CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

NOTES

CONTENTS

(FIGURES IN MILLIONS OF EUROS UNLESS OTHERWISE INDICATED)

NOTES

Declaration of compliance:

The consolidated financial statements of Bouygues and its subsidiaries (the "Group") for the year ended 31 December 2012 have been prepared using the principles and methods defined in the standards issued by the International Accounting Standards Board (IASB) as endorsed by the European Union and applicable as of 31 December 2012. These standards, collectively referred to as "IFRS", comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee, previously the International Financial Reporting Interpretations Committee (IFRIC), which itself was the successor body to the Standing Interpretations Committee (SIC). The Bouygues group has not early adopted as of 31 December 2012 any standard or interpretation not endorsed by the European Union, except for the amendment to IAS 1 on the presentation of the statement of recognised income and expense and the amendment to IAS 19 (both of which became effective in the European Union on 6 June 2012).

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 2011.

1. SIGNIFICANT EVENTS OF THE YEAR

1.1. SCOPE OF CONSOLIDATION AS AT 31 DECEMBER 2012

1,129 entities were consolidated at 31 December 2012, against 1,132 at the end of 2011. The net reduction of 3 entities reflects the first-time consolidation of the Thomas Vale entities in the second quarter and the creation of new joint ventures (Bouygues Construction) plus the first-time consolidation of the Servant group entities in the first quarter (Colas), but also the deconsolidation of real estate partnerships and property companies on project completion (Bouygues Immobilier) and the effect of mergers between entities in the Colas group.

	31 DECEMBER 2012	31 DECEMBER 2011
Fully consolidated	**839**	**865**
Proportionately consolidated	**226**	**206**
Associates (equity method)	**64**	**61**
	1,129	**1,132**

1.2. SIGNIFICANT EVENTS

1.2.1. Significant events of 2012

The main acquisitions and corporate actions of 2012 are described below:

- On 17 January 2012, Bouygues Telecom was granted, in exchange for €683 million, an authorisation to use 10 MHz frequencies in the 800 MHz band in France (excluding overseas territories) to establish and operate a public mobile radio-electric network, with a commitment to open it to Mobile Virtual Network Operators (MVNOs). This authorisation, which will come into use at a future date, was awarded for a period of 20 years.

- On 27 January 2012, Bouygues raised €800 million via a ten-year bond issue bearing interest at 4.5%, with a view to refinancing debt approaching maturity. The bond issue was paid up on 9 February 2012.

- On 18 September 2012, Bouygues raised €700 million via a bond issue maturing in 2023, bearing interest at 3.625%. The bond issue was paid up on 2 October 2012.

- The reorganisation and adaptation measures initiated by Bouygues Telecom and TF1 had a negative impact of €200 million in the year ended 31 December 2012 (see Note 12, "Operating profit").

- On 4 October 2012, Alstom carried out a €350 million capital increase via a private placing with institutional investors. As a consequence of this capital increase, the equity interest held by Bouygues was reduced to 29.40%, versus 30.71% as of 30 September 2012. The resulting loss on dilution, amounting to €53 million, was recognised in profit or loss in the fourth quarter of 2012.

- During the fourth quarter of 2012, Bouygues Telecom made disposals (see Note 12, "Operating profit") totalling €234 million (€207 million of operating disposals, €27 million of financial disposals): sale to Antin Infrastructure Partners of 85% of France Pylônes Services (the tower business which manages telecoms masts in France transferred to it by Bouygues Telecom), and sale to Digital Realty trust of the buildings and property infrastructure of three data processing centres near Paris (Saclay, Montigny-le-Bretonneux and Bièvres).

- On 21 December 2012, the Discovery Communications group acquired a 20% equity interest in Eurosport for €178 million, with the possibility of raising this interest to 51% in two years' time. If this were the case, TF1 would in turn have the possibility of selling the remaining 49% to the Discovery Communications group.

At the same time, the Discovery Communications group acquired a 20% equity interest in a number of TF1 pay-TV channels for €14 million, with the option to raise this interest to 49% in two years' time.
Given that TF1 has not lost control of these entities, the fair value remeasurement of the divested interests, amounting to €93 million, was recognised in equity (see Note 2.3, "Consolidation methods" and Note 5, "Consolidated shareholders' equity".

1.2.2. Significant events of 2011

The main acquisitions and other corporate actions of 2011 are described below:

- Share repurchase tender offer and cancellation of treasury shares

  Following the launch of a share repurchase tender offer at the start of October 2011, Bouygues repurchased 41,666,666 of its own shares, representing 11.69% of the company's share capital, for €1,250 million. On 15 November 2011, the Bouygues Board of Directors decided to cancel these shares.

- On 11 October 2011, Bouygues Telecom was awarded, in exchange for €228 million, a licence to use a 15 MHz frequency in the 2.6 GHz band in France (excluding overseas territories) to establish and operate a public mobile radio-electric network. This licence, which will be brought into use after the end of the 2012 financial year, was awarded for a period of 20 years.

- 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 for €37 million via the holding company Leadbitter Bouygues Holdings Ltd. The remaining 49% interest held by the Leadbitter management team was acquired in the third quarter of 2012.

  The Leadbitter group, which has a construction business in the United Kingdom, has been fully consolidated in the Bouygues Construction group financial statements with effect from 31 March 2011. Goodwill arising on the transaction, calculated using the partial goodwill method, amounted to €41 million as at 31 December 2012.

  The commitment to buy out the minority shareholders in the holding company was reported as a liability in "Non-current debt" and deducted from equity as of 31 December 2011; the amount involved was €19 million.

- GAMMA MATERIALS LTD (COLAS)

  At the end of June 2011, Colas acquired a 50% interest in Gamma Materials Ltd (Mauritius) for €33 million. This interest has been accounted for by the proportionate consolidation method since 1 July 2011. Goodwill recognised on the acquisition as of 31 December 2012 amounted to €7 million.

1.3. CONSOLIDATED SALES

Consolidated sales for 2012 were €33,547 million, 2.6% higher than the 2011 figure of €32,706 million.

1.4. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 31 DECEMBER 2012

On 7 January 2013, Bouygues spent €99 million to acquire 5,074,906 of its own shares, representing 1.57% of the share capital. On 26 February 2013, the Bouygues Board of Directors decided to cancel these shares (see Note 5, "Consolidated shareholders' equity").

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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) The Bouygues group also holds a 29.4% interest in the Alstom group (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 and joint ventures. They are presented in millions of euros, the currency in which the majority of the Group's transactions are denominated, and take account of the recommendations on presentation (Recommendation 2009-R-03) issued on 2 July 2009 by the Conseil National de la Comptabilité – CNC (now called Autorité des Normes Comptables – ANC), the French national accounting standard-setter.

The consolidated financial statements were adopted by the Board of Directors on 26 February 2013, and will be submitted for approval by the forthcoming Combined Annual General Meeting on 25 April 2013.

The consolidated financial statements for the year ended 31 December 2012 were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives as at and for the year ended 31 December 2011.

The Bouygues group applied the same standards, interpretations and accounting policies for the year ended 31 December 2012 as were applied in its consolidated financial statements for the year ended 31 December 2011, except for new IFRS requirements applicable from 1 January 2012 (see below) and the early adoption of the amendment to IAS 1 and of the amendment to IAS 19. 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 or permitted for early adoption for periods beginning on or after 1 January 2012:*

  - **Amendment to IFRS 7***:* Disclosures – Transfers of Financial Assets (mandatorily applicable from 1 January 2012). This amendment does not alter the existing accounting treatment of securitisation transactions, but specifies the disclosure requirements for such transactions.

  - **Amendment to IAS 1**: Presentation of items of Other Comprehensive Income (OCI).
    Although the amendment to IAS 1 had not been adopted by the European Union as of 31 December 2011, it was early adopted by the Group from 1 January 2011 since it was not in conflict with pronouncements that had already been endorsed. This amendment became effective within the European Union on 6 June 2012 and is mandatorily applicable from 1 January 2013.

- **Amendment to IAS 19**, "Employee Benefits" (published in the Official Journal of the European Union on 6 June 2012, mandatorily applicable from 1 January 2013, early adoption permitted from 1 January 2012). The Bouygues group has early adopted this amendment in the consolidated financial statements for the year ended 31 December 2012. Given that the Group already recognises in equity actuarial gains and losses on defined-benefit employee benefit plans, applying this change in method would have had an immaterial impact on net assets as of 31 December 2011 and on net profit for the year then ended. The negative impact on consolidated equity of €20 million (net of deferred tax assets) relates primarily to a plan amendment that occurred in 2005, net of the amount already amortised through profit or loss under IAS 19 as previously applied.

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosures of Interests in Other Entities", IAS 27 "Separate Financial Statements" (as amended in 2011), IAS 28 "Investments in Associates and Joint Ventures" (as amended in 2011):** These standards were endorsed on 29 December 2012 and are mandatorily applicable from 1 January 2014. The impact of these standards, which were not early adopted from 1 January 2012, is currently under review.

- **Amendments to IAS 12, "Income Taxes" (Deferred Tax – Recovery of Underlying Assets) and to IFRS 1, "First-Time Adoption of International Financial Reporting Standards" (Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters), and IFRS 13 "Fair Value Measurement"**: these pronouncements were endorsed on 29 December 2012 and are mandatorily applicable from 1 January 2013. They have no impact on the financial statements of the Bouygues group.

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

The table below shows the principal standards, amendments and interpretations that had been issued by the IASB prior to 31 December 2012 but have not yet come into effect:

Standard/amendment	**IASB effective date***	**Expected impact on the Bouygues group**
IFRS 9: Financial Instruments - Classification and Measurement of Financial Assets	1 January 2015	Not quantifiable at present (pending)
***** *Unless otherwise indicated, applicable to accounting periods beginning on or after the date shown in this column*		

• 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 exercises its judgement to define and apply accounting policies that will provide relevant information that gives a fair presentation and is comparable between periods, 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.

2.3. CONSOLIDATION METHODS

- Full consolidation

  Companies over which Bouygues exercises control are consolidated using the full consolidation method. Acquisitions and divestments of minority interests without loss of control are treated as transactions between shareholders, and their impact on the Group's financial statements is recognised in equity without affecting profit or loss.

  Assessment of exclusive control over TF1:

  - As at 31 December 2012, Bouygues held 43.65% 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 large majority of the voting rights exercised at TF1 general meetings, and no other shareholder directly or indirectly controls a higher share of voting rights than Bouygues.

    - Bouygues has had exclusive power to determine decisions at TF1 general 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 29.4% interest in the capital and its control of two seats on the Board of Directors.

    As of 31 December 2012, the investment in Alstom is reported under "Investments in associates" and accounted for by the equity method; it is carried at net acquisition cost (including goodwill) plus Bouygues' share of Alstom's net profit since the acquisition date, giving a total carrying amount of €4,480 million (including goodwill of €2,510 million).

    Given the time-lag between the financial year-ends of Alstom (31 March) and Bouygues (31 December), the financial contribution of Alstom to the Bouygues group's net profit for the fourth quarter of 2012 was estimated at €59 million, versus €56 million for the fourth quarter of 2011 (based on the published results of Alstom for the first six months of the financial year ending 31 March 2013), giving a total contribution of €240 million for the year to 31 December 2012 (versus €190 million for the year to 31 December 2011).
    Amortisation of fair value remeasurements of Alstom's identifiable intangible assets and other items had a negative impact of €15 million on the consolidated income statement for the year ended 31 December 2012 (portion attributable to the Bouygues group).

- Concession arrangements and Public-Private Partnership (PPP) contracts:

  The Bouygues Construction group enters into concession arrangements and PPP contracts with local authorities via entities in which the Group holds an equity interest, generally of less than 20%. Given the effectively limited role of the Group in these entities, they are not consolidated. Equity interests in concession operating entities are in the majority of cases accounted for as associates by the equity method, or otherwise are not consolidated.

- In accordance with IAS 39, equity investments in non-consolidated companies are measured at fair value, and are subject to impairment testing at each reporting date.

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), 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 the cost of a business combination 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 2.7.4 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 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 with a functional currency other than the euro

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. Such assets are recognised to the extent that is probable that sufficient taxable profits will be available against which to offset the temporary differences, and are reviewed at each balance sheet date.
  - 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. In the case of France, the tax rate applied to deferred taxes expected to reverse in 2013 or 2014 incorporates the exceptional 5% contribution enacted in the new Finance Bill for 2012.

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)	[a]		
- Non-operating buildings	10 to 40 years	25 to 50 years	-
- Industrial buildings	10 to 20 years	-	30 years
- Plant, equipment and tooling [b]	3 to 15 years	3 to 7 years	10 to 30 years
- Other property, plant and equipment (vehicles and office equipment) [b]	3 to 10 years	3 to 10 years	

(a) Depreciated on the basis of the rate of depletion, up to a maximum of 40 years (Colas)
(b) Depending on the type of equipment

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".

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 whereby the Bouygues group retains substantially all the risks and rewards of ownership (i.e. finance leases) are recognised as assets in the balance sheet, along with a corresponding liability.

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, i.e. 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**

  - Development expenses are capitalised if the IAS 38 criteria are met, i.e. if they are expected to generate future economic benefits and their cost can be reliably measured.

  - In accordance with IFRS, incorporation and research expenses are expensed as incurred.

- **Concessions, patents and similar rights**

  These include the following assets held by Bouygues Telecom:

Type of asset	Amortisation method	Period
UMTS licence	straight line	**17.5 years** [(a)]
IAP-IRU and front fees (indefeasible right of use)	straight line	**25 years**
Software, IT developments and office applications	straight line	**3 to 8 years**
4G licences	straight line	**20 years maximum**[(b)]

(a) *UMTS licence awarded in 2002:*
Amortised from the date on which the high-speed broadband network opened (26 May 2005)

(b) *The licences acquired in 2011 and 2012 were recognised as intangible assets in progress as of 31 December 2012; they were awarded for a 20-year period, and will be amortised from the date on which each licence is brought into use*

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 audiovisual rights (TF1).

TF1 audiovisual rights:

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

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

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

- Films co-produced by TF1 Films Production are amortised in line with revenues over a limited time-frame, taking account of the timing of revenue sources; this policy is consistent with industry practice.
- 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 – non-current assets and investments in associates

Impairment tests are carried out on the carrying amount of non-current assets and investments in associates if there is objective evidence that they may have become impaired.
The carrying amounts of indefinite-lived intangible assets and goodwill are compared to their recoverable amounts at least at the end of each financial year.

