



**NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE THREE MONTHS
ENDED 31 MARCH 2007**

(in millions of euros)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Figures in millions of euros)

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- The consolidated financial statements of the Bouygues Group for the three months ended 31 March 2007 have been prepared using the principles and methods defined in the standards issued by the International Accounting Standards Board (IASB), referred to collectively as International Financial Reporting Standards (IFRS), as adopted by the European Union (European Council Regulation 1606/2002 of 19 July 2002).

These standards comprise:

- International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs)
- Interpretations of these standards (SICs and IFRICs)

The Bouygues Group does not early adopt standards or interpretations that have not yet been adopted by the European Union.

- The consolidated financial statements have been prepared in millions of euros, and comprise:
 - ✓ the balance sheet and income statement;
 - ✓ the statement of changes in shareholders' equity;
 - ✓ the cash flow statement;
 - ✓ the notes to the financial statements. ⁽¹⁾

The comparatives presented are from the consolidated financial statements for the three months ended 31 March 2007 and the year ended 31 December 2006.

⁽¹⁾ For the three months ended 31 March 2007, the notes to the consolidated financial statements include comparatives from March 2006 or December 2006 as appropriate.

1.1. SCOPE OF CONSOLIDATION AND SIGNIFICANT EVENTS AS AT 31 MARCH 2007

- **Main changes in scope of consolidation:**

1,057 entities were consolidated as at 31 March 2007, compared with 1,083 as at 31 December 2006. The net reduction of 26 during the period relates mainly to mergers and liquidations of companies within the Bouygues Construction group, in particular various construction project joint ventures deconsolidated on project completion.

- **Alstom:**

Bouygues acquired a further 0.28% stake in Alstom for €42.7m during the first quarter of 2007, raising its total interest to 25.35% as at 31 March 2007. This amount was allocated to goodwill under "Investments in associates" in the balance sheet. Alstom contributed €27m to Bouygues Group consolidated net profit in the three months ended 31 March 2007.

Depreciation and amortisation of asset remeasurements, together with other Group-level adjustments, had a net positive impact of €10m (25.35% share) on the Bouygues consolidated income statement for the three months ended 31 March 2007. This amount is not included in the contribution disclosed above.

- **Consolidated sales for the three months ended 31 March 2007:**

Consolidated sales for the period were €5,921m, 13.3% up on the comparative period of 2006.

- **Bouygues-Partage employee share ownership plan:**

In December 2006, the Board of Directors of Bouygues SA decided to carry out a further capital increase reserved for Group employees. A total of 6,371,520 shares were issued for a total amount of €232m.

By the start of May 2007, nearly 76% of qualifying employees (i.e. nearly 53,000 employees in France) had subscribed to the plan.

The accrual recorded to cover the estimated employee benefit (including the employer's contribution) has been increased from €25m as at 31 December 2006 to €41m as at 31 March 2007 (before allowing for deferred tax assets). The net negative impact of this additional accrual amounted to €7m, and was recognised in the profit and loss account for the three months ended 31 March 2007.

1.2. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 31 MARCH 2007

- **Acquisition by TF1 of a 33.5% interest in the capital of the AB Group**

Following a ruling issued on 27 March 2007 by the French audiovisual regulator (the CSA), on 2 April 2007 TF1 and the Berda family completed the acquisition by TF1 of a 33.5% interest in the capital of the AB Group for €230m.

The AB Group owns a catalogue of French-language television rights representing over 1,300 titles, and produces free-to-air TV channels in France and pay-TV channels available via satellite, cable, digital terrestrial TV or ADSL.

Given the completion date of the transaction, it has no effect on the consolidated financial statements for the three months ended 31 March 2007.

2.1. BUSINESS ACTIVITIES

Bouygues is a diversified industrial group. Its operations are split into two sectors:

a) Construction:

- Bouygues Construction (Building & Civil Works, Electrical Contracting)
- Bouygues Immobilier (Property)
- Colas (Roads)

b) Telecoms/Media:

- TF1 (Television)
- Bouygues Telecom (Mobile Telephony)

As at 31 March 2007, the Bouygues Group also held a 25.35% interest in Alstom (Power and Transport).

