



**NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE SIX MONTHS ENDED
30 JUNE 2008**

(in millions of euros)

28 August 2008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Figures in millions of euros)

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- Declaration of compliance:

The consolidated financial statements of the Bouygues group for the six months ended 30 June 2008 have been prepared using the principles and methods defined in the standards issued by the International Accounting Standards Board (IASB), which comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the SIC and IFRIC Committees and are referred to collectively as "IFRS", as endorsed by the European Union (unless otherwise indicated) and applicable as of 30 June 2008.

- The financial statements are presented in millions of euros and comprise:

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

The comparatives presented are from the consolidated financial statements for the year ended 31 December 2007 and the six months ended 30 June 2008.

1.1. SCOPE OF CONSOLIDATION AS AT 30 JUNE 2008

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

1,188 entities were consolidated as at 30 June 2008, versus 1,211 as at 31 December 2007. The net reduction of 23 related to Bouygues Construction (18 entities deconsolidated: construction project joint ventures deconsolidated on completion of the project, sale of the Hungarian company AKA Holding), Bouygues Immobilier (10 entities deconsolidated), and Colas (5 newly-consolidated entities).

Alstom: acquisition of an additional interest during the first half of 2008:

During the first half of 2008, Bouygues acquired a further 757,000 Alstom shares on the stock market for €109m, representing an additional interest of 0.54%. As at 30 June 2008, the percentage interest held by Bouygues was 30%, after the dilutive effect of a capital increase made by Alstom.

Alstom is still accounted for by the equity method, and is carried at net acquisition cost plus Bouygues' share of Alstom's net profit since the acquisition date. Alstom's net profit for the first half of 2008 was estimated on the basis of the accounts as at 31 March 2008. The net profit contribution from Alstom recorded by Bouygues on this basis was €141m.

In accordance with IAS 28, the investment in Alstom is reported under "Investments in associates" in the balance sheet at an amount of €3,719m, including goodwill.

The additional interest acquired in 2008 has been allocated to goodwill.

Amortisation of fair value remeasurements of intangible assets and other items had a net negative impact of €9m (share attributable to the Bouygues group) on consolidated net profit for the first half of 2008.

1.2. COLAS GROUP – SEASONAL TRENDS

The roadbuilding activities of Colas are a seasonal business, especially in Europe and North America. Consequently, sales and earnings for the first half do not equate to 50% of the full-year performance.

1.3. CONSOLIDATED SALES FOR THE SIX MONTHS ENDED 30 JUNE 2008

Consolidated sales for the period were €15,310m, 15% higher than in the first half of 2007.

1.4. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 30 JUNE 2008

- Subsequent to 30 June 2008, there have been no material changes in the scope of consolidation and no transactions liable to have a material effect on the results, consolidated shareholders' equity or activities of the Bouygues group.
- At the start of July 2008, Bouygues carried out a €1bn bond issue priced at 99.441%, bearing interest at 6.125%. This issue, which has a 7-year maturity and will be repaid in full at par on 3 July 2015, extends the average maturity of the Bouygues group's debt in anticipation of the repayment of the debt that is due to mature in May 2009.

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)
- c) As at 30 June 2008, Bouygues also held a 30% interest in Alstom (Power and Transport).

The Bouygues group has operations in more than 80 countries. In the six months ended 30 June 2008, the Group generated sales of €15,310m (up 15.1% relative to the first half of 2007), of which €4,414m was generated outside France.

2.2. BASIS OF PREPARATION

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

The consolidated financial statements were adopted by the Board of Directors on 28 August 2008.

The consolidated financial statements as at 30 June 2008 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 include comparatives as at and for the periods ended 30 June 2007 and 31 December 2007.

The accounting policies applied by the Bouygues group in its interim consolidated financial statements for the six months ended 30 June 2008 are the same as those applied in the consolidated financial statements for the year ended 31 December 2007, except as regards the specific provisions of IAS 34. Consequently, Note 2 to the consolidated financial statements for the six months ended 30 June 2008 does not include detailed disclosures of these accounting policies, and these financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2007.

