



**NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE SIX MONTHS
ENDED 30 JUNE 2007**

(in millions of euros)

31 August 2007

CONTENTS

(Figures in millions of euros)

NOTES

1. Significant events of the period	<i>(page 4)</i>
2. Accounting policies	<i>(page 6)</i>
3. Non-current assets	<i>(page 10)</i>
4. Consolidated shareholders' equity	<i>(page 12)</i>
5. Non-current and current provisions	<i>(page 13)</i>
6. Non-current tax assets and liabilities	<i>(page 15)</i>
7. Non-current and current debt	<i>(page 16)</i>
8. Main components of change in net debt	<i>(page 17)</i>
9. Analysis of sales and other revenues from operations	<i>(page 18)</i>
10. Operating profit	<i>(page 19)</i>
11. Cost of net debt	<i>(page 20)</i>
12. Income tax expense	<i>(page 21)</i>
13. Segment information	<i>(page 22)</i>
14. Principal exchange rates	<i>(page 23)</i>

- The consolidated financial statements of the Bouygues group for the six months ended 30 June 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 six months ended 30 June 2006 and the year ended 31 December 2006.

⁽¹⁾ For the six months ended 30 June 2007, the notes to the consolidated financial statements include comparatives from June 2006 or December 2006 as appropriate.

1.1. SCOPE OF CONSOLIDATION AS AT 30 JUNE 2007

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

1,099 entities were consolidated as at 30 June 2007, compared with 1,083 as at 31 December 2006. The net increase of 16 during the first half of 2007 relates mainly to new acquisitions by the Colas Group (Colas Rail), Bouygues Construction (Mibag Suisse, etc) and TF1 (AB Groupe).

- **Alstom:**

Bouygues acquired a further 0.28% stake in Alstom for €42.8m during the first half of 2007, raising its total interest to 25.35% as at 30 June 2007. This amount was allocated to goodwill under "Investments in associates" in the balance sheet. Alstom contributed €64m to Bouygues group consolidated net profit in the first half of 2007, including €36m in the second quarter. This figure was estimated on the basis of Alstom's results for the second half of its financial year (from 1 October 2006 to 31 March 2007).

Depreciation and amortisation of asset remeasurements, together with other Group-level adjustments, had a net positive impact of €6m on the Bouygues group consolidated income statement for the first half of 2007 (based on the Bouygues group's interest of 25.35%).

The provisional allocation of the purchase price to identifiable assets and liabilities and to goodwill, as shown in the consolidated financial statements for the year ended 31 December 2006, became definitive as of 30 June 2007 on the expiry of the twelve-month purchase price allocation period.

- **Colas Rail (Spie Rail):**

On 31 May 2007, the Bouygues group acquired 100% of Spie Rail (since renamed Colas Rail) for €267m. A balance sheet was prepared as of the acquisition date, and consolidated in the financial statements as at 30 June 2007. No sales or results of operations were recognised for the six months ended 30 June 2007.

The entire excess of the purchase price over the carrying amount of the net assets acquired, totalling €181m, has been provisionally recognised as goodwill. The allocation of this amount to identifiable assets and liabilities is ongoing.

The shares in ETF (a subsidiary of Colas Rail), included in "Held-for-sale assets and discontinued operations", were sold on 31 July 2007 for their carrying amount of €33m.

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

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 Groupe, formed out of the AB SAS and WB Télévision SA groups. The purchase price was €230m, payable in two tranches of €115m. The first payment was made by TF1 on the acquisition date, 2 April 2007. Under the terms of the agreement, the second tranche will be payable six months later, on 2 October 2007.

The AB Groupe 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, DTT or ADSL.

The investment in the AB Groupe is accounted for by the equity method (in "Investments in associates") with effect from 1 April 2007. The process of remeasuring the acquired assets and liabilities was ongoing as of 30 June 2007, and no share of profit or loss for the second quarter of 2007 has been recognised in the consolidated income statement.

1.2. CONSOLIDATED SALES FOR THE SIX MONTHS ENDED 30 JUNE 2007

Consolidated sales for the period were €13,298m, 10.3% higher than in the first half of 2006.

