



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

16 May 2011

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(Figures in millions of euros unless otherwise indicated)

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The Bouygues group condensed consolidated financial statements for the three months ended 31 March 2011 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 and applicable as of 31 March 2011. The Bouygues group has not early adopted as of 31 March 2011 any standard or interpretation not endorsed by the European Union.

The financial statements are prepared in millions of euros (unless otherwise indicated) and comprise:

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

The comparatives presented are from the consolidated financial statements for the year ended 31 December 2010 and for the three months ended 31 March 2010.

1.0. SIGNIFICANT EVENTS OF THE PERIOD

1.1. SCOPE OF CONSOLIDATION AS AT 31 MARCH 2011

1,121 entities were consolidated at 31 March 2011, against 1,158 at the end of 2010. The net reduction of 37 mainly relates to Colas (various proportionately-consolidated asphalt companies) and to Bouygues Immobilier (deconsolidation of real estate partnerships and property companies on project completion, etc).

The main acquisitions and other transactions during the period are described below:

- **ALSTOM:**

As of 31 March 2011, Alstom is 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.

On 4 May 2011, Alstom published its results for the financial year ended 31 March 2011. Based on these results, and given the time-lag between the end of the Alstom financial year (31 March) and the Bouygues financial year (31 December), Alstom's contribution to the Bouygues group's 2011 first-quarter net profit was €23 million, compared with €115 million for the first quarter of 2010.

For information, Alstom's contribution to the Bouygues group's 2010 fourth-quarter net profit included a net provision of €66 million (portion attributable to Bouygues) for the restructuring plan announced by Alstom in October 2010, which was included by Alstom in its financial statements for the second half of the company's 2010/11 financial year.

The €23 million contribution recognised by Bouygues in the first quarter of 2011 includes the reversal of this provision.

Amortisation of fair value remeasurements of identifiable intangible assets and other items had a negative impact of €4 million on the Bouygues group consolidated income statement in the period (portion attributable to the Bouygues group).

The investment in Alstom is reported under "Investments in associates" in the balance sheet, at a carrying amount of €4,414 million, including goodwill of €2,592 million.

- **LEADBITTER GROUP (BOUYGUES CONSTRUCTION):**

After receiving clearance from the European Commission competition authorities in March 2011, the Bouygues Construction group acquired 51% of the Leadbitter group via the holding company Leadbitter Bouygues H. Ltd. The remaining 49% is held by the Leadbitter management team and is to be acquired within no more than 4 years.

The Leadbitter group, which has a construction and house-building business in the United Kingdom, is being fully consolidated in the Bouygues Construction group financial statements from 31 March 2011. The €38 million investment in Leadbitter was recognised as at 31 March 2011.

The excess of the consideration transferred over the fair value of the net assets acquired is €41 million, and this amount has been provisionally allocated to goodwill (full consolidation). The commitment to buy out the minority shareholders in the holding company, amounting to €19 million, has been recognised in non-current debt.

1.2. CONSOLIDATED SALES FOR THE FIRST QUARTER OF 2011:

Consolidated sales were €6,686 million, up 3.8% on the first quarter of 2010.

1.3. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 31 MARCH 2011

None.

2.0. ACCOUNTING POLICIES

The Bouygues group is a diversified industrial group with operations in more than 80 countries.

The Group's activities are organised into a number of business areas:

2.1. BUSINESS AREAS

- a) Construction:
 - Bouygues Construction (building & civil works, energy and services)
 - Bouygues Immobilier (property)
 - Colas (roads)
- b) Telecoms/Media:
 - TF1 (television)
 - Bouygues Telecom (mobile, fixed, TV and internet services)
- c) The Bouygues group also holds a 30.75% interest in Alstom (Power, Transport and Transmission).

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, and take account of the recommendations on presentation (Recommendation 2009-R-03) issued on 2 July 2009 by the *Conseil National de la Comptabilité* (CNC), now the *Autorité des Normes Comptables* (ANC), the French national accounting standard-setter.

