



BOUYGUES

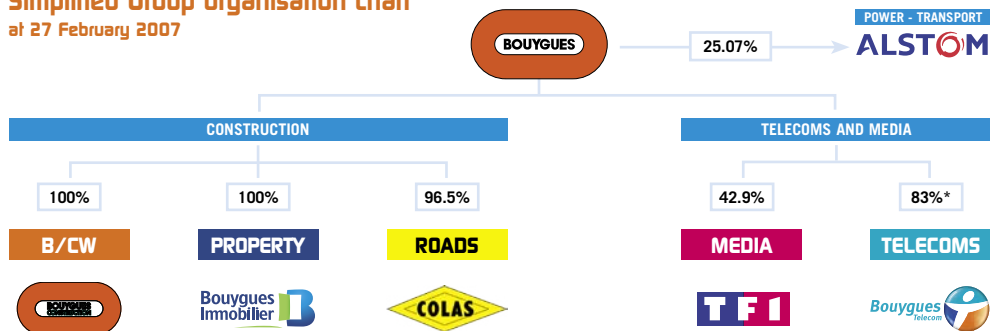
IN BRIEF
2006

FEBRUARY 2007

BOUYGUES

Simplified Group organisation chart

at 27 February 2007



* consolidated at 89.5% since June 2005

Group senior management

at 27 February 2007

Bouygues parent company

Martin Bouygues
Chairman and CEO

Olivier Poupart-Lafarge
Deputy CEO

Olivier Bouygues
Deputy CEO

Alain Pouyat
Executive VP,
Information Systems and New Technologies

Jean-Claude Tostivin
Senior VP, Human Resources and Administration

Lionel Verdouck
Senior VP, Cash Management and Finance

Jean-François Guillemin
Corporate Secretary

Heads of the five business areas

Yves Gabriel
Chairman and CEO, Bouygues Construction

François Bertière
Chairman and CEO, Bouygues Immobilier

Alain Dupont
Chairman and CEO, Colas

Patrick Le Lay
Chairman and CEO, TFI

Philippe Montagner
Chairman and CEO, Bouygues Telecom

Board of Directors

at 27 February 2007

Martin Bouygues
Olivier Poupart-Lafarge
Olivier Bouygues
Pierre Barberis
Former Deputy CEO, Oberthur
Patricia Barbizet
CEO and director, Artémis

François Bertière
Chairman and CEO,
Bouygues Immobilier

Mrs Francis Bouygues
Georges Chodron de Courcel
Deputy CEO, BNP Paribas

Charles de Croisset
International Advisor to
Goldman Sachs International

Michel Derbesse
Former Deputy CEO, Bouygues

Lucien Douroux
Former Chairman of the
Supervisory Board, Crédit
Agricole Indosuez

Alain Dupont
Chairman and CEO, Colas
Yves Gabriel
Chairman and CEO,
Bouygues Construction

Jean-Michel Gras
Director representing
employee shareholders

Thierry Jourdain
Director representing
employee shareholders

Patrick Kron
Chairman and CEO, Alstom

Patrick Le Lay
Chairman and CEO, TFI

Jean Payrelevalde
Vice-Chairman,
Leonardo France

François-Henri Pinault
Chairman and CEO, PPR

Michel Rouger
Former Presiding Judge of the
Paris Commercial Court

Largest shareholders at 31 December 2006

SCDM: 18.7% (voting rights: 27.6%)
Employees: 13.2% (voting rights: 17.1%)

SCDM is a company controlled by Martin and Olivier Bouygues.

Our assets

- A strong corporate culture
- A strategy that looks to the long term
- Solid positions on buoyant markets with good visibility
- A major international presence
- Long-term executive and employee shareholders
- A balanced financial profile

AN OUTSTANDING PERFORMANCE



Bouygues turned in an outstanding performance in 2006, achieving a 50% rise in net profit and a 10% rise in sales.

Profitability in the three construction businesses improved further in a context of intensive commercial activity buoyed by favourable economic conditions.

Bouygues Construction booked a 38% increase in orders to reach record levels.

Bouygues Immobilier grew faster than the market, especially in the residential sector.

Colas increased its order book by 18% for

the second year running and reported a substantial improvement in sales and net profit.

TF1, which continues to be France's leading TV channel in terms of audience share and advertising revenue, has refocused on its business as a multimedia content provider.

Bouygues Telecom has been a shining success thanks to its Neo and Exprima contracts. It now has 8.7 million customers and reported the fastest sales growth of the three French operators in 2006.

A major event, the acquisition of a stake in Alstom in April 2006, was backed up by a cooperation agreement which is implemented pragmatically, giving Bouygues an opportunity to expand in the promising power and transport sectors.

The ordinary dividend is to rise by 33%. The Board of Directors will ask the Annual General Meeting on 26 April 2007 to approve the payment of a dividend of €1.20 per share.

We stepped up our sustainable development policy with initiatives that included publishing a Code of Ethics and signing up to the UN Global Compact. In 2007 we will be launching Bouygues Partage, a new capital increase reserved for employees, to give them an ever-increasing share of the Group's performance.

I am confident in our future, since the outlook is bright indeed. By the end of 2007, we will have recruited 35,000 new employees worldwide in two years, 20,300 of them in France. I should like to thank our employees for their hard work and their commitment, on which our present and future success depend, and our shareholders, whose confidence and support are essential.

27 February 2007
Martin Bouygues
Chairman and CEO

Sales
€26,408m

+10%

Operating profit
€1,877m

+8%

Net profit
att. to the Group
€1,246m

+50%

Earnings per share
€3.71

+48%

Debt-to-equity ratio

64%

Cash flow
€3,155m

+2%

Net dividend
per share
€1.20

+33%

Sales target 2007
€28,600m

+8%

HIGHLIGHTS OF 2006

Bouygues-Alstom partnership

In a new strategic move for the Group in the power and transport sectors, Bouygues and Alstom signed a commercial and operational partnership agreement on 26 April 2006. At the same time, Bouygues acquired a 21% stake in Alstom which it raised to 25.1% in December. Cooperation between the two groups has now been established, with teams working increasingly side by side (see pp. 24-25).



Strong commercial activity in construction

Bouygues' construction businesses benefited in particular from favourable conditions in the building segment in France and across the entire roads sector.



- Bouygues Construction's order intakes:
38% up on 2005
- Bouygues Immobilier's reservations:
31% up on 2005
- Colas' order book:
18% up on 2005

TF1

TF1 took a 33.5% stake in the television group AB. The tie-up between TPS and Canal+ Group was completed, generating a €212 million capital gain for TF1.

FACTS AND FIGURES

16,700

employees hired by the Group in 2006, including 10,300 in France. The Group expects to hire at least the same number again in 2007.

22.2 million

viewers of the Football World Cup semi-final between Portugal and France on 5 July. It was the highest audience rating for any channel since the creation of Médiamat* in 1989.

Major success for Neo



Ten years after introducing the talk plan concept in France, Bouygues Telecom has put unlimited calling at the core of its strategy with the launch on 1 March 2006 of Neo and Exprima, two completely new types of contract. Boosted by these innovative offerings, Bouygues Telecom reported excellent sales in 2006, signing up over 1.2 million Neo customers by 31 December.

Sustainable development

The Group took a number of major initiatives during the year, such as stepping up executive training, publishing a Code of Ethics and signing up to the UN Global Compact (see pp. 7-8).

13.2%

is the percentage of the share capital owned by employees at 31 December 2006, making Bouygues the CAC 40 company with the highest level of employee share ownership.

€16.3 billion

was Bouygues' market capitalisation at 31 December 2006, 17% higher than at 31 December 2005.