The Bouygues Group has operations in nearly 80 countries. In the three months ended 31 March 2007, the Group generated sales of €5,921m (up 13.3%), of which €1,417m was generated outside France.

2.2. DECLARATION OF COMPLIANCE

- The Bouygues Group consolidated financial statements for the three months ended 31 March 2007 have been prepared in accordance with the standards issued by the International Accounting Standards Board (IASB) as adopted by the European Union and applicable on 1 January 2007. These standards, collectively referred to as International Financial Reporting Standards (IFRS), also include International Accounting Standards (IAS) and interpretations issued by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The Bouygues Group does not early adopt standards or interpretations that have not yet been adopted by the European Union (for IFRIC 12, see comments below).

- The Bouygues Group consolidated financial statements include the financial statements of Bouygues and its subsidiaries, and investments in associates. They are presented in millions of euros, the currency in which the majority of the Group's transactions are denominated.

The consolidated financial statements were adopted by the Board of Directors on 5 June 2007.

2.3. BASIS OF PREPARATION

The consolidated financial statements for the three months ended 31 March 2007 have been prepared in accordance with IAS 34 ("Interim Financial Reporting") using the historical cost convention, except for certain financial assets and liabilities measured at fair value.

The accounting policies applied by the Bouygues Group in its consolidated financial statements for the three months ended 31 March 2007 are the same as those applied in the consolidated financial statements as at 31 December 2006 (except as indicated below), and consequently are not reproduced in detail in note 2.

- Roadbuilding (Colas) is a seasonal business. The depreciation charge for this business recognised during the financial year is proportional to quarterly sales, as computed on the basis of annual forecasts.

- The new standards and interpretations applicable from 1 January 2007 (IFRIC 7, IFRIC 8 and IFRIC 9) have no material impact on the Bouygues Group consolidated financial statements for the three months ended 31 March 2007.
- Other standards and interpretations issued by the IASB but not yet adopted by the European Union:
 - IFRIC 12: Bouygues has applied IFRIC 12 to the Portsmouth PFI contract recorded in the books of Colas. This contract is accounted for as a receivable (financial asset), since this treatment most closely reflects the underlying financial and economic reality of the contract. It is the only contract of this type held by Colas.

Bouygues Construction: PFI contracts are entered into with local and governmental authorities by companies in which the Bouygues Group holds an interest of less than 20%. These entities are not consolidated, given the effective limitations on the Group's role in them. Most concession operator companies are accounted for as associates (equity method).

The other standards and interpretations issued by the IASB but not yet adopted by the European Union (amendments to IAS 1; IFRS 7; IFRS 8; IFRIC 10; IFRIC 11) have not been early adopted by Bouygues in the consolidated financial statements for the three months ended 31 March 2007.

- Elective accounting treatments and estimates used in the valuation of certain assets, liabilities, income and expenses:

Preparing financial statements to comply with IFRS 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 accounting 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 goodwill impairment, share-based payment (stock options), employee benefits (such as lump-sum retirement benefits), the fair value of unlisted financial instruments, other miscellaneous provisions, and deferred tax assets.

Where no standard or interpretation applies to a specific transaction, Group management has exercised its judgement to define and apply accounting policies that will provide relevant and reliable financial information, such that the financial statements:

- represent faithfully the financial position, financial performance and cash flows of the Group;
- reflect the economic substance of the underlying transactions;
- are neutral, prudent, and complete in all material respects.

2.4. CONSOLIDATION METHODS

- Full consolidation:

- Companies over which Bouygues exercises control are consolidated using the full consolidation method.

- Exclusive control over TF1:

- Bouygues holds 42.9% of the capital and voting rights of TF1.

The exercise of exclusive control by Bouygues is demonstrated by the fact that:

Bouygues has consistently and regularly held a majority of the voting rights exercised at TF1 shareholders' meetings.

No other shareholder directly or indirectly controls a higher share of voting rights than Bouygues.