They were approved by the Board of Directors on 16 May 2011.

The condensed consolidated financial statements for the three months ended 31 March 2011 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 2010 and 31 December 2010.

The Bouygues group has applied the same standards, interpretations and accounting policies for the three months ended 31 March 2011 as those disclosed in its consolidated financial statements for the year ended 31 December 2010, except for new IFRS requirements applicable from 1 January 2011 (see below). Consequently, Note 2 to the consolidated financial statements for the three months ended 31 March 2011 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 2010.

- *Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable to periods beginning on or after 1 January 2011:*
 - **IFRIC 14**, "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (no impact on the financial statements).
 - **IFRIC 19**, "Extinguishing Financial Liabilities with Equity Instruments" (no impact on the financial statements).
- *Other key standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union, for which early adoption effective 1 January 2011 is permitted).*
 - Bouygues has not early adopted any standards, amendments or interpretations as of 31 March 2011.

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

Preparing financial statements to comply with IFRS standards and interpretations 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 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 the impairment testing of goodwill, share-based payment (stock options), employee benefits (lump-sum retirement benefits, etc), the fair value of unlisted financial instruments, deferred tax assets, and provisions.

Where no standard or interpretation applies to specific transactions, events or conditions, 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.

Disclosures about judgements made by management are provided in the notes to the consolidated financial statements.

Goodwill is tested annually for impairment at the end of the financial year, or during the year if there is evidence of impairment, to ensure that the Group's share of the recoverable amount of the goodwill is greater than its carrying amount in the consolidated financial statements. If it is not, a provision for impairment may be recorded in accordance with IAS 36; see Note 2.7.1, "Impairment testing of non-current assets".

- Change of accounting policy

Bouygues has made no changes in accounting policy in the three months ended 31 March 2011 except for the new IFRS requirements mentioned above, which have no impact on the consolidated financial statements.

2.3. CONSOLIDATION METHODS

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

Bouygues holds 43.14% 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 large 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 companies, and to Bouygues Immobilier property companies.

- **Investments in associates**

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

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

- Alstom: Bouygues exercises significant influence over Alstom, as demonstrated by (i) its 30.77% interest in the capital and (ii) its control of two seats on the Board of Directors. The carrying amount of the interest in Alstom (including 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**

	March 2011	December 2010
Fully consolidated	858	882
Proportionately consolidated	201	217
Associates (equity method)	62	59
	1,121	1,158

The main changes during the period are described in Note 1, "Significant events of the period".

2.4. BUSINESS COMBINATIONS

With effect from 1 January 2010, business combinations have been accounted for in accordance with the revised IFRS 3 and IAS 27, which use the concept of "obtaining control" in determining the accounting treatment to be applied to acquisitions or disposals of equity interests; the impacts of such acquisitions and disposals are recognised either in consolidated profit or loss or in equity, depending on the nature of the combination.

In a business combination, the fair value of the consideration transferred is allocated to the identifiable assets and liabilities of the acquiree, which are measured at fair value at the acquisition date and presented in the balance sheet using the full fair value method in accordance with IFRS 3. This method involves remeasuring the assets and liabilities acquired at fair value in full (including minority interests), rather than remeasuring just the percentage interest acquired.

The revised IFRS 3 allows entities to elect one of two methods of accounting for minority interests in each business combination:

- at fair value (full goodwill method), i.e. the minority interests are allocated their share of goodwill;
- at the minority interests' proportionate share of the acquired entity's identifiable assets and liabilities (partial goodwill method), i.e. no share of goodwill is allocated to the minority interests.

Fair value is the amount for which an asset or cash generating unit (CGU) could be sold between knowledgeable, willing parties in an arm's length transaction.

