NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS NINE MONTHS ENDED 30 SEPTEMBER 2011

15 November 2011

CONTENTS

(Figures in millions of euros unless otherwise indicated)

NOTES

Declaration of compliance:

The condensed consolidated financial statements for the nine months ended 30 September 2011 have been prepared in accordance with IAS 34, “Interim Financial Reporting”, a standard issued by the IASB and endorsed by the European Union, using the historical cost convention (except for certain financial assets and liabilities measured at fair value). They include comparatives as at and for the periods ended 30 September 2010 and 31 December 2010.

The Bouygues group has not early adopted as of 30 September 2011 any standard or interpretation not endorsed by the European Union.

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

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

1.0 SIGNIFICANT EVENTS OF THE PERIOD

1.1. SCOPE OF CONSOLIDATION AS AT 30 SEPTEMBER 2011

Changes in scope of consolidation:

1,127 entities were consolidated as at 30 September 2011, versus 1,158 at the end of 2010. The net reduction of 31 mainly relates to Bouygues Immobilier (deconsolidation of real estate partnerships and property companies on project completion, etc.) and to TF1 (divestment of SPS, etc.).

	SEPTEMBER 2011	DECEMBER 2010
Fully consolidated	**859**	**882**
Proportionately consolidated	**207**	**217**
Associates (equity method)	**61**	**59**
	1,127	**1,158**

Principal acquisitions and other transactions during the period:

- LEADBITTER GROUP (BOUYGUES CONSTRUCTION):

After receiving clearance from the European Commission competition authorities in March 2011, the Bouygues Construction group acquired 51% of the Leadbitter group via the holding company Leadbitter Bouygues Holdings Ltd. The remaining 49% is held by the Leadbitter management team and is to be acquired within no more than 4 years.

The Leadbitter group, which has a construction and house-building business in the United Kingdom, has been fully consolidated in the Bouygues Construction group financial statements with effect from 31 March 2011. The €37 million investment in Leadbitter was recognised in the first nine months of 2011.

The commitment to buy out the minority shareholders in the holding company is recognised in non-current debt.

- GAMMA MATERIALS LTD (COLAS):

At the end of June 2011, Colas acquired a 50% interest in Gamma Materials Ltd (Mauritius) for €33 million. As of 30 September 2011, Gamma Materials is accounted for by the proportionate consolidation method. The excess of the purchase price over the book value of the net assets acquired amounts to €29 million, most of which has been temporarily allocated to mineral deposits.

- ALSTOM:

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.

On 3 November 2011, Alstom published its results for the first half of the financial year ended 31 March 2012. On this basis, and given the time-lag between the financial year-ends of Alstom (31 March) and of Bouygues (31 December), Alstom's contribution to the net profit of the Bouygues group amounted to €40 million for the third quarter of 2011 and €134 million for the first nine months of 2011.

Amortisation of fair value remeasurements of identifiable intangible assets and other items had a negative impact of €12 million on the Bouygues group consolidated income statement in the period (portion attributable to the Bouygues group).

The investment in Alstom is reported under "Investments in associates" in the balance sheet at a carrying amount of €4,393 million, including goodwill of €2,593 million.

1.2. CONSOLIDATED SALES FOR THE FIRST NINE MONTHS OF 2011

Consolidated sales for the period were €23,719 million, 2.8% higher than in the comparable period of 2010.

1.3. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SINCE 30 SEPTEMBER 2011

On 10 October 2011, an Extraordinary General Meeting of Bouygues shareholders approved a €1,250-million share repurchase tender offer for a maximum 41,666,666 shares, or 11.7% of the share capital at a price of €30 per share. The repurchased shares will be cancelled in the fourth quarter.
The offer period ran from 17 October to 7 November 2011: 11.7% of the share capital was repurchased, which will be reflected in the fourth quarter of 2011 by a cash outflow of €1,250 million and a reduction of the same amount in shareholders' equity.

On 11 October 2011, Bouygues Telecom was granted authorisation to use frequencies, in exchange for €228 million, in the 2.6 Ghz band in France (excluding overseas territories) to establish and operate a public mobile radio-electric network. This authorisation, which will come into service after the end of the 2011 financial year, was awarded for a period of 20 years.

