NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

(in millions of euros)

27 February 2008

CONTENTS

(Figures in millions of euros)

NOTES

- The consolidated financial statements of the Bouygues group for the year ended 31 December 2007 have been prepared using the principles and methods defined in international standards (IFRS) as adopted by the European Union (European Council Regulation 1606/2002 of 19 July 2002).

- The Bouygues group has elected to early adopt IFRIC 13 (mandatorily applicable from 1 July 2008) effective 31 December 2007.

- The term "IFRS" collectively refers to:
  - international financial reporting standards (IFRSs);
  - international accounting standards (IASs);
  - interpretations of these standards, issued by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC)

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

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

The comparatives consist of the consolidated financial statements for the year ended 31 December 2006 (also prepared under IFRS), adjusted for the changes in accounting policy that occurred in 2007.

NB: The consolidated financial statements for the year ended 31 December 2007, and the notes thereto, do not include information for the year ended 31 December 2005. Comparative information for the oldest prior period is incorporated by reference to the registration document for that period (in accordance with guidance from the Committee of European Securities Regulators (CESR) on changes in accounting policy during an accounting period).

NOTE 1	SIGNIFICANT EVENTS OF THE YEAR

1. 1. Scope of consolidation at 31 December 2007

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

  At 31 December 2007, 1,211 entities were consolidated, compared with 1,083 at 31 December 2006. The net increase of 128 in the number of consolidated entities mainly relates to new acquisitions by Colas (Colas Rail, various quarries, construction project companies, etc), by Bouygues Construction (Mibag in Switzerland, Karmar in Poland, etc), by TF1 (AB Groupe), and by Bouygues Immobilier (Blanc group, etc).

Alstom – Acquisition of an additional 4.91% interest during 2007:

Bouygues acquired a further 4.91% interest in the capital of Alstom for €961 million during 2007, raising its total interest to 29.98% as at 31 December 2007.

The investment in Alstom is accounted for by the equity method, and is carried at net acquisition cost plus Bouygues' share of Alstom's net profit for 2007. Net profit for the final quarter of 2007 was estimated on the basis of Alstom's published consolidated financial statements for the six months ended 30 September 2007.

The provisional allocation of the purchase price of the interest held since 2006 to identifiable assets and liabilities and to goodwill became definitive on expiry of the twelve-month purchase price allocation period. In accordance with IAS 28, the interest in Alstom is included in the balance sheet under "Investments in associates" at a carrying amount of €3,573 million.

An independent valuer has performed a fair value assessment of the additional interest acquired in 2007, based on the following principles:

a) Identification and measurement of the fair value of acquired assets, liabilities and contingent liabilities (estimated on the basis of Alstom's published consolidated financial statements for the six months ended 30 September 2007).

b) The assets remeasured in 2007 were the same as those identified at the end of 2006:

   - Brand name
   - Acquired technology
   - Backlog
   - Deferred taxes

   The assets and liabilities identified at the end of 2006 (based on a 25.07% interest) were not specifically remeasured at fair value as of 30 September 2007.

c) Amortisation of fair value remeasurements of intangible assets and other items had a net negative impact on consolidated net profit of €8 million (share attributable to the Bouygues group based on a 29.98% interest).

Colas Rail (Spie Rail):

On 31 May 2007, the Bouygues group acquired 100% of Spie Rail (renamed Colas Rail) for €267 million. After remeasurement of the identifiable assets, liabilities and contingent liabilities at fair value, goodwill arising on the acquisition amounted to €180 million. The Colas Rail balance sheet, including profits for the second half of 2007 estimated on the basis of revenues for the period, has been consolidated as of 31 December 2007.

Acquisition by TF1 of a 33.5% interest in the capital of AB Group

Following a ruling by the French audiovisual regulator (the CSA), on 2 April 2007 TF1 and the Berda family completed the acquisition by TF1 of a 33.5% interest in the capital of AB Groupe, formed out of the AB SAS and WB Télévision SA groups. The purchase price was €230 million.

AB Group owns a catalogue of French-language television rights representing over 1,300 titles, and produces free-to-air TV channels in France and pay-TV channels available via satellite, cable, DTT or ADSL.

The investment in AB Group is accounted for by the equity method (in "Investments in associates") with effect from April 2007, after remeasurement of the acquired identifiable assets and liabilities at fair value.

1. 2. CONSOLIDATED SALES FOR THE YEAR ENDED 31 DECEMBER 2007

Consolidated sales for the year ended 31 December 2007 were €29,613 million, 12% higher than for the year ended 31 December 2006.

1. 3. ACQUISITION OF AN ADDITIONAL 6.5% INTEREST IN BOUYGUES TELECOM

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

Following the completion of this transaction in September 2007, Bouygues holds an interest of 89.5% in Bouygues Telecom.

In accordance with IFRS, this 6.5% interest had already been consolidated in the financial statements of the Bouygues group since June 2005. Consequently, the exercise of the put option had no impact on the 2007 consolidated financial statements (goodwill, net debt or minority interests). The €441 million cash outflow on exercise of the put option is included under "Investing activities" in the cash flow statement.

1. 4. EMPLOYEE SHARE OWNERSHIP PLANS

a) **Bouygues Partage plan:**

In May 2007, 53,185 employees – mainly in France – subscribed to the plan, resulting in the issuance of 6,371,520 shares and a net increase of €231.2 million in shareholders' equity.

Based on the final level of subscriptions, the total pre-tax expense recognised in 2007 for the fair value of the employee benefit (20% discount) was €12 million.

b) **Bouygues Confiance 4 plan:**

A total of 37,550 employees subscribed to Bouygues Confiance 4, the second employee share ownership plan implemented during the year. This resulted in the issuance of 6,947,662 shares and a net increase of €299.7 million in shareholders' equity.

The total pre-tax expense recognised in 2007 for the fair value of the employee benefit (20% discount) was €27 million.

c) **Additional information on the employee share ownership plans:**

Dedicated leveraged mutual funds were created as investment vehicles under these plans, with the sponsor bank making a top-up contribution.