Goodwill represents the excess of acquisition cost over the acquirer's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities that can be reliably measured at the acquisition date; minority interests are either measured at fair value or not, depending on the option elected (see above). Goodwill is allocated to the CGU benefiting from the business combination or to the group of CGUs at the level of which return on investment is measured (business segment for the Bouygues group).

The purchase price allocation period is limited to the time required to identify and measure the acquired entity's assets and liabilities, the minority interests, the consideration transferred and the fair value of any previously-held equity interest, subject to a maximum period of 12 months.

Negative goodwill (i.e. gain from a bargain purchase) is taken to the income statement in the period in which the acquisition is made.

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described under "Impairment testing of non-current assets" in Note 2.7.1 below, in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

In accordance with the revised IFRS 3, any previously-held equity interest is remeasured at fair value at the date on which control is obtained, with the resulting gain or loss recognised in profit or loss for the period. In the event of loss of control, the retained equity interest is also remeasured at fair value; the gain or loss on remeasurement is recognised in profit or loss for the period, along with the gain or loss arising on the disposal.

In the event of a change in percentage interest with no effect on control, the difference between the consideration paid or received and the carrying amount of the minority interest is recognised directly in equity attributable to the Group. Consequently, no additional goodwill is recognised.

All acquisition-related costs are recognised as an expense in profit or loss for the period.

Goodwill recognised prior to 1 January 2004 continues to be measured using the partial fair value method. This method involves restricting the fair value remeasurement of identifiable items to the percentage interest acquired. Minority interests in these items are measured on the basis of the carrying amount of the items as shown in the balance sheet of the acquired entity. The revised standards allow the acquirer to elect to account for each new business combination on either a full goodwill basis or a partial goodwill basis.

2.5. FOREIGN CURRENCY TRANSLATION

2.5.1. Foreign-currency transactions

Foreign-currency transactions are translated into euros at the average exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the closing exchange rate. Translation differences are recognised as income or expenses in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and accounted for at historical cost are translated using the exchange rate on the date of the transaction.

2.5.2. Financial statements of foreign entities

All assets and liabilities of consolidated entities with a functional currency other than the euro are translated at the closing exchange rate. Income and expenses are translated at the average exchange rate for the period. Translation differences arising from this treatment, and arising from the retranslation of a subsidiary's opening shareholders' equity at the closing exchange rate, are taken to the translation reserve (which is a component of consolidated shareholders' equity). Translation differences arising on the net investment in foreign subsidiaries and associates are recognised in shareholders' equity.

2.6. ASSESSMENT OF INCOME TAXES

- Income tax expense recognised by each consolidated company for the three months ended 31 March 2011 is assessed in accordance with IAS 34: income taxes for interim periods are recognised on the basis of the best estimate of the average annual effective income tax rate for the financial year (except in the case of holding companies, which recognise income taxes on the basis of the actual tax position at the end of the period).
- Deferred taxation is recognised on differences between the carrying amounts and tax bases of assets and liabilities, and arises as a result of:
 - Temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
 - items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods; or
 - items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes.
 - Tax losses available for carry-forward (deferred tax assets) which are likely to be recovered in future periods.

Deferred taxes are measured using known applicable domestic tax rates for the relevant country as at the balance sheet date.

Deferred taxes are not discounted, and are reported in non-current assets and liabilities.

2.7. NON-CURRENT ASSETS

2.7.1. Impairment testing of non-current assets

Impairment tests are carried out on the carrying amount of intangible assets as at the balance sheet date in accordance with the accounting policies applied by the Bouygues group; the carrying amount of indefinite-lived intangible assets and goodwill is compared to their recoverable amount at least at the end of each financial year.

In determining the recoverable amount, intangible assets to which independent cash flows cannot be directly allocated are grouped within the cash-generating unit (CGU) to which they belong, or within the appropriate group of CGUs representing the lowest level at which management monitors return on investment (business segment level in the case of the Bouygues group). The recoverable amount of CGUs is measured as follows:

- For segments listed on a stock market and with good liquidity: on the basis of the quoted share price if this exceeds the carrying amount of the assets.
- In other cases: using the discounted cash flow (DCF) method, taking account of the specific characteristics of the investment.