1.3. BOUYGUES PARTAGE EMPLOYEE SHARE OWNERSHIP PLAN: CAPITAL INCREASE OF 10 MAY 2007

In December 2006, the Board of Directors of Bouygues SA decided to carry out a further capital increase reserved for Group employees.

By the start of May 2007, nearly 76% of eligible employees (i.e. 53,185 employees, mainly in France), had subscribed to the plan. This resulted in the issuance of 6,371,520 shares, increasing shareholders' equity by a net amount of €231.5m.

Based on the final level of subscriptions, the total expense arising as a result of the 20% discount was €26m, including an additional charge of €12m recognised as of 30 June 2007 (these figures include the related tax savings).

1.4. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 30 JUNE 2007

- **Interest in Bouygues Telecom:**

In July 2007, BNP Paribas exercised its put option over shares representing 6.5% of the capital of Bouygues Telecom.

As a result of this transaction, due to be completed in early September 2007, Bouygues will (subject to the exercise of pre-emptive rights by the other shareholders), directly or indirectly hold an 89.5% interest in the capital of Bouygues Telecom.

In accordance with IFRS, the acquisition price has already been recognised in the Bouygues financial statements.

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 30 June 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 six months ended 30 June 2007, the Group generated sales of €13,298m (up 10.3%), of which €3,599m was generated outside France.

2.2. DECLARATION OF COMPLIANCE

- The Bouygues group consolidated financial statements for the six months ended 30 June 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 30 June 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 30 August 2007.

2.3. BASIS OF PREPARATION

The consolidated financial statements for the six months ended 30 June 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. They do not include all the information required to be disclosed in the full annual financial statements (in particular, detailed disclosures of accounting policies), and hence should be read in conjunction with the consolidated financial statements for the year ended 31 December 2006.

The accounting policies applied by the Bouygues group in its consolidated financial statements for the six months ended 30 June 2007 are the same as those applied in the consolidated financial statements for the year ended 31 December 2006.

- Because of the seasonal nature of the roads business, especially in Europe and North America, sales and results for the first half of the year do not represent 50% of the full-year performance.

- The new standards and interpretations applicable as of 1 January 2007 have no material impact on the Bouygues group consolidated financial statements for the six months ended 30 June 2007:
 - IFRS 7: applies as of 31 December 2007 to groups that publish condensed interim information;
 - Amendment to IAS 1 (disclosure of additional information in the notes to the financial statements);
 - IFRICs 7 to 10 (in particular, financial disclosures).
- Other standards and interpretations issued by the IASB but not yet adopted by the European Union:
 - IFRS 8 (Operating Segments); IAS 23 (Borrowing Costs); IFRIC 11 (Group and Treasury Share Transactions); IFRIC 13 (Customer Loyalty Programmes): not early adopted by the Bouygues group in the consolidated financial statements at 30 June 2007.
 - 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).

- 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 42.8% 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:**

	30 June 2007	31 December 2006
Fully consolidated	845	825
Proportionately consolidated	221	226
Equity method	33	32
	1,099	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 30 June 2007 are the same as those applied as at 31 December 2006. The consolidated financial statements presented for 2006 exclude TPS and BTC (sold or held for sale) in order to provide valid comparatives with 2007.

3.1. PROPERTY, PLANT AND EQUIPMENT

Net	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
30 June 2007	1,173	3,085	632	261	5,151
of which finance leases	17	37	19		73

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

3.2. INTANGIBLE ASSETS

Net	Concessions, patents and similar rights	Other intangible assets	Total
31 December 2006	710	312	1,022
30 June 2007	691	323	1,014

This item mainly comprises software and licences held by Bouygues Telecom.

3.3. GOODWILL

3.3.1. Movement in the carrying amount of goodwill in the six months ended 30 June 2007

	Gross value	Impairment	Carrying amount
1 January 2007	4,820	(39)	4,781
Change in scope of consolidation	285 ⁽¹⁾		285
Impairment losses		(1)	(1)
Translation and other movements	(6)		(6)
30 June 2007	5,099	(40)	5,059

⁽¹⁾ The main movements during the first half of 2007 relate to acquisitions made by Colas and Bouygues Construction: acquisition of the Spie Rail group (renamed Colas Rail) by Colas, and of the Mibag group (Switzerland) by Bouygues Construction. In the case of the Spie Rail acquisition, the entire excess of the purchase price over the carrying amount of the net assets acquired has provisionally been recognised as goodwill (€181m), pending allocation of the purchase price to the identifiable assets and liabilities acquired.