	Bouygues Partage	**Bouygues Confiance 4**
Number of employees subscribing	53,185	37,550
Subscription price per share	€36.44	€43.18
Plan announcement date	21 December 2006	5 October 2007
Nominal discount per share offered to employees (against spot price on the grant date)	€9.11	€10.79
Fair value of employee benefit under IFRS, per share (20% discount)	€4.19	€3.89
Method used to value lock-up clause	CNC recommendation*	CNC Recommendation*
Share price on the grant date (average price for the 20 preceding trading days)	€45.55	€53.97

* CNC: *Conseil National de la Comptabilité* (French national accounting standard-setter)

The tax saving arising from these two plans under the law of 30 December 2006 has been recognised in the consolidated financial statements.

1. 5. CHANGES IN ACCOUNTING POLICY

- The Bouygues group made two changes in accounting policy during 2007, the effects of which have been applied retrospectively with effect from 1 January 2006. The changes, which are described in detail in note 2.3 to the consolidated financial statements, were as follows:

  - adoption of the option allowed under the amendment to IAS 19, "Employee Benefits", to recognise actuarial gains and losses directly in equity (change also made by the Alstom group in 2007);

  - early adoption of IFRIC 13 ("Customer Loyalty Programmes", mandatorily applicable from 1 July 2008), as a result of which the provision for retail customer loyalty programmes (Bouygues Telecom) has been reversed and credited to equity.

1. 6. FINANCIAL CRISIS

- The cash position of the Bouygues group has not been affected by the financial crisis, given the Group's consistent policy of not using sensitive investment vehicles.

1.7. SIGNIFICANT EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION SINCE 31 DECEMBER 2007

- Subsequent to 31 December 2007, there have been no material changes in the scope of consolidation and no transaction liable to have a material effect on the results, consolidated shareholders' equity or activities of the Bouygues group.

NOTE 2	ACCOUNTING POLICIES

2.1. BUSINESS ACTIVITIES

The Bouygues group is a diversified industrial group. Its operations are split into two sectors:

a) Construction:

- Bouygues Construction (Building & Civil Works, Electrical contracting)
- Bouygues Immobilier (Property)
- Colas (Roads)

b) Telecoms/Media:

- TF1 (Television)
- Bouygues Telecom (Mobile Telephony)

c) As at 31 December 2007, Bouygues also held a 29.98% interest in Alstom (Power and Transport).

The Bouygues group has operations in nearly 80 countries. In 2007, it generated €29,613 million of sales, an increase of 12% on the previous year (of which €8,803 million was generated outside France).

2.2. DECLARATION OF COMPLIANCE

- The consolidated financial statements of the Bouygues group for the year ended 31 December 2007 have been prepared in accordance with the standards issued by the International Accounting Standards Board (IASB) adopted by the European Union and applicable as of that date. These standards, collectively referred to as International Financial Reporting Standards (IFRS), also include International Accounting Standards (IAS) and interpretations issued by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

  The Bouygues group has elected to early adopt IFRIC 13, “Customer Loyalty Programmes”, which is mandatorily applicable from 1 July 2008.

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

  The consolidated financial statements were adopted by the Board of Directors on 26 February 2008.

2.3. BASIS OF PREPARATION

The consolidated financial statements have been prepared using the historical cost convention, with the exception of certain financial assets and liabilities measured at fair value. Comparatives for the year ended 31 December 2006 are presented in the financial statements. As permitted, comparatives for the year ended 31 December 2005 are incorporated by reference to the published financial statements as of that date.

- Principal new standards and interpretations mandatorily applicable in 2007:

  - IFRS 7, “Financial Instruments: Disclosures”
  - Amendment to IAS 1, “Presentation of Financial Statements”: Capital Disclosures
  - IFRIC 8 to IFRIC 10: relating primarily to disclosures.

- Other standards and interpretations issued by the IASB (whether or not adopted by the European Union) but applicable to periods after 2007:

  - IFRS 8, “Operating Segments” and amended version of IAS 23, “Borrowing Costs”: Applicable from January 2009, and not early adopted by Bouygues in the 2007 consolidated financial statements.

  - IFRIC 11, “Group and Treasury Share Transactions”.
    Applicable to periods beginning on or after 1 March 2007 (disclosure in the Segment Reporting note).

  - IFRIC 12, “Service Concession Arrangements”: The Bouygues group applies this interpretation to the Portsmouth PFI contract (Colas), which is accounted for as a receivable (financial asset) since this treatment most closely reflects the underlying financial and economic reality of the contract. Colas has not entered into any other contracts of this type.

    Bouygues Construction: PFI contracts are entered into with governmental authorities by companies in which the Bouygues group holds an interest of less than 20%. These entities are not consolidated, given the effective limitations on the Bouygues group’s role in them. Most concession companies are accounted for as associates (equity method).

  - IFRIC 13, “Customer Loyalty Programmes”: mandatorily applicable from 1 July 2008, and early adopted by the Bouygues group effective 31 December 2007 (see note 2.2). Bouygues Telecom has measured the fair value of the loyalty points awarded under its retail customer loyalty programme, and has not deferred any revenues as a result. The provision previously recorded in respect of this programme has been reversed. This change in accounting policy had a positive after-tax impact of €109 million on consolidated shareholders’ equity at 31 December 2006, of which €8 million was recognised in the income statement for the year then ended.

- 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 financial year.

  These estimates and assumptions have been applied consistently on the basis of past experience and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may differ materially from these estimates if different assumptions or conditions apply.

  The main items involved are goodwill impairment, share-based payment (stock options), employee benefits (lump-sum retirement benefits, etc), fair value of unlisted financial instruments, deferred tax assets, provisions, etc.

  Where no standard or interpretation applies to a specific transaction, Group management has exercised its judgement to define and apply accounting policies that will provide relevant and reliable financial information, such that the financial statements:

  - represent faithfully the financial position, financial performance and cash flows of the Group;

  - reflect the economic substance of the underlying transactions;

  - are neutral, prudent, and complete in all material respects.

- Changes in accounting policy

  Bouygues made two retrospective changes in accounting policy in 2007:

a) Bouygues has elected to adopt, with retrospective effect from 1 January 2006, the amendment allowed under IAS 19, “Employee Benefits” to recognise all actuarial gains and losses on defined-benefit post-employment plans directly in consolidated shareholders’ equity.

   Previously, Bouygues applied the “corridor” method, under which actuarial gains and losses greater than 10% of the future obligation were recognised in profit or loss over the average remaining working lives of the employees.

b) Provision for customer loyalty programmes (Bouygues Telecom): see the comments earlier in notes 1, 2.2. and 2.3.