The recoverable amount of the CGU as determined above is then compared with its carrying amount in the consolidated balance sheet. If this carrying amount is greater than the recoverable amount of the CGU, an impairment loss is recognised, this loss being allocated in the first instance to any goodwill recognised in the balance sheet.

Note 3.3 to the consolidated financial statements includes a table showing the consolidated carrying amount of listed shares held by Bouygues (TF1, Alstom, Colas) relative to the closing quoted share price at 31 March 2011. As of that date, there were no material events that might call into question the carrying amounts reported for these companies.

- **Other non-current assets:** For other non-current assets, in particular non-depreciable assets, an impairment loss is recognised as soon as there is evidence that the asset is impaired.

2.8. CASH FLOW STATEMENT

The cash flow statement is presented in accordance with IAS 7 and with recommendation 2009-R-03 issued by the CNC (now the ANC) on 2 July 2009, using the indirect method.

The net profit of consolidated entities is adjusted to eliminate the impact of transactions with no cash effect, and of income and expenses related to investing or financing activities.

- Cash flow

The Bouygues group defines cash flow as:

Consolidated net profit before: net depreciation and amortisation expense, net changes in provisions and impairment losses, gains and losses on asset disposals, cost of net debt (included in financing activities in the cash flow statement), and net income tax expense for the period.

The cash flow statement explains changes in the Group's net cash position, which is defined as the net total of the following balance sheet items:

- cash and equivalents;
- overdrafts and short-term bank borrowings.

2.9. OTHER FINANCIAL INDICATORS

2.9.1. 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).

2.9.2. Free cash flow

Cash flow (determined after cost of net debt and net income tax expense, but before changes in working capital) minus net capital expenditure for the period.

2.9.3. 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).

2.10. STATEMENT OF RECOGNISED INCOME AND EXPENSE

The Bouygues group presents a statement of recognised income and expense, disclosing a comparative net profit figure on the line "Total recognised income and expense" which includes income and expenses recognised directly in equity.

2.11. COMPARABILITY OF THE FINANCIAL STATEMENTS

Changes in the scope of consolidation during the year to date had no material impact on the financial statements for the three months ended 31 March 2011, and do not impair comparability with the financial statements for the three months ended 31 March 2010.

A non-recurring expense of €8m recognised by Colas in the first quarter of 2010 has been reclassified from current operating profit to non-current operating profit, in line with the position adopted by the Bouygues group on this issue as of 31 December 2010.

Sales recorded in the first quarter of 2011 and the comparative periods presented by Colas – Mayotte have been reclassified from “International” to “France”, as this overseas territory became an administrative department of France on 1 January 2011. The amounts involved are as follows:

-	1st quarter 2011 =	€16m
-	1st quarter 2010 =	€16m
-	Full year 2010 =	€70m

NOTE 3 - NON-CURRENT ASSETS

• ACQUISITIONS OF NON-CURRENT ASSETS NET OF DISPOSALS: €298m, vs. €18m in the first quarter of 2010

3.1 PROPERTY, PLANT AND EQUIPMENT

6,099

Carrying amount	Land and buildings (a)	Industrial plant and equipment	Other property, plant and equipment	Property, plant & equipment under construction and advance payments	Total
31 March 2011	1,254	3,504	868	473	6,099
of which finance leases	13	45	10		68
31 December 2010	1,274	3,590	864	431	6,159
of which finance leases	15	49	8		72

(a) Includes land and quarries: €697m, vs. €708m at 31 December 2010
For an analysis of the carrying amount of property, plant and equipment by business segment see note 12, "Segment information".