Impairment testing of TF1, Bouygues Telecom and Colas

Method applied

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 TF1, which is listed on the stock market and has good liquidity: on the basis of the quoted share price if this exceeds the carrying amount of the assets (after allowing for a control premium); otherwise, using the Discounted Cash Flow (DCF) method as described below, taking account of the specific characteristics of TF1 (see (b) below).

b) For other CGUs: using the DCF method, taking account of the specific characteristics of the CGU.

   - The cash flows used are derived from the three-year business plan prepared by the management of the business segment and approved by the entity's Board of Directors and, where appropriate, the Board of Directors of Bouygues SA.

   - The discount rate is determined on the basis of a weighted average cost of capital appropriate to the sector in which the segment operates, by reference to a panel of comparable companies. Two alternative capital structure scenarios are applied: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

- 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. Any such losses are allocated in the first instance to any goodwill recognised in the balance sheet, and may not be subsequently reversed.

Information about goodwill impairment tests performed as of 31 December 2012:

- The recoverable amount of TF1, Bouygues Telecom and Colas was determined using the method described above, based on three-year cash flow projections corresponding to the business plans of each of the three subsidiaries as approved by the Boards of Directors of each entity and of Bouygues SA.

- 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 end-2012 were as follows:

	DISCOUNT RATE		PERPETUAL GROWTH RATE
	SCENARIO 1[(a)]	SCENARIO 2[(a)]	
- TF1	8.60%	7.61%	2%
- BOUYGUES TELECOM	5.04%	4.54%	2%
- COLAS	5.25%	4.73%	2%

(a) *Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2)*

- Assumptions used in the TF1 business plan:

  The business plan used in testing the recoverable amount of the investment in TF1 was prepared on the basis of revenue growth rates and operating margins consistent with actual data for the last 5 years, and builds in a number of factors including:

  - the impact of the economic situation on advertising spend in the current highly unsettled environment;
  - the ongoing adaptation of the TF1 channel business model, including the implementation of phase II of the optimisation plan, which aims to achieve €85 million of new recurring savings by end-2014 on top of the €155 million of recurring savings already generated between 2007 and 2011;
  - the effect of future major sporting events;
  - the development of the free-to-view offering across all free media, including the TF1 group's free-to-view DTT channels and digital activities (MyTF1) driven by new technologies;
  - the improvement in available funds that allows the TF1 group to envisage potential new developments.

  However, the business plan does not build in expected synergies from the partnership with the Discovery Communications group signed at the end of 2012.

- Assumptions used in the Bouygues Telecom business plan:

  The normative cash flows of Bouygues Telecom were determined on the assumption that in 2013 EBITDA will remain stable (but improve net of capex), and that thereafter free cash flow will improve as a result of:

  - the measures taken in 2012 to adapt to the radical changes in the mobile market, which will enable €300 million of savings to be generated in mobile activities in 2013;
  - the ongoing transformation initiated in 2012, with a focus on step change in two areas: technical assets, and the marketing of service-inclusive offers. The continuation of this transformation is a response to the market trends seen in early 2013 in terms of rates and strong growth in the "SoWo" (SimOnly/WebOnly) segment, which could eventually account for 25% of the French market as defined by Arcep (versus 10% at end-2012).

The strategic priorities of Bouygues Telecom are to:

- remain the most innovative player in the mobile market, while at the same time repositioning and streamlining its plans (recreating value thanks to growing data demand and the arrival of 4G);
- continue achieving growth in high-speed broadband services.

Impairment testing of the investment in Alstom

Because goodwill included in the carrying amount of investments in associates is not reported separately, it is not tested separately for impairment, in line with IAS 36. An impairment loss is recognised if the carrying amount of the investment exceeds its recoverable amount; this loss is charged against the carrying amount of the investment, and may be reversed.

Information about the impairment test performed as of 31 December 2012:

The total carrying amount of the investment in Alstom was tested for impairment as of 31 December 2012 by comparing it with its recoverable amount, determined by reference to value in use as derived from cash flow projections established by Bouygues management based on forecasts prepared by a panel of financial analysts.

- The analysts' forecasts are consistent with those announced by Alstom in November 2012 and confirmed in January 2013, in terms of both revenue growth (over 5% a year for the financial year ending 31 March 2013 and the two subsequent financial years) and operating margin (around 8% in March 2015).

- The discount rates (weighted average cost of capital) and growth rate used for Alstom at end-2012 were:

	DISCOUNT RATE		GROWTH RATE APPLIED TO CASH FLOWS AFTER A 5-YEAR TIME HORIZON
	SCENARIO 1[(a)]	SCENARIO 2[(a)]	
ALSTOM	10.00%	8.82%	2%

(a) *Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2)*

Conclusion on impairment tests

For all the assets tested, the recoverable amounts determined using each of the two capital structure scenarios were greater than the carrying amount of the asset.

Note 3.2 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 2012. As of that date, there were no material events that might call into question the carrying amounts reported for these companies.

Sensitivity analysis

An analysis was performed for the TF1, Bouygues Telecom and Colas CGUs, and for the investment in Alstom, in order to determine the sensitivity of the calculation to the key parameters (discount rates, growth rates, normative cash flows), either individually or using combined scenarios for discount rates and normative cash flows (including reasonably possible changes in normative cash flows).

For these CGUs, and for the investment in Alstom, the recoverable amount would equal the carrying amount of the assets tested if the assumptions shown below (taken individually) were to be applied:

	INCREASE IN DISCOUNT RATE		REDUCTION IN NORMATIVE CASH FLOWS	
	SCENARIO 1 [(a)]	SCENARIO 2 [(a)]	SCENARIO 1 [(a)]	SCENARIO 2 [(a)]
- TF1	96 bp	194 bp	15%	29%
- BOUYGUES TELECOM	161 bp	210 bp	37%	48%
- COLAS	1,386 bp	1,438 bp	88%	90%
- ALSTOM	76 bp	194 bp	12%	28%

(a) *Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2)*

For Bouygues Telecom, in the event of a 15% reduction in normative cash flows combined with an increase of 100 basis points in the discount rate, the recoverable amount would be equal to the carrying amount of the assets tested in scenario 1 and €850 million greater than the carrying amount in scenario 2.

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 advances to non-consolidated companies), deposits and caution money, and investments in non-consolidated companies (i.e. those 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).

Concession arrangements and Public-Private Partnership (PPP) contracts:

The Group (Bouygues Construction and Colas) holds equity interests in entities that have entered into concession arrangements or PPP contracts. These contracts, which are accounted for in accordance with IFRIC 12, are assessed on a case by case basis.

Under the financial receivable method, the initial receivable represents the fair value of the activity undertaken; this receivable is subsequently measured at amortised cost using the effective interest method as defined in IAS 39.

Consequently, the receivable represents the fair value of the activity undertaken, plus cumulative interest calculated using the effective interest method, minus payments received from the grantor.

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 connection costs, professional fees and ancillary costs.

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.

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.

TF1 SA programmes are deemed to have been consumed on transmission. 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.

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.

Rights ordered under irrevocable contracts but not yet available for transmission are disclosed in Note 4.1 to the financial statements, and are priced at the contractual amount or the estimated future cash outflow, less any advance payments made.

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, since the bulk of debt is at fixed-rate either in the form of fixed-rate bond issues, or via a portfolio of hedging instruments that 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

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 (e.g. quarries).

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

- Provisions for employee benefits, which comprise:

  - 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 2012 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 and the rate of return on plan assets are determined by reference to the expected market rate, taking into account the estimated timing of benefit payments; the discount rate applied to the obligation is determined by reference to the market rate for high-quality corporate bonds at the balance sheet date.

  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. Revenue recognition

The Group recognises revenue 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.

  Revenue generated by prepaid cards is recognised on sale of the card to the distributor or retailer but deferred until the card is activated, and then adjusted for unused minutes.

  Services carried out on behalf of content providers in relation to SMS+ services and special numbers 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.

- Distributor/retailer commission:

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

- Consumer loyalty programme:

  Customers on non-capped plans earn points as they are billed, which they can use to obtain a handset update provided that they renew their plan for a minimum of 12 months. With effect from 2012, customers on capped plans have been able to obtain a cut-price handset upgrade after twenty-four months provided that they renew their plan.

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

2.13.2. Accounting for construction 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

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 (such as joint ventures) involved in the operation of production facilities for roadbuilding 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 is defined 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 cash 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 cash equivalents;
- overdrafts and short-term bank borrowings;
- non-current and current debt;
- financial instruments (used to hedge financial liabilities measured at fair value).

2.16. 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 2012 did not have a material effect on the consolidated financial statements as presented for that year, and do not impair comparisons with the consolidated financial statements for the year ended 31 December 2011.

Sales contributed in 2012 by Leadbitter (Bouygues Construction), which was acquired at the end of March 2011, amounted to €474 million (versus €384 million in the 2011 financial year, covering the period from April 2011).

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NOTE 3 NON-CURRENT ASSETS 20,170

For a breakdown of non-current assets by business segment see Note 16, “Segment Information”.

3.1 ACQUISITIONS OF NON-CURRENT ASSETS DURING THE YEAR, NET OF DISPOSALS

	2012	2011
Acquisitions of property, plant and equipment	1,433	1,677
Acquisitions of intangible assets	874	379
Capital expenditure	**2,307**	**2,056**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	134	149
Acquisitions of non-current assets	**2,441**	**2,205**
Disposals of non-current assets	(395)	(205)
Acquisitions of non-current assets, net of disposals	**2,046**[(a)]	**2,000**

(a) Includes €1,366m for Bouygues Telecom (€1,089m in 2011), and €404m for Colas (€496m in 2011)

3.2 NON-CURRENT ASSETS: MOVEMENTS DURING THE PERIOD

3.2.1 Property, plant and equipment 6,451

	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
Gross value					
31 December 2010	**1,923**	**10,313**	**2,530**	**431**	**15,197**
Movements during 2011					
Translation adjustments	8	28	2	(1)	37
Changes in scope of consolidation	35	11	8	(1)	53
Acquisitions during the period	134	896	336	311	1,677
Disposals, transfers and other movements	(41)	(237)	(141)	(289)	(708)
31 December 2011	**2,059**	**11,011**	**2,735**	**451**	**16,256**
of which finance leases	24	97	66		187
Movements during 2012					
Translation adjustments	(2)	(8)	(2)		(12)
Changes in scope of consolidation	20	(1)	48		67
Acquisitions during the period	70	863	302	198	1,433
Disposals, transfers and other movements	6	(488)	(276)	(296)	(1,054)
31 December 2012	**2,153**	**11,377**	**2,807**	**353**	**16,690**
of which finance leases	14	109	51		174
Depreciation and impairment					
31 December 2010	**(649)**	**(6,723)**	**(1,666)**		**(9,038)**
Movements during 2011					
Translation adjustments	(1)	(15)	(2)		(18)
Changes in scope of consolidation		(1)	(5)		(6)
Net expense for the period	(71)	(882)	(299)		(1,252)
Disposals, transfers and other movements	46	401	153		600
31 December 2011	**(675)**	**(7,220)**	**(1,819)**		**(9,714)**
of which finance leases	(10)	(55)	(62)		(127)
Movements during 2012					
Translation adjustments		6	1		7
Changes in scope of consolidation	(1)	8	(40)		(33)
Net expense for the period	(76)	(890)	(326)		(1,292)
Disposals, transfers and other movements	33	500	260		793
31 December 2012	**(719)**	**(7,596)**	**(1,924)**		**(10,239)**
of which finance leases	(7)	(70)	(44)		(121)
Carrying amount					
31 December 2011	**1,384**	**3,791**	**916**	**451**	**6,542**
of which finance leases	14	42	4		60
31 December 2012	**1,434**	**3,781**	**883**	**353**	**6,451**
of which finance leases	7	39	7		53

Operating commitments not yet recognised involving future outflows of resources

Property, plant and equipment	Falling due: Less than 1 year	Falling due: 1 to 5 years	Falling due: More than 5 years	Total 2012	Total 2011
Colas: orders in progress for plant and equipment	13			**13**	51
Bouygues Telecom: orders in progress for network equipment assets	248	1		**249**	169
TOTAL	**261**	**1**		**262**	**220**

3.2.2 Intangible assets 1,886

	Development expenses [(a)]	Concessions, patents and similar rights	Other intangible assets	Total
Gross value				
31 December 2010	**253**	**1,278**	**1,354**	**2,885**
Movements during 2011				
Translation adjustments			1	1
Changes in scope of consolidation	(5)	(1)	(15)	(21)
Acquisitions during the period	25	72	282	379
Disposals, transfers and other movemen	(57)	39	(23)	(41)
31 December 2011	**216**	**1,388**	**1,599**	**3,203**
Movements during 2012				
Translation adjustments			(1)	(1)
Changes in scope of consolidation		(20)	12	(8)
Acquisitions during the period	22	51	801	874
Disposals, transfers and other movemen		13	(25)	(12)
31 December 2012	**238**	**1,432**	**2,386**	**4,056**
Amortisation and impairment				
31 December 2010	**(206)**	**(552)**	**(1,137)**	**(1,895)**
Movements during 2011				
Translation adjustments			(1)	(1)
Changes in scope of consolidation	5	1	13	19
Net expense for the period	(23)	(91)	(48)	(162)
Disposals, transfers and other movemen	56	(32)	21	45
31 December 2011	**(168)**	**(674)**	**(1,152)**	**(1,994)**
Movements during 2012				
Translation adjustments				
Changes in scope of consolidation		8	(9)	(1)
Net expense for the period	(26)	(103)	(53)	(182)
Disposals, transfers and other movemen		4	3	7
31 December 2012	**(194)**	**(765)**	**(1,211)**	**(2,170)**
Carrying amount				
31 December 2011	**48**	**714**	**447**	**1,209**
31 December 2012	**44**	**667** [(b)]	**1,175** [(c)]	**1,886**

(a) Development expenses:

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

(b) Includes Bouygues Telecom's UMTS licence: carrying amount €356m

(c) Includes Bouygues Telecom's licence to use 4G frequencies: €954m (acquisitions during 2012: €726m)

Operating commitments not yet recognised involving future outflows of resources

Intangible assets	Falling due Less than 1 year	1 to 5 years	More than 5 years	Total 2012	Total 2011
TF1: broadcasting rights (securing programming schedules for future years)	20			**20**	14
Bouygues Telecom: capital expenditure commitments (licence to use frequencies)					683
TOTAL	**20**			**20**	**697**

The capital expenditure commitments for licences to use frequencies reported as of 31 December 2011 relate to the licences that were acquired in January 2012 (see Note 3.2.2).