* the main TV audience measurement system in France

SHARP RISE IN PROFITABILITY

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

ASSETS (€ million)	2005	2006	LIABILITIES (€ million)	2005	2006
• Tangible and intangible fixed assets	5,671	6,061	• Shareholders' equity att. to the Group	4,630	5,347
• Goodwill	4,618	4,781	• Minority interests	931	1,146
• Non-current financial assets	1,155	4,298	SHAREHOLDERS' EQUITY	5,561	6,493
NON-CURRENT ASSETS	11,444	15,140	• Long-term debt	4,721	6,844
• Current assets	9,375	10,904	• Non-current provisions	1,265	1,432
• Cash and equivalents	3,215	3,776	• Other non-current liabilities	89	75
CURRENT ASSETS	12,590	14,680	NON-CURRENT LIABILITIES	6,075	8,351
• Held-for-sale assets	564	-	• Debt (amount due within one year)	694	867
TOTAL ASSETS	24,598	29,820	• Current liabilities	11,740	13,862
			• Overdrafts and short-term bank borrowings	178	247
			CURRENT LIABILITIES	12,612	14,976
			• Liabilities on held-for-sale assets	350	-
			TOTAL LIABILITIES	24,598	29,820
			• Net debt	2,352	4,176

CONSOLIDATED INCOME STATEMENT

(€ million)	2005	2006
SALES	23,983	26,408
CURRENT OPERATING PROFIT	1,849	1,921
• Other operating income and expenses	(104)	(44)
OPERATING PROFIT	1,745	1,877
• Cost of net debt	(186)	(200)
• Other financial income and expenses	(29)	(22)
• Income tax expense	(570)	(555)
• Share of profits and losses of associates	62	118
NET PROFIT BEFORE RESULTS OF DISCONTINUED AND HELD-FOR-SALE OPERATIONS	1,022	1,218
• Net profit of discontinued and held-for-sale operations	16	364
NET PROFIT	1,038	1,582
• Minority interests	(206)	(336)
CONSOLIDATED NET PROFIT attributable to the Group	832	1,246

CONSOLIDATED CASH FLOW STATEMENT

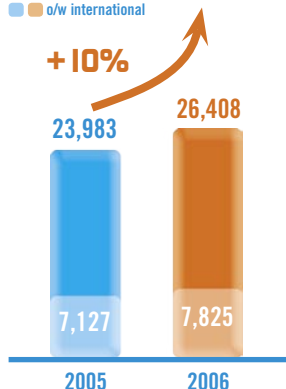
(€ million)	2005	2006
Operating activities		
• Cash flow from operations	3,090	3,155
• Change in working capital requirement related to operations	(511)	(18)
A - NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	2,579	3,137
Investing activities		
• Net operating investment	(1,229)	(1,606)
• Other investing activities	688	(2,528)
B - NET CASH FLOW USED IN INVESTING ACTIVITIES	(541)	(4,134)
Financing activities		
• Dividends paid during the year	(2,004)	(437)
• Other financing activities	(93)	1,953
C - NET CASH FLOW USED IN FINANCING ACTIVITIES	(2,097)	1,516
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	88	(27)
CHANGE IN NET CASH (A + B + C + D)	29	492
• Net cash position at beginning of period	3,008	3,037
• Net cash position at end of period	3,037	3,529

THE GROUP'S PERFORMANCE IN 2006

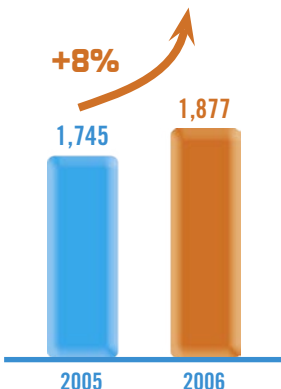
(€ million)

Sales ⁽¹⁾

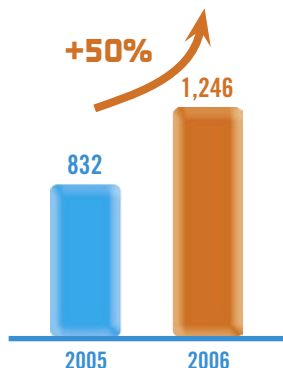
■ a/w international



Operating profit ⁽¹⁾

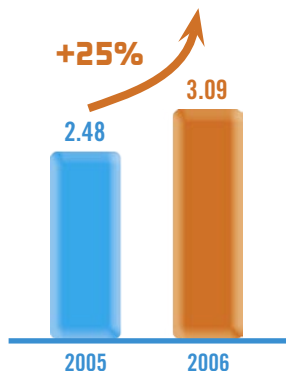


Net profit att. to the Group



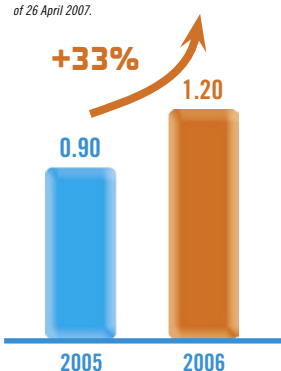
Recurring earnings* per share

* €

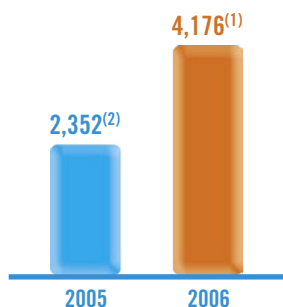


Net dividend* per share

* €, excl. exceptional payout; to be proposed at the AGM of 26 April 2007.



Net debt



(1) excl. TPS and Bouygues Telecom Caraïbe (BTC) (2) excl. TPS

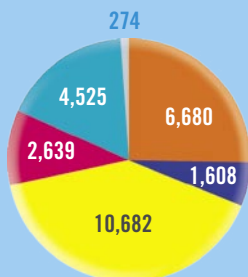
Stock market performance since end-2005



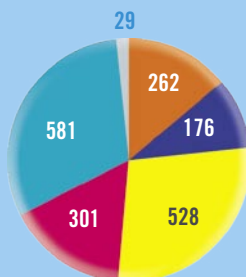
CONTRIBUTION BY BUSINESS AREA

(€ million)

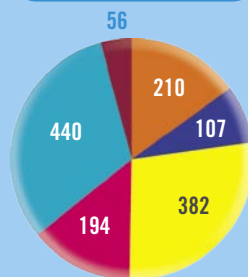
Sales



Operating profit

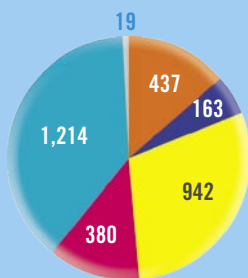


Net profit att. to the Group ⁽¹⁾

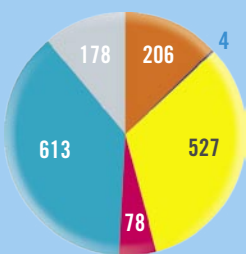


(1) Holding company and other reported a net loss of €143m

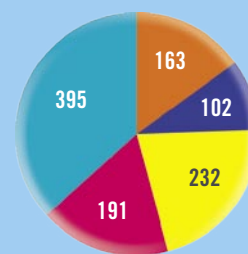
Cash flow



Net operating investments



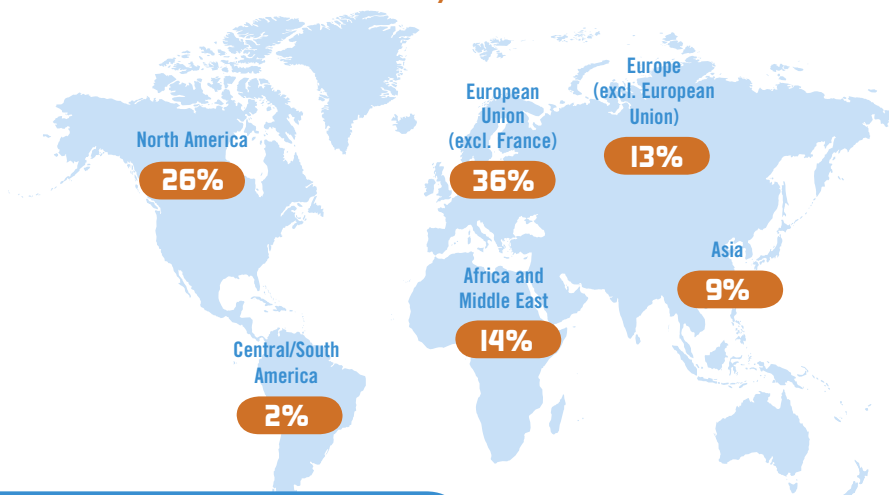
Free cash flow ⁽²⁾



(2) Holding company and other reported negative free cash flow of €294m

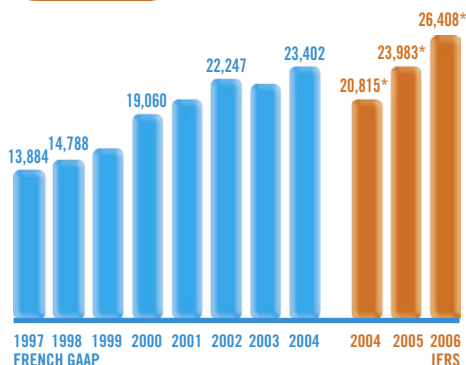
■ Bouygues Construction ■ Bouygues Immobilier ■ Colas ■ TF1 ■ Bouygues Telecom ■ Holding company and other ■ Alstom

INTERNATIONAL SALES: €7,825m



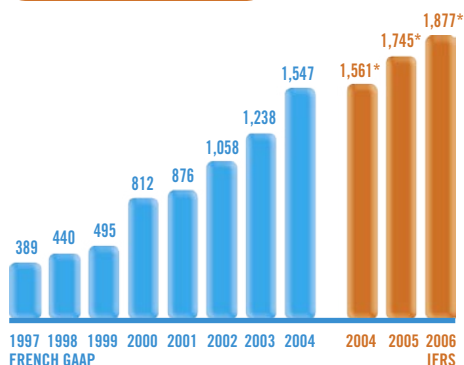
KEY INDICATORS OVER THE LAST 10 YEARS

Sales (€m)