3.2 GOODWILL

5,548

3.2.1. Movement in the carrying amount of goodwill during the period

(excluding goodwill on associates → see Note 3.4)

	Gross value	Impairment	Carrying amount
31 December 2010	5,611	(80)	5,531
Acquisitions/disposals, remeasurements and other movements	16	7	23
Translation effects	(7)	1	(6)
Impairment losses recognised in the period			
31 March 2011	5,620	(72)	5,548

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

Segment	31 March 2011		31 December 2010	
	Total	% Bouygues	Total	% Bouygues
Bouygues Construction (subsidiaries)	385	99.97%	347	99.97%
Colas (a)	1,063	96.63%	1,063	96.62%
TF1 (a)	1,449	43.14%	1,468	43.09%
Bouygues Telecom	2,651	89.55%	2,651	89.55%
Other			2	
TOTAL	5,548		5,531	

(a) Includes goodwill generated at segment level on acquisitions of subsidiaries

3.3 CONSOLIDATED CARRYING AMOUNT OF LISTED SHARES (IN EUROS)

	Consolidated carrying amount per share at 31 March 2011	Closing market price per share at 31 March 2011
TF1	13.13	14.90 (*)
Colas	85.15	180.03 (*)
Alstom	49.08	41.73

(*) Includes an estimated control premium

3.4 INVESTMENTS IN ASSOCIATES

5,079

	Carrying amount
31 December 2010	5,020
Translation effects	(17)
New equity investments and capital increases, net of divestments	(1)
Share of net profit/(loss) for the period	24 (a)
Payment of dividends	
Other movements (mainly actuarial gains and losses at Alstom)	53
31 March 2011	5,079 (b)

(a) Includes €19m (net) for Alstom and €8m for Cofiroute
(b) Includes €4,414m for the 30.75% interest in Alstom (goodwill: €2,592m) and €498m for Cofiroute (Colas)

NOTE 4 - CURRENT ASSETS

INVENTORIES

2,845

	Gross value	31 March 2011 Impairment	Carrying amount	31 December 2010 Carrying amount
Property development inventories	1,396	(114)	1,282	1,226
Raw materials and finished goods	967	(41)	926	836
Programmes and broadcasting rights (TF1)	797	(160)	637	618
Total	3,160	(315)	2,845	2,680

NOTE 5 CONSOLIDATED EQUITY

Share capital of Bouygues SA (in euros)

€365,924,097

As at 31 March 2011, the share capital of Bouygues SA consisted of 365,924,097 shares with a par value of €1. Movements during the period were as follows:

	31 December 2010	Movements during the period		31 March 2011
		Reductions	Increases	
Shares	365,862,523		61,574 ^(a)	365,924,097
Number of shares	365,862,523		61,574	365,924,097
Par value	€1		€1	€1
Share capital (€)	365,862,523		61,574	365,924,097

(a) On exercise of stock options

NOTE 6 - NON-CURRENT AND CURRENT PROVISIONS

6.1 NON-CURRENT PROVISIONS

1,856

	Long-term employee benefits (a)	Litigation and claims (b)	Guarantees given (c)	Other non-current provisions (d)	Total
1 January 2011	498	364	372	636	1,870
Translation adjustments	(1)		(1)	(1)	(3)
Changes in scope of consolidation			(1)	(1)	(2)
Charges to provisions	10	25	20	17	72
Reversals of provisions (used and unused)	(3)	(29)	(14)	(25)	(71)
Actuarial gains and losses	(5)				(5)
Transfers between items & other movements		2	(1)	(6)	(5)
31 March 2011	499	362	375	620	1,856

(a) Long-term employee benefits

	499
• Lump-sum retirement benefits and long-service awards	443
• Other long-term employee benefits (pension funds of Colas subsidiaries in English-speaking countries)	56

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

(b) Litigation and claims

	362
• Provisions for customer disputes	186
• Provisions for subcontractor claims	33
• Other litigation and claims	143