- The impact of deferred taxes on temporary differences generated by these changes in accounting policy have been recognised in consolidated shareholders’ equity.

- The principal effects of these changes in accounting policy on the 2006 and 2007 consolidated balance sheets and income statements are described in note 2.19 to the consolidated financial statements.

2. 4. 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 43.06% of the capital and voting rights of TF1. Exclusive control by Bouygues over TF1 is demonstrated by the following:

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

    Bouygues has clearly had exclusive power to determine decisions at TF1 shareholders’ meetings during 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 definition applies to Bouygues Construction and Colas construction project 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 29.98% interest in the capital and (ii) its control of two seats on the Board of Directors. The carrying amount of this investment (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:

	2007	2006
Fully consolidated	917	825
Proportionately consolidated	258	226
Equity method (associates)	36	32
	1,211	1,083

- The main changes during 2007 are described in “Significant Events”.

2. 5. BUSINESS COMBINATIONS

The acquisition cost of a business combination (including transaction costs) is allocated to the identifiable assets and liabilities of the acquiree, measured at fair value at the acquisition date. These identifiable assets and liabilities are 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.

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. Subsequent to this date, minority interests in these items have been measured under IFRS at the carrying amount of consolidated assets and liabilities as shown in the balance sheet of the acquired entity.

Fair value is the amount for which an asset or cash generating unit 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; it is allocated to the cash generating unit (which within the Bouygues group equates to the business segment) benefiting from the business combination.

The main initial allocations of acquisition cost to identifiable assets and liabilities may be adjusted within the twelve months following the acquisition date, after which they may no longer be adjusted.

Negative goodwill 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 using the methods described under “Subsequent remeasurement of non-current assets” below, in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

2. 5. 1. Alstom: Measurement of the fair value of identifiable assets, liabilities and contingent liabilities, and goodwill arising on the additional 4.91% interest acquired in 2007

- The purchase cost of the interest acquired in 2007 was €961 million.

- The additional fair value estimates were prepared by an independent expert on the basis of Alstom’s published financial statements for the six months ended 30 September 2007 and with reference to:

  a) The consensus of brokers’ reports published up to and including 30 September 2007.

A business plan by business segment (power systems/power services/transport) for the period from 2008 to 2010.

These business plans formed the basis of a DCF analysis used to value each segment.

Aggregating the three sectors gave an overall DCF valuation, which could then be compared with the purchase price paid by Bouygues.

b) Segment information reported by Alstom as of 31 March, 30 June and 30 September 2007.

- Assessment of remeasurements applied on the basis of the consolidated financial statements for the six months ended 30 September 2007:

  The consolidated net assets of the Alstom group at 30 September 2007 were €1,782 million, including profits for the six months then ended, and the effect of the change in accounting policy arising from application of the IAS 19 option on accounting for actuarial gains and losses). On this basis, the excess of purchase price over the share of net assets acquired by Bouygues amounted to €873 million.

- Based on an independent valuation, the allocation of this amount between (i) the separable assets and liabilities of the Alstom group, remeasured at fair value and (ii) goodwill was as follows:

Identifiable assets and liabilities	**Fair value**	
	At 30 Sept. 2007 (100%)	**Additional 4.91% interest acquired by Bouygues in 2007**
a) Intangible assets (brand name and technology)		
- An intangible asset may be recognised if it meets the definition of an intangible asset (IAS 38) and its fair value can be measured reliably (IFRS 3).		
- Brand name: The valuation of the Alstom brand name is based on discounting the future royalties that a third party would pay to use the Alstom brand name.	1,896	93
- Technology: Alstom owns or has been granted licences to use various patents and other intellectual property rights (remaining useful life of 13.5 years).	1,211	59
Alstom has a strong focus on research and development. The valuation is based on discounting the future royalties that a third party would pay to use Alstom technology.		
b) Backlog	520	26
The backlog represents all services not yet executed under contracts already signed, valued sector by sector based on publicly-available information. The backlog identified as of 30 June 2006 was not remeasured. A new backlog was valued as of 30 September 2007 in respect of the additional 4.91% interest acquired in 2007. The portion of the backlog valued in 2006 and still held at the end of that year continues to work through.		
The backlog was valued on the basis of the profit generated after paying a return on the support assets required to produce the services included in the backlog (EVA method).		
c) Other assets and liabilities, net	(1,136)	(56)
- These mainly comprise deferred taxes on asset remeasurements.		
- Total fair value remeasurements	**2,491**	**122**
f) Goodwill recognised by Bouygues	**-**	**751**
- Total purchase price allocation (Bouygues portion)		**873**

- Net amortisation expense of €8 million on fair value remeasurements was recognised in the income statement for the year ended 31 December 2007 (based on the Bouygues group's 29.98% interest).

2. 6. Foreign currency translation

2. 6. 1. Transactions denominated in foreign currencies

Transactions denominated in foreign currencies 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. 6. 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. 7. Deferred taxation

Deferred taxation is recognised on differences between the carrying amount and tax base of assets or 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), provided that there is a genuine probability of recovery in future periods.
  - Deferred taxes are measured using known applicable tax rates at the balance sheet date.
  - Deferred taxes are not discounted.
  - Deferred tax assets are included in non-current assets.

2. 8. Non-current assets

2.8. 1. Property, plant and equipment

Property, plant and equipment is measured at acquisition cost net of accumulated depreciation and impairment. Depreciation is recognised on a straight line basis over the estimated useful life of the asset.

Useful lives by main asset category and business segment:

	CONSTRUCTION	MEDIA	TELECOMS	
- Mineral deposits (quarries)	(1)			
- Non-operating buildings	10 to 40 years	25 to 50 years	-	
- Industrial buildings	10 to 20 years	-	20 years	
- Plant, equipment and tooling	3 to 15 years	3 to 7 years	5 to 10 years	(2)
- Other property, plant and equipment (vehicles and office equipment)	3 to 10 years	2 to 10 years		(2)

In accordance with IAS 16, when an item of property, plant and equipment consists of components with different useful lives, each component is accounted for and depreciated as a separate item of property, plant and equipment.

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognised in the income statement under "Other operating income and expenses".

(1) *Depreciated on the basis of the rate of depletion, up to a maximum of 40 years (Colas)*

(2) *Depending on the type of asset*

Depreciation periods are reviewed annually, and may be adjusted if expectations differ from previous estimates.