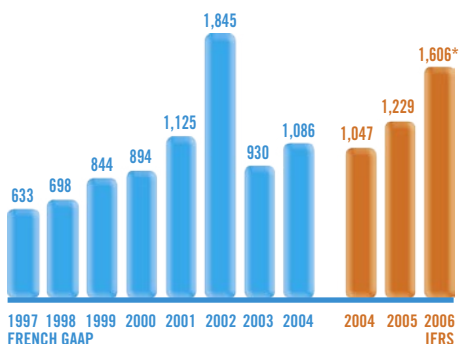
* excl. TPS and Bouygues Telecom Caraïbe (BTC)

Operating profit (€m)



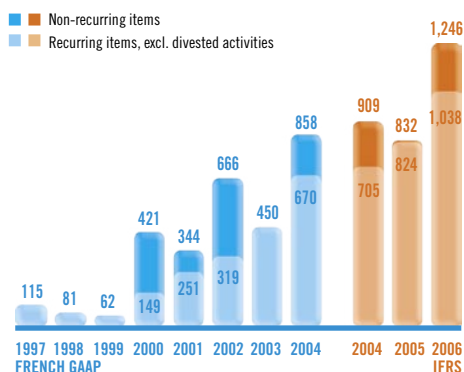
* excl. TPS and BTC

Net operating investments (€m)



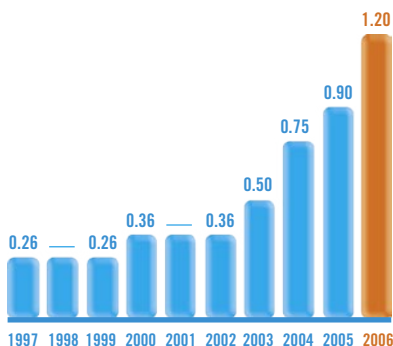
* excl. TPS

Net profit att. to the Group (€m)

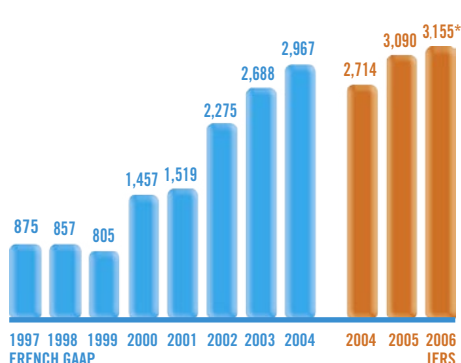


■ Non-recurring items
■ Recurring items, excl. divested activities

Ordinary dividend (€ per share)



Cash flow (€m)



* excl. TPS

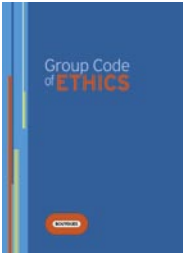


Our strategy

Sustainable development is an integral part of the Group's strategy in all its businesses. Applying the principle of continuous improvement, Bouygues SA and its subsidiaries have drawn up roadmaps in response to the challenges they face. The roadmaps include measurable targets. In 2005, Bouygues SA created a Sustainable Development Department headed by Deputy CEO Olivier Bouygues. Its mission is to foster a virtuous circle based on sharing best practices and improving performance across the board. The aim is to step up and rationalise efforts in that direction and measure their long-term effects. Customers and staff alike have high expectations for sustainable development.

Code of Ethics

Martin Bouygues, Chairman and CEO, decided in September 2006, with the approval of the Board of Directors, that Bouygues should



have a Code of Ethics. The 16-page document contains 18 principles for action.

They apply to all employees at all times, everywhere in the world. The Code of Ethics aims to unite employees and managers around the Group's core convictions, of which it is the formal, written expression. It should help them to take decisions and encourage them to consult their line managers and

legal departments when in doubt. It institutes a whistleblowing system. Translated into 26 languages, the Code of Ethics is being distributed to all Bouygues group employees.

Global Compact

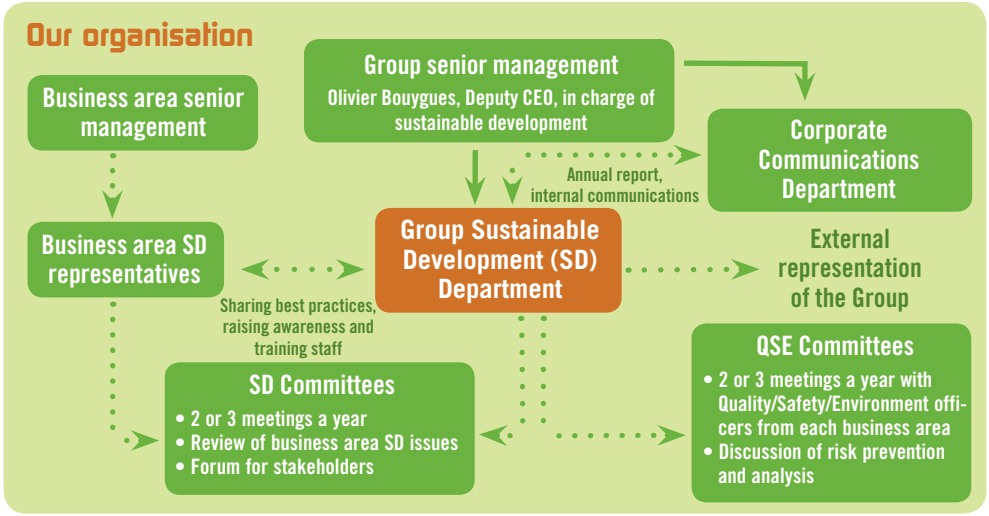
Bouygues SA signed up to the United Nations Global Compact on 8 December 2006. The participation



THE GLOBAL COMPACT

of the parent company, joining Bouygues' five business areas, means that the entire Group is now committed to the initiative.

Within the framework of the Global Compact, Bouygues undertakes to embrace, support and enact a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.



SUSTAINABLE DEVELOPMENT

Bouygues Partage

To give our employees a share in the Group's good results, an employee share ownership plan – accessible



on equal terms – will be introduced in 2007, subject to approval from the French stock market

regulator, the AMF.

Bouygues Partage combines three advantages:

- a 20% discount for the subscription of three Bouygues shares,
- an employer's matching contribution equivalent to the purchase price of nine shares per investor,
- gearing, which brings the number of subscribed shares to 120. After five years, each employee will thus be able to own 12 shares and any capital gains on 108 other shares.

Employee share ownership

Counting all staff-only mutual funds, employees are jointly Bouygues' second largest shareholder with 13.2% of the stock and 17.1% of the voting rights. This figure makes Bouygues the French CAC 40 company with the highest level of employee share ownership.

Francis Bouygues Foundation

The Francis Bouygues Foundation, created in 2005, helps deserving high-school leavers to continue in higher education. With a Bouygues employee as their mentor, each student is given a grant of €1,500 to €8,000 a year for four to six years. Following the 17 students selected in 2005, the Foundation chose 49 recipients to form its Class of '06.

High-school experiment

Bouygues is providing €200,000 a year over three years to support an experimental high-school project instigated by the Paris Institute of Political Studies to combat under-achievement at school in the northern suburbs of Paris. The project, launched in September 2006, concerns 17 general and vocational tenth-grade classes in four high schools.

Ethics and training

A total of 2,511 managers have attended "Development of Bouygues Values" and "Respect & Performance" seminars since their

creation. Organised by Bouygues SA, the seminars recommend how managers should approach issues of ethics and respect in their relations inside and outside the Group. A new seminar on "Social & Environmental Responsibility" was introduced at the end of 2006 and will be attended by over 100 managers in 2007.

The Minorange Guild

The Minorange Guild, created by Francis Bouygues in 1963 to recognise achievement in the construction trades, now has 949 members in 16 orders. Colas has applied the guild principle in the roads sector with its Order of Compagnons de la Route.



