



**NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE THREE MONTHS ENDED
31 MARCH 2008**

(in millions of euros)

3 June 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 three months ended 31 March 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 31 March 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 three months ended 31 March 2007 and the year ended 31 December 2007.

1. 1. SCOPE OF CONSOLIDATION AS AT 31 MARCH 2008

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

1,183 entities were consolidated as at 31 March 2008, versus 1,211 as at 31 December 2007. The net reduction of 28 related mainly to Bouygues Construction (15 entities, including construction project joint ventures deconsolidated on completion of the project) and Bouygues Immobilier (14 entities).

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

During the first quarter of 2008, Bouygues acquired an additional interest of 0.35% in the capital of Alstom for a total amount of €69m. As at 31 March 2008, the percentage interest held by Bouygues was 29.93% (30% in April 2008).

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 quarter of 2008 was estimated on the basis of the accounts as at 31 March 2008. The profit contribution from Alstom recorded by Bouygues in the first quarter of 2008 was €81m before impairment of identifiable assets and liabilities remeasured at fair value on acquisition.

In accordance with IAS 28, the investment in Alstom is reported under "Investments in associates" in the balance sheet at an amount of €3,682m, 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 on consolidated net profit of €5m (share attributable to the Bouygues group, based on the 29.93% interest held by the Bouygues group as at 31 March 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 quarter do not equate to 25% of the full-year performance.

There were no other significant events or changes in the scope of consolidation during the three months ended 31 March 2008.

1. 3. CONSOLIDATED SALES FOR THE THREE MONTHS ENDED 31 MARCH 2008

Consolidated sales for the period were €6,815m, 15% higher than in the first quarter of 2007.

1. 4. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 31 MARCH 2008

- Subsequent to 31 March 2008, there have been no material changes in the scope of consolidation and no transaction liable to have a material effect on the results, consolidated shareholders' equity or activities of the Bouygues group.

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 31 March 2008, Bouygues also held a 29.93% interest in Alstom (Power and Transport).

The Bouygues group has operations in more than 80 countries. In the three months to 31 March 2008, the Group generated sales of €6,815m (up 15%), of which €1,762m 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 3 June 2008.

The consolidated financial statements as at 31 March 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 31 March 2007 and 31 December 2007.

The accounting policies applied by the Bouygues group in its interim consolidated financial statements for the three months ended 31 March 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 three months ended 31 March 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 31 March 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" with effect from 1 January 2009, as permitted by EC Regulation 611-2007.

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

- Revised IAS 1, "Presentation of Financial Statements"
→ Applicable from January 2009
- Revised IFRS 3, "Business Combinations"
→ Applicable to financial periods beginning on or after 1 July 2009.
- IFRIC 12, "Service Concession Arrangements": the Bouygues group applies this interpretation (which has not yet been endorsed by the European Union) 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 the Bouygues group effective 31 December 2007. Endorsement of IFRIC 13 by the European Union is pending.
- *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"
- Amendment to IAS 23, "Borrowing Costs"

both of which are 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.

- Changes in accounting policy:

The Bouygues group has made no changes in accounting policy during 2008. The consolidated financial statements reported as at 31 March 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).

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 43.06% 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 29.93% 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 2008	31 March 2007
Fully consolidated	913	917
Proportionately consolidated	233	258
Equity method	37	36
	1,183	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 now presents a statement of recognised income and expense, including comparatives for 2007, which reports income and expense recognised directly in equity by type (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 31 March 2008 are the same as those applied as at 31 December 2007.
- The comparative financial statements presented for the period ended 31 March 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
31 March 2008	1,223	3,236	674	396	5,529
of which finance leases	17	48	16		81

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
31 March 2008	670⁽¹⁾	404	1,074

⁽¹⁾ 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 three months ended 31 March 2008**

	Gross value	Impairment	Carrying amount
1 January 2008	5,160	(37)	5,123
Change in scope of consolidation	20 ⁽¹⁾		20
Impairment losses			
Translation and other movements	(4)		(4)
31 March 2008	5,176	(37)	5,139

⁽¹⁾ The main movements during the three months ended 31 March 2008 relate to the buyout of minority interests in Colas (0.28%) for €13m, and other acquisitions by Bouygues Construction.

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

(excluding goodwill on associates)

Segment ⁽¹⁾	31 March 2008		31 December 2007	
	Total	% Bouygues SA	Total	% Bouygues SA
Bouygues Construction	334	99.97%	326	99.97%
Colas	1,060	96.72%	1,052	96.44%
TF1	1,094	43.06%	1,094	43.06%
Bouygues Telecom	2,651	89.55%	2,651	89.55%
TOTAL	5,139		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 effect	53
Share of net profit/loss for the period	91
Other movements	(10) ⁽¹⁾
31 March 2008	4,527

⁽¹⁾ Includes:

- Alstom	€3,682m, including goodwill of €2,411m
- Cofiroute	€430m

The movement during the three months ended 31 March 2008 relates mainly to the acquisition of a further 0.35% interest in Alstom, which generated an additional €44m of goodwill.