(c) Guarantees given

	375
• Provisions for customer warranties	273
• Provisions for additional building and civil works guarantees	102

(d) Other non-current provisions

	620
• Provisions for risks related to official inspections and to subsidiaries and other equity investees	202
• Provisions for site remediation costs	218
• Other non-current provisions	200

6.2 CURRENT PROVISIONS

903

- Provisions related to the operating cycle

	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for expected losses to completion (a)	Other current provisions (b)	Total
1 January 2011	57	294	282	297	930
Translation adjustments		(3)	(4)	(5)	(12)
Changes in scope of consolidation				2	2
Charges to provisions	3	63	21	30	117
Reversals of provisions (used and unused)	(2)	(39)	(58)	(36)	(135)
Transfers between items & other movements	2	(1)			1
31 March 2011	60	314	241	288	903

(a) Provisions for expected losses to completion relate to construction projects: Bouygues Construction, Bouygues Immobilier and Colas. (Individual project provisions are not disclosed for confidentiality reasons.)

(b) The main items included in "Other current provisions" are reinsurance costs, site remediation costs, rent guarantees (Bouygues Immobilier), film co-financing (TF1), customer claims and vendor's liability guarantees (TF1), and the business customer loyalty programme provision (Bouygues Telecom).

NOTE 7 - NON-CURRENT AND CURRENT DEBT

7.1. BREAKDOWN OF DEBT BY MATURITY

	Current debt (less than one year)		Non-current debt	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Bond issues	172	901	6,087	6,085
Bank borrowings	52	32	640	556
Finance leases	22	23	43	47
Other debt	41	38	79	62
Total debt	287	994	6,849	6,750

7.2. COVENANTS AND TRIGGER EVENTS

The bond issues maturing in 2013, 2015, 2016, 2018, 2019 and 2026 contain a change of control clause relating to Bouygues SA.

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

NOTE 8 - MAIN COMPONENTS OF CHANGE IN NET DEBT

8.1 CHANGE IN NET DEBT

	31 December 2010	Movement during the period	31 March 2011
Cash and equivalents	5,576	(1,349)	4,227
Overdrafts and short-term bank borrowings	(294)	(81)	(375)
Net cash and equivalents	5,282	(1,430) ^(a)	3,852
Non-current debt	(6,750)	(99)	(6,849)
Current debt	(994)	707	(287)
Financial instruments, net	(11)	2	(9)
Total debt	(7,755)	610	(7,145)
Net debt	(2,473)	(820)	(3,293)
<i>includes:</i>			
	<i>purchases of treasury shares on the stock market</i>		(150)
	<i>acquisitions of non-current financial assets, net of disposals</i>		(25)
	<i>business segment operations (working capital) and other items</i>		(694)

(a) Net cash flows as analysed in the cash flow statement for the period

NOTE 9 - ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

9.1 ANALYSIS BY ACCOUNTING CLASSIFICATION

	First quarter	
	2011	2010
Sales of goods	589	468
Sales of services	2,824	2,911
Construction contracts	3,273	3,064
Sales	6,686	6,443
Other revenues from operations	39	29
Total	6,725	6,472

9.2 CONTRIBUTION OF BUSINESS SEGMENTS TO CONSOLIDATED SALES

BUSINESS SEGMENT	Sales for the first quarter of 2011				Sales for the first quarter of 2010			
	France	International	Total	%	France	International	Total	%
Construction	1,246	895	2,141	32	1,080	994	2,074	32
Property	409	34	443	7	579	41	620	10
Roads	1,459	632	2,091	31	1,215	600	1,815	28
Media	520	87	607	9	504	88	592	9
Telecoms	1,400		1,400	21	1,337		1,337	21
Bouygues SA & other activities	3	1	4		3	2	5	
Consolidated sales	5,037	1,649 ^(a)	6,686	100	4,718	1,725 ^(a)	6,443	100
% year-on-year change	6.8%	-4.4%	3.8%					