2.0 GROUP ACCOUNTING POLICIES

2.1. BUSINESS AREAS

The Bouygues group (the "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) The Bouygues group also holds a 30.73% interest in Alstom (Alstom Thermal Power, Alstom Renewable Power, Alstom Transport, Alstom Grid).

2.2. BASIS OF PREPARATION

The consolidated financial statements of the Bouygues group include the financial statements of Bouygues SA 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.

They were approved by the Board of Directors on 15 November 2011.

The Bouygues group has applied the same standards, interpretations and accounting policies for the nine months ended 30 September 2011 as those disclosed in its consolidated financial statements for the year ended 31 December 2010, except for new IFRS requirements applicable from 1 January 2011 (see below). Consequently, Note 2 to the consolidated financial statements for the nine months ended 30 September 2011 does not include detailed disclosures of these accounting policies, and these financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2010.

- *Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable to periods beginning on or after 1 January 2011:*
  - **IFRIC 14**, "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (no impact on the financial statements).
  - **IFRIC 19**, "Extinguishing Financial Liabilities with Equity Instruments" (no impact on the financial statements).
- *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 2011 is permitted.*
  - Bouygues has not early adopted any standards, amendments or interpretations as of 30 September 2011.

- 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, "Impairment testing of non-current assets".*

- Changes in accounting policy:

  Bouygues has made no changes in accounting policy in the nine months ended 30 September 2011 except for the new IFRS requirements mentioned above, which have no material impact on the consolidated financial statements.

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:

  - As of 30 September 2011, Bouygues held 43.08% of the voting rights of TF1. The exercise of exclusive control over TF1 by Bouygues is demonstrated by the following:

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

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

Other factors indicating the existence of exclusive control include:

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

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

- Proportionate consolidation: investments in joint ventures

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

  - Alstom: Bouygues exercises significant influence over Alstom, as demonstrated by (i) its 30.73% interest in the capital as of 30 September 2011 and (ii) its control of two seats on the Board of Directors. The carrying amount of the interest in Alstom (including goodwill) is reported in "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.

  The main changes in the scope of consolidation during the period are described in Note 1, "Significant events of the period".

2.4. BUSINESS COMBINATIONS

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

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

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 (i.e. gain from a bargain purchase) is taken to the income statement in the period in which the acquisition is made.

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described under “Impairment testing of non-current assets” in Note 2.7 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 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. Foreign-currency transactions

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

2.5.2. Financial statements of foreign entities

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

2.6. Assessment of income taxes

- Income tax expense recognised by each consolidated company for the nine months ended 30 September 2011 is assessed in accordance with IAS 34: income taxes for interim periods are recognised on the basis of the best estimate of the average annual effective income tax rate for the financial year (except in the case of holding companies, which recognise income taxes on the basis of the actual tax position at the end of the period). For 2011, this rate takes account of the effect of the amended 2011 Finance Act on French companies; the impact on the financial statements for the nine months ended 30 September 2011 is not material.

- Deferred taxation is recognised on differences between the carrying amounts and tax bases of assets and liabilities, and arises as a result of:

  - Temporary differences between the carrying amount and tax base of assets or liabilities, which may be:

    - items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods; or

    - items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes.

  - Tax losses available for carry-forward (deferred tax assets) which are likely to be recovered in future periods.

  Deferred taxes are measured using known applicable domestic 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. IMPAIRMENT TESTING OF NON-CURRENT ASSETS

The carrying amount of items of property, plant and equipment is tested for impairment if there is evidence that they might have become impaired.
The carrying amount of indefinite-lived intangible assets and goodwill is compared to their recoverable amount at least once a year (at the end of the financial year), or if there is evidence that they might have become impaired.

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 in the 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:

- For the companies listed on a stock market and with good liquidity (TF1, Alstom): on the basis of the quoted share price if this exceeds the carrying amount of the assets (after adding a control premium where applicable), or otherwise using the discounted cash flow (DCF) method taking account of the specific characteristics of the investment.

- For the other companies: using the discounted cash flow (DCF) method taking account of the specific characteristics of the investment.