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
31 March 2008	149	1,084	1,233	252

⁽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 €162m as at 31 March 2008. 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 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 €15m on the financial statements for the three months ended 31 March 2008, and a cumulative favourable impact of €92m since inception, based on the intrinsic after-tax value of the call option as at 31 March 2008.

- Canal+ France financial asset (TF1): €675m

⁽²⁾ See note 6 for details.

3.6. CONSOLIDATED PURCHASE PRICE OF LISTED SHARES

	Consolidated purchase price per share ⁽¹⁾	Closing market price 31 March 2008
TF1	12.18	13.93
Colas	73.52	224.82
Alstom	85.27	137.32

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

4.1. SHARE CAPITAL OF BOUYGUES SA (IN EUROS)

€348,391,253

As at 31 March 2008, the share capital of Bouygues SA consisted of 348,391,253 shares with a par value of €1. Movements in the three months ended 31 March 2008 were as follows:

	1 January 2008	Movements during the period		31 March 2008
		Reductions	Increases	
Shares	347,502,578		888,675 ⁽¹⁾	348,391,253
Investment certificates				
Number of shares	347,502,578		888,675	348,391,253
Par value	€ 1			€ 1
Share capital (in euros)	347,502,578		888,675	348,391,253

⁽¹⁾ Capital increase on exercise of options

4.2. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP AND TO MINORITY INTERESTS AS AT 31 MARCH 2008

Position at 31 March 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 31/03/08
Attributable to the Group	2,513	1,995	(84)	2,699	(350)	43	6,816
Minority interests				1,266		(7)	1,259
Total shareholders' equity	2,513	1,995	(84)	3,965	(350)	36	8,075

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 31 March 2008.

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

	Note	Movement in Q1 2008	2007 full year
Translation reserve	4.3.1.	(56)	(36)
Fair value remeasurement reserve (financial instruments)	4.3.2.	(34)	29
Actuarial gain/loss reserve	4.3.3.	(46)	66
Taxes on items recognised directly in equity		20	11
Other movements in the period		18	2
		(98)	72
		(Minority int.)	(Minority int.)
Other income and expenses attributable to minority interests		(5)	(3)
Total		(103)⁽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	Q1 08 movement	31/03/2008
US dollar	(40)	(17)	(57)
Canadian dollar	10	(18)	(8)
Other currencies	2	(21)	(19)
Total	(28)	(56)	(84)

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	Q1 08 movement	31/03/08
Gross amount	115	(34)	81

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

	31/12/07	Q1 08 movement	31/03/08
Gross amount	58	(46)	12

5.1. NON-CURRENT PROVISIONS = 1,522

	Long-term employee benefits (1)	Litigation and claims (2)	Guarantees given (3)	Other non- current provisions (4)	TOTAL
1 January 2008	425	295	296	477	1,493
Translation adjustments	(3)		(1)	(1)	(5)
Transfers between items and other	3		1		4
Changes in scope of consolidation	3		1	3	7
Charges to provisions	17	16	17	19	69
Provisions utilised	(5)	(8)	(11)	(8)	(32)
Provisions no longer required	(2)	(6)	(2)	(4)	(14)
31 March 2008	438	297	301	486	1,522

(1) Long-term employee benefits:

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

308

100

30

438**Principal segments involved:**

- Bouygues Construction

- Colas

- TF1

109

230

34

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

158

33

18

88

297

- Bouygues Construction

- Bouygues Immobilier

- Colas

137

41

109

(3) Guarantees given

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

213

88

301

- Bouygues Construction

- Bouygues Immobilier

- Colas

199

17

85

(4) Other non-current provisions

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

149

26

97

214

486

- Bouygues Construction

- Colas

- Bouygues Telecom

145

170

63

5.2. CURRENT PROVISIONS = 559

- 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 2008	50	181	131	13	222	597
Translation adjustments		(2)	(2)		(1)	(5)
Transfers between items and other	1				(2)	(1)
Changes in scope of consolidation						
Charges to provisions	5	8	20	1	23	57
Provisions utilised	(2)	(13)	(23)		(40)	(78)
Provisions no longer required	(1)	(3)	(4)		(3)	(11)
31 March 2008	53	171⁽¹⁾	122⁽²⁾	14	199⁽³⁾	559

⁽¹⁾ Including:

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

82
89

Principal segments involved:

- Bouygues Construction
- Colas

120
51

⁽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 and vendor's liability guarantees (1)
- other current provisions