3.2.3 Goodwill 5,648

	Gross value	Impairment	Carrying amount
31 December 2010	**5,611**	**(80)**	**5,531**
Movements during 2011			
Changes in scope of consolidation	28	18	46
Impairment losses charged during the period		(3)	(3)
Translation adjustments and other movements	6		6
31 December 2011	**5,645**	**(65)**	**5,580**
Movements during 2012			
Changes in scope of consolidation	75	2	77
Impairment losses charged during the period		(6)	(6)
Translation adjustments and other movements	(3)		(3)
31 December 2012	**5,717**	**(69)**	**5,648**

For goodwill on associates, see Note 3.2.4.

Split of goodwill by Cash Generating Unit (CGU)

CGU	31 December 2012 Total	% (Bouygues or subsidiaries)	31 December 2011 Total	% (Bouygues or subsidiaries)
Bouygues Construction [(a)]	421	99.97	388	99.97
Colas [(b)]	1,099	96.60	1,069	96.55
TF1 [(b)]	1,458	43.65	1,458	43.59
Bouygues Telecom [(b)]	2,669	90.53	2,664	89.55
Other activities	1		1	
Total Bouygues	**5,648**		**5,580**	

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

Consolidated carrying amount of listed shares as of 31 December 2012 (€)

	Consolidated carrying amount per share	Closing quoted share price on 31 December 2012
TF1	14.24	8.85[(a)]
Colas	98.63	117.00
Alstom	49.38	30.14

(a) €10.18 after adjustment to reflect a control premium

Impairment tests carried out at 31 December 2012 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.

3.2.4 Non-current financial assets 6,185

As of 31 December 2012, non-current financial assets comprised the following items:

- investments in associates (companies accounted for by the equity method): €5,335m;
- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc.): €578m;
- deferred tax assets and non-current tax receivable: €272m.

	Investments in associates[(a)]	Investments in non-consolidated companies	Other non-current assets	Total gross value	Amortisation and impairment	Carrying amount	Non-current deferred tax assets [(c)]
31 December 2010	**5,028**	**467**	**418**	**5,913**	**(234)**	**5,679**	**261**
Movements during 2011							
Changes in scope of consolidation		(4)	(7)	(11)	(13)	(24)	(3)
Acquisitions and other increases	199	62	128	389		389	
Amortisation and impairment, net					(2)	(2)	
Disposals and other reductions	(115)	(2)	(55)	(172)		(172)	(2)
Transfers and other allocations	(12)	5	19	12	(27)	(15)	
31 December 2011	**5,100**	**528**	**503**	**6,131**	**(276)**	**5,855**	**256**
Amortisation and impairment	**(15)**	**(149)**	**(112)**	**(276)**			
Carrying amount	**5,085**	**379**	**391**	**5,855**			**256**

	Investments in associates[(a)]	Investments in non-consolidated companies	Other non-current assets	Total gross value	Amortisation and impairment	Carrying amount	Non-current deferred tax assets
31 December 2011	**5,100**	**528**	**503**	**6,131**	**(276)**	**5,855**	**256**
Movements during 2012							
Changes in scope of consolidation	82	(212) [(b)]	(35)	(165)	(3)	(168)	
Acquisitions and other increases	342 [(b)]	19	163	524		524	
Amortisation and impairment, net					(8)	(8)	
Disposals and other reductions	(130)	(34)	(151)	(315)		(315)	
Transfers and other allocations	(43)	28	40	25		25	16
31 December 2012	**5,351**	**329**	**520**	**6,200**	**(287)**	**5,913**	**272**
Amortisation and impairment	**(16)**	**(153)**	**(118)**	**(287)**			
Carrying amount	**5,335**	**176**	**402**	**5,913**			**272**

6,185

(a) Includes goodwill on associates: €2,719m as of 31 December 2012
(b) Includes €161m for Groupe AB (TF1), classified as an associate since 30 June 2012
(c) See Note 7

3.2.4.1 Investments in associates **5,335**

Components of carrying amount	Share of net assets held	Share of profit for the period	Goodwill	Carrying amount
31 December 2010	**1,986**	**281**	**2,753**	**5,020**
Movements during 2011				
Translation adjustments	(4)			(4)
Acquisitions and share issues	7		2	9
Profit for the period		198		198
Impairment losses				
Appropriation of prior-year profit, disposals, transfers and other movements	150	(281)	(7)	(138)
31 December 2011	**2,139**	**198**	**2,748**	**5,085**
Movements during 2012				
Translation adjustments	13			13
Acquisitions and share issues	151		56	207 [(b)]
Profit for the period		218 [(c)]		218
Impairment losses			(1)	(1)
Appropriation of prior-year profit, disposals, transfers and other movements	95	(198)	(84) [(c)]	(187)
31 December 2012	**2,398**	**218**	**2,719**	**5,335** [(a)]

(a) Includes: Alstom €4,480m/Cofiroute (Colas) €490m (see below)
(b) Includes €161m for Groupe AB (TF1)
(c) Includes a €53m loss on Alstom resulting from the 1.3% dilution in consolidated reserves (including goodwill)

A list of associates in which the Bouygues group holds an interest is provided in Note 24 (List of consolidated companies at 31 December 2012).

Principal associates

	31/12/2011	Net movement in 2012	31/12/2012	Includes: share of profit/(loss) for period
Alstom	4,444	36	**4,480** [b]	172 [a]
Construction				
Concession companies	49	17	**66**	(9)
Other associates	5	4	**9**	3
Roads				
Cofiroute	488	2	**490**	49
Other associates	79	19	**98**	10
Media	1	160	**161** [c]	(6)
Other associates	19	12	**31**	(2)
Total	**5,085**	**250**	**5,335**	**217**

(a) Contribution of Alstom group: share of profit €240m, less amortisation charged against fair value remeasurements in 2012 (€15m) and loss on dilution (€53m)
(b) Includes goodwill of €2,510m
(c) As of 31 December 2012, this relates to TF1's 33.5% interest in Groupe AB. Significant influence was re-established on 11 June 2012 when the call option held by Claude Berda, the majority shareholder, expired without having been exercised.

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

	31 December 2012	
Amounts shown are for 100% of the associate	**Alstom [a]**	**Cofiroute**
Non-current assets	13,135	5,802
Current assets	18,158	746
Total assets	**31,293**	**6,548**
Shareholders' equity	4,449	2,150
Non-current liabilities	6,970	3,645
Current liabilities	19,874	753
Total liabilities and equity	**31,293**	**6,548**
Sales	**9,748**	**1,337**
Current operating profit	**703**	**604**
Net profit	**413**	**294**
Net profit attributable to the Group	**403**	**294**

	31 December 2011	
Amounts shown are for 100% of the associate	**Alstom [b]**	**Cofiroute**
Non-current assets	12,804	5,825
Current assets	18,243	655
Total assets	**31,047**	**6,480**
Shareholders' equity	4,434	2,142
Non-current liabilities	6,737	3,665
Current liabilities	19,876	673
Total liabilities and equity	**31,047**	**6,480**
Sales	**19,934**	**1,331**
Current operating profit	**1,406**	**602**
Net profit	**744**	**294**
Net profit attributable to the Group	**732**	**294**

(a) Interim financial statements published by Alstom for the six months ended 30 September 2012 (Alstom's financial year-end is 31 March 2013)
(b) Published financial statements for the year ended 31 March 2012

3.2.4.2 Investments in non-consolidated companies and other non-current financial assets 578

- Principal investments in non-consolidated companies as of 31 December 2012:

Investment	31/12/2012								31/12/2011
	Gross value	Impairment	Carrying amount	% interest	Total assets	Total current & non-current liabilities	Total sales	Net profit/ (loss)	Carrying amount
French companies									
Property									
Société Maintenance technologique	4		4	100.0%					5
Colas									
Asphalt and binder companies (a)	13	(3)	10						12
TF1									
Sylver	4		4	49.0%					4
Sofica Valor 7	3		3	20.1%					
Groupe AB									155
Serendipity									
Wonderbox	6		6	11.1%					6
Entities not consolidated at end 2011 but consolidated in 2012									38
Sub-total	**30**	**(3)**	**27**						**220**
Foreign companies									
Construction									
IEC Investments (Hong Kong)	53		53	15.0%	137	18	34	(11)	54
VSL Corporation (United States)	22	(22)		100.0%					
TF1									
Wikio	4		4	9.1%					4
A1-International (Netherlands)	13	(13)		50.0%					
Colas									
Carrières de Dumbéa [(b)]	17		17						
Asphalt and binder companies [(a)]	2	(1)	1						1
Sub-total	**111**	**(36)**	**75**						**59**
Other investments	188	(114)	**74**						100
Total	**329**	**(153)**	**176**						**379**

(a) The information provided for "Asphalt & binder companies" and "Other investments" relates to a large number of companies, for which individual information is not disclosed on grounds of immateriality
(b) Acquired at the end of 2012, and consolidated in the first quarter of 2013

- Other non-current financial assets 402
  - Advances to non-consolidated companies 61
  - Loans receivable 193
  - Other long-term investments: 148
    - Deposits and caution money paid (net) 127
    - Mutual funds 12
    - Other investments with carrying amounts of less than €2m individually 9

Analysis of investments in non-consolidated companies and other non-current financial assets (excluding associates) by category 578

	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 2011	**245**	**156**	**369**	**770**
Movements during 2012	(37)	(156)	1	**(192)**
31 December 2012	**208**		**370** [(d)]	**578**
Due within less than 1 year	7		48	**55**
Due within 1 to 5 years	5		110	**115**
Due after more than 5 years	196		212	**408**

(a) Impact of fair value remeasurements recognised in equity (except in the event of a significant and prolonged decline in value, in which case an impairment loss is recognised in profit or loss). Mainly comprises investments in non-consolidated companies (€176m at 31 December 2012)

(b) Impact of fair value remeasurements recognised in profit or loss

(c) Measured at amortised cost

(d) 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 (List of consolidated companies at 31 December 2012).

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

Bouygues share in joint ventures	31 December 2012	31 December 2011
Non-current assets	228	246
Current assets	1,122	1,156
Total assets	**1,350**	**1,402**
Shareholders' equity	(137)	(90)
Non-current liabilities	138	132
Current liabilities	1,349	1,360
Total liabilities and equity	**1,350**	**1,402**
Sales	**1,480**	**1,279**
Operating profit	**59**	**27**
Net profit	**28**	**28**

NOTE 4 CURRENT ASSETS 16,584

4.1 INVENTORIES 2,949

	31 December 2012				31 December 2011		
	Gross value	Impairment[a]	Carrying amount		Gross value	Impairment[a]	Carrying amount
Property development inventories	1,508	(128)	**1,380**	(b)	1,289	(113)	1,176
Raw materials and finished goods	995	(41)	**954**		955	(40)	915
Programmes and broadcasting rights (TF1)	746	(131)	**615**		778	(142)	636
Total	**3,249**	**(300)**	**2,949**		**3,022**	**(295)**	**2,727**

(a) Includes: impairment losses	*(110)*	*(93)*
impairment reversals	*107*	*99*

(b) Includes Bouygues Immobilier: properties under construction €1,234m, completed properties €25m

Operating commitments not yet recognised involving future outflows of resources

	Falling due			Total 2012	Total 2011
	Less than 1 year	1 to 5 years	More than 5 years		
TF1					
Programmes and broadcasting rights [a]	589	641	38	**1,268**	1,511
Sports transmission rights	189	349		**538**	591
Future programming schedules	**778**	**990**	**38**	**1,806**	**2,102**
Comparative at 31 December 2011	**767**	**1,254**	**81**	**2,102**	

(a) 2012: some of these contracts are denominated in foreign currencies: €14.3m in Swiss francs, €1.4m in pounds sterling and €360.9m in US dollars

	Less than 1 year	1 to 5 years	More than 5 years	Total 2012	Total 2011
Bouygues Immobilier					
Reciprocal off balance sheet operating commitments relating to acquisition of land banks	**230**			**230**	**282**
Comparative at 31 December 2011	**282**			**282**	
Bouygues Telecom					
Agreements to secure handset supplies	**298**			**298**	**170**
Comparative at 31 December 2011	**170**			**170**	

As of 31 December 2012, programmes and broadcasting rights were held mainly by TF1 SA (€468m, versus €624m in 2011) and GIE AD (€728m, versus €809m in 2011).

Sports transmission rights were held mainly by TF1 SA and TF1 DS (€188m in 2012, versus €260m in 2011) and Eurosport (€350m in 2012, versus €331m in 2011).

4.2 ADVANCES AND DOWN-PAYMENTS ON ORDERS 480

	31 December 2012			31 December 2011		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments on orders	489	(9)	**480**	404	(14)	390

4.3 TRADE RECEIVABLES, TAX ASSETS AND OTHER CURRENT RECEIVABLES 8,634

	31 December 2012			31 December 2011		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	**6,979**	(615)	**6,364**	**7,277**	(538)	**6,739**
Current tax assets (tax receivable)	**186**	(2)	**184**	**123**	(2)	**121**
Other receivables and prepaid expenses:						
• Other operating receivables (employees, social security, government and other)	1,311	(83)	1,228	1,338	(79)	1,259
• Sundry receivables	747	(91)	656	656	(81)	575
• Prepaid expenses	202		202	216		216
Total other current receivables & prepaid expenses	**2,260**	(174)	**2,086**	**2,210**	(160)	**2,050**
Total	**9,425**	**(791)**	**8,634**	**9,610**	**(700)**	**8,910**

Split of carrying amount of trade receivables between non past due and past due balances

	Non past due	Past due by:			Total
		0-6 months	6-12 months	> 12 months	
Trade receivables	4,807	1,359	293	520	**6,979**
Impairment of trade receivables	(49)	(136)	(94)	(336)	**(615)**
Carrying amount of trade receivables at 31 December 2012	**4,758**	**1,223**	**199**	**184** [(a)]	**6,364**
Carrying amount of trade receivables at 31 December 2011	**5,140**	**1,159**	**278**	**162**	**6,739**

(a) Includes €98m for Colas and €58m for Bouygues Construction

An analysis of trade receivables more than 12 months past due and not covered by impairment allowances revealed no additional credit risk (recoverable VAT, offset with trade creditors, etc.).