Leases:

Items of property, plant and equipment held under leases (or agreements containing leases in the sense of IFRIC 4) whereby the Bouygues group retains substantially all the risks and rewards of ownership are recognised as assets in the balance sheet. Leases are classified as finance leases or operating leases in accordance with the criteria specified in IAS 17.

Assets held under finance leases are recognised in the balance sheet in "Property, plant and equipment" at the lower of fair value or the present value of the minimum lease payments, less accumulated depreciation and impairment losses. They are depreciated over their estimated useful lives. The lease obligation is recognised as a liability under "Debt" in the balance sheet.

Obligations under operating leases are disclosed in off balance sheet commitments.

- **Grants received:**

  Investment grants received from national, regional or local governments are netted off the value of the assets concerned in the balance sheet, and depreciated at the same rate as those assets once receipt of the grant becomes unconditional.

2. 8. 2. Intangible assets

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance, which may be:

- separable, i.e. capable of being independently sold, transferred, licensed, rented or exchanged; or
- derived from contractual or other legal rights, whether separable or not.

Intangible assets with finite useful lives are depreciable. Intangible assets with indefinite useful lives are not depreciable, but are subject to an impairment test at each balance sheet date.

Intangible assets include:

- **Development expenses:**

  - In accordance with IFRS, incorporation and research expenses are expensed as incurred.

  - Development expenses are capitalised if the IAS 38 criteria are met, i.e. if they are expected to generate future economic benefits and their cost can be reliably measured.

Concessions, patents and similar rights:

These include the following assets held by Bouygues Telecom:

Type of asset	Amortisation method	Period
GSM frequency costs	straight line	12 years
UMTS licence	straight line	17.5 years [1]
IT system software and developments, office applications	straight line	3/5/8 years

- [1] **UMTS licence:**
  Bouygues Telecom has been amortising its UMTS licence since the high-speed network opened on 26 May 2005.

The fee for the UMTS licence, awarded for a 20-year period, comprises:

- a fixed component of €619.2 million, recognised as an intangible asset on the date the licence was awarded (12 December 2002).

- a variable component, calculated at 1% of sales generated by the operation of the third generation mobile network, which is recognised in the income statement for the period.

2. 8. 3. Other intangible assets

Other intangible assets recognised by the Group include leasehold rights and broadcasting rights (TF1).

TF1 broadcasting rights:

This item includes shares in films and programmes produced or co-produced by TF1 Films Production, TF1-Video, Glem and Téléma; distribution and trading rights owned by TF1 International, TCM DA, TF1 Entreprises and CIBY DA; and music rights owned by Une Musique and Baxter.

Broadcasting rights are recognised as assets, at historical cost. Dates of initial recognition and amortisation methods are as follows:

Initial recognition	**Amortisation method**		
	Co-production shares	Broadcasting rights Distribution / Trading	Music rights
At end of shooting	in line with revenues (minimum 3 years straight line)		
On receipt of censors' certificate	3 years straight line		
On signature of contract		Distribution: 3 years straight line minimum, or in line with revenues Trading: 5 years	2 years 75% in year 1 25% in year 2

- For films co-produced by TF1 Films Production and Téléma, the Group adopts industry practice and amortises in line with revenues, based on a minimum straight-line charge over 3 years.

- An impairment loss is recognised against audiovisual rights on a line by line basis where estimated future revenues do not cover the carrying amount of the asset.

2. 8. 4. Subsequent remeasurement of non-current assets

The carrying amount of non-current assets is reviewed in accordance with Group accounting policies on an annual basis, or more frequently if internal or external events or circumstances indicate that an asset may be impaired. In particular, the carrying amount of intangible assets (other than broadcasting rights, which are measured using the policies described above) and goodwill is compared with their recoverable amount.

In determining value in use, intangible assets to which independent cash flows cannot be directly allocated are grouped within the cash-generating units (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 value in use of CGUs is measured using the discounted cash flow (DCF) method, applying the following principles:

- the pre-tax cash flows used are those derived from the medium-term business plan prepared by the management of the business segment as part of the Group's management cycle;
- the discount rate is determined by adjusting the segment's weighted average cost of capital to arrive at a pre-tax rate;
- the terminal value is calculated by aggregating the discounted cash flows to infinity, based on normative cash flows and a perpetual growth rate that is consistent with the growth potential of the markets in which the business segment operates and with its competitive position in those markets.

The recoverable amount of the CGU as determined above is then compared with the carrying amount in the consolidated balance sheet of the non-current assets (including goodwill) attributed to the CGU. 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.

- **Information on impairment tests performed**:

  Subsidiaries for which goodwill is shown as a separate asset in the balance sheet:

  Bouygues Telecom:

  The recoverable amount of the Bouygues Telecom CGU was determined by calculating its value in use using the DCF method, based on three-year cash flow projections as per the business plan approved by management.

  An after-tax discount rate of 6.50% was used. Cash flows beyond the projection period were extrapolated using a reasonable, sector-specific perpetual growth rate (based on 3-year cash flow projections, and on normative cash flow thereafter).

  An analysis of the sensitivity of the calculation to the valuation of the key parameters showed no probable scenario in which the recoverable amount of the CGU would become less than its carrying amount.

  Colas:

  The recoverable amount of the Colas CGU was determined by calculating its value in use using the DCF method, based on three-year cash flow projections as per the business plan approved by management.

  An after-tax discount rate of 6.48% was used. Cash flows beyond the projection period were extrapolated using a reasonable, sector-specific perpetual growth rate (based on 3-year cash flow projections, and on normative cash flow thereafter).

An analysis of the sensitivity of the calculation to the valuation of the key parameters showed no probable scenario in which the recoverable amount of the CGU would become less than its carrying amount.

TF1:

Two approaches have been used in determining the recoverable amount of the TF1 CGU:

a) By reference to the closing stock market price on 31 December 2007 (€18.30). This value is greater than the carrying amount of the investment.

b) Calculation of value in use using the DCF method, based on three-year cash flow projections as per the TF1 business plan approved by management (discount rate: 6.72%).

Cash flows beyond the projection period were extrapolated using a reasonable, sector-specific perpetual growth rate (based on 3-year cash flow projections, and on normative cash flow thereafter).

An analysis of the sensitivity of the calculation to the valuation of the key parameters showed no probable scenario in which the recoverable amount of the CGU would become less than its carrying amount.