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

(excluding goodwill on associates)

Segment (1)	30 June 2007		31 December 2006	
	Total	% Bouygues SA	Total	% Bouygues SA
Bouygues Construction	305	99.97%	224	99.97%
Colas	1,026	96.44%	827	96.49%
TF1	1,084	42.84%	1,085	42.92%
Bouygues Telecom	2,644	89.55%	2,645	89.55%
TOTAL	5,059		4,781	

⁽¹⁾ Includes goodwill generated by the segment on acquisitions of subsidiaries.

3.4. INVESTMENTS IN ASSOCIATES

	Carrying amount
1 January 2007	2,940
Changes in scope of consolidation, translation effects	251
Share of net profit/loss for the period	103
Other movements	(26)
30 June 2007	3,268 ⁽¹⁾

(1) Includes:

- Alstom (25.35%) €2,498m, including goodwill of €1,655m
- AB Groupe (33.5%) €230m, formed from the AB SAS and WB Télévision SA groups
- Cofiroute (16.7%) €414m

3.5. OTHER NON-CURRENT ASSETS

Carrying amount	Investments in non-consolidated companies	Other non-current assets (1)	Total	Non-current tax assets (2)
31 December 2006	114	973	1,087	271
30 June 2007	120	1,014	1,134	271

(1) Includes:

- Alstom Hydro Holding: Alstom has exclusive control over Alstom Hydro holding. This interest was recognised as a non-current financial asset as at 30 June 2007, amounting to €156m. The same treatment was applied as at 31 December 2006. 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, increasing by €27m during the first half of 2007 (total impact: €77m), corresponding to the intrinsic pre-tax value of the put option as at 30 June 2007.

- Canal + France financial asset (TF1): €647m

(2) See note 6 for details.

3.6. CONSOLIDATED PURCHASE PRICE OF LISTED SHARES

	Consolidated purchase price per share (1)	Closing market price 30 June 2007
TF1	12.28	25.67
Colas	72.66	332.01
Alstom	71.15	124.22

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

4.1. SHARE CAPITAL OF BOUYGUES SA (IN EUROS)

€343,492,160

As at 30 June 2007, the share capital of Bouygues SA consisted of 343,492,160 shares with a par value of €1. Movements in the six months ended 30 June 2007 were as follows:

	1 January 2007	Movements during the period Reductions Increases	30 June 2007
Shares	334,777,583	8,714,577 ⁽¹⁾	343,492,160
Investment certificates			
Number of shares	334,777,583	8,714,577	343,492,160
Par value	€1		1 €
Share capital (in euros)	334,777,583	8,714,577	343,492,160

⁽¹⁾ Includes:

- Capital increase on exercise of options: 2,343,057 shares
- Capital increase under Bouygues Partage employee share ownership plan: 6,371,520 shares

4.2. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP AND TO MINORITY INTERESTS AS AT 30 JUNE 2007

Position at 30 June 2007	Share capital and share premium	Reserves related to capital/retained earnings	Translation reserve	Consolidated reserves and profit for the period	Treasury shares	Items recognised directly in equity	Total 30 June 2007
Attributable to the Group	2,390	1,245	12	2,356	(156)	52	5,899
Minority interests				1,131		2	1,133
Total shareholders' equity	2,390	1,245	12	3,487	(156)	54	7,032

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

A statement of changes in consolidated shareholders' equity is included in the financial statements as at 30 June 2007.

4.3. ANALYSIS OF SELECTED COMPONENTS OF SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP

(included in "Translation reserve" and "Items recognised directly in equity")

	See details:	31/12/06	Movements	30/06/07
Translation reserve	4.3.1.	8	4	12
Fair value remeasurement reserve (financial instruments)		84	30	114

4.3.1. Translation reserve

- Principal translation differences as at 30 June 2007 on companies reporting in:

	31/12/06	Movements	30/06/07
US Dollar	(11)	(8)	(19)
Canadian dollar	2	9	11
Other currencies	17	3	20
Total	8	4	12