122,561 employees (+6%) at 31 December 2006

Professional status

53% **27%** **20%**

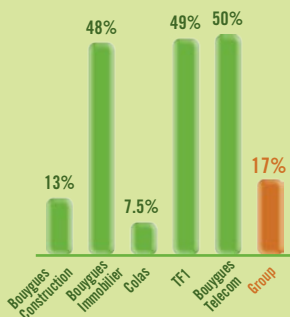
Site workers Clerical & technical Managerial

69,000 employees in France

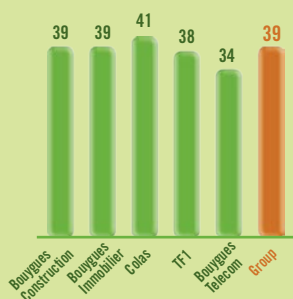
96.4% of employees on permanent contracts

3.6% on fixed-term contracts

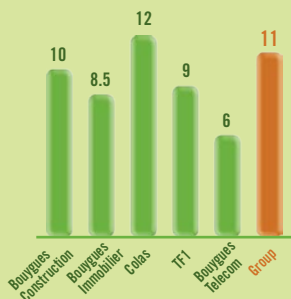
Proportion of women by business area in France



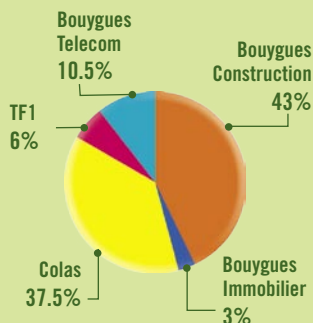
Average age in France: 39



Average seniority in France: 11 years



10,340 employees hired in France in 2006



64% **36%**
< 30 years old > 30 years old

42% **32%** **26%**
Site workers Clerical & technical Managerial

77% **23%**
Permanent contracts Fixed-term contracts

Our values

People are our greatest resource.

Customers are the reason for the company's existence and satisfying them our only goal.

Quality is the key to competitiveness.

Creativity enables us to offer our customers original, practical solutions at the best cost.

Technical innovation, which improves the cost and efficiency of our products, underpins our success.

Respect for oneself, for others and for the environment inspires our everyday behaviour.

Promotion is based on individual merit.

Training gives our people the means to extend their knowledge and enhance their professional life.

Young people and their potential will forge the company's future.

Challenge drives progress. To stay a leader, we must act like a challenger.

Attitude is more powerful than technical and economic strength alone.

R&D expenditure
€ 102m in 2006

SUSTAINABLE DEVELOPMENT

Challenges in 2007

Bouygues Construction

The challenges facing Bouygues Construction are reflected in seven priorities for progress, including:

- ensure that our businesses respect the environment,
- lead our business sectors in terms of health and safety,
- develop employees' skills and establish balanced, long-term relationships with partners, suppliers and sub-contractors.

Bouygues Immobilier

- Take even greater account of environmental criteria in housing projects (see opposite).
- Systematically conduct quality surveys.
- Recruit more widely, especially through apprenticeships.
- Continue to make housing more widely accessible with the Maisons Elîka line (see opposite).

Colas

- Continue to lead the way in recruitment and safety.
- Save energy, especially reducing dependence on fossil energies.
- Introduce eco-design and lifecycle analysis for new bitumen substitutes, road marking resins, etc.
- Recycle, notably with the introduction of a specific indicator.

Highlights of 2006



Organisation

In 2006, Bouygues Construction's sustainable development policy, which used to rely on isolated initiatives, was structured around seven priorities for progress. These seven priorities have in turn generated 42 practical actions to be implemented by subsidiaries.

New ergonomic form panel

With a supplier, Bouygues Construction has developed a new form panel* with optimised ergonomic, safety and performance features. Over 200 people were involved in the design process. The new form panel will gradually replace the 48,000-sq.-metre stock of existing panels.

Sustainable Development Charter

A Sustainable Development Charter for suppliers and sub-contractors was drawn up in

2006. By signing it, they agree to comply with rules relating to working standards, health and safety, fairness and respect for the environment. The charter will gradually be attached to contracts and included in an audit policy.

Integration of the disabled



ETDE, Bouygues Construction's electrical contracting and maintenance subsidiary, has signed a three-year agreement between unions and management containing four commitments to integrating the disabled: raising awareness among staff, recruiting disabled workers (60 by 2008), keeping currently employed disabled workers (130), and sub-contracting work to the sheltered sector (€100,000 in sales in 2006).



(*) used for pouring concrete walls

H&E certification

As of 1 July 2007, all building permit applications submitted by Bouygues Immobilier for housing developments will have "Habitat & Environment" certification. A number of environmental criteria must be met in order to obtain the H&E certificate, which is issued by Cerqual, a body comprising consumer associations, housing sector players, public authorities and public-interest organisations.



Sponsorship



A founding partner of the Cité de l'Architecture et du Patrimoine, Bouygues Immobilier has signed a three-year sponsorship agreement with the museum, established in 2006 to promote architecture in France.

Maisons Elîka

In November 2006, Bouygues Immobilier launched Maisons Elîka, affordable housing for people with monthly income of €1,500–2,500 who are currently unable to get onto the housing

ladder. The aim is to complete the first Maisons Elîka detached houses in 2007 and build 1,000 houses a year from 2010, which could represent up to 10% of Bouygues Immobilier's housing business.

More apprentices

Bouygues Immobilier recruited 370 employees in 2006, increasing its headcount by over 30%. The company opted to multiply the number of apprentices by six, helping to train the young people concerned for a recognised diploma.



Prize-winning oysters

Prosign, a Colas subsidiary, gained the Pierre Potier award for Ostréa, a road-marking product which replaces limestone with recycled oyster shells. It also uses the Vegemark binder, made from oleaginous raw materials instead of petrochemical products.



Reconstruction



Under the aegis of UNESCO, Colas is rebuilding the Rova, also known as the Queen's Palace, a historic monument in Antananarivo, the capital of Madagascar. Colas has donated €500,000 to the cost of the project, visited in 2006 by Kofi Annan, then Secretary-General of the United Nations.

Savings in Portsmouth

The authorities in Portsmouth, UK have reported savings of 20% a year since Colas started to manage the city's road network under a PPP contract. The savings stem in particular from optimised maintenance choices and flexible intervention in the event of damage.

A valuable alternative

A technical alternative proposed by Colas for the bypass project in Carmaux, southern France enabled the town to make a 40% saving on mixes, representing 44,000 tonnes of materials including 3,000 tonnes of bitumen. The alternative also cut construction time by 9% and reduced the overall cost by 20% compared with the basic design.

SUSTAINABLE DEVELOPMENT

Challenges in 2007

TF1

- Continue actions to ensure full compliance with the CSA Charter and BVP (advertising standards authority) recommendations, taking part in discussions on emerging issues relating to the social responsibility of the media and advertisers.
- Reflect the concerns and diversity of society in our programme schedules.
- Keep a strong link between the TF1 group and civil society and step up community action.
- Keep company benefits at a high level and ensure that working conditions continue to enhance the well-being of staff.
- Ensure that environmental measures correspond to best practice in the service sector, in particular by involving suppliers and employees.

Bouygues Telecom

- Continue to improve coverage and ensure access to mobile telephony throughout France while integrating base stations into their environment.
- Step up the collection of used handsets in partnership with Bouygues Telecom's subsidiary RCBT in order to recycle them through suitable channels and promote ecologically responsible behaviour among consumers.
- Contribute to better consumer protection, in particular by improving customer information, following the reports issued by the Conseil National de la Consommation in 2006.

Highlights of 2006



Carbon audit

With support from Ademe, the French environment and energy management agency, the TF1 group carried out its first carbon audit in 2006 in order to measure greenhouse gas emissions related to its activities. The results and the corresponding action plan will be published in 2007.



Diversity

TF1 continued its efforts in 2006 to ensure that diversity of cultures and origins is reflected in its

programme schedules. Visible minorities are to be found in the cast lists for drama series, among journalists on TF1 and LCI, in audiences and among candidates for game and reality shows.

Helping good causes



For the 17th year running, TF1 lined up with the Paris-France Hospitals Foundation in January 2006 for the "Pièces Jaunes" fundraising campaign, featuring a special edition of *Who Wants to Be a Millionaire?* and special reports on news bulletins. In February, the channel aired a cancer campaign free of charge. TF1 also partnered the "Rose Marie Claire" campaign to use International Women's Day on 8 March to promote schooling for girls.



Nouvelle Cour

In 2006, TF1 and TBWA France created the Nouvelle Cour communications agency based in La Courneuve, north of Paris. Each year, the agency will take five or six young people with an advanced vocational diploma and offer them a first job for a maximum of one to two years. The project aims to foster potential talent in underprivileged suburbs.

Teleshopping and WEEE

The European directive on waste electrical and electronic equipment lays down the "polluter pays" principle. To better organise the management of waste produced by the items it sells, on 15 November 2006 Teleshopping, TF1's home shopping subsidiary, joined Ecologic, a government-approved organisation which collects and recycles waste electrical and electronic equipment.



Handset collection

The 500 Bouygues Telecom stores took back almost 50,000 old handsets in 2006, representing 3.5% of products sold in the year. Since 15 November 2006, the initiative has been extended to business and e-commerce customers. A scheme for employees has also been introduced. Profits from the collection initiative will be donated to the Nicolas Hulot Foundation



and used to finance environmental awareness camps for children.