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

Other factors indicating the existence of exclusive control include:

- The large number of seats on the TF1 Board of Directors allocated to Bouygues.

- The role of Bouygues in appointing key executives of TF1.

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

- Proportionate consolidation – investments in joint ventures

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

- Investments in associates:

An associate is a company over which Bouygues exercises significant influence without exercising control. Significant influence is presumed to exist where Bouygues directly or indirectly holds at least 20% of the entity's voting rights.

The net profit or loss and assets and liabilities of such entities are accounted for by the equity method.

- Alstom: Bouygues exercises significant influence over Alstom, as demonstrated by (i) its 25.35% interest in the capital and (ii) its control of two seats on the Board of Directors. The carrying amount of the interest in Alstom (inclusive of goodwill) is reported under "Investments in associates" in the balance sheet.

- In accordance with IAS 39, equity investments in non-consolidated entities are recognised at fair value and are subject to impairment testing.

- **Changes in scope of consolidation:**

	31 March 2007	31 December 2006
Fully consolidated	815	825
Proportionately consolidated	210	226
Equity method	32	32
	1,057	1,083

The main changes during the period are described in the “Significant Events” section.

2.5. FINANCIAL INDICATORS

Definitions of key financial indicators:

2.5.1. 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).

2.5.2. Free cash flow

Operating cash flow (before changes in working capital) less net capital expenditure for the period.

2.5.3. Net debt

This represents the aggregate of:

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

2.6. OTHER INFORMATION

Comparability of the IFRS financial statements:

- The accounting policies applied under IFRS as at 31 March 2007 are the same as those applied as at 31 December 2006, and consequently there is no impairment of the comparability of balance sheet, income statement and cash flow statement items between accounting periods.

3.1. PROPERTY, PLANT AND EQUIPMENT

Carrying amount	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
31 December 2006	1,113	3,067	590	269	5,039
of which finance leases	16	39	25		80
31 March 2007	1,124	3,036	606	259	5,025
of which finance leases	17	37	23		77

Analyses by business segment of the carrying amount and net acquisitions of intangible assets and property, plant and equipment are provided in note 13, "Segment Information".

3.2. INTANGIBLE ASSETS

Carrying amount	Concessions, patents and similar rights	Other intangible assets	Total
31 December 2006	710	312	1,022
31 March 2007	699	301	1,000

3.3. GOODWILL

3.3.1. Movement in the carrying amount of goodwill in the three months ended 31 March 2007

	Gross value	Impairment	Carrying amount
1 January 2007	4,820	(39)	4,781
Change in scope of consolidation	15 ⁽¹⁾		15
Impairment losses		(1)	(1)
Translation and other movements	(5)		(5)
31 March 2007	4,830	(40)	4,790

⁽¹⁾ The main movements in the first quarter of 2007 relate to various acquisitions by Bouygues Construction (ETDE subsidiaries, etc) and Colas.

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

(excluding goodwill on associates)

Segment (1)	31 March 2007		31 December 2006	
	Total	Bouygues SA %	Total	Bouygues SA %
Bouygues Construction	226	99.97%	224	99.97%
Colas	834	96.49%	827	96.49%
TF1	1,085	42.91%	1,085	42.92%
Bouygues Telecom	2,645	89.55%	2,645	89.55%
TOTAL	4,790		4,781	

⁽¹⁾ Includes segment level goodwill on subsidiaries.

3.4. OTHER NON-CURRENT ASSETS

Carrying amount	Associates	Investments in non-consolidated companies	Other non-current assets (3)	Non-current tax assets (2)	Total
31 December 2006	2,940	114	973	271	4,298
31 March 2007	3,038⁽¹⁾	124	995	288	4,445

⁽¹⁾ Includes goodwill on associates, of which €2,493m comprises goodwill on the 25.35% interest in Alstom.

⁽²⁾ See note 6 for details.