5.1. NON-CURRENT PROVISIONS = 1,418

	Long-term employee benefits <i>(1)</i>	Litigation and claims <i>(2)</i>	Guarantees given <i>(3)</i>	Other non- current provisions <i>(4)</i>	TOTAL
1 January 2007	397	333	268	434	1,432
Translation adjustments					
Transfers between items and other				(2)	(2)
Changes in scope of consolidation	14	5	2	8	29
Charges to provisions	32	16	31	20	99
Provisions utilised	(10)	(67)	(20)	(13)	(110)
Provisions no longer required	(3)	(17)	(7)	(3)	(30)
30 June 2007	430	270	274	444	1,418

⁽¹⁾ Long-term employee benefits:

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

301
101
28

430**Principal segments involved:**

- Bouygues Construction 104
- Colas 227
- TF1 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

120
45
17
88

270

- Bouygues Construction 120
- Bouygues Immobilier 40
- Colas 84

⁽³⁾ Guarantees given

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

193
81

274

- Bouygues Construction 180
- Bouygues Immobilier 16
- Colas 76

⁽⁴⁾ Other non-current provisions

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

139
23
90
192

444

- Bouygues Construction 130
- Colas 164
- Bouygues Telecom 48

5.2. CURRENT PROVISIONS = 702

- 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		(1)			6	5
Changes in scope of consolidation	1	1	14		6	22
Charges to provisions	8	24	37	92	36	197
Provisions utilised	(7)	(15)	(28)	(83)	(56)	(189)
Provisions no longer required	(1)	(10)	(5)		(7)	(23)
30 June 2007	37	164 ⁽¹⁾	130 ⁽²⁾	186	185 ⁽³⁾	702

⁽¹⁾ Including:

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

80
84

Principal segments involved:

- Bouygues Construction
- Colas

123
41

⁽²⁾ Provisions for losses to completion relate to the Construction segment (Bouygues Construction, Bouygues Immobilier and Colas).

(Individual project provisions are not disclosed for confidentiality reasons)

⁽³⁾ Including:

- reinsurance costs
- other current provisions

20
165

- Challenger Reassurance
- Bouygues Construction
- Colas
- TF1

20
44
36
53

6.1. NON-CURRENT TAX ASSETS = 271

	31/12/06	Movements	30/06/07
Deferred tax assets	250	21	271
- Bouygues Telecom	64	4	68 ⁽¹⁾
- Bouygues Construction	66	2	68
- Colas	69	13	82
- Other business segments	51	2	53
Other non-current tax assets	21	(21) ⁽²⁾	0
Total non-current tax assets	271	0	271

⁽¹⁾ Bouygues Telecom: deferred tax assets relate to temporary differences

⁽²⁾ Reclassified as a current tax asset

6.2. NON-CURRENT TAX LIABILITIES = 76

	31/12/06	Movements	30/06/07
Deferred tax liabilities	75	1	76
Other non-current tax liabilities	0	0	0
Total non-current tax liabilities	75	1	76

7.1. INTEREST-BEARING DEBT BY MATURITY

	Current debt (less than 1 year)	Non-current debt						Other	Total non-current debt 30/06/07	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			
- Bond issues	118	1,000		1,238		1,149	3,163		6,550	6,564
- Bank borrowings	404	61	83	23	10	6	50		233	177
- Finance lease obligations	20	16	14	8	7	1	6		52	56
- Other debt	22	12	33	3	6	2	4		60	47
Total interest-bearing debt	564	1,089	130	1,272	23	1,158	3,223		6,895	6,844
Call option over 6.5% of Bouygues Telecom	437									
Total incl. Bouygues Telecom option	1,001	1,089	130	1,272	23	1,158	3,223		6,895	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	30/06/07
Cash and equivalents	3,776	(610)	3,166
Overdrafts and short-term bank borrowings	(247)	(134)	(381)
Net cash and equivalents	3,529	(744) ⁽¹⁾	2,785
Non-current debt	(6,844)	(51)	(6,895)
Current debt	(867)	(134)	(1,001)
Financial instruments, net	6	(10)	(4)
Gross debt	(7,705)	(195)	(7,900)
Net debt	(4,176)	(939)	(5,115)

⁽¹⁾ Cash flows as analysed in the consolidated cash flow statement for the period.