Handsets for the disabled

To fulfil its commitment to make mobile telephony accessible to the disabled, since 2006 Bouygues Telecom has labelled its handsets according to criteria defined in conjunction with associations representing disabled people.

Earth Challenge

Bouygues Telecom's contribution to the Nicolas Hulot Foundation's Earth Challenge in 2006 took the form of an art competition, open to customers and staff, dubbed "Mobil'isons-Nous Pour La Terre". Participants were invited to create



an artwork designed to convince as many people as possible to sign up to the Earth Challenge. A total of 3,268 Bouygues Telecom employees and 153,615 customers had signed up by the end of 2006, representing 24% of all French members of the Earth Challenge.

HQE-compliant Customer Relations Centre

The new Customer Relations Centre at Bourges, opened on 5 June 2006, has been awarded High Environmental Quality (HQE) certification. Bouygues Telecom's first HQE-compliant site, it ensures that environmental impacts



are tightly controlled and offers optimum working conditions for customer advisers.

Disabled employees

The number of disabled employees at Bouygues Telecom rose by 50% in 2006 and sales with the sheltered sector almost doubled. Measures taken to support this effort included giving all staff a brochure explaining the company's policy and training executives and HR managers to give them a better understanding of disability.



FULL-SERVICE CONTRACTOR

Excellent commercial and financial performance in 2006



Machang Bridge, South Korea

Bouygues Construction is one of the world's leading construction firms. Operating in building, civil works and electrical and HVAC engineering, its know-how covers the entire project life-span from design to maintenance.

France

Bouygues Construction achieved 14% growth in both the Paris area and the rest of France in 2006. This excellent result was driven by the building segment, especially high value-added activities like property development*. The number of public-private partnership (PPP) projects is increasing. With work beginning on the A41 motorway, sales from Bouygues Travaux Publics remained above the €300 million level.

International

In Western Europe, Bouygues Construction confirmed its focus on high value-added projects such as property development in Switzerland, notably with the acquisition of Marazzi, and Private Finance Initiative (PFI) projects in the UK, including social housing, as well as hospitals and schools.

In Eastern Europe, Bouygues Construction consolidated its positions, acquiring VCES in the Czech Republic and stepping up its expansion in Russia (+64%).

In Africa, sales fell following the disposal of Basil Read in 2005.

The Asia-Pacific zone continued to flourish, with major projects in Thailand and Macao.

In Central America and the Caribbean, sales rose, driven by hotel construction and transport infrastructure projects.

In the Middle East, Bouygues Construction won a number of substantial contracts.

Electrical contracting and maintenance

ETDE continued to grow strongly (+41%). In France, ETDE broadened its range of skills and extended its geographical coverage through a proactive acquisition strategy. Elsewhere, ETDE focused on expanding its presence in Europe, acquiring four companies in 2006.

Highlights

PPP / PFI projects

- Prisons in Le Havre, Le Mans and Poitiers in France (€234m).
- Waltham Forest Schools in the UK (€39m).
- Street lighting in Redcar and Cleveland in the UK (€59m).

Major contracts concluded

- A41 motorway in France (€512m).
- Cyprus airports (€488m).
- Flamanville EPR nuclear power plant in France (€348m).
- Ritz-Carlton Hotel in Dubai (€155m).

Projects under construction

- Olkiluoto nuclear power plant in Finland (€170m).
- T1 tower in Paris-La Défense (€97m).

Projects delivered in 2006

- Lok Ma Chau tunnel in Hong Kong (€290m).
- Central Middlesex Hospital in London (€108m).

Sales 2006

€6,923m

(+13%)



Current operating margin

4.4%

(+0.3 point)



Net profit att. to the Group

€209m

(+19%)



Order book

€8,668m

(+45%)

New accounting method



Employees

42,900



Sales target 2007

€7,800m

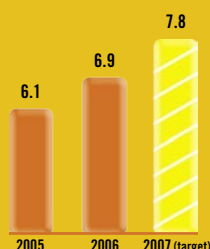
(+13%)

* identification of sites, introductions between investors and users, input of design and construction know-how



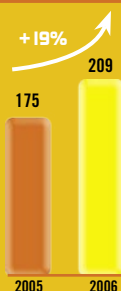
Sales

€ billion



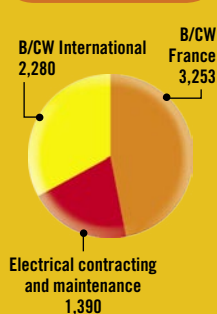
Net profit

€ million



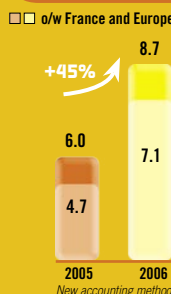
Sales by segment

€ million



Order book

€ billion



Outlook for 2007

Bouygues Construction operates on buoyant markets with bright prospects for growth. The order book amounted to €8,668 million at end-December 2006, covering 68% of forecast sales in 2007. The Group will pursue its strategy of focusing on high value-added business, especially:

- **public-private partnership projects** involving schools, hospitals and street lighting in France and the UK;
- **property development**, which generates a growing share of building activity in France and Europe;
- **infrastructure concessions**, which offer attractive prospects in the transport sector in France and elsewhere;
- **electrical contracting and maintenance**, where ETDE is maintaining a policy of external growth in France and in Europe while continuing to grow organically.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

ASSETS (€ million)	2005	2006
• Tangible and intangible fixed assets	265	400
• Goodwill	175	293
• Non-current financial assets	218	219
NON-CURRENT ASSETS	658	912
• Current assets	2,255	2,894
• Cash and equivalents	2,074	2,399
• Financial instruments (debt-related)	-	-
CURRENT ASSETS	4,329	5,293
• Held-for-sale assets	-	-
TOTAL ASSETS	4,987	6,205
LIABILITIES (€ million)	2005	2006
• Shareholders' equity att. to the Group	414	526
• Minority interests	4	5
SHAREHOLDERS' EQUITY	418	531
• Long-term debt	122	229
• Non-current provisions	519	587
• Other non-current liabilities	1	3
NON-CURRENT LIABILITIES	642	819
• Debt (amount due within one year)	4	5
• Current liabilities	3,849	4,744
• Overdrafts and short-term bank borrowings	74	106
• Financial instruments (debt-related)	-	-
CURRENT LIABILITIES	3,927	4,855
• Liabilities on held-for-sale assets	-	-
TOTAL LIABILITIES	4,987	6,205
NET DEBT	(1,874)	(2,059)

CONSOLIDATED INCOME STATEMENT

(€ million)	2005	2006
SALES	6,131	6,923
CURRENT OPERATING PROFIT	249	305
• Other operating income and expenses	(11)	(43)
OPERATING PROFIT	238	262
• Income generated by net financial surplus	32	51
• Other financial income and expenses	1	9
• Income tax expense	(114)	(119)
• Share of profits and losses of associates	19	8
NET PROFIT BEFORE RESULTS OF DISCONTINUED AND HELD-FOR-SALE OPERATIONS	176	211
• Net profit of discontinued and held-for-sale operations	-	-
NET PROFIT	176	211
• Minority interests	(1)	(2)
CONSOLIDATED NET PROFIT attributable to the Group	175	209

Record growth in residential reservations and a sharp rise in profit



Exallis Tower in Paris-La Défense

Highlights

Residential

- 10,852 housing units reserved (+32%).
- Sharp rise outside the Paris area (+43%).
- Expansion in Poland (+68%).

Commercial/corporate

- Recovery in France (145,000 sq. metres sold).
- Rise in reservations (+27%) to €466m.
- Sale of 38,000 sq. metres in Nanterre.
- Delivery of 36,000 sq. metres of office space in Madrid (Cristalia).

Development

- Contract awarded for La Berge du Lac in Bordeaux: 1,545 housing units on a 30-hectare (75-acre) site.
- Agreement with Cerqual for "Habitat & Environment" certification of all housing development projects in France.
- Launch of Maisons Elîka, a range of affordable housing.

Sales 2006

€1,608m

(+3%)

• • •

Current operating margin

10.9%

(+0.9 point)

• • •

Net profit att. to the Group

€107m

(+19%)

• • •

Employees

1,245

• • •

Sales target 2007

€2,000m

(+24%)

With 33 branches in France and eight subsidiaries elsewhere in Europe, Bouygues Immobilier develops residential, office and retail park projects. The company increased its market share in 2006.

In robust financial health and on the back of a 19% rise in profit, Bouygues Immobilier opened new branches in Caen, Metz and Reims in 2006. It also created a special unit to work on major urban development projects with local government partners, combining social or unregulated housing, shops, offices and public amenities.