Impairment testing of goodwill on associates:

Because goodwill included in the carrying amount of investments in associates is not shown separately, it is not tested separately for impairment under IAS 36. The total carrying amount of the investment is tested for impairment by comparing its recoverable amount (higher of value in use or fair value less costs to sell) with its carrying amount, where there is evidence of impairment.
The estimated fair value of Alstom as at 31 December 2007, based on the quoted share price as of that date, is very substantially greater than its carrying amount.

- **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. 5. Non-current financial assets

In addition to deferred tax assets (treated as non-current), other non-current financial assets include loans and receivables (including amounts due from non-consolidated companies), deposits and caution money, and investments in non-consolidated companies over which the Bouygues group exercises neither control nor significant influence.

Investments in non-consolidated companies are measured at fair value, with changes in fair value taken to shareholders' equity.

Fair value is the market price for listed investments, and value in use for unlisted investments. Value in use is determined using the most appropriate criteria for each individual investment.

If there is objective evidence that an investment is impaired, the accumulated losses taken to shareholders' equity are recognised in the income statement.

Advances to non-consolidated companies, and other loans and receivables, are accounted for at amortised cost, determined using the effective interest method.

In the case of variable-rate loans and receivables, cash flows are periodically re-estimated to reflect changes in market interest rates, resulting in an adjustment to the effective interest rate and hence to the valuation of the loan or receivable.

Loans and receivables are reviewed for objective evidence of impairment. An impairment loss is recognised if the carrying amount of a financial asset is greater than the estimated recoverable amount as determined by impairment testing. Impairment losses are recognised in the income statement.

2. 9. CURRENT ASSETS

2. 9. 1. Inventories

Inventories are stated at the lower of cost (first in first out or weighted average cost, depending on the nature of the business) or market price.

Where the realisable value of inventory is lower than cost, the necessary provision for impairment is recognised.

2. 9. 2. Programmes and broadcasting rights (TF1)

In order to secure broadcasting schedules for future years, the TF1 Group enters into binding contracts, sometimes for a period of several years, under which the Group acquires (and the other party agrees to deliver) programmes and sports transmission rights.

These contracts are valued as follows:

Programmes and broadcasting rights:

Rights acquisition contracts not yet recognised in inventory at the balance sheet date are priced at the contractual amount or the estimated future cash outflow, less any advance payments made under the contract. Advance payments are recognised in the balance sheet as a supplier prepayment.

Sports transmission rights:

Acquisitions of sports transmission rights under irrevocable orders placed before the balance sheet date are priced at the contractual amount less any sums already paid at that date.

A programme is treated as ready for broadcast and recognised in inventory under “Programmes and broadcasting rights” when the following two conditions are met: technical acceptance (for in-house and external productions), and opening of rights (for external productions). Any programme acquisition advance payments made before these conditions are met are treated as supplier prepayments.

The line “Programmes and broadcasting rights” in the balance sheet comprises:

- in-house productions, comprising programmes made by TF1 Group companies for the TF1 channel,
- external productions, comprising broadcasting rights acquired by TF1 Group channels and co-production shares of broadcasts made for TF1 Group channels.

External productions that have not been broadcast, and the rights to which have expired, are expensed as a component of current operating profit.

The value of programmes and broadcasting rights is measured as follows:

- in-house production: at overall production cost (direct costs plus a portion of indirect production costs);
- broadcasting rights and co-productions: at purchase cost, less consumption for the year calculated at each balance sheet date.

TF1 SA programmes (which account for most of the Group’s programme inventory) are deemed to have been consumed as transmitted. If they are acquired for a single transmission, they are regarded as having been consumed in full at the time of transmission. If they are acquired for two or more transmissions, consumption is calculated as follows, according to the type of programme:

	Type of programme		
	Dramas with a running time of at least 52 minutes	Films, TV movies, series, cartoons	Other programmes and broadcasting rights
1st transmission	80%	50%	100%
2nd transmission	20%	50%	-

"Other programmes and broadcasting rights" in the table above refers to children's programmes other than cartoons, entertainment shows, plays, factual and documentary programmes, news, sport, and dramas with a running time of less than 52 minutes.

A provision for impairment is recorded once it becomes probable that a programme will not be transmitted.

2. 9. 3. Trade receivables

Trade receivables are carried at face value, net of impairment recorded to reflect the probability of recovery. These receivables are usually short-term and non interest-bearing. They are measured at the original invoice amount, unless application of an implied interest rate would have a material effect.

In line with the percentage of completion method of accounting for long-term contracts, trade receivables include:

- statements issued as works are executed or services provided, and accepted by the project owner;
- unbilled receivables, arising where works are entitled to acceptance but billing or acceptance by the project owner has been delayed.

2. 9. 4. Other current receivables and prepaid expenses

Other receivables are carried at face value, net of impairment recorded to reflect the probability of recovery.

2. 10. Financial instruments

Some group entities use hedging instruments to limit the impact on the income statement of fluctuations in exchange rates and interest rates. The Group's policy on the use of financial instruments is described below.

2. 10. 1. Risks to which the Group is exposed

Currency risk

In general, the Bouygues group has little exposure to currency risk in routine commercial transactions. Wherever possible, expenses relating to a contract are incurred in the same currency as that in which the contract is billed. This applies to most projects executed outside France, on which local-currency expenses (sub-contracting and supplies) represent a much higher proportion than euro-denominated expenses. In addition, the Group pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

Interest rate risk

The Group's financial income and expenses have low sensitivity to interest rate risk. The bulk of debt is in the form of fixed-rate bond issues, and a range of hedging instruments is used to convert variable-rate debt into fixed-rate debt.

On average over the year, the amount of variable-rate debt in the balance sheet is less than the amount of surplus cash invested at variable rates.

The consolidated income statement would be only marginally affected by fluctuations in euro interest rates, or by a divergence in interest rate trends between the euro and other major currencies.

2. 10. 2. Principles applied to all hedging instruments

The only instruments used for hedging purposes are forward currency purchases and sales, currency swaps and purchases of currency options for currency risk hedging purposes; and interest rate swaps, future rate agreements, and purchases of caps and collars for interest rate risk hedging purposes.

These instruments:

- are used solely for hedging purposes;
- are contracted solely with high-quality French and foreign banks;
- carry no liquidity risk in the event of a downturn.