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)
Capital increase under Bouygues Partage employee share ownership plan (May 2007)	232
Dividends paid (Bouygues SA/Minorities, etc)	(581)
Purchase of treasury shares	(81)
Principal acquisitions of investments (Spie Rail, Mibag, AB Groupe, etc)	(464)
Operating and other items	(2)
Net debt at 30 June 2007	(5,115)

**ANALYSIS OF SALES
AND OTHER REVENUES FROM OPERATIONS**

9.1. ANALYSIS BY ACCOUNTING CLASSIFICATION

	First half of 2007	First half of 2006
Sales of goods	1,175	1,125
Sales of services	5,335	4,865
Construction contracts	6,788	6,062
Sales	13,298	12,052
Other revenues from operations	84	89
Total	13,382	12,141

9.2. ANALYSIS BY BUSINESS SEGMENT

BUSINESS SEGMENT	2007 first-half sales				2006 first-half sales			
	France	International	Total	%	France	International	Total	%
Construction	2,266	1,446	3,712	28	1,989	1,166	3,155	26
Property	741	67	808	6	636	85	721	6
Roads	3,117	1,797	4,914	37	2,821	1,675	4,496	37
Media	1,279	144	1,423	11	1,241	136	1,377	12
Telecoms	2,293		2,293	17	2,175		2,175	18
Bouygues SA & other activities	3	145	148	1	3	125	128	1
Consolidated sales	9,699	3,599	13,298	100	8,865	3,187	12,052	100
% year-on-year change	9%	13%	10%					

9.3. ANALYSIS BY GEOGRAPHICAL SEGMENT

	2007 first-half sales		2006 first-half sales	
	Total	%	Total	%
France	9,699	73	8,865	73
European Union	1,463 ⁽¹⁾	11	1,123	9
Rest of Europe	356	3	440 ⁽¹⁾	4
Africa	599	5	473	4
Middle East	63		25	
United States and Canada	712	5	703	6
Central and South America	96	1	76	1
Asia-Pacific	310	2	347	3
Total	13,298	100	12,052	100

⁽¹⁾ Includes Bulgaria and Romania: €90m in H1 2007, €43m in H1 2006

NOTE 10**OPERATING PROFIT****1,055**

First-half operating profit increased by 22% (Bouygues Telecom up 48%, TF1 up 26% and Colas up 84%), see note 13 for details.

	First half of 2007	First half of 2006
Sales	13,298	12,052
Other revenues from operations	84	89
Purchases used in production and external charges	(9,073)	(8,146)
Taxes other than income tax	(315)	(282)
Personnel costs	(2,883)	(2,555)
Net depreciation, amortisation, provisions and impairment losses		
- Depreciation and amortisation expense	(584)	(575)
- Net charges to provisions and impairment losses (1)	(98)	(108)
Changes in production and property development inventories	313	125
Other income and expenses from operations	292	248
- Reversals of unused provisions and impairment losses	90	109
- Gains on disposals of non-current assets	33	62
- Other income and expenses	169	77
Current operating profit	1,034	848
Other operating income and expenses	21 ⁽²⁾	14
Operating profit	1,055	862

⁽¹⁾ Including reversals of utilised provisions

⁽²⁾ Material non-current operating income and expenses.
Amounts for 2007 and 2006 consist solely of competition fines incurred by the Construction segment.

ANALYSIS OF COST OF NET DEBT

	06/2007	06/2006
- Net debt	(109)	(70)
- Finance leases	(1)	(2)
- Financial instruments used for hedging purposes	15	(5)
Total	(95)⁽¹⁾	(77)

See Note 13 ("Segment information") for a breakdown by business segment.

⁽¹⁾ Increase of €18m due partly to new bond issues made in 2006.