4.4 CASH AND CASH EQUIVALENTS 4,487

Cash and cash equivalents	31 December 2012			31 December 2011		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Cash	1,532		**1,532** (a)	1,297		**1,297**
Cash equivalents	2,958	(3)	**2,955** (b)	2,124	(6)	**2,118**
Total	**4,490**	**(3)**	**4,487**	**3,421**	**(6)**	**3,415**

(a) *Includes €375m of term deposits with maturities of less than 3 months recorded in the books of Bouygues SA*
(b) *€2,755m 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 equivalents are measured at fair value

All investments of cash and equivalents were available as of 31 December 2012.
The net cash position shown in the cash flow statement breaks down by currency as follows:

Split of net cash position by currency	Euro	Pound sterling	Swiss franc	Other European currencies	US dollar	Other currencies	Total 31/12/2012	Total 31/12/2011
Cash	738	138	32	76	61	487	**1,532**	**1,297**
Cash equivalents	2,947			8			**2,955**	**2,118**
Overdrafts and short-term bank borrowings	(75)	(5)	(3)	(33)		(73)	**(189)**	**(239)**
Total: 31 December 2012	**3,610**	**133**	**29**	**51**	**61**	**414**	**4,298**	**3,176**
Total: 31 December 2011	**2,660**	**131**	**32**	**(50)**	**55**	**348**	**3,176**	

4.5 ANALYSIS OF DEPRECIATION, AMORTISATION, IMPAIRMENT AND PROVISIONS IN THE BALANCE SHEET AND INCOME STATEMENT

	31/12/2011	Translation adjustments	Charges and reversals (operating): Depreciation and amortisation	Impairment and provisions	Reversals (unutilised)	Other provisions (non-current, financial, tax inspections)	Other movements (a)	31/12/2012
Depreciation, amortisation & impairment of property, plant and equipment and intangible assets	(11,708)	7	(1,462)		3	(9)	760	**(12,409)**
Impairment of goodwill	(65)			(6)			2	**(69)**
Impairment of investments in non-consolidated companies	(149)					(2)	(2)	**(153)**
Impairment of other non-current financial assets	(127)			(4)	1	(2)	(2)	**(134)**
Impairment of inventories	(295)	(1)		(25)	22		(1)	**(300)**
Impairment of trade receivables	(539)			(147)	77		(6)	**(615)**
Impairment of cash equivalents	(6)					1	2	**(3)**
Impairment of other current assets	(176)			(8)	5		(6)	**(185)**
Total deducted from assets	**(13,065)**	**6**	**(1,462)**	**(190)**	**108**	**(12)**	**747**	**(13,868)**
Current and non-current provisions	**(2,696)**	**1**		**(331)**	**339**	**(131)**	**(158)**	**(2,976)**
Total recognised as liabilities	**(2,696)**	**1**		**(331)**	**339**	**(131)**	**(158)**	**(2,976)**

(a) Reversals on disposals, and changes in scope of consolidation

4.6 OTHER CURRENT FINANCIAL ASSETS 34

	31 December 2012	31 December 2011
Financial instruments used to hedge financial liabilities	24	23
Other financial assets (financial receivables due within less than 1 year, financial instruments related to working capital items, etc.)	10	15
Total	**34**	**38**

NOTE 5 CONSOLIDATED SHAREHOLDERS' EQUITY

5.1 SHARE CAPITAL OF BOUYGUES SA (€) €324,232,374

As of 31 December 2012, the share capital of Bouygues SA consisted of 324,232,374 shares with a €1 par value. Movements during 2012 were as follows:

		Movements during 2012		
	31 December 2011	Reductions	Increases	31 December 2012
Shares	314,869,079		9,363,295	324,232,374
Number of shares	**314,869,079**		**9,363,295**	**324,232,374**
Par value	€1			€1
Share capital (€)	**314,869,079**		**9,363,295**	**324,232,374**

Bouygues Confiance 6 employee share ownership plan: December 2012 capital increase via issuance of 9,363,295 Bouygues shares, i.e. €150m (€28m still to be collected in January 2013).

On 7 January 2013, Bouygues acquired 5,074,906 of its own shares for €99m in connection with this plan.

5.2 SHAREHOLDERS' EQUITY AT 31 DECEMBER 2012 ATTRIBUTABLE TO THE GROUP AND TO MINORITY INTERESTS

	Share capital	Share premium	Reserves related to capital	Retained earnings	Consolidated reserves and profit for the period	Treasury shares	Items recognised directly in equity	Total 31/12/2012
Attributable to the Group	324	979	808	2,094	4,547		(174)	**8,578**
Attributable to minority interests					1,497		3	**1,500**
Total shareholders' equity	**324**	**979**	**808**	**2,094**	**6,044**		**(171)** [a]	**10,078**

(a) Cumulative balance of items recognised directly in equity as of 31 December 2012

5.3 ANALYSIS OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY

	Ref.	2012	2011
		Attributable to the Group	
Translation reserve	5.3.1	12	61
Fair value remeasurement reserve (financial instruments)	5.3.2	5	(69)
Actuarial gains/(losses)	5.3.3	(78)	25
Taxes on items recognised directly in equity		32	2
Share of remeasurements of associates		(57)	(49)
Sub-total		**(86)**	**(30)**
		Minority interests	
Other income & expenses attributable to minority interests		(3)	2
Total		**(89)**	**(28)**

5.3.1 Translation reserve

Principal translation adjustments in the year ended 31 December 2012 arising on the consolidated financial statements of foreign subsidiaries and associates reporting in the following currencies:

	31 December 2011	Movements during 2012	31 December 2012
US dollar	(2)	(8)	(10)
Canadian dollar	33	(1)	32
Australian dollar	9		9
Pound sterling	(6)	2	(4)
Thai baht	7	(1)	6
South African rand	(15)	17	2
Swiss franc	8		8
Czech koruna	7	1	8
Croatian kuna	4		4
Polish zloty	5	(1)	4
Other currencies	19	16	35
Total	**69**	**25** [b]	**94** [a]

(a) Includes cumulative translation adjustments on associates: €30m (including +€24m for Alstom)
(b) Split: subsidiaries +€12m, associates +€13m

5.3.2 Fair value remeasurement reserve (attributable to the Group)

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

	31 December 2011	Movements during 2012	31 December 2012
Gross movement (excluding associates)	(16)	5	(11)

This mainly relates to cash flow hedges, currency hedges, and fair value remeasurement of available-for-sale financial assets.

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

	31 December 2011	Movements during 2012	31 December 2012
Gross movement (excluding associates)	27	(78) [a]	(51)

(a) Impact of the Iboxx A10+ rate (3.30% at 31 December 2012, versus 5.46% at 31 December 2011)

5.4 ANALYSIS OF "OTHER TRANSACTIONS WITH SHAREHOLDERS" (ATTRIBUTABLE TO THE GROUP)

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

	2012	2011	(matching entry charged to profit or loss)
TF1 and Bouygues SA stock options			
Transfer to reserves:			
• TF1	1	1	
• Bouygues SA	10	18	2012 expense calculated on the basis of plans awarded since March 2008
Consolidated expense	**11**	**19**	
2012 employee share ownership plans			
• Bouygues Confiance 6 plan	4		Cost of employee benefit
Total	**15**	**19**	

5.5 ANALYSIS OF "CAPITAL AND RESERVES TRANSACTIONS, NET"

The movement of €176m relates mainly to the €150m capital increase carried out in connection with the Bouygues Confiance 6 employee share ownership plan (see Note 5.1).

5.6 ANALYSIS OF "ACQUISITIONS/DISPOSALS WITHOUT LOSS OF CONTROL" AND "OTHER MOVEMENTS"

The net movement of €178m, split between the portion attributable to the group (-€17m) and the portion attributable to minority interests (+€195m), mainly relates to the following transactions:

• Sale of 20% of Eurosport and theme channels to the Discovery Communications group: +€93m gain on disposal (of which +€41m is attributable to the Group) and acquisition of 20% of net assets by minority interests (+€103m)	196	See Note 1.2.1
• Impact of Bouygues Telecom capital increase (portion attributable to Decaux).	22	

NOTE 6 NON-CURRENT AND CURRENT PROVISIONS 2,173 / 803

6.1 NON-CURRENT PROVISIONS 2,173

	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**
Movements during 2011					
Translation adjustments	1			(1)	
Changes in scope of consolidation				(6)	(6)
Charges to provisions	41	99	110	108	358
Reversals of provisions (utilised or unutilised)	(27)	(106)	(104)	(88)	(325)[e]
Actuarial gains and losses	(27)				(27)
Transfers and other movements	(6)	3	4	(6)	(5)
31 December 2011	**480**	**360**	**382**	**643**	**1,865**
Movements during 2012					
Translation adjustments	1	1		1	3
Changes in scope of consolidation	20	(3)	2	5	24
Charges to provisions	59	86	110	255	510
Reversals of provisions (utilised or unutilised)	(22)	(107)	(101)	(128)	(358)[f]
Actuarial gains and losses	83				83
Transfers and other movements	7		(5)	44	46
31 December 2012	**628**	**337**	**388**	**820**	**2,173**

Provisions are measured on the basis of management's best estimate of the risk.

(a) Long-term employee benefits (see Note 19.2)		***628***	***Principal segments involved:***	
Lump-sum retirement benefits	*424*		*Bouygues Construction*	*172*
Long-service awards	*135*		*Colas*	*346*
Other long-term employee benefits	*69*		*TF1*	*28*
			Bouygues Telecom	*48*
(b) Litigation and claims		***337***	*Bouygues Construction*	*183*
Provisions for customer disputes	*158*		*Bouygues Immobilier*	*39*
Subcontractor claims	*31*		*Colas*	*103*
Employee-related/other litigation & claims	*148*			
(c) Guarantees given		***388***	*Bouygues Construction*	*288*
Provisions for guarantees given	*290*		*Bouygues Immobilier*	*28*
Provisions for additional building/civil engineering/civil works guarantees	*98*		*Colas*	*72*
(d) Other non-current provisions		***820***	*Bouygues Construction*	*241*
Risks related to official inspections	*207*		*Colas*	*300*
Miscellaneous foreign risks	*93*		*Bouygues Telecom*	*184*
Provisions for subsidiaries and affiliates	*67*			
Dismantling and site rehabilitation	*237*			
Other non-current provisions	*216*			

Other non-current provisions as of 31 December 2012 include the impact of the Bouygues Telecom voluntary redundancy plan.

(e) Including reversals of unutilised provisions during 2011: *(175)*

(f) Including reversals of unutilised provisions during 2012: *(183)*

6.2 CURRENT PROVISIONS 803

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

	Provisions for customer warranties	Provisions for project risks and project completion (e)	Provisions for expected losses to completion (b)	Other current provisions (a)	Total
31 December 2010	**57**	**294**	**282**	**297**	**930**
Movements during 2011					
Translation adjustments		1	(6)	(2)	(7)
Changes in scope of consolidation	(1)	(2)	(2)	3	(2)
Charges to provisions	25	139	95	136	395
Reversals of provisions (utilised or unutilised)	(23)	(139)	(165)	(158)	(485) (c)
Transfers and other movements	(2)	(4)	1	5	
31 December 2011	**56**	**289**	**205**	**281**	**831**
Movements during 2012					
Translation adjustments		1	(2)	(3)	(4)
Changes in scope of consolidation	(1)	1	1	(1)	
Charges to provisions	28	161	80	110	379
Reversals of provisions (utilised or unutilised)	(31)	(153)	(106)	(118)	(408) (d)
Transfers and other movements	4	(7)	(2)	10	5
31 December 2012	**56**	**292**	**176**	**279**	**803**

(a) Other current provisions comprise:

Reinsurance costs	*6*
Current customer disputes and TF1 vendor's liability guarantees	*29*
Customer loyalty programmes (Bouygues Telecom)	*18*
Site rehabilitation (current portion)	*11*
Miscellaneous current provisions	*219*

Segments involved:

Bouygues Construction	*81*
Bouygues Immobilier	*34*
Colas	*70*
TF1	*53*

(b) Provisions relating to construction activities (mainly Bouygues Construction and Colas).
(Individual project provisions are not disclosed for confidentiality reasons)

(c) Includes reversals of unutilised provisions during 2011: (125)

(d) Includes reversals of unutilised provisions during 2012: (163)

(e) Mainly Bouygues Construction and Colas

NOTE 7 NON-CURRENT TAX ASSETS AND LIABILITIES 272 / 170

7.1 NON-CURRENT TAX ASSETS 272

	31 December 2011	Movements during 2012	31 December 2012
Deferred tax assets			
Bouygues Construction	77	17	94
Bouygues Immobilier	23	(2)	21
Colas	152	(3)	149
Bouygues Telecom			
TF1	6	5	11
Bouygues SA and other	(2)	(1)	(3)
Total non-current tax assets	**256**	**16**	**272**

Deferred tax assets mainly derive from:

- *temporary differences (provisions temporarily non-deductible for tax purposes, etc.);*
- *tax losses with a genuine probability of recovery*

7.2 NON-CURRENT TAX LIABILITIES 170

	31 December 2011	Movements during 2012	31 December 2012
Deferred tax liabilities	202	(32)	**170** [(a)]
Other non-current tax liabilities	1	(1)	
Total non-current tax liabilities	**203**	**(33)**	**170**

(a) Includes €98m for Colas and €51m for Bouygues Telecom

7.3 NET DEFERRED TAX ASSET/LIABILITY BY BUSINESS SEGMENT

Deferred taxation by segment and type	Net deferred tax asset/ (liability) at 31/12/2011	Changes in scope of consolidation	Translation adjustments	Movements during 2012 Gain	 Expense	Other items [(a)]	Net deferred tax asset/ (liability) at 31/12/2012
A- Tax losses available for carry-forward							
Bouygues Construction	3	2	1		(1)	(1)	**4**
Bouygues Immobilier							
Colas	7				(4)		**3**
TF1	6				(2)		**4**
Bouygues SA							
Sub-total	**16**	**2**	**1**		**(7)**	**(1)**	**11**
B- Temporary differences							
Bouygues Construction	68		(1)	7		10	**84**
Bouygues Immobilier	22				(5)	2	**19**
Colas	35	4	1	9	(13)	12	**48**
TF1	(10)			7	(2)	2	**(3)**
Bouygues Telecom	(72)	(1)		16		6	**(51)**
Bouygues SA and other	(6)				(22)	22	**(6)**
Sub-total	**37**	**3**		**39**	**(42)**	**54**	**91**
TOTAL	**53**	**5**	**1**	**39**	**(49)**	**53**	**102** [(b)]

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

(b) Breakdown of net deferred tax asset (€m):

- *deferred tax assets: 272*
- *deferred tax liabilities: (170)*

102

- *principal sources of deferred taxation (€m):*

	31/12/2012	*31/12/2011*
- *deferred tax assets on employee benefits (mainly lump-sum retirement benefits)*	*170*	*133*
- *deferred tax assets on provisions temporarily non-deductible for tax purposes*	*99*	*70*
- *restricted provisions booked solely for tax purposes*	*(93)*	*(104)*
- *other*	*(74)*	*(46)*
	102	***53***

7.4 PERIOD TO RECOVERY OF DEFERRED TAX ASSETS

31 December 2012	Less than 2 years	2 to 5 years	More than 5 years	Total
Estimated period to recovery of deferred tax assets	130	81	61 [(a)]	**272**

(a) Mainly Colas (primarily deferred tax assets on employee benefits and tax loss carry-forwards)

7.5 UNRECOGNISED DEFERRED TAX ASSETS

Some deferred tax assets were not recognised as of 31 December 2012 due to the low probability of recovery (mainly tax loss carry-forwards, which in the case of France are relevant only to companies not included in the Bouygues SA group tax election).