- *New standards, amendments and interpretations effective within the European Union and mandatorily applicable to periods beginning on or after 1 January 2008*

The Bouygues group has applied the same standards, interpretations and accounting policies for the period ended 30 June 2008 as those used in the preparation of its consolidated financial statements for the year ended 31 December 2007.

The Group has elected to apply IFRIC 11, "IFRS 2 – Group and Treasury Share Transactions" (share-based payment arrangements within a group) with effect from 1 January 2009, as permitted by EC Regulation 611-2007.

- *Other standards and interpretations issued by the IASB but not yet mandatorily applicable (whether or not endorsed by the European Union):*

- Revised IAS 1, "Presentation of Financial Statements"
→ Applicable from January 2009
- Revised IFRS 3 and IAS 27, Business Combinations phase 2
→ Applicable to financial periods beginning on or after 1 July 2009, and not yet endorsed by the European Union or by the European Financial Reporting Advisory Group (EFRAG).
- IFRIC 12, "Service Concession Arrangements": Applicable to periods beginning on or after 1 January 2008, and in process of endorsement by the European Union. The Bouygues group applies this interpretation to the Portsmouth PFI contract (Colas), which is accounted for as a receivable (financial asset) since this treatment most closely reflects the underlying financial and economic reality of the contract. Colas has not entered into any other contracts of this type.

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 companies are accounted for as associates (equity method).

- IFRIC 13, "Customer Loyalty Programmes": Mandatorily applicable from 1 July 2008, and early adopted by Bouygues Telecom effective 31 December 2007.
 - IFRIC 15, "Agreements for the Construction of Real Estate": Applicable to annual periods beginning on or after 1 January 2009; EFRAG position statement pending. IFRIC 15 is unlikely to materially change the profit recognition policies currently used for the Group's property development activities.
- *New standards, amendments and interpretations for which early adoption is allowed:*
The Bouygues group has decided not to early adopt the following pronouncements issued by the IASB, which are not yet mandatorily applicable:

- IFRS 8, "Operating Segments" (management-based approach): applicable to annual periods beginning on or after 1 January 2009
- Amendment to IAS 23, "Borrowing Costs": applicable to annual periods beginning on or after 1 January 2009
- Amendment to IFRS 2, "Share-Based Payment" (vesting conditions and cancellations): applicable to annual periods beginning on or after 1 January 2009

- 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, deferred tax assets, provisions, etc.

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.

Identifiable assets and liabilities and goodwill that were recognised in a purchase price allocation are tested for impairment annually as at 31 December, or if there is evidence that they may have become impaired. The purpose of these impairment tests is to compare the Group's share of the recoverable amount with the carrying amount as per the consolidated financial statements. If the carrying amount exceeds the recoverable amount, an impairment loss is recognised in accordance with IAS 36.

- As at 30 June 2008, the non-current assets relating to TF1 were tested for impairment. The recoverable amount of these assets was determined on the basis of cash flow projections derived from the business plan as approved by the TF1 Board of Directors on 30 July 2008, discounted at a rate of 6.94%. The results showed that the recoverable amount of these assets still exceeds their carrying amount.
- Changes in accounting policy:

The Bouygues group has made no changes in accounting policy during 2008. The consolidated financial statements reported as at 30 June 2007 have been restated to reflect the changes in accounting policy applied as at 31 December 2007 (customer loyalty provision, and the option allowed under IAS 19 in respect of actuarial gains and losses).

2.3. CONSOLIDATION METHODS

- Full consolidation:
 - Companies over which Bouygues exercises control are consolidated using the full consolidation method.
 - Exclusive control over TF1:

Bouygues holds 43.02% of the capital and voting rights of TF1. The exercise of exclusive control over TF1 by Bouygues is demonstrated by the following:

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

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

Other factors indicating the existence of exclusive control include:

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

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

- Proportionate consolidation – investments in joint ventures:

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control. Bouygues consolidates the assets, liabilities, income and expenses of such entities using the proportionate consolidation method based on the percentage of control exercised. This applies in particular to Bouygues Construction and Colas construction project 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 30% 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 2008	31 December 2007
Fully consolidated	916	917
Proportionately consolidated	235	258
Equity method	37	36
	1,188	1,211

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

2.4. FINANCIAL INDICATORS

2.4.1. 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).