⁽³⁾ Includes Alstom Hydro Holding:

- Alstom has exclusive control over Alstom Hydro Holding. Consequently, this interest was not consolidated by the Bouygues Group as at 31 March 2007, but recognised as a non-current financial asset. The same treatment was applied as at 31 December 2006. The carrying amount of this asset as at 31 March 2007 was €153m.
- Because of the long-term industrial strategy underpinning relations between Bouygues and Alstom, the Bouygues Group does not account for the call option entitling it to exchange this asset for Alstom shares as a financial instrument. If this item had been accounted for as a financial instrument, the resulting volatility would have had an estimated favourable impact of €50m on the financial statements as at 31 December 2006, reducing by €9m during the first quarter of 2007 (net impact €41m), corresponding to the intrinsic value of the option.

3.5. CONSOLIDATED PURCHASE PRICE OF LISTED SHARES

	Consolidated purchase price per share ⁽¹⁾	Closing market price 31 March 2007
TF1	12.34	25.06
Colas	70.31	286.55
Alstom	70.96	97.15

⁽¹⁾ Carrying amount per share in the consolidated financial statements.

4.1. SHARE CAPITAL OF BOUYGUES SA (IN EUROS)

€335,389,315

As at 31 March 2007, the share capital of Bouygues SA consisted of 335,389,315 shares with a par value of €1. Movements in the three months ended 31 March 2007 were as follows:

	1 January 2007	Movements during the period		31 March 2007
		Reductions	Increases	
Shares	334,777,583		611,732 ⁽¹⁾	335,389,315
Investment certificates				
Number of shares	334,777,583		611,732	335,389,315
Par value	€1			€1
Share capital (in euros)	334,777,583		611,732	335,389,315

⁽¹⁾ Issuance of shares on exercise of options during the first quarter of 2007.

4.2. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP AND TO MINORITY INTERESTS AS AT 31 MARCH 2007

Position at 31 March 2007	Share capital and share premium	Reserves related to capital and retained earnings	Translation reserve	Consolidated reserves and profit for period	Treasury shares	Items recognised directly in equity	Total 31 March 2007
Attributable to the Group	2,094	1,643	5	1,865	(69)	37	5,575
Minority interests				1,210		2	1,212
Total shareholders' equity	2,094	1,643	5	3,075	(69)	39	6,787

4.2.1. Change in shareholders' equity attributable to the Group and to minority interests

A statement of changes in shareholders' equity during the period is presented in the 31 March 2007 consolidated financial statements.

4.3. ANALYSIS OF MOVEMENTS IN SELECTED COMPONENTS OF EQUITY ATTRIBUTABLE TO THE GROUP

(included in "Share premium and reserves", "Translation reserve" or "Items recognised directly in equity")

	Note	31/12/06	Movements	31/03/07
Balance at 31 March 2007:				
Translation reserve	4.3.1.	8	(3)	5
Financial instruments (changes in fair value)		84	12	96
Movements during the first quarter of 2007				
Share-based payment (IFRS 2)			14	14
Other movements			(7)	(7)

4.3.1. Translation reserve (amounts attributable to the Group)

- Principal translation differences as at 31 March 2007 on companies reporting in:

	31/12/06	Movements	31/03/07
US dollar	(11)	(1)	(12)
Canadian dollar	2	(1)	1
Other currencies	17	(1)	16
Total	8	(3)	5

5.1. NON-CURRENT PROVISIONS = 1,433

	Long-term employee benefits (1)	Litigation and claims (2)	Guarantees given (3)	Other non- current provisions (4)	TOTAL
1 January 2007	397	333	268	434	1,432
Translation adjustments				(1)	(1)
Transfers between items and other		1		(1)	
Changes in scope of consolidation		2	(1)	1	2
Charges to provisions	15	6	14	12	47
Provisions utilised	(5)	(7)	(11)	(12)	(35)
Provisions no longer required	(1)	(7)	(3)	(1)	(12)
31 March 2007	406	328	267	432	1,433

⁽¹⁾ **Long-term employee benefits:**

- Lump-sum retirement benefits
- Long-service awards
- Other long-term employee benefits

285

99

22

406**Principal segments involved:**

- Bouygues Construction

- Colas

- TF1

102

209

35

NB: The Bouygues Group makes only limited use of defined-benefit plans, in France and other countries (Colas/USA-UK, etc).