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, a definitive impairment loss is recognised, this loss being allocated in the first instance to any goodwill recognised in the balance sheet.

As of 30 September 2011, trends in the quoted share prices of TF1 and Alstom suggested that these investments might have become impaired, and consequently they were tested for impairment.

- Impairment testing of TF1:

  As of 30 September 2011, the closing quoted price of TF1 shares (plus a control premium) was lower than the consolidated carrying amount per share as disclosed in Note 3.3 to the financial statements.

  Impairment testing was performed on the basis of the latest business plans submitted to the TF1 Board of Directors.

  The discount rates (WACC) and growth rate used for TF1 as of 30 September 2011 were:

Discount rate		Growth rate
Scenario 1 (a)	**Scenario 2 (a)**	
7.47%	**6.65%**	**2%**

(a) *Depending on the capital structure:*
Scenario 1 = ⅓ debt, ⅔ equity
Scenario 2 = ⅔ debt, ⅓ equity

- Impairment testing of Alstom:

  As of 30 September 2011, the closing quoted price of Alstom shares was lower than the consolidated carrying amount per share as disclosed in Note 3.3 to the financial statements.

  Impairment testing was performed on the basis of forecasts prepared by a panel of financial analysts, focusing particularly on reports updated after publication of the Alstom half-year financial statements on 3 November 2011.

  The discount rates (WACC) and growth rate used for Alstom as of 30 September 2011 were:

Discount rate		Growth rate
Scenario 2 (a)	**Scenario 2 (a)**	
8.18%	**7.37%**	**2%**

(b) Depending on the capital structure:
Scenario 1 = ⅓ debt, ⅔ equity
Scenario 2 = ⅔ debt, ⅓ equity

The estimated recoverable amount of these two investments determined on the basis described above was still greater than the carrying amount of the investment, for each scenario applied.

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

2.8. CASH FLOW STATEMENT

The cash flow statement is presented in accordance with IAS 7 and with Recommendation 2009-R-03 issued by the CNC (now the ANC) on 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.

On 30 September 2011, €1,250 million was deposited as collateral in connection with the share repurchase tender offer and was disbursed on 15 November 2011 when Bouygues repurchased its own shares (see Note 1.3). Four of the banks presenting the offer underwrote the payment to shareholders (up to a maximum of €1,250 million) in return for these collateralised certificates of deposit. Because the funds allocated to this specific transaction therefore remain available, they are reported as a component of cash and equivalents.

2.9. OTHER FINANCIAL INDICATORS

2.9.1. 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).

2.9.2. 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.

2.9.3. 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).

2.10. 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.

2.11. COMPARABILITY OF THE FINANCIAL STATEMENTS

Changes in the scope of consolidation during the year to date had no material impact on the financial statements for the nine months ended 30 September 2011, and do not impair comparability with the financial statements for the nine months ended 30 September 2010.

Sales generated by Leadbitter (Bouygues Construction) since the acquisition date amount to €255 million, of which €121 million was generated in the second quarter. Sales generated by Gamma Materials Ltd are not material.

Sales recorded in the first nine months of 2011 and the comparative periods by Colas – Mayotte have been reclassified from "International" to "France", as this overseas territory became an administrative department of France on 1 January 2011. The amounts involved are as follows:

- 9 months to 30 September 2011 = €55 million
- 9 months to 30 September 2010 = €52 million
- Year ended 31 December 2010 = €70 million

NOTE 3 NON-CURRENT ASSETS

3.1 INTANGIBLE ASSETS 6,213

Carrying amount	Land and buildings (a)	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	TOTAL
30 September 2011	**1,306**	**3,602**	**837**	**468**	**6,213**
of which finance leases	14	46	8		68
31 December 2010	**1,274**	**3,590**	**864**	**431**	**6,159**
of which finance leases	15	49	8		72

(a) Includes land and quarries: €751m, versus €708m at 31 December 2010
For an analysis of the carrying amount of property, plant and equipment by business segment see Note 12, "Segment Information".