2.4.2. Free cash flow

Cash flow (from operations, before changes in working capital) less net capital expenditure for the period.

2.4.3. 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).

2.5. STATEMENT OF RECOGNISED INCOME AND EXPENSE

The Bouygues group presents a statement of recognised income and expense, including comparatives for 2007, which shows items recognised directly in equity due to the application of consolidation principles (such as changes in the cumulative translation adjustment and in fair value, and actuarial gains/losses on employee benefits under the IAS 19 option).

2.6. OTHER INFORMATION

Comparability of the IFRS financial statements:

- The accounting policies applied under IFRS as at 30 June 2008 are the same as those applied as at 31 December 2007.
- The comparative financial statements presented for the period ended 30 June 2007 take account of the changes in accounting policy effective 31 December 2007, and in particular the effect on shareholders’ equity and profit or loss.

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 2007	1,212	3,309	696	347	5,564
of which finance leases	21	35	17		73
30 June 2008	1,249	3,338	697	428	5,712
of which finance leases	17	51	16		84

Analyses by business segment of the carrying amount of property, plant and equipment, and of capital expenditure net of disposals, are provided in note 13, "Segment Information".

3.2. INTANGIBLE ASSETS

Net	Concessions, patents and similar rights	Other intangible assets	Total
31 December 2007	679	394	1,073
30 June 2008	719⁽¹⁾	433⁽²⁾	1,152

⁽¹⁾ This item mainly comprises software and licences held by Bouygues Telecom.

⁽²⁾ Includes €239m for TF1 (films and audiovisual rights)

3.3. GOODWILL

3.3.1. Movement in the carrying amount of goodwill in the six months ended 30 June 2008

	Gross value	Impairment	Carrying amount
1 January 2008	5,160	(37)	5,123
Change in scope of consolidation	26 ⁽¹⁾		26
Impairment losses			
Translation and other movements	(7)		(7)
30 June 2008	5,179	(37)	5,142

⁽¹⁾ The main movements during the first half of 2008 relate to the buyout of minority interests in Colas (0.24%) for €12m, and other acquisitions by Bouygues Construction and Colas including €12m for the acquisition of SAMI (Drawmac Group) by Colas.

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

(excluding goodwill on associates)

Segment (1)	30 June 2008		31 December 2007	
	Total	% Bouygues SA	Total	% Bouygues SA
Bouygues Construction	332	99.97%	326	99.97%
Colas	1,065	96.68%	1,052	96.44%
TF1	1,094	43.02%	1,094	43.06%
Bouygues Telecom	2,651	89.55%	2,651	89.55%
TOTAL	5,142		5,123	

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

3.4. INVESTMENTS IN ASSOCIATES

	Carrying amount
1 January 2008	4,393
Change in scope of consolidation, translation effects	85 (1)
Share of net profit/loss for the period	177 ⁽³⁾
Payment of dividends	(82)
Other movements	(17)
30 June 2008	4,556⁽²⁾

⁽¹⁾ Includes net acquisitions of further Alstom shares (0.02% of capital) generating additional goodwill of €83m

⁽²⁾ Includes:

- Alstom €3,719m, including goodwill of €2,450m
 - Cofiroute €440m

⁽³⁾ Includes €141m (net) for Alstom and €25m for Cofiroute

3.5. OTHER NON-CURRENT ASSETS

Net	Investments in non-consolidated companies	Other non-current assets (1)	Total	Non-current tax assets (2)
31 December 2007	151	1,072	1,223	225
30 June 2008	154	1,105	1,259	219

⁽¹⁾ Includes:

- Alstom Hydro Holding:

In October 2006, Bouygues acquired 50% of Alstom Hydro Holding (Alstom's hydro-power division) from Alstom for €150m.

Under the agreements with Alstom signed on 29 September 2006 and 31 October 2006:

- Alstom has specific rights, in particular in the event of a disagreement between the shareholders.

- Bouygues has an option to sell its shares back to Alstom in November 2009, or earlier in the event of disagreement with Alstom:

. for €175m;

. in exchange for 2.2 million(*) Alstom shares, or the equivalent value in euros.