⁽²⁾ **Litigation and claims:**

- Provisions for customer disputes
- Provisions for subcontractor claims
- Employee-related litigation and claims
- Other litigation and claims

119

44

18

147

328

- Bouygues Construction

- Bouygues Immobilier

- Colas

178

41

83

⁽³⁾ **Guarantees given:**

- Provisions for customer warranties
- Provisions for additional building and civil works guarantees

225

42

267

- Bouygues Construction

- Bouygues Immobilier

- Colas

176

16

72

⁽⁴⁾ **Other non-current provisions:**

- Risks related to official inspections
- Provisions for subsidiaries and associates
- Provisions for site remediation costs
- Other non-current provisions

136

26

88

182

432

- Bouygues Construction

- Colas

- Bouygues Telecom

127

154

44

5.2. CURRENT PROVISIONS = 689

- Provisions related to the operating cycle

	Customer warranties	Construction project risks and project completion	Losses to completion	Customer loyalty programmes (Bouygues Telecom)	Other current provisions	Total
1 January 2007	36	165	112	177	200	690
Translation adjustments						
Transfers between items and other					7	7
Changes in scope of consolidation		(1)				(1)
Charges to provisions	3	11	18	46	25	103
Provisions utilised	(3)	(10)	(15)	(42)	(31)	(101)
Provisions no longer required		(4)	(3)		(2)	(9)
31 March 2007	36	161⁽¹⁾	112⁽³⁾	181	199⁽²⁾	689

⁽¹⁾ including:

- provisions for risks on completed projects
- provisions for final settlement on projects

79
82

Principal segments involved:

- Bouygues Construction
- Colas

124
37

⁽²⁾ including:

- reinsurance costs
- other current provisions

21
178

- Challenger Reassurance
- Bouygues Construction
- Colas
- TF1

21
49
41
50

⁽³⁾ Provisions relating to the Construction sector: Bouygues Construction €64m, Bouygues Immobilier €15m, and Colas €33m.

(Individual project provisions are not disclosed for confidentiality reasons)

6.1. NON-CURRENT TAX ASSETS = 288

	31/12/06	Change	31/03/07
Deferred tax assets	250	17	267
- Bouygues Telecom	64	6	70 ⁽¹⁾
- Bouygues Construction	66	1	67
- Colas	69	5	74
- Other business segments	51	5	56
Other non-current tax assets	21	0	21
Total non-current tax assets	271	17	288

⁽¹⁾ Bouygues Telecom: the deferred tax assets relate to temporary differences (all tax losses have been absorbed).

6.2. NON-CURRENT TAX LIABILITIES = 73

	31/12/06	Change	31/03/07
Deferred tax liabilities	75	(2)	73
Other non-current tax liabilities	0	0	0
Total non-current tax liabilities	75	(2)	73

7.1. INTEREST-BEARING DEBT BY MATURITY

	Current debt (less than 1 year)	Non-current debt							Total non-current debt 31/03/07	Total non-current debt 31/12/06
		1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 years or more	Other		
- Bond issues	177		1,010	1,242				4,311	6,563	6,564
- Bank borrowings	124	38	38	53	8	5		53	195	177
- Finance lease obligations	20	16	16	9	7	2		6	56	56
- Other debt	50	17	20	8	3	1		3	52	47
Total interest-bearing debt	371	71	1,084	1,312	18	8		4,373	6,866	6,844
Call option over 6.5% of Bouygues Telecom	461									
Total incl. Bouygues Telecom option	832	71	1,084	1,312	18	8		4,373	6,866	6,844
<i>Comparative at 31 December 2006</i>	867	60	1,105	536	771	13		4,359		

7.2. COVENANTS AND TRIGGER EVENTS

The bank loans contracted by Bouygues and its subsidiaries do not include any covenants or trigger events.