3.2 GOODWILL 5,560

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

(excluding goodwill on associates → see Note 3.4)

	Gross value	Impairment	Carrying amount
31 December 2010	**5,611**	**(80)**	**5,531**
Acquisitions, disposals, remeasurements and other movements	16	18	34
Translation effects	(4)		(4)
Impairment losses recognised during the period		(1)	(1)
30 September 2011	**5,623**	**(63)**	**5,560**

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

Segment	30 September 2011		31 December 2010	
	Total	% Bouygues	Total	% Bouygues
Bouygues Construction (subsidiaries)	384	99.97%	347	99.97%
Colas (a)	1,066	96.55%	1,063	96.62%
TF1 (a)	1,458	43.55%	1,468	43.09%
Bouygues Telecom	2,652	89.55%	2,651	89.55%
Other			2	
Total	**5,560**		**5,531**	

(a) Includes goodwill generated at segment level on acquisitions of subsidiaries

3.3 CONSOLIDATED CARRYING AMOUNT OF LISTED SHARES (IN EUROS)

	Consolidated carrying amount per share at 30 September 2011	Closing market price per share at 30 September 2011
TF1	13.40	10.79 [a]
Colas	94.67	124.20 [a]
Alstom (b)	50.21	24.88

(a) Includes an estimated control premium
(b) See Notes 2 and 2.7

3.4 INVESTMENTS IN ASSOCIATES 5,042

	Carrying amount
31 December 2010	**5,020**
Translation effects	(9)
New equity investments and capital increases, net of divestments	(2)
Share of net profit/(loss) for the period	143
Payment of dividends	(90)
Other movements	(20)
30 September 2011	**5,042** (a)

(a) Includes €4,393m for Alstom (goodwill: €2,593m) and €503m for Cofiroute [Colas]

NOTE 4 CURRENT ASSETS

INVENTORIES 2,807

	30 September 2011			31 December 2010
	Gross value	Impairment	Carrying amount	Carrying amount
Property development inventories	1,284	(133)	1,151	1,226
Raw materials and finished goods	1,058	(43)	1,015	836
Programmes and broadcasting rights (TF1)	796	(155)	641	618
Total	**3,138**	**(331)**	**2,807**	**2,680**

NOTE 5 CONSOLIDATED EQUITY

SHARE CAPITAL OF BOUYGUES SA (in euros) € 356,535,365

As at 30 September 2011, the share capital of Bouygues SA consisted of 356,535,365 shares with a par value of €1. Movements during the period were as follows:

	31 Dec. 2010	Movements during the period		30 Sep. 2011
		Reductions	Increases	
Shares	365,862,523	(9,973,287)[a]	646,129[b]	356,535,365
Number of shares	**365,862,523**	**(9,973,287)**	**646,129**	**356,535,365**
Par value	**€ 1**			**€ 1**
Share capital (€)	**365,862,523**	**(9,973,287)**	**646,129**	**356,535,365**

(a) Cancellation of own shares held by Bouygues SA

(b) After exercise of stock options

NOTE 6 – NON-CURRENT AND CURRENT PROVISIONS

6.1 NON-CURRENT PROVISIONS 1,889

	Long-term employee benefits (a)	Litigation and claims (b)	Guarantees given (c)	Other non-current provisions (d)	TOTAL
31 December 2010	**498**	**364**	**372**	**636**	**1,870**
Translation effects	(1)	(1)	0	(1)	(3)
Changes in scope of consolidation	0	0	0	(4)	(4)
Charges to provisions	31	58	52	53	194
Reversals of provisions (used and unused) (e)	(10)	(62)	(45)	(49)	(166)
Actuarial gains and losses	1	0	0	0	1
Transfers between items & other movements	(5)	(2)	4	0	(3)
30 September 2011	**514**	**357**	**383**	**635**	**1,889**

(a) Long-term employee benefits	**514**
• Lump-sum retirement benefits and long-service awards	459
• Other long-term employee benefits (pension funds of Colas subsidiaries in English-speaking countries)	55
(b) Litigation and claims	**357**
• Provisions for customer disputes	180
• Provisions for subcontractor claims	36
• Other litigation and claims	141
(c) Guarantees given	**383**
• Provisions for customer warranties	281
• Provisions for additional building and civil works guarantees	102
(d) Other non-current provisions	**635**
• Provisions for risks related to official inspections and to subsidiaries and other equity investees	210
• Provisions for site remediation costs	226
• Other non-current provisions	199