Consequently, Alstom has exclusive control over Alstom Hydro Holding, and the interest in this company is not consolidated by the Bouygues group but recognised as a non-current financial asset, with a carrying amount of €164m as at 30 June 2008. Because of the long-term industrial strategy underpinning relations between Bouygues and Alstom, the Bouygues group does not account for the option entitling it to exchange this asset for Alstom shares in October 2009 as a financial instrument. If this item had been accounted for as a financial instrument, the resulting volatility would have had an estimated negative impact of €3m on the financial statements for the six months ended 30 June 2008, and a cumulative favourable impact of €104m since inception, based on the intrinsic after-tax value of the option as at 30 June 2008.

- Canal+ France financial asset (TF1): €685m

^(*) Following the 2-for-1 stock split by Alstom effective 4 July 2008, the amount reported will have to be multiplied by two.

⁽²⁾ See note 6 for details.

3.6. CONSOLIDATED PURCHASE PRICE OF LISTED SHARES (IN EUROS)

	Consolidated purchase price per share (1)	Closing market price 30 June 2008
TF1	12.57	10.63 (2)
Colas	80.71	210.00
Alstom	87.19 (**)	146.67 (**)

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

⁽²⁾ Value in use based on a discounted cash flow calculation = €17.91 per share

^(**) Following the 2-for-1 stock split by Alstom effective 4 July 2008, the amounts reported will have to be divided by two.

4.1. SHARE CAPITAL OF BOUYGUES SA (IN EUROS)

€342,219,029

As at 30 June 2008, the share capital of Bouygues SA consisted of 342,219,029 shares with a par value of € 1. Movements in the six months ended 30 June 2008 were as follows:

	1 January 2008	Movements during the period		30 June 2008
		Reductions	Increases	
Shares	347,502,578	(6,952,935) ⁽²⁾	1,669,386 ⁽¹⁾	342,219,029
Investment certificates				
Number of shares	347,502,578	(6,952,935)	1,669,386	342,219,029
Par value	€ 1			€ 1
Share capital in euros	347,502,578	(6,952,935)	1,669,386	342,219,029

⁽¹⁾ Capital increase on exercise of options

⁽²⁾ Capital reduction on cancellation of treasury shares

4.2. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP AND TO MINORITY INTERESTS AS AT 30 JUNE 2008

Position at 30 June 2008	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 30/06/08
Attributable to the Group	2,188	1,485	(69)	3,186		89	6,879
Minority interests				1,156		(2)	1,154
Total shareholders' equity	2,188	1,485	(69)	4,342		87	8,033

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 2008.

4.3. ANALYSIS OF INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (AMOUNTS ATTRIBUTABLE TO THE GROUP)

	Note	H1 2008 movement	2007 full year
Translation reserve	4.3.1.	(41)	(36)
Fair value remeasurement reserve (financial instruments)	4.3.2.	26	29
Actuarial gain/loss reserve	4.3.3.	(40)	66
Taxes on items recognised directly in equity		(1)	11
Other movements in the period			2
		(56)	72
		(Minority int.)	(Minority int.)
Other income and expenses attributable to minority interests			(3)
Total		(56) ⁽¹⁾	69

⁽¹⁾ See statement of recognised income and expense

4.3.1. Translation reserve (portion attributable to the Group)

- Principal translation differences on companies reporting in:

	31/12/07	H1 2008	30/06/08
US dollar	(40)	(16)	(56)
Canadian dollar	10	(16)	(6)
Other currencies	2	(9)	(7)
Total	(28)	(41)	(69)

4.3.2. Fair value remeasurement reserve (portion attributable to the Group)

- Reserve arising on the remeasurement of financial instruments and available-for-sale financial assets at fair value:

	31/12/07	H1 2008	30/06/08
Gross amount	115	26	141

4.3.3. Actuarial gain/loss reserve on employee benefits under IAS 19 (portion attributable to the Group)

	31/12/07	H1 2008	30/06/08
Gross amount	58	(40)	18

5.1. NON-CURRENT PROVISIONS = 1,523

	Long-term employee benefits	Litigation and claims	Guarantees given	Other non- current provisions	TOTAL
	(1)	(2)	(3)	(4)	
1 January 2008	425	295	296	477	1,493
Translation adjustments	(3)		(1)		(4)
Transfers between items and other	2		3	(1)	4
Changes in scope of consolidation	(3)		2		(1)
Charges to provisions	27	31	38	41	137
Provisions utilised	(8)	(12)	(26)	(24)	(70)
Provisions no longer required	(2)	(15)	(6)	(13)	(36)
30 June 2008	438	299	306	480	1,523