Specific reports are prepared for those responsible for the management and supervision of the relevant Group companies describing the use of hedging instruments, the selection of counterparties with whom they are contracted, and more generally the management of exposure to currency risk and interest rate risk.

2. 10. 3. Hedging rules

Currency risk

Group policy is to hedge systematically all residual currency exposure relating to commercial transactions. If the future cash flow is certain, the currency risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the awarding of the contract has been confirmed.

In general, equity investments in foreign companies are hedged by a debt of a similar amount in the same currency, recorded in the books of the company that owns the investment.

In the interests of efficiency, the currency positions of some Group entities may be managed centrally, which in some cases may result in the offset of matching positions.

Interest rate risk

Group policy is for each sub-group to hedge some or all of its financial assets and liabilities, where these are foreseeable and recurring.

The aim is to control future interest expense by fixing the cost of debt using swaps and future rate agreements, or by limiting it through the use of caps, over a period equivalent to that of the financial liabilities to be hedged.

As with currency risk, the interest rate positions of some Group entities may, in the interests of efficiency, be managed centrally and partially offset.

2. 10. 4. Accounting methods

In general, the financial instruments used by the Group qualify for hedge accounting, which means that the hedging relationship is documented in accordance with the requirements of IAS 39. Two types of accounting treatment are used:

- Fair value hedges: changes in the fair value of the hedging instrument and changes in the fair value of the hedged item are recognised symmetrically in the income statement.

- Cash flow hedges: changes in the fair value of the hedging instrument are recognised in the income statement for the ineffective portion of the hedging relationship, and in shareholders' equity (until the hedge is closed out) for the effective portion.

2. 11. Consolidated shareholders' equity

Treasury shares are deducted from consolidated shareholders' equity. No gains or losses arising on the cancellation of treasury shares are recognised in the income statement.

If a Group subsidiary holds its own shares, an additional percentage interest in that subsidiary is recognised at Group level.

Translation reserve

The translation reserve represents translation differences arising since 1 January 2004, when the reserve was deemed to be zero and the balance transferred to “Retained earnings”.

Information about the management of capital (amendment to IAS 1):

The objective of Bouygues management in managing capital is to maintain consolidated shareholders' equity at a level consistent with:

- maintaining a reasonable gearing ratio (net debt to shareholders' equity);
- distributing regular dividends to shareholders.

However, the level of equity may vary over short periods, especially if a strategically important investment opportunity arises.

The business plan is a key management tool, used by the parent company to assess the financial position of each business segment and of the Group as a whole, and the effects on consolidated shareholders' equity.

Within these overall principles, Group management allows the subsidiaries responsible for segments and the parent company a degree of autonomy to manage their equity in line with their specific objectives and needs, given that equity capital requirements vary from business to business and segment to segment.

Bouygues defines net debt as all financial liabilities (including financial instrument liabilities associated with debt and short-term investments), less cash and cash equivalents and associated financial instruments.

2. 12. Non-current liabilities

2. 12. 1. Non-current debt

(portion due after more than one year)

With the exception of derivative instruments accounted for as financial liabilities measured at fair value, all other borrowings and financial liabilities are recognised initially at fair value and subsequently at amortised cost, measured using the effective interest method.

Transaction costs directly attributable to the acquisition or issuance of a financial liability are offset against that liability, and amortised over the life of the liability using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments to maturity (or to the next market rate repricing date) to the net carrying amount of the liability. The calculation takes account of all fees and points paid or received by the parties to the contract.

The portion of long-term debt due within less than one year is included in current liabilities.

2. 12. 2. Non-current provisions

Under IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", a provision is recorded where the Group has an obligation to a third party at the balance sheet date resulting from a past event, the settlement of which is expected to result in an outflow from the group of resources embodying economic benefits.

The amount recognised as a provision represents the Group's estimate of the outflow of resources that will be needed to settle the obligation.

Non-current provisions are not usually associated with the normal business cycle of each segment (compare the definition of current provisions below).

Non-current provisions mainly comprise:

- Provisions established to cover the uninsured portion of risks under 2-year and 10-year construction contract guarantees. These provisions are recognised in line with recognition of contract revenues, based on statistical data reflecting actual experience over the long term.

- Provisions related to notified tax reassessments and fines levied by the competition authorities.

- Provisions for litigation, claims and foreseeable risks relating to the Group's operations, especially foreign operations, including permanent withdrawal from projects and sundry risks and liabilities.

- Provisions for site rehabilitation costs.

- Employee benefits:

  - ➢ Provisions for long-service awards.

  - ➢ Provisions for obligations to employees in respect of lump-sum benefits payable on retirement.

    This provision is calculated using the projected unit credit method based on final salary, and on the basis of the collective agreement for each business segment. The calculation takes account of:

    - ✓ status, age and length of service for each employee category;
    - ✓ employee turnover, calculated on the basis of the average number of leavers by business segment, age bracket and employee category;
    - ✓ average salary and wages including bonuses and benefits in kind, uplifted by a coefficient to reflect the applicable percentage of employer's social security charges;
    - ✓ a final salary inflation rate;
    - ✓ a discount rate applied to the obligation over the projected period to the retirement date;
    - ✓ estimated life expectancy, based on mortality tables.

  - ➢ Provisions for pension obligations (depending on the country and terms of the pension plan).

    To cover their pension obligations, Group companies make regular payments to external bodies including public and private pension funds and insurance companies (defined-contribution plans). There are however some remaining defined-benefit plans still in existence, mainly in the Colas group (United Kingdom, Ireland, Canada); only a limited number of employees are involved, as it was decided some years ago to close these plans to new entrants.

    - The actuarial assumptions used to measure the present value of the pension obligation and the service cost for the period in respect of defined-benefit plans represent the best estimate of the variables that will determine the final cost of the benefits. These assumptions are internally consistent. The discount rate was determined by reference to the expected market rate at the balance sheet date, taking into account the estimated timing of benefit payments.

    - From 2007 onwards, the Group has recognised in consolidated shareholders' equity the effect of changes in actuarial assumptions on the pension obligation (see note 2.3).

2. 13. CURRENT LIABILITIES

2. 13. 1 Advances and down-payments on orders

This item comprises advances and down-payments received from customers on start of works contracts.