The 10-year bond issue maturing May 2016, the 7-year bond issue maturing May 2013 and the 20-year sterling bond issue maturing 2026 all contain a change of control clause relating to Bouygues SA.

8.1. CHANGE IN NET DEBT

	31/12/06	Movement in the period	31/03/07
Cash and equivalents	3,776	(352)	3,424
Overdrafts and short-term bank borrowings	(247)	(51) ⁽¹⁾	(298)
Net cash and equivalents	3,529	(403)	3,126
Non-current debt	(6,844)	(22)	(6,866)
Current debt	(867)	35	(832)
Financial instruments, net	6	0	6
Gross debt	(7,705)	13	(7,692)
Net debt	(4,176)	(390)	(4,566)

⁽¹⁾ Cash and equivalents as analysed in the cash flow statement for the period (net cash flows + non-monetary flows).

8.2. PRINCIPAL TRANSACTIONS IN THE PERIOD

Net debt at 31 December 2006	(4,176)
Acquisition of an additional 0.28% interest in Alstom	(43)
Principal acquisitions and disposals of investments, net	(27)
Operating and other items	(320)
Net debt at 31 March 2007	(4,566)

9.1. ANALYSIS BY ACCOUNTING CLASSIFICATION

	First quarter of 2007	First quarter of 2006
Sales of goods	484	480
Sales of services	2,578	2,316
Construction contracts	2,859	2,430
Sales	5,921	5,226
Other revenues from operations	37	43
Total	5,958	5,269

9.2. ANALYSIS BY BUSINESS SEGMENT

BUSINESS SEGMENT	2007 first-quarter sales				2006 first-quarter sales			
	France	International	Total	%	France	International	Total	%
Construction	1,098	673	1,771	30	920	571	1,491	29
Property	323	37	360	6	285	45	330	6
Roads	1,335	568	1,903	32	1,140	482	1,622	31
Media	627	71	698	12	586	63	649	12
Telecoms	1,121		1,121	19	1,069		1,069	21
Bouygues SA & other activities		68	68	1	1	64	65	1
Consolidated sales	4,504	1,417	5,921	100	4,001	1,225	5,226	100
% year-on-year change	13%	16%	13%					

9.3. ANALYSIS BY GEOGRAPHICAL SEGMENT

	2007 first-quarter sales		2006 first-quarter sales	
	Total	%	Total	%
France	4,504	76	4,001	76
European Union	580 ⁽¹⁾	10	412	8
Rest of Europe	160	3	191 ⁽¹⁾	4
Africa	270	4	218	4
Middle East	33		9	
United States and Canada	173	3	167	3
Central and South America	47	1	42	1
Asia-Pacific	154	3	186	4
Total	5,921	100	5,226	100

⁽¹⁾ Includes Bulgaria and Romania (€24m in Q1 2007, €10m in Q1 2006).

	First quarter of 2007	First quarter of 2006
Sales	5,921	5,226
Other revenues from operations	37	43
Purchases used in production and external charges	(4,030)	(3,495)
Taxes other than income tax	(154)	(138)
Personnel costs	(1,390)	(1,222)
Net depreciation, amortisation, provisions and impairment losses		
- Depreciation and amortisation expense	(274)	(270)
- Net charges to provisions and impairment losses (1)	(40)	(45)
Changes in production and property development inventories	129	53
Other operating income and expenses	137	126
- Reversals of unused provisions and impairment losses	41	57
- Gains on disposals of non-current assets	14	44
- Other income and expenses	82	25
Current operating profit	336	278
Non-current operating income and expenses		14
Operating profit	336	292

⁽¹⁾ Including reversals of utilised provisions.