⁽¹⁾ **Long-term employee benefits:**

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

438

Principal segments involved:

- Bouygues Construction 111
- Colas 230
- TF1 33

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

156

33

18

92

299

- Bouygues Construction 140
- Bouygues Immobilier 40
- Colas 105

⁽³⁾ **Guarantees given**

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

218

88

306

- Bouygues Construction 202
- Bouygues Immobilier 17
- Colas 87

⁽⁴⁾ **Other non-current provisions**

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

150

29

99

88

114

480

- Bouygues Construction 149
- Colas 169
- Bouygues Telecom 60

5.2. CURRENT PROVISIONS = 566

- Provisions related to the operating cycle

	Customer warranties	Construction project risks and project completion	Losses to completion	Other current provisions	Total
1 January 2008	50	181	131	235	597
Translation adjustments		(2)	(1)	(1)	(4)
Transfers between items and other	1	(2)		(1)	(2)
Charges to provisions	11	25	57	56	149
Provisions utilised	(8)	(17)	(43)	(61)	(129)
Provisions no longer required	(2)	(20)	(10)	(13)	(45)
30 June 2008	52	165 ⁽¹⁾	134 ⁽²⁾	215 ⁽³⁾	566

⁽¹⁾ Including:

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

76
89

Principal segments involved:

- Bouygues Construction
- Colas

113
52

⁽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
- site remediation costs (current portion)
- rent guarantees (Bouygues Immobilier)
- film co-financing (TF1)
- customer claims & vendor's liability guarantees (TF1)
- business customer loyalty provision (Bouygues Telecom)
- other current provisions

20
15
18
14
24
14
110

- Challenger Reassurance
- Bouygues Construction
- Bouygues Immobilier
- Colas
- TF1
- Bouygues Telecom

19
39
36
38
50
14

6.1. NON-CURRENT TAX ASSETS = 219

	31/12/07	Movements	30/06/08
Deferred tax assets	225	(6)	219
- Bouygues Telecom	8	3	11
- Bouygues Construction	78	1	79
- Colas	86	3	89
- Other business segments	53	(13)	40
Other non-current tax assets	0	(0)	0
Total non-current tax assets	225	(6)	219

6.2. NON-CURRENT TAX LIABILITIES = 84

	31/12/07	Movements	30/06/08
Deferred tax liabilities	84	0	84
Other non-current tax liabilities	0	0	0
Total non-current tax liabilities	84	0	84

7.1. INTEREST-BEARING DEBT BY MATURITY

	Current debt (less than 1 year)	1 to 2 years	2 to 3 years	Non-current debt				Total non-current debt 30/06/08	Total non-current debt 31/12/07
				3 to 4 years	4 to 5 years	5 to 6 years	6 years or more		
- Bond issues	1,120		1,244		1,147		3,164	5,555	6,560
- Bank borrowings	187	467	84	24	20	12	71	678	380
- Finance lease obligations	24	29	14	10	3	3	6	65	54
- Other debt	25	40	9	46	3	2	5	105	73
Total debt: 30 June 2008	⁽¹⁾ 1,356	536	1,351	80	1,173	17	3,246	6,403	7,067
Total debt: 31 December 2007	328	1,293	570	791	22	1,156	3,235		7,067

⁽¹⁾ Change mainly attributable to the bond issue maturing May 2009

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

	31/12/07	Movement in the period	30/06/08
Cash and equivalents	3,386	(1,411)	1,975
Overdrafts and short-term bank borrowings	(276)	(237)	(513)
Net cash and equivalents	3,110	(1,648) ⁽¹⁾	1,462
Non-current debt	(7,067)	664	(6,403)
Current debt	(328)	(1,028)	(1,356)
Financial instruments, net	(3)	0	(3)
Gross debt	(7,398)	(364)	(7,762)
Net debt	(4,288)	(2,012)	(6,300)