2. 13. 2. Current provisions

- Provisions relating to the normal business cycle of each segment. These mainly comprise:
  - ✓ Provisions for construction contract risks, joint ventures, etc
  - ✓ Provisions for restructuring
- Provisions for losses to completion on construction contracts:
  These relate to construction contracts in progress, and take account of claims accepted by the client. They are measured on a contract by contract basis, with no netting between them.
- Provisions for decommissioning and site rehabilitation costs (Bouygues Telecom):
  Decommissioning and site rehabilitation costs incurred as a result of the company's contractual obligation to remedy immediate environmental damage are covered by a provision.
  This provision is calculated on a statistical basis taking into account the number of sites involved, a standard decommissioning cost appropriate to the type of site, and the probable decommissioning timetable. It is discounted at a rate of 4.5%.
  When a site is decommissioned, the corresponding provision is reversed.

2. 13. 3. Trade payables and other current liabilities

Because of the short-term nature of these liabilities, they are shown in the consolidated financial statements at a reasonable estimate of market value.

2. 14. INCOME STATEMENT

As allowed under IAS 1, "Presentation of Financial Statements", the Bouygues group presents an income statement that classifies expenses by nature, in the format specified in recommendation 2004-R-02 issued by the French national accounting standard-setter, the *Conseil National de la Comptabilité* (CNC), on 27 October 2004. An income statement classifying expenses by function is shown in Note 16 to the financial statements.

2. 14. 1. Definition of operating revenues

Revenues from the Group's operations are recognised when:

- it is probable that the future economic benefits of the transaction will flow to the Group;
- the amount of revenue can be reliably measured;
- at the transaction date, it is probable that the amount of the sale will be recovered.

Bouygues Telecom:

Bouygues Telecom generates revenue from services and handset sales.

Services

Price plans and commercial services are invoiced one month in advance, and the corresponding revenue is recognised on a straight-line basis over the service period.

Revenues from call charges other than price plans, roaming fees and interconnection fees are recognised as the service is used.

Revenues from prepaid cards are recorded when the card is sold to the distributor or retailer, but recognition is deferred until the card is activated and then adjusted for unused call time.

Services carried out on behalf of content providers in relation to SMS+ services, special numbers and i-mode services are not included in income and expenses for the period. Only the margin charged as consideration for the service is recognised in sales.

Handset sales

Handset sales are recognised on the sale of the handset to the distributor or retailer, but the margin on the sale is eliminated until the line is activated by the customer.

Distributor/retailer commission

All commission payable to distributors and retailers is recognised as an expense.

2. 14. 2. Accounting for long-term contracts

Construction activities

All activities related to construction contracts are accounted for using the percentage of completion method.

Under this method, the revenue recognised equals the latest estimate of the total selling price of the contract multiplied by the actual stage of completion determined by reference to the physical state of progress of the project. The latest estimate of the total selling price takes account of claims accepted by the client.

If it is regarded as probable that a contract will generate a loss on completion, a provision for losses to completion is recognised as a current provision in the balance sheet. The loss is provided for in full as soon as it is can be reliably measured, irrespective of the stage of completion.

Property development

The accounting treatment applied to property development activities is as follows:

Property development revenues are recognised using the percentage of completion method once the following conditions have been met:

- building permit with no appeal;
- signature of notarised deed of sale or development contract;
- construction contract signed (order given to start works).

The percentage of completion represents costs incurred to date as a proportion of the total estimated costs to completion.

Property development project finishing costs are recognised on a percentage of completion basis.

All interest charges associated with ongoing or completed property development projects are expensed as incurred.

2. 14. 3. Profits/losses from joint operations

These profits and losses are included in "Other operating income and expenses", and represent the Group's share of profits or losses from non-consolidated companies involved in the operation of production sites for road-building and asphalt products; they are included in current operating profit.

2. 14. 4. Share-based payment

In accordance with IFRS 2, stock subscription options granted to corporate officers or employees of the Group are accounted for in the financial statements as follows: the fair value of the options granted (corresponding to the fair value of the services rendered by the employees as consideration for the options) is recognised as an employee benefit under "Personnel costs" in the income statement, with the matching entry credited to shareholders' equity.

The amount of the employee benefit is measured at the grant date of the option using the Black & Scholes model, and is charged to the income statement over the vesting period of the rights. In accordance with IFRS 2, this treatment applies only to plans awarded after 7 November 2002.

2. 15. Cash flow statement

The cash flow statement is presented in accordance with IAS 7 and CNC recommendation 2004-R-02.

This 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. 16. Off balance sheet commitments

A summary of contractual obligations and commercial commitments is provided in note 18.

2. 17. Financial indicators

Definitions of key financial indicators:

2. 17. 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. 17. 2. Free cash flow

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

2. 17. 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. 18. STATEMENT OF RECOGNISED INCOME AND EXPENSE

Following its adoption of the option allowed under IAS 19 to recognise actuarial gains and losses directly in equity, the Bouygues group has for the first time presented a comparative statement of recognised income and expense.

2. 19. OTHER INFORMATION

Comparability of the IFRS financial statements:

- The accounting policies applied under IFRS as at 31 December 2007 are the same as those applied as at 31 December 2006, except for the significant changes in accounting policy disclosed in Note 2.2.

- The comparative financial statements presented for the year ended 31 December 2006 take account of these changes in accounting policy, and in particular the effect on shareholders' equity and profit or loss. The schedules below show the main effects of the retrospective changes in accounting policy:

A) Balance sheet – 2006 and 2007

ASSETS	MOVEMENT IN 2007 ACTUARIAL GAINS/ LOSSES	MOVEMENT IN 2007 CUSTOMER LOYALTY PROVISION	2006 BEFORE CHANGES IN POLICY	CHANGES IN ACCOUNTING POLICY 2006 ACTUARIAL GAINS/ LOSSES	CHANGES IN ACCOUNTING POLICY 2006 RETAIL CUSTOMER LOYALTY PROVISION	2006 AFTER CHANGES IN POLICY
Non-current assets						
- Investments in associates	46		/	/	/	/
- Deferred tax asset and long-term tax receivable	(4)		271	2	(57)	216
Total Assets	**42**	**0**		**2**	**(57)**	