	31 December 2011	Movements during 2012	31 December 2012
Bouygues Construction	**118**	7	**125**
Bouygues Immobilier	**47**	2	**49**
Colas	**59**	4	**63**
TF1	**24**	(1)	**23**
Other			
Total unrecognised deferred tax assets	**248**	**12**	**260**

NOTE 8 NON-CURRENT AND CURRENT DEBT 8,453

Non-current debt	7,502
Current debt	951

8.1 INTEREST-BEARING DEBT BY MATURITY

	Current debt (maturing 2013)				Non-current debt							
	Accrued interest	1 to 3 months	4 to 12 months	Total maturing 2013	1 to 2 years 2014	2 to 3 years 2015	3 to 4 years 2016	4 to 5 years 2017	5 to 6 years 2018	6 or more years 2019 & later	Total 31/12/2012	Total 31/12/2011
Bond issues	162		710 (a)	**872**	755	999	600		499	4,027	**6,880**	6,094
Bank borrowings		8	42	**50**	72	35	272	49	14	93	**535**	589
Finance lease obligations		3	13	**16**	11	6	4	3	2		**26**	35
Other borrowings		3	10	**13**	12	17	11	9	1	11	**61**	89
Total debt	**162**	**14**	**775**	**951**	**850**	**1,057**	**887**	**61**	**516**	**4,131**	**7,502**	**6,807**
Comparative at 31/12/2011	**121**	**21**	**74**	**216**	**782**	**821**	**1,373**	**629**	**51**	**3,151**		**6,807**

(a) Relates to a bond issue redeemable in May 2013.

Finance lease obligations by business segment	**Construction**	**Property**	**Roads**	**Media**	**Telecoms**	**Bouygues SA & other**	**Total**
Non-current: 31/12/2012			20	6			**26**
Current: 31/12/2012	1		11	4			**16**
Non-current: 31/12/2011			24	11			**35**
Current: 31/12/2011	1		9	4	6		**20**

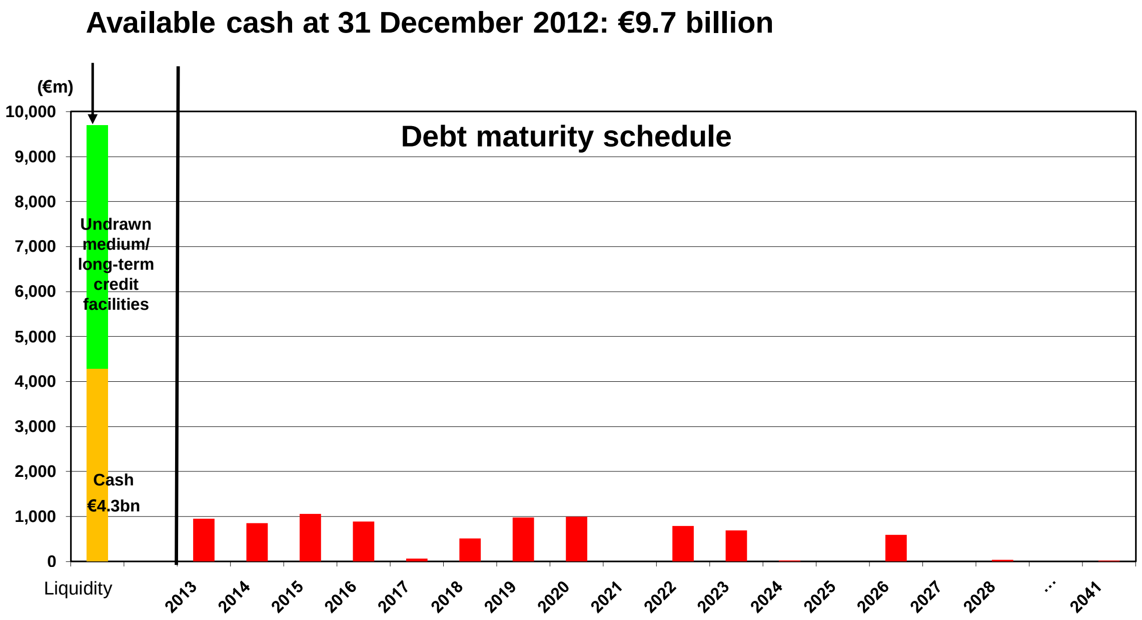
8.2 CONFIRMED CREDIT FACILITIES AND DRAWDOWNS

Description	Confirmed facilities - Maturity				Drawdowns - Maturity			
	Less than 1 year	1 to 5 years	More than 5 years	Total	Less than 1 year	1 to 5 years	More than 5 years	Total
Bond issues (mainly Bouygues SA)	872	2,354	4,526	**7,752**	872	2,354	4,526	**7,752**
Bank borrowings [(a)]	947	4,891	158	**5,996**	50	428	107	**585**
Finance lease obligations	16	24	2	**42**	16	24	2	**42**
Other borrowings	13	49	12	**74**	13	49	12	**74**
Total credit facilities	**1,848**	**7,318**	**4,698**	**13,864**	**951**	**2,855**	**4,647**	**8,453**

(a) Undrawn confirmed credit facilities: €5,411m

8.3 LIQUIDITY AT 31 DECEMBER 2012

As at 31 December 2012, available cash stood at €4,281m (including -€17m for financial instruments contracted to hedge net debt). The Group also had €5,411m of undrawn confirmed credit facilities as at the same date.



The bond issues maturing 2013, 2015, 2016, 2018, 2019, 2022, 2023 and 2026 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 NON-CURRENT AND CURRENT DEBT BY INTEREST RATE TYPE

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

	31 December 2012	31 December 2011
Fixed rate [(a)]	**94%**	90%
Floating rate	**6%**	10%

(a) Rates fixed for more than one year.

8.5 INTEREST RATE RISK

The split of financial assets and financial liabilities by type of interest as of 31 December 2012 is shown below:

	Floating rate	Fixed rate	Total
Financial liabilities (debt)	(863)	(7,590)	**(8,453)**
Financial assets (net cash) [(a)]	4,281		**4,281**
Net position before hedging	3,418	(7,590)	**(4,172)**
Interest rate hedges	342	(342)	
Net position after hedging	**3,760**	**(7,932)**	**(4,172)**
Adjustment for seasonal nature of some activities	(584)		
Net position after hedging and adjustment	**3,176**		

(a) Includes -€17m 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 €32m over a full year.

8.6 SPLIT OF NON-CURRENT AND CURRENT DEBT BY CURRENCY

	Europe						
	Euro	Pound sterling	Other currencies	US dollar	Hong Kong dollar	Other currencies	Total
Non-current: 31/12/2012	6,712	666	7	51	24	42	**7,502**
Current: 31/12/2011	902	12	14	8	1	14	**951**
Non-current: 31/12/2012	6,001	697	4	38	29	38	**6,807**
Current: 31/12/2011	160	10	21	23	1	1	**216**

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

NOTE 9 MAIN COMPONENTS OF CHANGE IN NET DEBT (4,172)

9.1 CHANGE IN NET DEBT

	31/12/2011	Movements during 2012	31/12/2012
Cash and cash equivalents	3,415	1,072	**4,487**
Overdrafts and short-term bank borrowings	(239)	50	**(189)**
Net cash position	**3,176**	**1,122**	**4,298** [(a)]
Non-current debt	(6,807)	(695)	**(7,502)**
Current debt	(216)	(735)	**(951)**
Financial instruments, net	(15)	(2)	**(17)**
Total debt	**(7,038)**	**(1,432)**	**(8,470)**
Net debt	**(3,862)**	**(310)**	**(4,172)**

(a) Net cash position as analysed in the 2012 cash flow statement (net cash flows + non-monetary movements)

9.2 PRINCIPAL NET DEBT TRANSACTIONS IN THE YEAR ENDED 31 DECEMBER 2012

Net debt at 31 December 2011	**(3,862)**
Non-current transactions:	
- Acquisition of 4G licences (Note 3.2.2)	(726)
- Non-current disposals	426 [(a)]
Acquisitions/disposals, including changes in scope of consolidation and other impacts on equity	(123) [(b)]
Dividends paid	(608)
Transactions involving the share capital of Bouygues SA (Note 5.1)	122 [(c)]
Operating items	599
Net debt at 31 December 2012	**(4,172)**

(a) Includes €192m for the sale of 20% of Eurosport and the pay-TV theme channels by TF1 to the Discovery Communications group, and €234m for the divestment of telecoms masts and data centres by Bouygues Telecom

(b) Includes (€94m) in respect of the price paid/received on acquisitions/disposals of consolidated activities and investments in non-consolidated companies, excluding the proceeds from the divestment of 85% of France Pylônes Services (reported in "Non-current disposals")

(c) Capital increase in connection with the Bouygues SA Confiance 6 employee share ownership plan: €122m

NOTE 10 CURRENT LIABILITIES 16,831

Breakdown of current liabilities

	31 December 2012	31 December 2011
Advances and down-payments received	**1,449**	1,574
Current debt [(a)]	**951**	216
Current taxes payable	**82**	136
Trade payables	**6,925**	6,826
Current provisions [(b)]	**803**	831
Other current liabilities		
Other operating liabilities (employees, social security, government)	**2,529**	2,576
Deferred income	**1,859**	1,843
Other non-financial liabilities	**1,984**	2,026
Overdrafts and short-term bank borrowings	**189**	239
Financial instruments	**41**	38
Other current financial liabilities	**19**	64
Total	**16,831**	**16,369**

(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 REVENUE FROM OPERATIONS

11.1 ANALYSIS BY ACCOUNTING CLASSIFICATION

	2012	2011
Sales of goods	3,476	3,090
Sales of services	11,838	12,253
Construction contracts	18,233	17,363
Sales	**33,547**	**32,706**
Other revenues from operations	**107**	**139**
Total revenues	**33,654**	**32,845**

There were no material exchanges of goods or services in the year ended 31 December 2012.

Consolidated balance sheet: information about construction contracts

	Bouygues Construction	Colas	Total
Works to be rebilled	360	395	**755**
Warranty retention	125	97	**222**
Works billed in advance	(1,363)	(322)	**(1,685)**
Advance payments received	(771)	(110)	**(881)**

11.2 ANALYSIS BY BUSINESS SEGMENT

	2012 sales				2011 sales			
	France	International	Total	%	France	International	Total	%
Construction	5,414	4,987	10,401	31	5,185	4,431	9,616	29
Property	2,263	133	2,396	7	2,342	122	2,464	7
Roads	7,287	5,669	12,956	39	7,140	5,155	12,295	38
Media	2,129	446	2,575	8	2,203	392	2,595	8
Telecoms	5,208		5,208	15	5,725		5,725	18
Bouygues SA & other	7	4	11		6	5	11	
Consolidated sales	**22,308**	**11,239**	**33,547**	**100**	**22,601**	**10,105**	**32,706**	**100**

11.3 ANALYSIS BY GEOGRAPHICAL AREA

Sales are allocated to the territory in which the sale is generated.

	2012 sales		2011 sales	
	Total	%	Total	%
France	**22,308**	66	22,601	69
European Union (27 members)	**3,543**	11	3,299	10
Rest of Europe	**1,181**	3	1,146	4
Africa	**1,280**	4	1,327	4
Middle East	**203**	1	160	
North America	**2,827**	8	2,520	8
Central and South America	**223**	1	151	
Asia-Pacific	**1,710**	5	1,293	4
Oceania	**272**	1	209	1
Other				
Total	**33,547**	**100**	**32,706**	**100**

11.4 SPLIT BY TYPE OF CONTRACT, FRANCE/INTERNATIONAL (%)

	2012			2011		
	France	International	Total	France	International	Total
Public-sector contracts [(a)]	31	61	**41**	30	63	**41**
Private-sector contracts	69	39	**59**	70	37	**59**

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

NOTE 12 OPERATING PROFIT 1,120

	2012	2011
Sales	**33,547**	32,706
Other revenue from operations	**107**	139
Purchases used in production and external charges	**(23,575)**	(22,348)
Personnel costs	**(7,062)**	(6,778)
Taxes other than income tax	**(664)**	(653)
Net depreciation, amortisation, provisions and impairment		
Depreciation and amortisation *	**(1,462)**	(1,411)
Net charges to provisions and impairment losses *	**(521)**	(387)
Change in production and property development inventories	**189**	(22)
Other income from operations	**1,330**	1,288
Reversals of unutilised provisions *	**447**	375
Other miscellaneous income [(a)]	**883**	913
Other expenses on operations [(a)]	**(603)**	(715)
Current operating profit *	**1,286**	**1,819**
Other operating income [(b)]	**34**	38
Other operating expenses [(c)]	**(200)**	
Operating profit	**1,120**	**1,857**

(*) Components used in the calculation of EBITDA

See Note 16 for an analysis by business segment

(a) *Includes net gains on disposals of non-current assets of €56m in 2012, and €67m in 2011*
(b) ***2012***
Gain on disposals of non-current assets by Bouygues Telecom (see Note 1)
2011
Miscellaneous gains on disposals by Bouygues Telecom
(c) ***2012***
TF1*: impact of phase II of the optimisation plan (€48m)*
Bouygues Telecom: *impact of the adaptation plan (€152m)*

NOTE 13 COST OF NET DEBT (290)
OTHER FINANCIAL INCOME AND EXPENSES 11

13.1 ANALYSIS OF COST OF NET DEBT

	2012	2011
Financial expenses	**(352)**	(359)
comprising:		
Interest expense on debt	**(317)**	(323)
Interest expense related to treasury management	**(27)**	(30)
Interest expense on finance leases	**(2)**	(2)
Negative impact of financial instruments	**(6)**	(4)
Financial income	**62**	82
comprising:		
Interest income from cash and cash equivalents	**43**	40
Income and gains on disposal from cash and cash equivalents	**19**	42
Positive impact of financial instruments		
Total cost of net debt	**(290)**	**(277)**

Interest expense on debt is reported net of interest expense capitalised in compliance with IAS 23, relating to the acquisition of 4G licences classified as non-current assets in progress on 31 December 2012.