ANALYSIS OF INCOME TAX EXPENSE

	First half of 2007			First half of 2006		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(254) ⁽²⁾	(35)	(289)	(123)	(41)	(164)
Change in deferred tax liabilities	5	2	7	11	1	12
Change in deferred tax assets ⁽¹⁾	(1)	(1)	(2)	(97)		(97)
Total	(250)	(34)	(284)	(209)	(40)	(249)
⁽¹⁾ incl. reversal of Bouygues Telecom deferred tax assets:	5			(107)		
⁽²⁾ incl. Bouygues Telecom tax payable:	(157)			7		

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

ANALYSIS BY BUSINESS SEGMENT: SIX MONTHS ENDED 30 JUNE 2007

	Construct ion	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL	TOTAL
income statement for the six months ended 30 June 2007							H1 2007	H1 2006
Total sales	3,818	809	4,925	1,431	2,300	219	13,502	12,391
Inter-segment sales	(106)	(1)	(11)	(8)	(7)	(71)	(204)	(339)
Third-party sales	3,712	808	4,914	1,423	2,293	148	13,298	12,052
Operating profit	150	72	136	264	440	(7)	1,055	862
Cost of net debt	37	(4)	(6)	(8)	1	(115)	(95)	(77)
Income tax expense	(54)	(22)	(43)	(86)	(152)	73	(284)	(249)
Share of profits and losses of associates	5		28	(1)		71	103	39
Net profit attributable to the Group	148	42	113	80	258	14 ⁽¹⁾	655	565
Balance sheet as at 30 June 2007							30/06/07	31/12/06
Property, plant and equipment ⁽²⁾	429	11	1,938	152	2,234	387	5,151	5,039
Intangible assets	33	3	65	161	745	7	1,014	1,022
Goodwill	305		1,026	1,084	2,644		5,059 ⁽³⁾	4,781
Investments in associates	79		447	244		2,498 ⁽⁴⁾	3,268	2,940
Trade receivables	1,994	55	3,434	684	617	381	7,165	6,252
Cash and equivalents	346	101	229	93	15	2,382	3,166	3,776
Non-current debt	315	53	186	494	42	5,805	6,895	6,844
Non-current provisions	534	86	551	48	101	98	1,418	1,432
Current debt	7	128	137	166	5	558	1,001	867
Trade payables	2,104	530	2,552	675	925	346	7,132	6,744
Cash flow statement for the six months ended 30 June 2007							H1 2007	H1 2006
Net acquisitions of property, plant and equipment and intangible assets	133	3	216	36	215	10	613	699
Net acquisitions of investments in consolidated companies and other investments	49		301 ⁽⁵⁾	214 ⁽⁶⁾		34	598	2,109
Other indicators for the six months ended 30 June 2007							H1 2007	H1 2006
Ebitda	184	56	316	330	732	8	1,626	1,422

⁽¹⁾ Includes contribution from Alstom of €64m (excluding consolidation adjustments of €6m booked at Bouygues group level).

⁽²⁾ See Note 3 for a breakdown by type of asset.

⁽³⁾ Goodwill arising on acquisitions made by Bouygues SA is allocated to the acquired business (see Note 3.3.2).

⁽⁴⁾ Relates solely to Alstom, see Note 3.4.

⁽⁵⁾ Includes acquisition of Spie Rail (Colas) = €267m

⁽⁶⁾ Includes acquisition of AB Groupe (TF1) = €230m

NOTE 14**PRINCIPAL EXCHANGE RATES**

Convention: 1 local currency unit = x euros

Country	Currency	Closing rate		Average rate for the period	
		30 June 2007	31 Dec. 2006	First half of 2007	Full year 2006
<u>EUROPE</u>					
Denmark	Danish krone	0.134369	0.134120	0.134227	0.134066
United Kingdom	Pound sterling	1.483680	1.489203	1.480221	1.466482
Hungary	Hungarian forint	0.004063	0.003972	0.003991	0.003786
Poland	Polish zloty	0.265414	0.261028	0.260008	0.256439
Czech Republic	Czech koruna	0.034821	0.036383	0.035370	0.035379
Romania	Romanian leu	0.319081	0.295552	0.301629	0.284694
Switzerland	Swiss franc	0.604120	0.622316	0.611714	0.634213
<u>NORTH AMERICA</u>					
United States	US dollar	0.740466	0.759301	0.749569	0.791771
Canada	Canadian dollar	0.702001	0.654407	0.667186	0.700939
<u>REST OF THE WORLD</u>					
Morocco	Moroccan dirham	0.089350	0.089759	0.089546	0.090474
Thailand	Thai baht	0.023466	0.021381	0.022701	0.021037
Hong Kong	Hong Kong dollar	0.094725	0.097648	0.095936	0.101914
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.104678	0.108549	0.104419	0.115831