirect control [(a)] 2009
INTERNATIONAL					
FULL CONSOLIDATION					
CONSTRUCTION					
Acieroïd SA	Barcelona/Spain	99.97	99.97		
Bouygues Thaï Ltd	Bangkok/Thailand	48.99	48.98		
Bouygues UK Ltd	London/United Kingdom	99.97	99.97		
Bymaro	Casablanca/Morocco	99.96	99.96		
David Webster Lighting and its subsidiaries	Harlow/United Kingdom	99.97	99.97		
Dragages et TP (Hong-Kong) Ltd	Hong Kong/China	99.97	99.97		
DTP Singapour Pte Ltd	Singapore	99.97	99.97		
Ecovert FM	London/United Kingdom	99.97	99.97		
ETDE Contracting Ltd	Derbyshire/United Kingdom	99.97	99.97		
ETDE Gabon	Libreville/Gabon	84.39	84.39		
ETDE Hungary	Gyor/Hungary	99.97	99.97		
Icel Maidstone Ltd and its subsidiaries	London/United Kingdom	99.97	99.97		
Karmar SA	Warsaw/Poland	99.97	99.97		
Kohler Investment SA	Luxembourg	99.97	99.97		
Losinger Construction AG	Köniz/Switzerland	99.97	99.97		
Marazzi Holding AG and its subsidiaries	Bern/Switzerland	99.97	99.97		
Prader Losinger SA	Sion/Switzerland	99.64	99.64		
VCES Holding s.r.o. and its subsidiaries	Pardubice/Czech Republic	99.97	99.97		
VSL International Ltd	Bern/Switzerland	99.87	99.82		
Warings Construction Group Holding Ltd and its subsidiaries	Portsmouth/United Kingdom	99.97	99.97		
Westminster Local Education Partnership Ltd	London/United Kingdom	79.98	79.98		
PROPERTY					
Bouygues Inmobiliaria SA	Madrid/Spain	100.00	100.00		
Parque Empresarial Cristalia SL	Madrid/Spain	100.00	100.00		

(a) Where percentage control differs from percentage interest

Company	City/Country	% interest		% direct and indirect control [a]	
		2010	**2009**	**2010**	**2009**
ROADS					
Colas Belgium and its subsidiaries	Brussels/Belgium	**96.61**	**96.61**	**100.00**	**100,00**
Colas Canada Inc.	Montreal Quebec/Canada	**96.62**	**96.62**	**100.00**	**100,00**
Colas Cz	Prague/Czech Republic	**96.62**	**96.62**	**100.00**	**100,00**
Colas Danmark A/S	Virum/Denmark	**96.62**	**96.62**	**100.00**	**100,00**
Colas Gabon	Libreville/Gabon	**86.86**	**86.86**	**89.99**	**89,90**
Colas Hungaria and its subsidiaries	Budapest /Hungary	**96.62**	**96.62**	**100.00**	**100,00**
Colas Inc. and its subsidiaries	Morristown New Jersey/USA	**96.62**	**96.62**	**100.00**	**100,00**
Colas Ltd and its subsidiaries	Rowfant/United Kingdom	**96.62**	**96.62**	**100.00**	**100,00**
Colas du Maroc and its subsidiaries	Casablanca/Morocco	**96.61**	**96.61**	**100.00**	**100,00**
Colas Polska	Sroda-Wielkopol/Poland	**96.62**	**96.62**	**100.00**	**100,00**
Colas SA and its subsidiaries	Lausanne/Switzerland	**95.87**	**95.87**	**99.22**	**99,22**
OTHER SUBSIDIARIES					
Challenger Réassurance	Luxembourg	**99.99**	**99.99**		
Uniservice	Geneva/Switzerland	**99.99**	**99.99**		
PROPORTIONATE CONSOLIDATION					
CONSTRUCTION					
Bombela Civils Jv Ltd	Johannesburg/South Africa	**44.99**	**44.99**		
ASSOCIATES (EQUITY METHOD)					
CONSTRUCTION					
Bina Fincom	Zagreb/Croatia	**44.99**	**44.99**		
Hermes Airports Ltd	Nicosia/Cyprus	**21.99**	**21.99**		

(a) Where percentage control differs from percentage interest