(See Note 13 for a split by business segment)

NOTE 11

COST OF NET DEBT

(46)

ANALYSIS OF COST OF NET DEBT

	period ended: 31/03/07	31/03/06
- Net debt	(56)	(31)
- Finance leases	0	(2)
- Financial instruments used for hedging purposes	10	(2)
Total	(46)	(35)

ANALYSIS OF INCOME TAX EXPENSE

	Period ended: 31 March 2007			31 March 2006		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(123)	(1)	(124)	(31)	(5)	(36)
Change in deferred tax liabilities	5	1	6	8		8
Change in deferred tax assets ⁽¹⁾	22	1	23	(44)		(44)
Total	(96)	1	(95)	(67)	(5)	(72)
⁽¹⁾ including:						
reversal of Bouygues Telecom deferred tax assets:	6			(49)		

Segment information is presented by business segment:

- . Construction (Bouygues Construction)
- . Property (Bouygues Immobilier)
- . Roads (Colas)
- . Media (TF1)
- . Telecoms (Bouygues Telecom)
- . Bouygues SA and other activities

ANALYSIS BY BUSINESS SEGMENT: THREE MONTHS ENDED 31 MARCH 2007

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL	TOTAL
							2007	2006
Income statement for the three months ended 31 March 2007								
Total sales	1,818	361	1,907	702	1,124	114	6,026	5,331
Inter-segment sales	(47)	(1)	(4)	(4)	(3)	(46)	(105)	(105)
Third-party sales	1,771	360	1,903	698	1,121	68	5,921	5,226
Operating profit	51	23	(72)	125	217	(8)	336	292
Cost of net debt	18	(1)		(3)	1	(61)	(46)	(35)
Net profit attributable to the Group	53	12	(33)	38	128	(9) ⁽¹⁾	189	148
							2007	2006
Balance sheet as at 31 March 2007								
Property, plant and equipment ⁽²⁾	390	10	1,844	154	2,236	391	5,025	4,666
Goodwill	226		834	1,085	2,645		4,790	4,652
Investments in associates	69		436	40		2,493 ⁽³⁾	3,038	502
Cash and equivalents	387	82	277	220	18	2,440	3,424	3,770
Non-current debt	220	31	169	504	19	5,923	6,866	5,405
Non-current provisions	583	86	518	47	97	102	1,433	1,273
Current debt	6	96	36	48	4	642	832	816
							2007	2006
Cash flow statement for the three months ended 31 March 2007								
Net acquisitions of property, plant and equipment and intangible assets	54	2	69	15	85	5	230	260
Net acquisitions of investments in consolidated companies and other investments	6		17	5		40 ⁽⁴⁾	68	7
							2007	2006
Other indicators for the three months ended 31 March 2007								
EBITDA	70	14	7	159	360	(1)	609	536

⁽¹⁾ Includes contribution from Alstom of €27m (excluding adjustments booked at Bouygues Group level).

⁽²⁾ See analysis in Note 3.

⁽³⁾ Relates solely to Alstom.

⁽⁴⁾ Includes acquisition of an additional 0.28% interest in Alstom for €43m.

NOTE 14**PRINCIPAL EXCHANGE RATES**

Convention: 1 local currency unit = x euros

Country	Currency	Closing rate		Average rate for the period	
		31/03/07	31/12/06	31/03/07	31/12/06
<u>EUROPE</u>					
Denmark	Danish krone	0.134214	0.134120	0.134175	0.134066
United Kingdom	Pound sterling	1.471021	1.489203	1.487579	1.466482
Hungary	Hungarian forint	0.004036	0.003972	0.003949	0.003786
Poland	Polish zloty	0.258612	0.261028	0.256141	0.256439
Czech Republic	Czech koruna	0.035702	0.036383	0.035516	0.035379
Romania	Romanian leu	0.298089	0.295552	0.295360	0.284694
Switzerland	Swiss franc	0.615498	0.622316	0.617322	0.634213
<u>NORTH AMERICA</u>					
United States	US dollar	0.750863	0.759301	0.759821	0.791771
Canada	Canadian dollar	0.650787	0.654407	0.650618	0.700939
<u>REST OF THE WORLD</u>					
Morocco	Moroccan dirham	0.089578	0.089759	0.089771	0.090474
Thailand	Thai baht	0.023225	0.021381	0.022605	0.021037
Hong Kong	Hong Kong dollar	0.096089	0.097648	0.097277	0.101914
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.103087	0.108549	0.104522	0.115831