22
15
14
11
32
105

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

21
41
32
35
47

6.1. NON-CURRENT TAX ASSETS = 252

	31/12/2007	Movements	31/03/2008
Deferred tax assets	225	27	252
- Bouygues Telecom	8	2	10
- Bouygues Construction	78	0	78
- Colas	86	3	89
- Other business segments	53	22	75
Other non-current tax assets	0	0	0
Total non-current tax assets	225	27	252

6.2. NON-CURRENT TAX LIABILITIES = 81

	31/12/2007	Movements	31/03/2008
Deferred tax liabilities	84	(3)	81
Other non-current tax liabilities	0	0	0
Total non-current tax liabilities	84	(3)	81

7.1. INTEREST-BEARING DEBT BY MATURITY

	Current debt (less than 1 year)	Non-current debt						Total non-current debt 31/03/2008	Total non-current debt 31/12/2007
		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	178	1,007	1,242			1,148	3,166	6,563	6,560
- Bank borrowings	166	197	38	11	16	4	60	326	380
- Finance lease obligations	22	17	16	10	4	3	7	57	54
- Other debt	24	44	9	20	5	1	5	84	73
Total debt: 31 March 2008	390	1,265	1,305	41	25	1,156	3,238	7,030	7,067
<i>Total debt: 31 December 2007</i>	<i>328</i>	<i>1,293</i>	<i>570</i>	<i>791</i>	<i>22</i>	<i>1,156</i>	<i>3,235</i>		<i>7,067</i>

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

	31/12/2007	Movement in the period	31/03/2008
Cash and equivalents	3,386	(796)	2,590
Overdrafts and short-term bank borrowings	(276)	(164)	(440)
Net cash and equivalents	3,110	(960)⁽¹⁾	2,150
Non-current debt	(7,067)	37	(7,030)
Current debt	(328)	(62)	(390)
Financial instruments, net	(3)	3	0
Gross debt	(7,398)	(22)	(7,420)
Net debt	(4,288)	(982)	(5,270)

⁽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
Purchase of treasury shares	(250)
Exercise of Bouygues options	27
Acquisitions of Alstom shares	(69)
Acquisitions of Colas shares	(19)
Acquisitions of other equity holdings	(25)
Operating and other items	(772)
Net debt at 31 March 2008	(5,270)

9.1. ANALYSIS BY ACCOUNTING CLASSIFICATION

	Q1 2008	Q1 2007
Sales of goods	530	484
Sales of services	2,867	2,578
Construction contracts	3,418	2,859
Sales	6,815	5,921
Other revenues from operations	32	37
Total	6,847	5,958

9.2. ANALYSIS BY BUSINESS SEGMENT

BUSINESS SEGMENT	2008 first-quarter sales				2007 first-quarter sales			
	France	International	Total	%	France	International	Total	%
Construction	1,241	907	2,148	31	1,098	673	1,771	30
Property	523	41	564	8	323	37	360	6
Roads	1,507	673	2,180	32	1,335	568	1,903	32
Media	584	70	654	10	627	71	698	12
Telecoms	1,197		1,197	18	1,121		1,121	19
Bouygues SA & other activities	1	71	72	1		68	68	1
Consolidated sales	5,053	1,762	6,815	100	4,504	1,417	5,921	100
% year-on-year change	12%	24%	15%					

9.3. ANALYSIS BY GEOGRAPHICAL SEGMENT

	2008 first-quarter sales		2007 first-quarter sales	
	Total	%	Total	%
France	5,053	74	4,504	76
European Union	748	11	580	10
Rest of Europe	212	3	160	3
Africa	365	5	270	4
Middle East	43	1	33	1
United States and Canada	159	2	173	3
Central and South America	35	1	47	1
Asia-Pacific	200	3	154	3
Total	6,815	100	5,921	100

Operating profit rose by 14% (Bouygues Immobilier up 117%, Bouygues Construction up 47%); see note 13 for details.

	Q1 2008	Q1 2007
Sales	6,815	5,921
Other revenues from operations	32	37
Purchases used in production and external charges	(4,557)	(4,030)
Taxes other than income tax	(167)	(154)
Personnel costs	(1,576)	(1,390)
Net depreciation, amortisation, provisions and impairment losses		
- Depreciation and amortisation expense	(300)	(274)
- Net charges to provisions and impairment losses (1)	(45)	(37) ^(*)
Changes in production and property development inventories	24	129
Other income and expenses from operations	161	137
- Reversals of unused provisions and impairment losses	36	41
- Gains on disposals of non-current assets	14	14
- Other income and expenses	111	82
Current operating profit	387	339
Other operating income and expenses		
Operating profit	387	339^(*)

^(*) Includes +€3m 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

(58)

ANALYSIS OF COST OF NET DEBT

	03/2008	03/2007
- Net debt	(59)	(56)
- Finance leases	(1)	0
- Financial instruments	2	10
Total	(58)	(46)

. See Note 13 ("Segment information") for a breakdown by business segment for the three months ended 31 March 2008.