⁽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 2007	(4,288)
Capital called under the Bouygues Confiance 4 employee share ownership plan (2008 portion)	126
Acquisitions of treasury shares in 2008 (cancelled via reduction in capital of Bouygues SA)	(328)
Dividend swap in connection with employee savings plans	8
Exercise of Bouygues options (capital increase)	51
Dividends paid (Bouygues SA and minorities)	(686)
Acquisitions of Alstom shares	(109)
Acquisitions of Colas shares	(22)
Other acquisitions/disposals of equity holdings	32
Operating and other items	(1,084)
Net debt at 30 June 2008	(6,300)

NOTE 9

ANALYSIS OF SALES	15,310
AND OTHER REVENUES FROM OPERATIONS	60

9.1. ANALYSIS BY ACCOUNTING CLASSIFICATION

	First half of 2008	First half of 2007	
Sales of goods	1,285	1,175	
Sales of services	6,063	5,335	
Construction contracts	7,962	6,788	
Sales	15,310	13,298	
Other revenues from operations	60	84	
Total	15,370	13,382	Growth = 15.1%

9.2. ANALYSIS BY BUSINESS SEGMENT

BUSINESS SEGMENT	2008 first-half sales				2007 first-half sales			
	France	International	Total	%	France	International	Total	%
Construction	2,525	1,923	4,448	29	2,266	1,446	3,712	28
Property	1,232	67	1,299	8	741	67	808	6
Roads	3,483	2,126	5,609	37	3,117	1,797	4,914	37
Media	1,195	157	1,352	9	1,279	144	1,423	11
Telecoms	2,457		2,457	16	2,293		2,293	17
Bouygues SA & other activities	4	141	145	1	3	145	148	1
Consolidated sales	10,896	4,414	15,310	100	9,699	3,599	13,298	100
% year-on-year change	12%	23%	15%					

9.3. ANALYSIS BY GEOGRAPHICAL SEGMENT

	2008 first-half sales		2007 first-half sales	
	Total	%	Total	%
France	10,896	71	9,699	73
European Union	1,840	12	1,463	11
Rest of Europe	487	3	356	3
Africa	789	5	599	5
Middle East	107	1	63	0
United States and Canada	642	4	712	5
Central and South America	81	1	96	1
Asia-Pacific	468	3	310	2
Total	15,310	100	13,298	100

NOTE 10**OPERATING PROFIT****1,099**

Operating profit rose by 3.5% (Bouygues Telecom up 69%, Bouygues Construction up 24%); see note 13 for details.

	First half of 2008	First half of 2007
Sales	15,310	13,298
Other revenues from operations	60	84
Purchases used in production and external charges	(10,350)	(9,073)
Taxes other than income tax	(344)	(315)
Personnel costs	(3,243)	(2,883)
Net depreciation, amortisation, provisions and impairment losses		
- Depreciation and amortisation expense	(635)	(584)
- Net charges to provisions and impairment losses ⁽¹⁾	(115)	(91)
Changes in production and property development inventories	58	313
Other income and expenses from operations	358	292
- Reversals of unused provisions and impairment losses	106	90
- Gains on disposals of non-current assets	109	33
- Other income and expenses	143	169
Current operating profit	1,099	1,041
Other operating income and expenses		21
Operating profit	1,099	1,062 ^(*)

^(*) Includes +€7m on retrospective application of the change in accounting policy for the retail customer loyalty programme provision (Bouygues Telecom)

⁽¹⁾ Including reversals of utilised provisions

NOTE 11**COST OF NET DEBT****(132)****ANALYSIS OF COST OF NET DEBT**

	First half of 2008	First half of 2007
- Net debt	(128)	(109)
- Finance leases	(2)	(1)
- Financial instruments	(2)	15
Total	(132)	(95)

See Note 13 ("Segment information") for a breakdown by business segment for the first half of 2008

ANALYSIS OF INCOME TAX EXPENSE

	First half of 2008			First half of 2007 (*)		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(253)	(46)	(299)	(254)	(35)	(289)
Change in deferred tax liabilities	2	2	4	5	2	7
Change in deferred tax assets	(15)	5	(10)	(3)	(1)	(4)
Total	(266)	(39)	(305)	(252)	(34)	(286)

(*) Includes -€2m restatement on retrospective application of the change in accounting policy for the retail customer loyalty programme provision.