Residential property

The residential property market continued to thrive in 2006, sustained by generally low (albeit rising) interest rates. Growth in house prices slowed, as did the rate of sales, while remaining firm.

The number of reservations rose by 32% to 10,852 units, including 643 in Europe (excluding France). The rise in France was also 32%, with the Paris area contributing 14% and the rest of the country 43%, driven by strong growth in southern and south-eastern France, the Rhône-Alpes region and the Atlantic coast.

Residential property sales increased by 20%.

Commercial and corporate property

The French corporate property market picked up as placed demand (leases signed) rose sharply. Bouygues Immobilier reported a 59% increase in reservations by value to €417 million, led by strong growth outside the Paris region (+69%).

A number of projects are currently under way in the Paris area, including in Issy-les-Moulineaux (160,000 sq. metres), Meudon (79,000 sq. metres), Saint-Denis (39,000 sq. metres) and Nanterre (15,000 sq. metres).

Europe

Bouygues Immobilier continued to expand its operations in Europe, generating 13.5% of its 2006 sales in Spain, Portugal, Poland, Germany and Belgium.



Sales

€ million



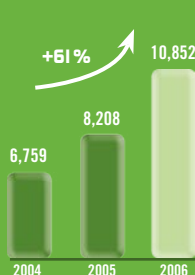
Net profit

€ million



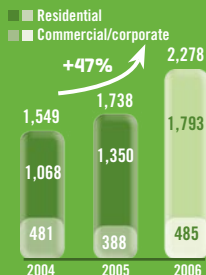
Residential

Reservations, units



Reservations

€ million



Outlook for 2007

Bouygues Immobilier intends to consolidate its position as France's leading property developer and as a key player in Europe. Its strategy for 2007 is as follows:

- **residential property:** pursue vigorous but managed growth, especially in the French regions, Poland and Belgium;
- **offices:** focus on the sale and production of projects during the development phase;
- **"Habitat & Environment" certification:** implement the process for all housing development projects;
- **maintain a high level of profitability** and a robust financial structure.

The company expects a further rise in residential property reservations to grow its share of a stable market and a sharp upturn in the corporate property segment. Sales in 2007 are likely to increase significantly as a result of vigorous commercial activity in 2005 and 2006.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

ASSETS (€ million)	2005	2006
• Tangible and intangible fixed assets	47	13
• Goodwill	-	-
• Non-current financial assets	34	46
NON-CURRENT ASSETS	81	59
• Current assets	957	1,484
• Cash and equivalents	237	144
• Financial instruments (debt-related)	-	-
CURRENT ASSETS	1,194	1,628
• Held-for-sale assets	-	-
TOTAL ASSETS	1,275	1,687
LIABILITIES (€ million)	2005	2006
• Shareholders' equity att. to the Group	284	330
• Minority interests	1	1
SHAREHOLDERS' EQUITY	285	331
• Long-term debt	72	38
• Non-current provisions	79	85
• Other non-current liabilities	5	3
NON-CURRENT LIABILITIES	156	126
• Debt (amount due within one year)	14	78
• Current liabilities	819	1,150
• Overdrafts and short-term bank borrowings	1	2
• Financial instruments (debt-related)	-	-
CURRENT LIABILITIES	834	1,230
• Liabilities on held-for-sale assets	-	-
TOTAL LIABILITIES	1,275	1,687
NET DEBT	(150)	(26)

CONSOLIDATED INCOME STATEMENT

(€ million)	2005	2006
SALES	1,557	1,608
CURRENT OPERATING PROFIT	156	176
• Other operating income and expenses	-	-
OPERATING PROFIT	156	176
• Cost of net debt	1	(1)
• Other financial income and expenses	(12)	(10)
• Income tax expense	(53)	(56)
• Share of profits and losses of associates	-	-
NET PROFIT BEFORE RESULTS OF DISCONTINUED AND HELD-FOR-SALE OPERATIONS	92	109
• Net profit of discontinued and held-for-sale operations	-	-
NET PROFIT	92	109
• Minority interests	2	2
CONSOLIDATED NET PROFIT attributable to the Group	90	107



THE WORLD'S LEADING ROAD

Further profitable growth in 2006,
sharp rise in sales and net profit



Trapp quarry in Reon-l'Étape, Vosges region, France

Colas operates in all segments of roadbuilding and transport infrastructure. It also spans the full range of upstream industrial activities, from quarries and mixing plants to units producing emulsions and binders.

Colas reported 12% sales growth in France and on international markets in 2006 thanks to the excellent performance of its network of local subsidiaries, which operate in buoyant markets in over 40 countries, and favourable weather conditions.

Net profit rose by 29% to €396 million despite an almost constant rise in raw material prices, especially oil products.

Highlights

Mainland France

Resurfacing of the A5, A9, A16, A26 and A29 motorways; construction of bypasses in Meaux, Beauvais and Jarnac; renovation of runway 4 at Orly airport; tramways and bus lanes in Marseille, Montpellier, Saint-Étienne, Le Mans, Paris and Nantes; waterproofing and cladding of satellite S3 at Roissy-CDG airport; completion of tracklaying for the East European high-speed rail line; urban surfacing projects using Vegecol-based asphalt mixes.

International and French overseas territories

PFI contract in Portsmouth, UK; construction of a section of the D1 motorway in Slovakia; construction of a wastewater treatment plant at Csepel, Hungary; renovation of the I-25, I-75 and I-585 Interstate Highways in the United States; construction of infrastructure for a mine in Madagascar; long-term road maintenance contracts in Alberta, Canada.

Sales 2006

€10,716m

(+12%)



Current operating margin

4.9%

(+0.5 point)



Net profit att. to the Group

€396m

(+29%)



Employees

60,600



Sales target 2007

€11,400m

(+6%)

Mainland France

Sales in mainland France rose by 14%, fuelled by growth in the roads, safety equipment, waterproofing and railway activities. The factors driving this performance included investment by local authorities in road maintenance, urban amenities and public transport, by the private sector in property, logistics, industrial plant and energy, and ongoing motorway, airport and railway projects, notably the East European high-speed rail line.

International and French overseas territories

Sales outside mainland France increased by 10.5%. Sales in North America (United States and Canada) rose by 15.7% to a record €2.1 billion.

Sales in the Africa/Indian Ocean/Asia zone amounted to €515 million, boosted by major infrastructure projects in Madagascar and expanding production and sales of bitumen and asphalt binders in Asia.

Sales in Europe amounted to €1.8 billion, a rise of 2.4%, muted by the effect of the completion of exceptional projects in Hungary and Belgium in 2005.

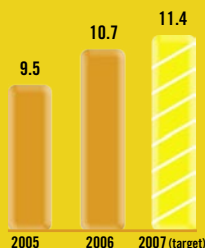
Industrial activity

Colas produced 113 million tonnes of aggregates in 2006 (it has 23 years' reserves), 54.7 million tonnes of asphalt mix, 1.5 million tonnes of emulsions and binders (of which it is the world's leading producer) and 22 million sq. metres of waterproofing membranes.



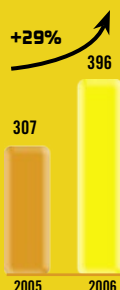
Sales

€ billion

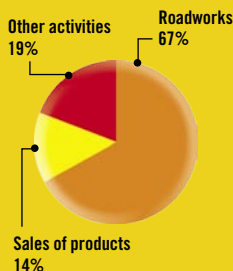


Net profit

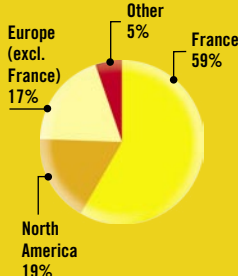
€ million



Sales by segment



Sales by region



Outlook for 2007

The order book at end-December 2006 was 18% higher than in 2005 (+12% in France, +25% in international units and in French overseas territories) and evenly spread across all activities, subsidiaries and regions.

Colas is preparing a number of tenders for motorway projects (new sections operated under concession contracts) and railway projects under PPPs.

Available information suggests a **high level of activity in the first half of 2007**, both in France and internationally. External growth could be higher than in 2006.