13.2 OTHER FINANCIAL INCOME AND EXPENSES

	2012	2011
Other financial income	63	55
Other financial expenses	(52)	(68)
Other financial income/(expenses), net	**11**	**(13)**

"Other financial income and expenses" include gains or losses on disposals of investments in non-consolidated companies, interest paid to investors on calls for funds (commercial property), commitment fees, changes in the fair value of “Other current financial assets” and other items during the period.

The net year-on-year change of €24m is due largely to financial income of €6m recognised by TF1 on the fair value remeasurement of the interest in Groupe AB, and to gains on disposals of investments in non-consolidated companies (especially by Bouygues Construction).

NOTE 14 INCOME TAX EXPENSE (330)

14.1 ANALYSIS OF INCOME TAX EXPENSE

	2012			2011		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(237)	(83)	**(320)**	(316)	(120)	(436)
Deferred tax liabilities	(6)	(3)	**(9)**	7	(3)	4
Deferred tax assets	7	(8)	**(1)**	(92)	(4)	(96)
Total	**(236)**	**(94)**	**(330)**	**(401)**	**(127)**	**(528)**

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 explained as follows:

	2012	2011
Net profit (100 %)	**728**	**1,237**
Eliminations:		
Income tax expense	330	528
Net profit of discontinued and held-for-sale operations	N/A	N/A
Share of profits/losses of associates and losses on dilution	(217)	(198)
Net pre-tax profit from continuing operations excluding associates	**841**	**1,567**
Standard tax rate in France	36.10%	36.10%
Recognition and utilisation of tax loss carry-forwards	4.23%	3.51%
Effect of permanent differences	(2.40%)	(4.86%)
Flat-rate taxes, dividend taxes and tax credits	1.33%	1.36%
Taxes at rates not linked to profits: differential tax rates, long-term capital gains, foreign taxes	(0.02%)	(2.44%)
Effective tax rate	**39.24%**	**33.67%**

The change in the effective tax rate between 2011 and 2012 is mainly due to new tax measures enacted in France in 2012.

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 €633m:

	2012	2011
Net profit from continuing operations (100%)	728	1,237
Minority interests in net profit from continuing operations	(95)	(167)
Net profit from continuing operations attributable to the Group	**633**	**1,070**

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.

	2012	2011
Net profit from continuing operations attributable to the Group (€m)	**633**	1,070
Weighted average number of shares outstanding	**315,649,354**	349,686,165
Basic earnings per share from continuing operations (€)	**2.00**	**3.06**

Diluted earnings per share from continuing operations 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).

	2012	2011
Net profit from continuing operations used to calculate diluted earnings per share (€m)	**633**	1,070
Weighted average number of shares outstanding	**315,649,354**	349,686,165
Adjustment for potentially dilutive effect of stock options	**96,044**	272,534
Diluted earnings per share from continuing operations (€)	**2.00**	**3.06**

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.

2. By geographical area: France (including overseas departments), European Union, Rest of Europe, Africa, Asia-Pacific-Oceania, Americas and Middle East (property, plant and equipment is allocated by location of the assets as of 31 December).
Inter-segment sales are generally conducted on an arm's length basis.

An analysis of sales by geographical area is provided in Note 11.3.

The operating segments used in reporting by business segment are those reviewed by the chief operational decision-maker of the Group, and are not aggregated for segment reporting purposes. This information is used to allocate resources to operating segments, and to monitor their performance.
Operating segment information is compiled using the same accounting policies as used in the preparation of the consolidated financial statements, as described in the notes to the financial statements.

The "Bouygues SA and other" segment includes contributions from corporate holding companies, and from entities dedicated to the centralised financing of the Group.

16.1 ANALYSIS BY BUSINESS SEGMENT – YEAR ENDED 31 DECEMBER 2012

Income statement	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total 2012
Total sales	10,640	2,396	13,036	2,621	5,226	123	34,042
Inter-segment sales	(239)		(80)	(46)	(18)	(112)	(495)
Third-party sales	**10,401**	**2,396**	**12,956**	**2,575**	**5,208**	**11**	**33,547**
Net depreciation & amortisation expense	(212)	(5)	(457)	(72)	(713)	(3)	(1,462)
Net charges to provisions & impairment losses	(278)	(23)	(109)	(13)	(92)	(6)	(521)
Current operating profit	**364**	**179**	**406**	**258**	**122**	**(43)**	**1,286**
Other operating income					34		34
Other operating expenses				(48)	(152)		(200)
Operating profit	**364**	**179**	**406**	**210**	**4**	**(43)**	**1,120**
Cost of net debt	16	1	(24)		(4)	(279)	(290)
Income tax expense	(129)	(61)	(137)	(71)	(2)	70	(330)
Share of profits/(losses) of associates	(6)	(2)	59	(6)	(4)	176 (a)	217
Net profit from continuing operations	**262**	**110**	**310**	**139**	**(16)**	**(77)**	**728**
Net profit of discontinued and held-for-sale operations							
Net profit	**262**	**110**	**310**	**139**	**(16)**	**(77)**	**728**
Net profit attributable to the Group	**267**	**107**	**291**	**59**	**(14)**	**(77)**	**633**
Balance sheet							
Property, plant and equipment	629	18	2,467	217	2,975	145	6,451
Intangible assets	48	11	90	128	1,576	33	1,886
Goodwill	421		1,099	1,458	2,669	1	5,648
Deferred tax assets and non-current tax receivable	69	20	157	11		15	272
Investments in associates	75		588	161	13	4,498 (b)	5,335
Other non-current assets	304	19	195	16	13	31	578
Cash and cash equivalents	750	82	431	37	41	3,146	4,487
Other assets							12,097
Total assets							**36,754**
Non-current debt	87	14	258	13	250	6,880	7,502
Non-current provisions	884	99	821	42	237	90	2,173
Deferred tax liabilities and non-current tax liabilities	6	2	98	10	51	3	170
Current debt	8	12	50	4	4	873	951
Other liabilities							26,008
Total liabilities							**36,754**
Net surplus cash/(net debt) (c)	**3,093**	**358**	**(170)**	**237**	**(650)**	**(7,040)**	**(4,172)**
Cash flow statement							
Cash flow	**599**	**180**	**884**	**277**	**786**	**51**	**2,777**
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**159**	**13**	**345**	**45**	**1,358**	**32**	**1,952**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**18**	**1**	**59**	**9**	**8**	**(1)**	**94**
Other indicators							
EBITDA	**614**	**186**	**832**	**318**	**908**	**(36)**	**2,822**
Free cash flow (d)	**327**	**107**	**378**	**161**	**(578)**	**(190)**	**205**

(a) Includes €172m for Alstom

(b) Includes €4,480m 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" column)

(d) After stripping out the acquisition of the 4G licence (€726m) and the proceeds from the divestment of telecoms masts and data centres (€207m), adjusted free cash flow for the year ended 31 December is €724m

16.2 ANALYSIS BY BUSINESS SEGMENT – YEAR ENDED 31 DECEMBER 2011

Income statement	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total 2011
Total sales	9,802	2,465	12,412	2,620	5,741	120	33,160
Inter-segment sales	(186)	(1)	(117)	(25)	(16)	(109)	(454)
Third-party sales	**9,616**	**2,464**	**12,295**	**2,595**	**5,725**	**11**	**32,706**
Net depreciation & amortisation expense	(171)	(4)	(461)	(78)	(692)	(5)	(1,411)
Net charges to provisions & impairment losses	(197)	(12)	(114)	(30)	(44)	10	(387)
Current operating profit	**353**	**201**	**466**	**283**	**561**	**(45)**	**1,819**
Other operating income					38		38
Other operating expenses							
Operating profit	**353**	**201**	**466**	**283**	**599**	**(45)**	**1,857**
Cost of net debt	19	2	(24)	1	(10)	(265)	(277)
Income tax expense	(140)	(53)	(163)	(89)	(211)	128	(528)
Share of profits/(losses) of associates	(13)	(10)	59	(14)	(1)	177 [a]	198
Net profit from continuing operations	**229**	**122**	**341**	**186**	**370**	**(11)**	**1,237**
Net profit of discontinued and held-for-sale operations							
Net profit	**229**	**122**	**341**	**186**	**370**	**(11)**	**1,237**
Net profit attributable to the Group	**226**	**120**	**324**	**80**	**331**	**(11)**	**1,070**
Balance sheet							
Property, plant and equipment	655	17	2,537	231	2,955	147	6,542
Intangible assets	71	5	73	141	916	3	1,209
Goodwill	388		1,069	1,458	2,664	1	5,580
Deferred tax assets and non-current tax receivable	60	21	155	6		14	256
Investments in associates	54		568	1	2	4,460 (b)	5,085
Other non-current assets	333	15	216	168	9	29	770
Cash and cash equivalents	553	54	420	36	35	2,317	3,415
Other assets							12,065
Total assets							**34,922**
Non-current debt	122	3	242	18	328	6,094	6,807
Non-current provisions	797	97	749	42	129	51	1,865
Deferred tax liabilities and non-current tax liabilities	6	1	111	10	72	3	203
Current debt	5	26	48	5	11	121	216
Other liabilities							25,831
Total liabilities							**34,922**
Net surplus cash/(net debt) (c)	**2,869**	**507**	**28**	**(40)**	**(581)**	**(6,645)**	**(3,862)**
Cash flow statement							
Cash flow	**546**	**197**	**915**	**346**	**1,288**	**33**	**3,325**
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**268**	**12**	**414**	**108**	**1,087**	**(3)**	**1,886**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**45**	**2**	**82**	**(7)**	**2**	**(10)**	**114**
Other indicators							
EBITDA	**549**	**181**	**934**	**357**	**1,272**	**(51)**	**3,242**
Free cash flow (d)	**157**	**134**	**314**	**150**	**(20)**	**(101)**	**634**

(a) *Includes €175m for Alstom*

(b) *Includes €4,444m 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" column)*

(d) *After stripping out the acquisition of the 4G licence (€228m), adjusted free cash flow for the year ended 31 December is €862m*

16.3 ANALYSIS BY GEOGRAPHICAL AREA

	France*	European Union	Rest of Europe	Africa	Asia-Pacific-Oceania	Americas	Middle East	Total
Balance sheet								**31/12/2012**
Property, plant and equipment [(a)]	4,918	314	130	189	203	689	8	6,451
Intangible assets	1,826	24	1	11	3	21		1,886
Cash flow statement								**2012**
Purchase price of property, plant & equipment and intangible assets	2,020	27	27	58	54	118	3	2,307

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

	France*	European Union	Rest of Europe	Africa	Asia-Pacific-Oceania	Americas	Middle East	Total
Balance sheet								**31/12/2011**
Property, plant and equipment [(a)]	4,878	327	123	229	231	730	24	6,542
Intangible assets	1,158	24	1	1	1	24	0	1,209
Cash flow statement								**2011**
Purchase price of property, plant & equipment and intangible assets	1,614	63	34	81	102	149	13	2,056

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

16.4 INCOME STATEMENT BY FUNCTION

2012	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	TOTAL
Consolidated sales	**10,401**	**2,396**	**12,956**	**2,575**	**5,208**	**11**	**33,547**
Cost of sales	(8,960)	(1,982)	(11,364)	(1,748)	(4,287)	(20)	(28,361)
Gross profit	**1,441**	**414**	**1,592**	**827**	**921**	**(9)**	**5,186**
Research and development expenses	(17)	(1)	(28)	(6)	(17)	(1)	(70)
Selling expenses	(388)	(166)		(208)	(165)		(927)
Administrative expenses	(671)	(68)	(1,158)	(355)	(617)	(28)	(2,897)
Other income/(expenses)	(1)					(5)	(6)
Current operating profit	**364**	**179**	**406**	**258**	**122**	**(43)**	**1,286**

2011	Construction	Property	Roads	Media [b]	Telecoms	Bouygues SA & other	TOTAL
Consolidated sales	**9,616**	**2,464**	**12,295**	**2,595**	**5,725**	**11**	**32,706**
Cost of sales	(8,263)	(2,035)	(10,740)	(1,751)	(4,380)	(27)	(27,196)
Gross profit	**1,353**	**429**	**1,555**	**844**	**1,345**	**(16)**	**5,510**
Research and develoment expenses	(15)	(2)	(28) [a]	(7)	(20)	(1)	(73)
Selling expenses	(365)	(158)		(214)	(175)		(912)
Administrative expenses	(618)	(68)	(1,061)	(340)	(589)	(30)	(2,706)
Other income/(expenses)	(2)					2	
Current operating profit	**353**	**201**	**466**	**283**	**561**	**(45)**	**1,819**

(a) A narrower definition of development expenses was applied in 2012, and the 2011 comparative has been adjusted accordingly

(b) Following the introduction of new accounting and financial information systems in 2011 and 2012, the allocation of costs by function has been adjusted; this adjustment has also been applied retrospectively to the 2011 comparatives

NOTE 17 FINANCIAL INSTRUMENTS

The tables below show aggregate notional amounts at 31 December 2012 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 31/12/2012				Notional amounts
	2013	2014-2017	After 2017	Total	31/12/2011
Interest rate swaps					
• on financial assets	626	1		**627** [a]	353
• on financial liabilities	129	826	115	**1,070** [b]	1,397
Caps / floors					
• on financial assets					
• on financial liabilities	150	6		**156**	150

(a) Of which pay fixed rate: €627m
(b) Of which pay fixed rate: €1,070m

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total 31/12/2012	Total 31/12/2011
Interest rate swaps								
• on financial assets						627	**627**	353
• on financial liabilities	19		331		720		**1,070**	1,397
Caps / floors								
• on financial assets								
• on financial liabilities	6	150					**156**	150

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

	31 December 2012 (equivalent value in €m)					Total
	US dollar	Pound sterling	Swiss franc	Other currencies	Total	31/12/2011
Forward purchases/sales						
• forward purchases	190		5	62	**257**	290
• forward sales	196	43	35	180	**454**	581
Currency swaps	94	61	236	364	**755**	660

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total 31/12/2012	Total 31/12/2011
Forward purchases/sales								
• forward purchases	66	30	70	70	21		**257**	290
• forward sales	344		87	23			**454**	581
Currency swaps	27			12		716	**755**	660

17.3 MARKET VALUE OF HEDGING INSTRUMENTS

As of 31 December 2012, the market value (net present value) of the hedging instruments portfolio was -€45m. 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: -€21m
- Cash flow hedges: -€24m

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of -€15m; in the event of a -1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of -€61m.