(a) Includes export sales

9.3 ANALYSIS OF CONSOLIDATED SALES BY BUSINESS SEGMENT

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL: first quarter	
							2011	2010
INCOME STATEMENT								
Total sales	2,169	443	2,119	614	1,404	35	6,784	6,588
Inter-segment sales	(28)		(28)	(7)	(4)	(31)	(98)	(145)
Third-party sales	2,141	443	2,091	607	1,400	4	6,686	6,443

NOTE 10 - OPERATING PROFIT

	First quarter 2011	First quarter 2010
Current operating profit	153	170
Other operating income	0	0
Other operating expenses	0	(8)
Operating profit	153 ^(a)	162

(a) Includes:

Bouygues Telecom = €153m

Roads = (€165m)

Construction = €77m

Media = €62m

NOTE 11 - INCOME TAX EXPENSE

	First quarter 2011	First quarter 2010
Tax payable to the tax authorities	(45)	(54)
Deferred taxes, net	16	30
Income tax expense	(29)	(24)
Effective tax rate	39.20% ^(a)	21.20%

(a) The change in the effective tax rate between 2010 and 2011 arises mainly because the disposal of the interest in Alstom Hydro Holding in 2010 (taxable base: €42m) was liable to long-term capital gains tax, which is charged at a lower rate than the standard tax rate.

NOTE 12 - SEGMENT INFORMATION

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

ANALYSIS BY BUSINESS SEGMENT: THREE MONTHS ENDED 31 MARCH 2011

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL	TOTAL
INCOME STATEMENT							First quarter 2011	First quarter 2010
Operating profit	77	36	(165)	62	153	(10)	153	162
Net profit attributable to the Group	46	22	(113)	20	89	(30)	34	181
BALANCE SHEET							31 March 2011	31 December 2010
Property, plant & equipment and intangible assets	630	17	2,476	322	3,478	160	7,083	7,149
Net debt	2,615	346	(509)	133	(201)	(5,677)	(3,293)	(2,473)
OTHER FINANCIAL INDICATORS							First quarter 2011	First quarter 2010
Acquisitions of property, plant & equipment and intangible assets, net of disposals	44	2	71	8	148		273	200
EBITDA	112	25	(85)	94	321	(10)	457	434
Cash flow	118	34	(79)	79	311	(5)	458	462
Free cash flow	42	23	(112)	60	111	(42)	82	156

NOTE 13 - PRINCIPAL EXCHANGE RATES

Convention: 1 local currency unit = x euros

Country	Currency	Closing euro exchange rate (1)		Average rate for the period (2)	
		31 March 2011	31 December 2010	1st quarter 2011	Full year 2010
EUROPE					
Denmark	Danish krone	0.134099	0.134165	0.134120	0.134269
United Kingdom	Pound sterling	1.144034	1.161778	1.159286	1.168215
Hungary	Hungarian forint	0.003734	0.003598	0.003693	0.003617
Poland	Polish zloty	0.248775	0.251572	0.251874	0.249695
Czech Republic	Czech koruna	0.040720	0.039903	0.041021	0.039583
Romania	Romanian leu	0.243784	0.234632	0.238726	0.237141
Switzerland	Swiss franc	0.780214	0.799744	0.778250	0.729849
NORTH AMERICA					
United States	US dollar	0.707814	0.748391	0.720219	0.757189
Canada	Canadian dollar	0.723798	0.750638	0.731172	0.732055
REST OF THE WORLD					
Morocco	Moroccan dirham	0.088569	0.089497	0.088883	0.089724
Thailand	Thai baht	0.023399	0.024894	0.023560	0.023913
Hong Kong	Hong Kong dollar	0.090808	0.096287	0.092406	0.097455
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.102542	0.112835	0.102607	0.103544

(1) Translation of balance sheet items

(2) Translation of income statement items