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: 30 JUNE 2008 VS 30 JUNE 2007 OR 31 DECEMBER 2007

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL	TOTAL ^(*)
							H1 2008	H1 2007 ^(*)
INCOME STATEMENT								
Total sales	4,594	1,300	5,631	1,363	2,465	237	15,590	13,502
Inter-segment sales	(146)	(1)	(22)	(11)	(8)	(92)	(280)	(204)
Third-party sales	4,448	1,299	5,609	1,352	2,457	145	15,310	13,298
Operating profit	186	122	155	171	469	(4)	1,099	1,062
Cost of net debt	45	(7)	(8)	(15)	1	(148)	(132)	(95)
Income tax expense	(70)	(37)	(45)	(51)	(162)	60	(305)	(286)
Share of profits and losses of associates	1		27	6		143 ⁽¹⁾	177	103
Net profit attributable to the Group	164	61	126	54	275	21	701	659
							30/06/2008	31/12/2007
BALANCE SHEET								
Property, plant and equipment ⁽²⁾	531	16	2,232	170	2,379	384	5,712	5,564
Intangible assets	71	3	68	239	766	5	1,152	1,073
Goodwill ⁽³⁾	332		1,065	1,094	2,651		5,142	5,123
Investments in associates	83		489	255		3,729 ⁽⁴⁾	4,556	4,393
Trade receivables	2,194	200	3,812	736	670	350	7,962	6,911
Cash and equivalents	432	118	325	75	10	1,015	1,975	3,386
Non-current debt	365	103	306	732	347	4,550	6,403	7,067
Non-current provisions	602	86	591	48	93	103	1,523	1,493
Current debt	10	151	48	15	7	1,125	1,356	328
Trade payables	2,392	595	2,730	704	853	268	7,542	7,442
							H1 2008	H1 2007
CASH FLOW STATEMENT								
Capital expenditure, net of disposals	(123)	(4)	(230)	(83)	(375)	(18)	(833)	613
Net acquisitions of investments in consolidated companies and other investments	45	(9)	(2)	(1)		(139) ⁽⁵⁾	(106)	598
							H1 2008	H1 2007
OTHER INDICATORS								
EBITDA	269	135	344	237	755	3	1,743	1,626

(*) Proforma, restated for retrospective application of change in accounting policy for retail customer loyalty programme provision, impact on net profit €5m

(1) Includes contribution from Alstom of €141m (after purchase price allocation adjustments 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) Includes €3,719m for Alstom, see note 3.4.

(5) Includes acquisitions of additional shares in Alstom (€109m).

NOTE 14**PRINCIPAL EXCHANGE RATES**

Convention : 1 local currency unit = x euros

Country	Currency	Closing rate		Average rate for the period	
		30/06/08	31/12/07	H1 2008	FY 2007
<u>EUROPE</u>					
Denmark	Danish krone	0.134086	0.134079	0.134109	0.134205
United Kingdom	Pound sterling	1.262228	1.363605	1.282846	1.455005
Hungary	Hungarian forint	0.004248	0.003941	0.003965	0.003978
Poland	Polish zloty	0.298392	0.278280	0.287706	0.264907
Czech Republic	Czech koruna	0.041853	0.037554	0.039783	0.036059
Romania	Romanian leu	0.274612	0.277185	0.271212	0.299315
Switzerland	Swiss franc	0.622820	0.604339	0.624005	0.607576
<u>NORTH AMERICA</u>					
United States	US dollar	0.634357	0.679302	0.647522	0.727786
Canada	Canadian dollar	0.627274	0.692089	0.645300	0.682012
<u>REST OF THE WORLD</u>					
Morocco	Moroccan dirham	0.087066	0.088090	0.087348	0.089048
Thailand	Thai baht	0.018962	0.022831	0.020313	0.022643
Hong Kong	Hong Kong dollar	0.081339	0.087108	0.083083	0.092928
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.081020	0.099703	0.083754	0.103267