(e) Of which reversals of unused provisions: (€84m)

6.2 CURRENT PROVISIONS 754

- Provisions related to the operating cycle

	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for estimated losses to completion (a)	Other current provisions (b)	TOTAL
31 December 2010	**57**	**294**	**282**	**297**	**930**
Translation effects	0	0	(7)	(5)	(12)
Changes in scope of consolidation	(1)	(2)	0	3	0
Charges to provisions	12	86	49	59	206
Reversals of provisions (used or unused) (c)	(13)	(93)	(157)	(104)	(367)
Transfers between items & other movements	(1)	(3)	0	1	(3)
30 September 2011	**54**	**282**	**167**	**251**	**754**

(a) Provisions for losses to completion: these relate to construction projects (Bouygues Construction, Bouygues Immobilier and Colas). Individual project provisions are not disclosed for confidentiality reasons.

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

(c) Of which reversals of unused provisions: (€71m)

NOTE 7 – NON-CURRENT AND CURRENT DEBT

7.1 BREAKDOWN OF DEBT BY MATURITY

	Current debt		Non-current debt	
	Total 30 Sep. 2011	Total 31 Dec. 2010	Total 30 Sep. 2011	Total 31 Dec. 2010
Bond issues	**155**	901	**6,086**	6,085
Bank borrowings	**47**	32	**817**	556
Finance leases	**24**	23	**42**	47
Other debt	**11**	38	**83**	62
Total debt	**237** (1)	**994**	**7,028**	**6,750**

(1) Bouygues SA: the 2003 bond issue of €750m was redeemed in full in February 2011 (current debt).

7.2 COVENANTS AND TRIGGER EVENTS

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

The bank loans contracted by Bouygues are not subject to any financial covenants or trigger events. The same applies to the credit facilities used by the subsidiaries of Bouygues SA.

NOTE 8 – MAIN COMPONENTS OF CHANGE IN NET DEBT

	31 Dec. 2010	Movement in the period	30 Sep. 2011
Cash and equivalents	5 576	(1 662)	3 914
Overdrafts and short-term bank borrowings	(294)	(147)	(441)
Net cash and equivalents	**5 282**	**(1 809)**(a)	**3 473**
Non-current debt	(6 750)	(278)	(7 028)
Current debt	(994)	757	(237)
Financial instruments, net	(11)	(5)	(16)
Total debt	**(7 755)**	**474**	**(7 281)**
Net debt	**(2 473)**	**(1 335)**	**(3 808)**

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

NOTE 9 – ANALYSIS OF SALES AND OHER REVENUES FROM OPERATIONS

9.1 ANALYSIS BY ACCOUNTING CLASSIFICATION

	1st 9 months 2011	1st 9 months 2010
Sales of goods	2,238	1,988
Sales of services	8,746	8,912
Construction contracts	12,735	12,167
Sales	**23,719**	**23,067**
Other revenues from operations	93	115
Total	**23,812**	**23,182**

9.2 CONTRIBUTION OF BUSINESS SEGMENTS TO CONSOLIDATED SALES

BUSINESS SEGMENT	Sales for the first 9 months of 2011				Sales for the first 9 months of 2010			
	France	International	Total	%	France	International	Total	%
Construction	3,769	3,219	6,988	29%	3,592	3,026	6,618	29%
Property	1,480	67	1,547	7%	1,598	163	1,761	8%
Roads	5,428	3,651	9,079	38%	5,030	3,706	8,736	38%
Media	1,543	281	1,824	8%	1,527	279	1,806	8%
Telecoms	4,274	0	4,274	18%	4,134	0	4,134	17%
Bouygues SA & other activities	4	3	7	0%	9	3	12	0%
Consolidated sales	**16,498**	**7,221** (a)	**23,719**	**100%**	**15,890**	**7,177**	**23,067**	**100%**
% year-on-year change	**3.8%**	**0.6%**	**2.8%**					