. The line "Other financial income and expenses", presented below "Cost of net debt" in the income statement for the three months ended 31 March 2008, includes the change in the fair value of financial instruments during the period.

ANALYSIS OF INCOME TAX EXPENSE

	First quarter of 2008			First quarter of 2007 (*)		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(111)	(2)	(113)	(123)	(1)	(124)
Change in deferred tax liabilities	1	2	3	5	1	6
Change in deferred tax assets	13	(1)	12	21	1	22
Total	(97)	(1)	(98)	(97)	1	(96)

(*) Includes -€1m 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: 31 MARCH 2008 VS. 31 MARCH 2007 OR 31 DECEMBER 2007

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL 2008	TOTAL ^(*) 2007
							Q1 2008	Q1 2007 ^(*)
INCOME STATEMENT								
Total sales	2,210	564	2,189	658	1,200	122	6,943	6,026
Inter-segment sales	(62)		(9)	(4)	(3)	(50)	(128)	(105)
Third-party sales	2,148	564	2,180	654	1,197	72	6,815	5,921
Operating profit	75	50	(60)	99	229	(6)	387	339
Cost of net debt	24	(2)	2	(4)	2	(80)	(58)	(46)
Income tax expense	(30)	(16)	18	(29)	(80)	39	(98)	(96)
Share of profits and losses of associates	1		12	2		76⁽¹⁾	91	52
Net profit attributable to the Group	70	24	(26)	30	135	(9)	224	191
							31/03/08	31/12/07
BALANCE SHEET								
Property, plant and equipment⁽²⁾	516	13	2,136	162	2,326	376	5,529	5,564
Intangible assets	66	3	69	212	718	6	1,074	1,073
Goodwill⁽³⁾	334		1,060	1,094	2,651		5,139	5,123
Investments in associates	95		485	257		3,690⁽⁴⁾	4,527	4,393
Trade receivables	2,025	116	2,906	682	638	349	6,716	6,911
Cash and equivalents	451	91	311	51	8	1,678	2,590	3,386
Non-current debt	343	85	189	572	14	5,827	7,030	7,067
Non-current provisions	590	85	593	48	97	109	1,522	1,493
Current debt	9	143	37	15	6	180	390	328
Trade payables	2,298	495	2,154	715	832	219	6,713	7,442
							Q1 2008	Q1 2007
CASH FLOW STATEMENT								
Capital expenditure, net of disposals	(74)	(2)	(77)	(24)	(130)	(2)	(309)	(230)
Net acquisitions of investments in consolidated companies and other investments	(12)	(5)	(1)	(3)		(92)⁽⁵⁾	(113)	(68)
							Q1 2008	Q1 2007
OTHER INDICATORS								
EBITDA	120	48	19	126	379	4	696	609

(*) Proforma, restated for retrospective application of change in accounting policy for retail customer loyalty programme provision, impact on net profit +€2m

(1) Includes contribution from Alstom of €76m (after 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 €3,682m for Alstom, see note 3.4.

(5) Includes acquisitions of additional shares in Alstom (€69m) and in Colas (€19m)

NOTE 14**PRINCIPAL EXCHANGE RATES**

Convention : 1 local currency unit = x euros

Country	Currency	Closing rate		Average rate for the period	
		<u>31/03/08</u>	31/12/07	Q1 2008	FY 2007
<u>EUROPE</u>					
Denmark	Danish krone	0.134106	0.134079	0.134162	0.134205
United Kingdom	Pound sterling	1.256597	1.363605	1.299433	1.455005
Hungary	Hungarian forint	0.003855	0.003941	0.003831	0.003978
Poland	Polish zloty	0.283930	0.278280	0.280980	0.264907
Czech Republic	Czech koruna	0.039471	0.037554	0.039148	0.036059
Romania	Romanian leu	0.268327	0.277185	0.268413	0.299315
Switzerland	Swiss franc	0.635405	0.604339	0.629274	0.607576
<u>NORTH AMERICA</u>					
United States	US dollar	0.632431	0.679302	0.654322	0.727786
Canada	Canadian dollar	0.616295	0.692089	0.652642	0.682012
<u>REST OF THE WORLD</u>					
Morocco	Moroccan dirham	0.087006	0.088090	0.087504	0.089048
Thailand	Thai baht	0.020087	0.022831	0.020976	0.022643
Hong Kong	Hong Kong dollar	0.081251	0.087108	0.084021	0.092928
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.078053	0.099703	0.084142	0.103267