In the event of a 1% depreciation in the euro against each foreign currency, the hedging instruments portfolio would have a market value of -€58m

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

	31/12/2012	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity: Less than 1 year	Maturity: 1 to 5 years	Maturity: Over 5 years	31/12/2011
Pledges, mortgages and collateral	115	5		110				14	87	14	110
Guarantees and endorsements given	88	17		64	7			51	33	4	115
Total guarantee commitments given	**203**	**22**		**174**	**7**			**65**	**120**	**18**	**225**
Guarantees and endorsements received	4		2		2				4		10
Total guarantee commitments received	**4**		**2**		**2**				**4**		**10**
Net balance	**199**	**22**	**(2)**	**174**	**5**			**65**	**116**	**18**	**215**

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

	31/12/2012	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity: Less than 1 year	Maturity: 1 to 5 years	Maturity: Over 5 years	31/12/2011
Image transmission	165				165			54	104	7	154
Network maintenance	603					603		113	248	242	69
Lump-sum retirement benefit obligations [(a)]	-										35
Other commitments	445		3		313 [(b)]	126	3	70	340	35	463
Total sundry contractual commitments given	**1,213**		**3**		**478**	**729**	**3**	**237**	**692**	**284**	**721**
Image transmission	165				165			54	104	7	154
Network maintenance	603					603		113	248	242	69
Lump-sum retirement benefit obligations [(a)]	-										35
Other commitments	439				313 [(b)]	126		64	340	35	457
Total sundry contractual commitments received	**1,207**				**478**	**729**		**231**	**692**	**284**	**715**
Net balance	**6**		**3**				**3**	**6**			**6**

(a) Plan amendments affecting lump-sum retirement benefit plans are now recognised in equity, as a result of the application of the revised IAS 19.

(b) TF1: The commitments disclosed at 31 December 2012 include two commitments made by TF1, to sell 31% of Eurosport and 29% of the pay-TV channels to the Discovery Communications group, measured on the basis of enterprise values as of 31 December 2012. The other commitments made by TF1 to Discovery Communications group are subject to conditions that have not yet been met.

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

18.3 OPERATING LEASES

	31/12/2012	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity Less than 1 year	Maturity 1 to 5 years	Maturity Over 5 years	31/12/2011
Operating lease commitments											
Commitments given	**1,484**	41	36	218	95	1,094		206	649	629	**1,338**
Commitments received	**1,484**	41	36	218	95	1,094		206	649	629	**1,338**
Operating lease commitments, net											

These figures show the 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 network site rentals of €360m, property and other rentals of €139m, rentals for the Sequana and Technopôle buildings of €301m, and fibre optic and other miscellaneous commitments of €294m.

18.4 FINANCE LEASES (RECOGNISED AS LIABILITIES IN THE BALANCE SHEET)

	31/12/2012	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity Less than 1 year	Maturity 1 to 5 years	Maturity Over 5 years	31/12/2011
Finance leases	**41**	**1**		**29**	**11**			**16**	**23**	**2**	**55**

18.5 OTHER COMMITMENTS

BOUYGUES TELECOM

Licence to use frequencies in the 800 MHz band

The 20-year licence to use frequencies in the 800 MHz band awarded to Bouygues Telecom is subject to an obligation to open the frequencies to Mobile Virtual Network Operators (MVNOs), and to an obligation regarding coverage of the French population (98% within 12 years, 99.6% plus priority main roads within 15 years), with additional obligations on coverage in administrative *départements* (90% in each *département* within 12 years, 95% within 15 years) and coverage in the priority zone (40% within 5 years, 90% within 10 years).

Licence to use frequencies in the 2,600 MHz band

The 20-year licence to use frequencies in the 2,600 MHz band awarded to Bouygues Telecom is subject to an obligation to open the frequencies to MVNOs, and an obligation to roll out coverage of the French population progressively (25% within 4 years, 60% within 8 years, 75% within 12 years).

Licence to transmit on frequencies in the 900 MHz and 1,800 MHz bands
The licence to transmit in the 900 MHz and 1,800 MHz bands, renewed on 9 December 2009 for a period of 15 years, imposed on Bouygues Telecom an obligation to cover 99% of the population by 31 December 2010. Bouygues Telecom met this obligation, which included coverage of blind spots and main roads in each *département*. In terms of the main roads obligation, coverage was in place on over 99.8% of the 57,127 km of the main road network by end 2012.

Licence to operate a 3G network
The Order of 3 December 2002 granted Bouygues Telecom a licence to establish and operate a 3G network in the 2.1 GHz band for a period of 20 years. The licence was subject to obligations, in particular regarding the rollout timetable; coverage of the population; and continuity, quality and availability of service. At the end of 2012, Bouygues Telecom was providing 3G coverage to 96% of the population.

Blind spots
The agreement signed in 2003 by the three operators, the French government, the French regional authorities and Arcep (the French electronic communications and postal service regulator) stipulated that coverage be provided in blind spots in some 3,000 municipalities. Bouygues Telecom regards this initial dead zone coverage programme as having been completed as of 31 December 2012.
The operators also agreed, in addition to their initial commitment, to extend coverage to a further 364 municipalities, taking the final target to over 3,300 municipalities. At the end of 2012, the sections of this programme for which Bouygues Telecom is responsible were approaching completion.

3G mobile network site-sharing agreement
In February 2010, Bouygues Telecom, Orange and SFR signed an agreement under the auspices of Arcep on the sharing of 3G network sites in the less densely populated zones of France, with a larger scope than for 2G blind spots. This agreement was amended in July 2010 in anticipation of the future Free Mobile rollout.
In July 2012, a rider to the agreement was signed, specifying how sites are to be shared.
This programme will deliver coverage virtually equivalent to 2G.

TF1

As of 31 December 2012, pursuant to the partnership agreement under which the Discovery Communications group acquired a 20% equity interest in the Eurosport group and the pay-TV theme channels, the following commitments were entered into:

Eurosport group:
The Discovery Communications group has the option to acquire, during a period of one year from 21 December 2014, a further 31% interest in Eurosport SAS (the parent company of the Eurosport group), which would raise its equity interest in the company to 51%.

If the Discovery Communications group exercises this option, TF1 could then sell the rest of its interest in Eurosport SAS (i.e. 49%) to the Discovery Communications group during a period of one year from the date on which the Discovery Communications group acquires the additional 31% interest.

Pay-TV theme channels:
The Discovery Communications group has the option to acquire, during a period of one year from 21 December 2014, a further 29% interest in the pay-TV theme channels, which would raise its equity interest in the channels to 49%.

If the Discovery Communications group acquires an additional 31% interest in Eurosport SAS (see above) but does not acquire the additional 29% interest in the pay-TV theme channels, TF1 could then sell a further 15% equity interest in those channels to the Discovery Communications group, raising the latter's equity interest in those channels to 35%.

WBTV: TF1 has committed to selling its entire equity interest in WBTV no later than 31 March 2013, for a symbolic €1.

18.6 CONTINGENT ASSETS AND LIABILITIES

BOUYGUES TELECOM

On the sale of Darty Telecom on 2 May 2012, Établissements Darty et fils provided a vendor's asset and liability guarantee to Bouygues Telecom.
This guarantee is capped, and may be called in at any time within 18 months from the date of the sale, subject to exceptions arising from statutes of limitation.

Guarantee given:

On the sale of Extenso on 31 October 2012, Bouygues Telecom provided a vendor's asset and liability guarantee to the purchaser, INNOV8. This guarantee is capped, and may be called in at any time up to and including 31 March 2014, except in tax matters where it will expire 30 days after the end of the prescription period under the relevant statute of limitation.

On the sale of 85% of the share capital of FPS Towers on 21 November 2012, Bouygues Telecom provided a vendor's asset and liability guarantee to the purchaser, Antin Infrastructure Luxembourg X. This guarantee is capped, and may be called in at any time during an 18-month period from 21 November 2012 (or from the date of sale of the site, in the case of sites sold after 21 November 2012), except in tax matters where it will expire 20 days after the end of the prescription period under the relevant statute of limitation.

NOTE 19 HEADCOUNT, EMPLOYEE BENEFIT OBLIGATIONS AND EMPLOYEE SHARE OWNERSHIP

19.1 AVERAGE HEADCOUNT

	2012	2011
Managerial staff	**23,675**	22,832
Supervisory, technical and clerical staff	**22,621**	22,145
Site workers	**30,956**	31,371
Sub-total: France	**77,252**	**76,348**
Expatriates and local contract staff	**59,652**	58,447
Total average headcount	**136,904**	**134,795**

19.2 EMPLOYEE BENEFIT OBLIGATIONS

	31 December 2011	Movements during 2012	31 December 2012
Lump-sum retirement benefits	**308**	116	**424**
Long-service awards	**122**	13	**135**
Other post-employment benefits (pensions)	**50**	19	**69**
Total	**480**	**148**	**628**

These obligations are covered by non-current provisions.

19.3 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The tables below give details about the Group's post-employment benefit obligations.

19.3.1 Defined-contribution plans

	2012	2011
Amount recognised as an expense	**(1,767)**	(1,697)

This defined-contribution expense consists of 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

Pensions apply mainly to obligations of the Colas group as regards independently-managed pension funds in the United Kingdom.

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

	Lump-sum retirement benefits		Pensions	
	2012	2011	2012	2011
Current service cost	**4**	4	**(4)**	(1)
Interest expense on the obligation	**14**	13	**15**	12
Expected return on plan assets			**(13)**	(12)
Past service cost		3	**(1)**	(2)
Net expense/(gain) recognised in profit or loss	**18**	**20**	**(3)**	**(3)**

Sign convention:

- *Net expense: plus sign*
- *Net gain: minus sign*

Amounts recognised in the balance sheet

	Lump-sum retirement benefits		Pensions		Total	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Present value of obligation	**430**	349	**352**	340	**782**	689
Fair value of plan assets (dedicated assets)	**(6)**	(5)	**(283)**	(292)	**(289)**	(297)
Unrecognised past service cost [(a)]		(37)		2		(35)
Other items		1				1
Net obligation recognised (provision)	**424**	**308**	**69**	**50**	**493**	**358**
Ratio of plan assets to present value of obligation			80%	86%		

(a) There is no unrecognised past service cost as of 31 December 2012, following the adoption of the revised IAS 19 in 2012.

Movement in balance sheet items (non-current provisions)

	Lump-sum retirement benefits		Pensions	
	2012	2011	2012	2011
31 December 2011	**308**	**318**	**50**	**56**
Expense recognised	**18**	20	**(3)**	(3)
Changes in scope of consolidation			**(1)**	1
Transfers and other movements	**37**	(1)	**1**	(6)
Actuarial gains and losses recognised in equity	**61**	(29)	**22**	2
31 December 2012	**424**	**308**	**69**	**50**

Analysis by business segment: year ended 31 December 2012

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total
Net lump-sum retirement benefit expense [(a)]	5	1	7	(1)	5	1	**18**
Non-current provisions (balance sheet):							
• lump-sum retirement benefits	140	14	190	27	35	18	**424**
• pensions	1		68				**69**

(a) Pension expense for 2012 is immaterial.

Analysis by geographical area: year ended 31 December 2012

	France*	European Union	Rest of Europe	Africa	Americas	Asia-Pacific	Middle East	Total
Net lump-sum retirement benefit expense [(a)]	18							**18**
Non-current provisions (balance sheet):								
• lump-sum retirement benefits	415	1		3	2	3		**424**
• pensions	17	37			14	1		**69**

(*) Including French overseas departments

(a) Pension expense for 2012 is immaterial.

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

	2012	2011
Discount rate [b]	**3.30% (iboxx A10)**	5.46% (iboxx A10)
Mortality table	**INSEE**	INSEE
Retirement age (depending on business segment) :		
• Managerial staff	**63/65 years**	63/65 years
• Technical, supervisory and clerical staff, and site workers	**62/63 years**	62/63 years
Salary inflation rate (depending on business segment) [a]	**1.8% to 3.6%**	1.9% to 4%

(a) *Includes general inflation.*

(b) *A reduction of 50 basis points in the discount rate would increase the obligation by €17m as at 31 December 2012. Under Group accounting policies, any such actuarial losses would have been recognised directly in equity.*

19.4 EMPLOYEE SHARE OWNERSHIP

19.4.1 Stock options

Total number of effectively exercisable options: 0.

Quoted share price on 31 December 2012: €22.40

Plan grant date	Outstanding options at 31/12/2012	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price (€)	Number of effectively exercisable options
05/09/2006	3,487,495	05/09/2010	05/09/2007	39.49	-
05/06/2007	4,173,215	05/06/2011	05/06/2008	62.63	-
31/03/2008	4,195,427	31/03/2012	31/03/2009	42.68	-
01/04/2009	4,525,662	01/04/2013	01/04/2010	25.62	-
30/06/2010	4,096,108	01/07/2014	01/07/2011	34.08	-
14/06/2011	2,938,736	14/06/2015	14/06/2012	31.43	-
13/06/2012	2,936,175	14/06/2016	14/06/2013	20.11	-
Total					**0**

Stock options are effectively exercisable if they meet both of the following conditions:

1) They must be legally exercisable as at 31 December 2012, either by normal exercise (4 years after the plan grant date) 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 2012, in other words the exercise price must be less than the closing share price on that date (€22.40).

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

20.1 RELATED-PARTY DISCLOSURES

Transaction	Expenses		Income		Receivables		Liabilities	
	2012	2011	2012	2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Parties with an ownership interest	**6**	5	**1**	1			**1**	
Joint ventures	**47**	26	**213**	188	**291**	283	**74**	90
Associates [(a)]	**39**	18	**317**	131	**110**	67	**41**	21
Other related parties	**67**	28	**240**	129	**109**	89	**69**	62
Total	**159**	**77**	**771**	**449**	**510**	**439**	**185**	**173**
Maturity								
less than 1 year					**436**	350	**185**	136
1 to 5 years					**50**	19		37
more than 5 years					**24**	70		
of which impairment of doubtful receivables (mainly non-consolidated companies)					**102**	**84**		

(a) The increase in income in 2012 relates to Bouygues Telecom's sale of telecoms masts to France Pylônes Services.