Colas can therefore look forward to further expansion in 2007, continuing **its profitable growth strategy**.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

ASSETS (€ million)	2005	2006
• Tangible and intangible fixed assets	1,687	1,888
• Goodwill	205	222
• Non-current financial assets	428	503
NON-CURRENT ASSETS	2,320	2,613
• Current assets	2,960	3,446
• Cash and equivalents	661	704
• Financial instruments (debt-related)	9	4
CURRENT ASSETS	3,630	4,154
• Held-for-sale assets	-	-
TOTAL ASSETS	5,950	6,767

LIABILITIES (€ million)	2005	2006
• Shareholders' equity att. to the Group	1,451	1,694
• Minority interests	27	27
SHAREHOLDERS' EQUITY	1,478	1,721
• Long-term debt	108	137
• Non-current provisions	471	513
• Other non-current liabilities	59	63
NON-CURRENT LIABILITIES	638	713
• Debt (amount due within one year)	38	32
• Current liabilities	3,687	4,171
• Overdrafts and short-term bank borrowings	100	126
• Financial instruments (debt-related)	9	4
CURRENT LIABILITIES	3,834	4,333
• Liabilities on held-for-sale assets	-	-
TOTAL LIABILITIES	5,950	6,767
NET DEBT	(415)	(409)

CONSOLIDATED INCOME STATEMENT

(€ million)	2005	2006
SALES	9,540	10,716
CURRENT OPERATING PROFIT	422	524
• Other operating income and expenses	(32)	4
OPERATING PROFIT	390	528
• Cost of net debt	(10)	(15)
• Other financial income and expenses	4	3
• Income tax expense	(121)	(168)
• Share of profits and losses of associates	49	54
NET PROFIT BEFORE RESULTS OF DISCONTINUED AND HELD-FOR-SALE OPERATIONS	312	402
• Net profit of discontinued and held-for-sale operations	-	-
NET PROFIT	312	402
• Minority interests	(5)	(6)
CONSOLIDATED NET PROFIT attributable to the Group	307	396



NUMBER-ONE TELEVISION

Still the most-watched TV channel,
a winning diversification strategy



The French series *RIS* is a major hit

Highlights

- **December:** acquisition of a 95% stake in 1001 listes, the leading wedding list website; announcement of the acquisition of a 33.5% minority interest in AB group. Almost 5 billion page hits on tf1.fr in 2006.
- **October:** launch of JET, a game show channel.
- **August:** French Finance Ministry approval of the merger between Canal+ Group and TPS.
- **June:** creation of WAT, France's leading cross-platform multimedia content publishing site; acquisition of a 20% stake in Over-Blog, the second biggest blog platform in France.
- **March:** distribution of LCI, TV Breizh and TF1 in Belgium.
- **January:** advertising and content partnership with Neuf Cegetel.

Sales 2006

€2,654m

(+6%)



Current operating margin

11.3%

(-2.2 points)



Net profit att. to the Group

€452m

(+92%)

* incl. €254m from TPS



Employees

3,800



Sales target 2007

€2,875m

(+8%)

TF1 is using a multimedia content strategy to consolidate its leading position. The group, now organised into cross-functional divisions by programme format, offers advertisers a combination of high-profile programming and strong ties with target audiences.

TF1 confirmed its position as France's most-watched TV channel with 98 of the 100 top audience ratings in 2006 (97 in 2005), its best performance since 1991. The list included 20 football matches. The Football World Cup semi-final between France and Portugal came out No. 1, attracting 22.2 million viewers and an audience share of 76.7%, the highest-ever score recorded by any channel since Médiamat started tracking French TV viewing figures in 1989. The TF1 group reported sales of €2,654 million in 2006, an increase of 6%.

Advertising

Net advertising revenue from the TF1 core channel rose by 3.7% to €1,708 million, mainly due to heavier spending by advertisers in the telecommunications and service sectors.

Diversification

Revenue from other activities increased by 10% to €946 million. The subsidiaries that contributed to sales growth included:

- **Teleshopping**, as a result of thriving internet sales and new activities, especially infomercials and stores;
- **TF1 Entreprises**, thanks to hits in the music business (*Le Roi Soleil*, Laurent Voulzy, etc.), rising sales by TF1 Games and the contribution of TF1 Hors Média;
- **theme channels**, five of which feature in the top 10 (figures from MediaCabSat Wave 11);
- **TF1 International**, with the theatrical distribution of blockbusters like *Priceless* and *The Departed*;
- **Eurosport International**, as a result of the growing number of subscriber households (over 100 million in all*) and new offerings like Eurosport 2 and WTCC (World Touring Car Championship™).

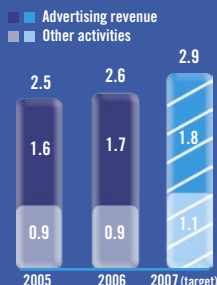
* excl. Eurosport France (6.8 million households at end-December 2006)

GROUP IN FRANCE



Sales*

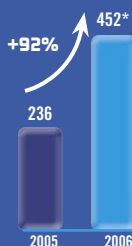
€ billion



* excl. TPS

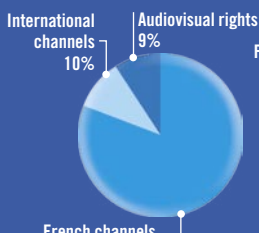
Net profit

€ million



* incl. €254m from TPS

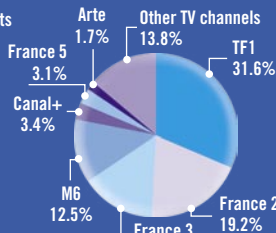
Sales* by segment



* excl. TPS

Audience share

Individuals aged 4 and over



Source: Médiamétrie

Outlook for 2007

- **Strengthen its unifying role** by consolidating TF1 as France's leading TV channel, developing its other channels and offering new formats for programmes and services suited to new technologies and new modes of consumption, such as mobile phones.
- **Expand international operations** with pan-European theme offerings like Eurosport, JET and WAT, and extend the distribution of its channels in French-speaking areas.
- **Implement a multimedia content strategy** based on the channel's major programme formats (news, sport, films, series, etc.).

The TV advertising market in France opened up to mass retailers on 1 January 2007, thereby benefiting TF1. The cost of programmes on the TF1 core channel, excluding major sporting events, is expected to rise by 2.5-3% in 2007.

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER

ASSETS (€ million)	2005	2006
• Tangible and intangible fixed assets	332	311
• Goodwill	481	505
• Non-current financial assets	118	754
NON-CURRENT ASSETS	931	1 570
• Current assets	1,787	1,851
• Cash and equivalents	176	275
• Financial instruments (debt-related)	12	2
CURRENT ASSETS	1,975	2,128
• Held-for-sale assets	564	-
TOTAL ASSETS	3,470	3,698

LIABILITIES (€ million)	2005	2006
• Shareholders' equity att. to the Group	1,051	1,358
• Minority interests	(1)	-
SHAREHOLDERS' EQUITY	1,050	1,358
• Long-term debt	513	506
• Non-current provisions	32	34
• Other non-current liabilities	49	38
NON-CURRENT LIABILITIES	594	578
• Debt (amount due within one year)	25	147
• Current liabilities	1,450	1,612
• Overdrafts and short-term bank borrowings	1	2
• Financial instruments (debt-related)	-	1
CURRENT LIABILITIES	1,476	1,762
• Liabilities on held-for-sale assets	350	-
TOTAL LIABILITIES	3,470	3,698
NET DEBT	351	379

CONSOLIDATED INCOME STATEMENT

(€ million)	2005	2006
SALES	2,509	2,654
CURRENT OPERATING PROFIT	339	301
• Other operating income and expenses	14	-
OPERATING PROFIT	353	301
• Cost of net debt	(13)	(12)
• Other financial income and expenses	-	(5)
• Income tax expense	(115)	(99)
• Share of profits and losses of associates	(5)	13
NET PROFIT BEFORE RESULTS OF DISCONTINUED AND HELD-FOR-SALE OPERATIONS	220	198
• Net profit of discontinued and held-for-sale operations	14	254
NET PROFIT	234	452
• Minority interests	2	-
CONSOLIDATED NET PROFIT attributable to the Group	236	452

Excellent performance in 2006 thanks to the success of Neo and Exprima



Bouygues Telecom put unlimited calling at the core of its strategy with the launch of the Neo and Exprima call plans on 1 March 2006. A total of 1.5 million customers had signed up to the new plans by the end of December.

Sales and marketing

Bouygues Telecom completely overhauled its call plans in the first half of 2006. Two unlimited call plans have been available since 1 March:

- **Neo:** unlimited calls to all fixed and mobile operators in France every day from 8.00pm to midnight, plus calls to Europe and North America at the same price as calls to France. Seven plans are on offer, ranging from two to 15 hours;
- **Exprima:** unlimited calls to all fixed operators every day from 8.00pm to midnight. Six plans are on offer, ranging from one to eight hours.

With Neo and Exprima plus i-mode®, Bouygues Telecom offers a converging range of mobile voice and internet solutions with unlimited calling. These all-new offers in France have proved highly popular.

Universal Mobile, with 680,000 customers at end-December, has continued to attract young people. Since August, Universal Mobile and Nomad customers with a compatible handset have also had access to i-mode®. The launch of the EDGE broadband network in 2005 enabled Bouygues Telecom to increase its share of the business service market. The number of lines rose by 19% in one year on the back of demand from high-value SMEs and professionals.