(a) Includes export sales

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	TOTAL 9 months 2011	TOTAL 9 months 2010
Total sales	7,086	1,548	9,168	1,839	4,285	90	24,016	23,426
Inter-segment sales	(98)	(1)	(89)	(15)	(11)	(83)	(297)	(359)
Third-party sales	**6,988**	**1,547**	**9,079**	**1,824**	**4,274**	**7**	**23,719**	**23,067**

NOTE 10 – OPERATING PROFIT

	2011: 9 months	2010: 9 months
Current operating profit	**1,338**	**1,328**
Other operating income	38 (a)	96 (b)
Other operating expenses	0	(26) (c)
Operating profit	**1,376**	**1,398**

(a) Bouygues Telecom: non-current income related to an asset disposal

(b) TF1: Other operating income of €96m represents the net gain arising on the remeasurement at fair value of the previously-held equity interests in TMC and NT1.

(c) Colas: fine and claim relating to competition issues (€13m expense), impairment of goodwill on various subsidiaries (€13m expense).

NOTE 11 – INCOME TAX EXPENSE

	2011: 9 months	2010: 9 months
Tax payable to the tax authorities	(339)	(357)
Deferred taxes, net	(56)	(19)
Income tax expense	(395)	(376)
Effective tax rate	33.9% (a)	32.1% (b)

Analysis of effective tax rate:

(a) First 9 months of 2011 = 33.9%, including some non-taxable income (Bouygues Immobilier debt waiver = (€34m))

(b) First 9 months of 2010 = 32.1%, including the effect of the €42m gain on disposal of Alstom Hydro Holding shares taxable in France at the long-term capital gains tax rate of 1.7%

NOTE 12 – SEGMENT INFORMATION

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

ANALYSIS BY BUSINESS SEGMENT: NINE MONTHS ENDED 30 SEPTEMBER

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL	TOTAL
INCOME STATEMENT							2011: 9 months	2010: 9 months
Operating profit	266	127	274	195	550	(36)	1 376	1 398
Net profit attributable to the Group	159	78	201	55	316	(15)	794	923
BALANCE SHEET							30/09/11	31/12/10
Property, plant & equipment and intangible assets	680	20	2 493	312	3 524	150	7 179	7 149
Net debt	2 393	275	(823)	87	(440)	(5 300)	(3 808)	(2 473)
OTHER FINANCIAL INDICATORS							2011: 9 months	2010: 9 months
Acquisitions of property, plant & equipment and intangible assets, net of disposals	177	7	252	29	536	(4)	997	864
EBITDA	370	126	595	229	1 035	(41)	2 314	2 391
Cash flow	400	129	620	242	1 052	40	2 483	2 428
Free cash flow	118	91	253	155	325	(56)	886	937

Acquisitions of investments of the period amounted to €74m, and mainly involved Construction (including Leadbitter for €37m) and Roads (including Gamma Materials Ltd for €33m).

NOTE 13 – PRINCIPAL EXCHANGE RATES

Convention: 1 local currency unit = X euros

Country	Currency unit	Closing exchange rate (1)		Average rate for the period (2)	
		30 Sep. 2011	31 Dec. 2010	2011: 9 months	2010: full year
EUROPE					
Denmark	Danish krone	0.134304	0.134165	0.134156	0.134269
United Kingdom	Pound sterling	1.145147	1.161778	1.139616	1.168215
Hungary	Hungarian forint	0.003412	0.003598	0.003684	0.003617
Poland	Polish zloty	0.222901	0.251572	0.247074	0.249695
Czech Republic	Czech koruna	0.040196	0.039903	0.041019	0.039583
Romania	Romanian leu	0.232261	0.234632	0.237996	0.237141
Switzerland	Swiss franc	0.814664	0.799744	0.808538	0.729949
NORTH AMERICA					
United States	US dollar	0.743605	0.748391	0.705390	0.757189
Canada	Canadian dollar	0.719735	0.750638	0.722149	0.732055
REST OF THE WORLD					
Morocco	Moroccan dirham	0.089469	0.089497	0.088608	0.089724
Thailand	Thai baht	0.024167	0.024894	0.023249	0.023913
Hong Kong	Hong Kong dollar	0.095325	0.096287	0.090586	0.097455
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.090290	0.112835	0.100528	0.103544

(1) Translation of balance sheet items

(2) Translation of income statement items