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 transactions with concession companies and Alstom
- Other related parties: mainly 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 in post on 31 December 2012.

Direct remuneration: €11,934,928, comprising basic remuneration of €7,558,948, variable remuneration of €4,375,980 paid in 2013 on the basis of 2012 performance, and €463,786 of directors' fees.
Directors' fees paid to non-executive and non-voting directors amounted to €408,129.

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 €3,400,000 in 2012.

Long-term benefits: none.

Termination benefits: these comprise lump-sum retirement benefits of €1,787,327.

Share-based payment: 649,000 stock options were awarded to members of the Management Committee on 13 June 2012, at an exercise price of €20.11. The earliest exercise date is 14 June 2016, and the expense recognised in the year ended 31 December 2012 was €40,490.

NOTE 21 ADDITIONAL CASH FLOW STATEMENT INFORMATION

21.1 CASH FLOWS OF ACQUIRED AND DIVESTED SUBSIDIARIES

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

Continuing operations

Acquired/divested subsidiaries	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total 2012
Cash and cash equivalents	(2)	4	(12)	-	15	-	**5**
Inventories	(1)	-	(2)		2		**(1)**
Trade and other receivables	(50)	17	(51)	-	(11)	(1)	**(96)**
Non-current assets (other than goodwill)	20	-	132	(6)	(7)		**139**
Goodwill	(26)	-	(38)	-	(13)	-	**(77)**
Trade payables & other current liabilities	(36)	(22)	(58)	-	12	(1)	**(105)**
Non-current debt	62	-	(5)	-	(5)		**52**
Non-current provisions	6	1	(11)	-	1	-	**(3)**
Non-current taxes	-	-	5	-	-	-	**5**
Net acquisition/divestment cost	**(27)**	**-**	**(40)**	**(6)**	**(6)**	**(2)**	**(81)**
Cash acquired or divested	2	(4)	12	-	(15)	-	**(5)**
Net debt on long-term investments			(27)			(1)	**(28)**
Net cash inflow/(outflow) from acquisitions and divestments of subsidiaries	**(25)**	**(4)**	**(55)**	**(6)**	**(21)**	**(3)**	**(114)**

Discontinued operations: none

NOTE 22 AUDITORS' FEES (in € '000)

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 2012.

Engagement	Mazars network				Ernst & Young network				Other firms [a]				Total expense	
	Amount*		%		Amount*		%		Amount*		%			
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
A - Audit														
Audit of consolidated and individual company financial statements[b]	(6,653)	(6,227)	95%	96%	(4,786)	(4,472)	95%	96%	(6,876)	(7,121)	79%	84%	(18,315)	(17,820)
• Bouygues SA	(234)	(221)			(235)	(222)							(469)	(443)
• Consolidated companies	(6,419)	(6,006)			(4,551)	(4,250)			(6,876)	(7,121)			(17,846)	(17,377)
Related engagements[c]	(231)	(118)	3%	2%	(275)	(175)	5%	4%	(1,063)	(786)	12%	9%	(1 ,569)	(1,079)
• Bouygues SA	(18)				(111)	(71)							(129)	(71)
• Consolidated companies	(213)	(118)			(164)	(104)			(1,063)	(786)			(1,440)	(1,008)
Sub-total 1	**(6,884)**	**(6,345)**	**98%**	**98%**	**(5,061)**	**(4,647)**	**100%**	**100%**	**(7,939)**	**(7,907)**	**91%**	**93%**	**(19,884)**	**(18,899)**
B - Other services[d]														
Legal, tax, employment law	(98)	(62)	2%	1%					(754)	(461)	9%	5%	(852)	(523)
Other		(55)		1%						(167)		2%		(222)
Sub-total 2	**(98)**	**(117)**	**2%**	**2%**	**(145)**				**(754)**	**(628)**	**9%**	**7%**	**(852)**	**(745)**
Total fee expense	**(6,982)**	**(6,462)**	**100%**	**100%**	**(5,061)**	**(4,647)**	**100%**	**100%**	**(8,693)**	**(8,535)**	**100%**	**100%**	**(20,736)**	**(19,644)**

(*) Excluding VAT

(a) In the interests of comprehensiveness, this table includes fees paid to other firms.

(b) Includes services provided by independent experts and member firms to the auditors in connection with their audit engagement.

(c) 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.

(d) 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 31/12/2012	Closing rate 31/12/2011	Annual average rate 2012	Annual average rate 2011
EUROPE					
Denmark	Danish krone	**0.134030**	0.134513	**0.134315**	0.134235
United Kingdom	Pound sterling	**1.225340**	1.197175	**1.231635**	1.147776
Hungary	Hungarian forint	**0.003421**	0.003179	**0.003470**	0.003563
Poland	Polish zloty	**0.245459**	0.224316	**0.239940**	0.241664
Czech Republic	Czech koruna	**0.039760**	0.038779	**0.039778**	0.040651
Romania	Romanian leu	**0.224997**	0.231305	**0.224345**	0.235852
Switzerland	Swiss franc	**0.828363**	0.822639	**0.830300**	0.811804
NORTH AMERICA					
United States	US dollar	**0.757920**	0.772857	**0.773296**	0.714277
Canada	Canadian dollar	**0.761209**	0.756716	**0.774828**	0.724366
REST OF THE WORLD					
Morocco	Moroccan dirham	**0.089714**	0.090013	**0.090089**	0.088806
Thailand	Thai baht	**0.024785**	0.024396	**0.024964**	0.023380
Hong Kong	Hong Kong dollar	**0.097790**	0.099493	**0.099705**	0.091777
African Financial Community	CFA franc	**0.001524**	0.001524	**0.001524**	0.001524
South Africa	South African rand	**0.089504**	0.095393	**0.094518**	0.098585

NOTE 24: LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT 31 DECEMBER 2012

Company	City/Country	% interest		% direct and indirect control [a]	
		2012	2011	2012	2011
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	Margny-les-Compiègne	**99.32**	**99.32**		
Challenger SNC	Paris	**99.97**	**99.97**		
DTP Terrassement SA	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
DV Construction SA	Mérignac	**99.97**	**99.97**		
Bouygues Energies & Services	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
Bouygues E&S FM France (formerly Exprimm SA)	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
GFC Construction SA	Caluire et Cuire	**99.97**	**99.97**		
Quille Construction SA (formerly GTB)	Nantes	**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**		
Bouygues E&S Maintenance Industrielle (formerly Serma SAS)	Feyzin	**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 Paris	Issy-les-Moulineaux	**100.00**	**100.00**		

(a) Where percentage control differs from percentage interest.

Company	City/Country	% interest 2012	% interest 2011	% direct and indirect control [a] 2012	% direct and indirect control [a] 2011
ROADS					
Colas SA and its regional subsidiaries *(Colas, Screg, and Sacer)*	Boulogne-Billancourt	96.60	96.55		
Aximum	Chatou	96.59	96.54	100.00	100.00
Colas Guadeloupe	Baie-Mahault (Guadeloupe)	Merged	96.54	-	100.00
Colas Martinique	Le Lamentin (Martinique)	96.59	96.54	100.00	100.00
Colas Rail	Maisons-Laffitte	96.59	96.54	100.00	100.00
Grands Travaux Océan Indien *(GTOI)* SA	Le Port (Réunion Island)	96.59	96.54	99.99	99.99
Smac and its subsidiaries	Boulogne-Billancourt	96.59	96.54	100.00	100.00
Société de la Raffinerie de Dunkerque	Dunkirk	96.59	96.54	100.00	100.00
Spac and its subsidiaries	Clichy	96.59	96.54	100.00	100.00
MEDIA					
Télévision Française 1 SA	Boulogne-Billancourt	43.65	43.59		
Dujardin and its subsidiaries	Cestas	43.65	43.59	100.00	100.00
E-TF1	Boulogne-Billancourt	43.65	43.59	100.00	100.00
Eurosport SAS and its subsidiaries	Issy-les-Moulineaux	34.92	43.59	80.00	100.00
La Chaîne Info	Boulogne-Billancourt	43.65	43.59	100.00	100.00
NT1	Boulogne-Billancourt	43.65	43.59	100.00	100.00
Télé Monte Carlo	Monaco	34.92	34.87	80.00	80.00
Téléshopping	Boulogne-Billancourt	43.65	43.59	100.00	100.00
TF1 Droits Audiovisuels	Boulogne-Billancourt	43.65	43.59	100.00	100.00
TF1 Entreprises	Boulogne-Billancourt	43.65	43.59	100.00	100.00
TF1 Publicité	Boulogne-Billancourt	43.65	43.59	100.00	100.00
TF1 Vidéo	Boulogne-Billancourt	43.65	43.59	100.00	100.00
TV Breizh	Lorient	34.92	43.59	80.00	100.00
Une Musique	Boulogne-Billancourt	43.65	43.59	100.00	100.00
Métro France Publications	Paris	43.65	43.59	100.00	100.00
TELECOMMUNICATIONS					
Bouygues Telecom SA and its subsidiaries	Paris	90.53	89.55		
OTHER SUBSIDIARIES					
Bouygues Relais SNC	Paris	100.00	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		
Serendipity and its subsidiaries	Paris	100.00	100.00		

(a) Where percentage control differs from percentage interest.

Company	City/Country	% interest		% direct and indirect control [a]	
		2012	2011	2012	2011
PROPORTIONATE CONSOLIDATION					
CONSTRUCTION					
Evesa SAS	Paris	**32.99**	**32.99**		
Chrysalis Developpement SAS	Paris	**64.98**	**64.98**		
ROADS					
Carrières Roy	Saint-Varent	**48.29**	**48.26**	**49.98**	**49.98**
ASSOCIATES (EQUITY METHOD)					
CONSTRUCTION					
Adelac SAS	Archamps	**45.85**[b]	**45.85**	**46.09**	**46.09**
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**	**20.00**	**20.00**
Consortium Stade de France SA	Saint-Denis	**33.32**	**33.32**		
ROADS					
Cofiroute	Sèvres	**16.10**	**16.09**	**16.67**	**16.67**
MEDIA					
Groupe AB	La Plaine Saint-Denis	**14.62**	**-**	**33.50**	**-**
OTHER SUBSIDIARIES					
Alstom	Levallois-Perret	**29.40**	**30.75**		
Finagestion and its subsidiaries (Africa)	Saint-Quentin-en-Yvelines	**19,98**	**20,00**		

(a) Where percentage control differs from percentage interest

(b) 39.19% Bouygues Construction, 6.66% Colas

Company	City/Country	% interest 2012	% interest 2011	% direct and indirect control (a) 2012	% direct and indirect control (a) 2011
INTERNATIONAL					
FULL CONSOLIDATION					
CONSTRUCTION					
Acieroïd SA	Barcelona/Spain	99.97	99.97		
Bouygues Thaï Ltd	Changwat Nonthaburi/ Thailand	48.99	48.99		
Bouygues UK Ltd	London/United Kingdom	99.97	99.97		
Bymaro	Casablanca/Morocco	99.96	99.96		
Bouygues E&S Infrastructure UK (formerly 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		
Bouygues E&S FM UK (formerly Ecovert FM)	London/United Kingdom	99.97	99.97		
Bouygues E&S Contracting UK (formerly ETDE Contracting Ltd)	East Kilbride/Scotland	99.97	99.97		
Bouygues E&S Gabon (formerly ETDE Gabon)	Libreville/Gabon	84.39	84.39		
Bouygues E&S Hungary (formerly ETDE Hungary)	Gyor/Hungary	99.97	99.97		
Gounkoto Mining Services	Bamako/Mali	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	Saint-Quentin-en-Yvelines	99.97	99.97		
Leadbitter Bouygues Holding Ltd and its subsidiaries	Abingdon/United Kingdom	99.97	50.98		
Losinger Marazzi AG (formerly Construction AG)	Köniz/Switzerland	99.97	99.97		
Losinger Holding AG (formerly Marazzi Holding)	Köniz/Switzerland	99.97	99.97		
Prader Losinger SA	Sion/Switzerland	99.64	99.64		
Thomas Vale Group	Worcestershire/ United Kingdom	99.97	-		
VCES Holding s.r.o. and its subsidiaries	Prague/Czech Republic	99.97	99.97		
VSL International Ltd	Köniz/Switzerland	99.87	99.87		
Warings Construction Group Holding Ltd and its subsidiaries	Portsmouth/United Kingdom	99.97	99.97		
Westminster Local Education Partnership Ltd	London/United Kingdom	89.97	89.97		
PROPERTY					
Bouygues Immobilier Polska Sarl	Warsaw/Poland	100.00	100.00		
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 2012	% interest 2011	% direct and indirect control [(a)] 2012	% direct and indirect control [(a)] 2011
ROADS					
Colas Belgium and its subsidiaries	Brussels/Belgium	96.59	96.54	100.00	100.00
Colas Canada Inc.	Montreal Quebec/Canada	96.60	96.55	100.00	100.00
Colas Cz	Prague/Czech Republic	95.73	95.68	99.10	99.10
Colas Danmark A/S	Virum/Denmark	96.60	96.55	100.00	100.00
Colas Gabon	Libreville/Gabon	86.84	86.80	89.90	89.90
Colas Hungaria and its subsidiaries	Budapest/Hungary	96.60	96.55	100.00	100.00
Colas Inc. and its subsidiaries	Morristown New Jersey/ United States	96.60	96.55	100.00	100.00
Colas Ltd and its subsidiaries	Rowfant/United Kingdom	96.60	96.55	100.00	100.00
Colas du Maroc and its subsidiaries	Casablanca/Morocco	96.60	96.55	100.00	100.00
Colas Polska	Sroda-Wielkopol/Poland	96.60	96.55	100.00	100.00
Colas SA and its subsidiaries	Lausanne/Switzerland	95.85	95.80	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		
ROADS					
Gamma Materials	Beau Bassin/Mauritius	48.24	48.22	50.00	50.00
ASSOCIATES (EQUITY METHOD)					
CONSTRUCTION					
Bina Fincom	Zagreb/Croatia	44.99	44.99		
Hermes Airports Ltd	Nicosia/Cyprus	21.99	21.99		
Société Concessionnaire du Pont Rivieira Marcory	Abidjan/Ivory Coast	48.99	-		

(a) Where percentage control differs from percentage interest