Exceptional results

Successful marketing, especially of the Neo plan, enabled Bouygues Telecom to report exceptional results. In mainland France, it had a 27% market share of net contract additions, increasing its contract customer base by 15% in a year to 6.2 million. Contract customers accounted for 71.6% of the total customer base at end-2006, 3.2 points more than at end-2005. Commercial investment led to a controlled 1.9-point drop in the current operating margin.

Disposal of BTC

BTC, Bouygues Telecom's Caribbean subsidiary, was sold to Digicel at the end of April, generating a profit of €110 million.

Highlights

- **November:** launch of a trial of contactless mobile technology across the entire Paris region mass transit system.
- **October:** Neo passes the 1-million customer mark, seven months after launch.
- **July:** start of rollout of the HSDPA network.
- **June:** creation of the Bouygues Telecom Foundation, focusing on medical and social initiatives, the environment and the French language.
- **May:** tenth anniversary of Bouygues Telecom's commercial launch.
- **April:** sale of Bouygues Telecom Caraïbe to Digicel.
- **March:** launch of Neo and Exprima, two unlimited call plans.

Sales 2006

€4,539m

(+2%)

* excl. BTC



Current operating margin

12.8%

(-1.9 points)



Net profit att. to the Group

€491 m

(+39%)

* incl. €110m from BTC



Employees

7,400



Sales target 2007

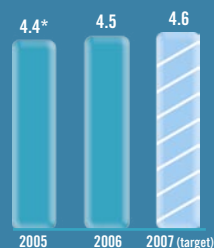
€4,630m

(+2%)



Sales

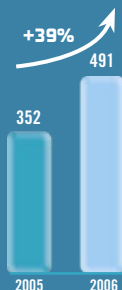
€ billion



* pro forma, excl. Bouygues Telecom Caraïbe (BTC)

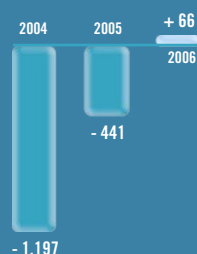
Net profit

€ million

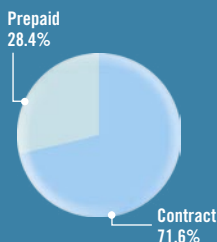


Net cash position

€ million



Breakdown of customers



Outlook for 2007

The HSDPA network will come on stream in major urban areas in 2007. Rollout began in 2006.

Bouygues Telecom expects to be ready to embark on the pre-launch of **mobile digital TV** by the end of 2007, using the DVB-H standard, provided that the government allocates frequencies in time.

Trials of **contactless** applications will continue, especially on public transport and for payments via mobile phone.

The 18% cut in Bouygues Telecom's call termination rates from 1 January 2007 will curb growth in net sales from network, as in previous years, although the figure is still expected to rise by 3% over the year to €4,325 million.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

ASSETS (€ million)	2005	2006
• Tangible and intangible fixed assets	3,078	3,045
• Goodwill	12	1
• Non-current financial assets	205	67
NON-CURRENT ASSETS	3,295	3,113
• Current assets	1,011	1,010
• Cash and equivalents	5	92
• Financial instruments (debt-related)	-	-
CURRENT ASSETS	1,016	1,102
• Held-for-sale assets	-	-
TOTAL ASSETS	4,311	4,215

LIABILITIES (€ million)	2005	2006
• Shareholders' equity att. to the Group	2,132	2,214
• Minority interests	-	-
SHAREHOLDERS' EQUITY	2,132	2,214
• Long-term debt	434	19
• Non-current provisions	54	100
• Other non-current liabilities	-	-
NON-CURRENT LIABILITIES	488	119
• Debt (amount due within one year)	11	6
• Current liabilities	1,679	1,875
• Overdrafts and short-term bank borrowings	-	1
• Financial instruments (debt-related)	1	-
CURRENT LIABILITIES	1,691	1,882
• Liabilities on held-for-sale assets	-	-
TOTAL LIABILITIES	4,311	4,215
NET DEBT	441	(66)

CONSOLIDATED INCOME STATEMENT

(€ million)	2005	2006
SALES	4,447	4,539
CURRENT OPERATING PROFIT	653	581
• Other operating income and expenses	(58)	-
OPERATING PROFIT	595	581
• Cost of net debt	(25)	(9)
• Other financial income and expenses	-	-
• Income tax expense	(220)	(191)
• Share of profits and losses of associates	-	-
NET PROFIT BEFORE RESULTS OF DISCONTINUED AND HELD-FOR-SALE OPERATIONS	350	381
• Net profit of discontinued and held-for-sale operations	2	110
NET PROFIT	352	491
• Minority interests	-	-
CONSOLIDATED NET PROFIT attributable to the Group	352	491

ALSTOM PROMISING COOPERATION



Making a turbine

On 26 April 2006, Bouygues and Alstom concluded a major non-exclusive cooperation agreement. Bouygues has a 25.1% stake in Alstom.

A major strategic decision

Cooperation with Alstom enables Bouygues to expand in fast-growing sectors to meet transport infrastructure and power generation needs worldwide, with a shared client focus.

On entering into the partnership, Bouygues acquired the French government's 21% stake in Alstom at a price of €68.21 per share, representing a total investment of €2 billion. Bouygues agreed to keep the shares bought from the government for at least three years. It also acquired Alstom shares on the market, raising its stake to 25.1% at 31 December 2006.

A key player in its business areas

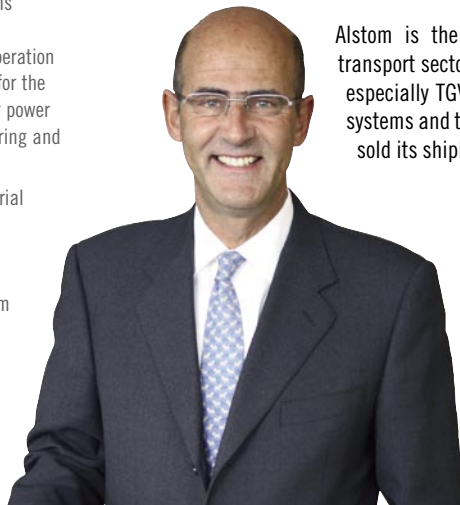
With operations in 70 countries and some 60,000 employees, Alstom has two lines of business.

In the power sector, where it is the world's third largest operator, Alstom provides turbines, boilers and other power generation equipment, especially under turnkey contracts (Power Systems). It also offers customers a comprehensive range of services, including comprehensive operation and maintenance contracts (Power Service).

Alstom is the world's second largest operator in the transport sector. As well as building railway rolling stock, especially TGV high-speed trains, it supplies signalling systems and transport system operating services. Alstom sold its shipbuilding business on 31 May 2006.

Highlights

- Implementation of commercial and operational cooperation between Bouygues and Alstom.
- **September:** contracts awarded in conjunction with Alstom in Reims (design, financing, construction and operation of a tramway) and for the Flamanville nuclear power plant (civil engineering and steam turbine).
- **October:** first material expression of cooperation, with Bouygues taking a 50% stake in Alstom Hydro Holding, a company formed by Alstom to group all its hydropower activities.



Patrick Kron,
Chairman and CEO of Alstom



Remarkable performance

Alstom's results since 2005 reflect the success of the recovery plan introduced to turn the company around after a major crisis in 2003.

Alstom's financial year ends on 31 March, but results for the first half of FY 2006/07 confirm that the group has now entered a phase of profitable growth. Like-on-like, order intakes in the first six months rose by 46%, sales were up 8% and profitability continued to improve (the operating margin has risen from 5.3% to 6.3%). Net profit attributable to the group increased by 67% to €227 million and the group generated substantial free cash flow (€747 million). Net debt amounted to €611 million compared with €1,248 million at 31 March 2006 and the debt-to-equity ratio fell from 68% to 30%.

The third quarter of FY 2006/07 confirmed this positive trend: the level of orders came to €4.7 billion, bringing the order book to €31 billion, or 28 months' sales. The Power Systems sector reported record business, almost doubling its order intakes at 31 December in comparison with the previous year. Orders in the Power Service sector also remained buoyant.

In contrast, third-quarter orders in the Transport sector were relatively low, though major orders

for locomotives in China and the sub-contracting of suburban trains in the Paris region were not included in these figures.

Alstom's share price stood at €102.70 on 29 December, the last trading day of 2006.

Outlook

Alstom is benefiting from favourable conditions on the power market. A surge in business in recent years, coupled with the level of orders taken in the first six months, should produce a 10% rise in sales in the year to 31 March 2007 on a like-on-like basis in relation to the previous year.

As opportunities arise, Alstom and Bouygues will offer their clients integrated projects, as the two groups did on a number of occasions before concluding their non-exclusive cooperation agreement.



The Citadis tramway project in Reims (France)



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