LIABILITIES & EQUITY	MOVEMENT IN 2007 ACTUARIAL GAINS/ LOSSES	MOVEMENT IN 2007 CUSTOMER LOYALTY PROVISION	2006 BEFORE CHANGES IN POLICY	CHANGES IN ACCOUNTING POLICY 2006 ACTUARIAL GAINS/ LOSSES	CHANGES IN ACCOUNTING POLICY 2006 RETAIL CUSTOMER LOYALTY PROVISION	2006 AFTER CHANGES IN POLICY
Shareholders' equity						
- Reserves attributable to the Group						
. Changes in accounting policy as at 1 January 2006			5,347	(7) (14)	91	5,439
Movements during the year	58			7		
- Net profit attributable to the Group				0	8	
Minority interests			1,146		10 **sub-total 109**	1,156
Non-current provisions			1,432			1,441
- Provisions for long-term employee benefits	(16)		397	9		of which: 406
Current provisions			690			524 of which:
- Customer loyalty provisions (Bouygues Telecom)			177		(166)	11
Total Liabilities and Equity	**42**	**0**		**2**	**(57)**	/

B) Income statement for the year ended 31 December 2006

- Change in accounting policy – Bouygues Telecom customer loyalty provisions: impact on net profit for the year: +€8 million.

- Change in accounting policy: accounting treatment of defined-benefit post-employment benefit plans (amendment to IAS 19): no impact on the income statement.

	2006		
	2006 income statement as originally published	**Change in accounting policy: retail customer loyalty provision**	**2006 income statement as restated**
. Sales	**26,408**		**26,408**
. Net charges to provisions and impairment losses	**(384)**	**12**	**(372)**
. Current operating profit	**1,921**	**12**	**1,933**
. Operating profit	**1,877**	**12**	**1,889**
. Cost of net debt	**(200)**		**(200)**
. Income tax expense	**(555)**	**(4)**	**(559)**
. Net profit	**1,582**	**8**	**1,590**
. Net profit attributable to the Group	**1,246**	**8**	**1,254**

NOTE 3

NON-CURRENT ASSETS 17,601

An analysis of non-current assets by business segment is provided in Note 16.

3.1 Acquisitions of non-current assets during the year, net of disposals

	2007	2006
Acquisitions of property, plant and equipment	1,570	1,529
Acquisitions of intangible assets	217	171
Capital expenditure	**1,787**	**1,700**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies, other long-term investments)	2,195	2,687
Acquisitions of non-current assets	**3,982**	**4,387**
Disposals of non-current assets	(208)	(336)
Acquisitions of non-current assets, net of disposals	**3,774**	**4,051**

3.2 Movements during the period

3.2.1 Property, plant and equipment

5,564

Gross value	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
1 January 2006	**1,413**	**7,450**	**1,701**	**152**	**10,716**
Translation adjustments	(18)	(61)	(23)	(3)	**(105)**
Transfers between items & other	26	88	7	(123)	**(2)**
Changes in scope of consolidation	(22)	35	9	7	**29**
Acquisitions and other increases	226	796	270	237	**1,529**
Disposals and other reductions	(16)	(312)	(121)	(1)	**(450)**
31 December 2006	**1,609**	**7,996**	**1,843**	**269**	**11,717**
of which finance leases	22	84	123		**229**
Movements during 2007					
Translation adjustments	(14)	(53)	(16)	(2)	**(85)**
Transfers between items & other	61	107	28	(178)	**18**
Changes in scope of consolidation	51	160	33	(7)	**237**
Acquisitions and other increases (1)	89	915	301	265	**1,570**
Disposals and other reductions	(20)	(368)	(140)		**(528)**
31 December 2007	**1,776**	**8,757**	**2,049**	**347**	**12,929**
of which finance leases	29	94	105		**228**

Depreciation and impairment	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
1 January 2006	**(464)**	**(4,475)**	**(1,162)**		**(6,101)**
Translation adjustments	4	39	15		**58**
Transfers between items & other	(1)	(5)	5		**(1)**
Changes in scope of consolidation	10	(13)	(8)		**(11)**
Disposals and other reductions	6	286	113		**405**
Net depreciation expense	(51)	(761)	(216)		**(1,028)**
Impairment losses recognised					
Impairment losses reversed					
31 December 2006	**(496)**	**(4,929)**	**(1,253)**		**(6,678)**
of which finance leases	(6)	(45)	(98)		**(149)**
Movements during 2007					
Translation adjustments	4	31	9		**44**
Transfers between items & other	(3)		5		**2**
Changes in scope of consolidation	(14)	(80)	(21)		**(115)**
Disposals and other reductions	6	312	133		**451**
Net depreciation expense	(61)	(782)	(226)		**(1,069)**
Impairment losses recognised					
Impairment losses reversed					
31 December 2007	**(564)**	**(5,448)**	**(1,353)**		**(7,365)**
of which finance leases	(8)	(59)	(88)		**(155)**

Carrying amount	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
31 December 2006	**1,113**	**3,067**	**590**	**269**	**5,039**
of which finance leases	16	39	25		**80**
31 December 2007	**1,212**	**3,309**	**696**	**347**	**5,564** (2)
of which finance leases	21	35	17		**73**

(1) Including Bouygues Telecom:
network investments of €467 million

(2) Including investment grants netted off property, plant and equipment: impact -€119 million

Analyses of the carrying amount of intangible assets and property, plant and equipment, and of investment in operating assets, by business segment and geographical area are provided in Note 16, "Segment Information".

3.2.2 Intangible assets

1,073

Gross value	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
1 January 2006	**0**	**1,110**	**1,047**	**2,157**
Translation adjustments	0	0	(1)	**(1)**
Transfers between items & other	149	(145)	(4)	**0**
Changes in scope of consolidation	0	(22)	6	**(16)**
Acquisitions and other increases	24	53	82	**159**
Disposals and other reductions	0	(6)	(9)	**(15)**
31 December 2006	**173**	**990**	**1,121**	**2,284**
Movements in 2007				
Translation adjustments	0	0	(3)	**(3)**
Transfers between items & other	(9)	9	(10)	**(10)**
Changes in scope of consolidation	0	12	80	**92**
Acquisitions and other increases	21	37	159	**217**
Disposals and other reductions	0	(18)	(9)	**(27)**
31 December 2007	**185**	**1,030** [1]	**1,338**	**2,553**

Amortisation and impairment	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
1 January 2006	**0**	**(303)**	**(798)**	**(1,101)**
Translation adjustments	0	0	1	**1**
Transfers between items & other	(75)	73	0	**(2)**
Changes in scope of consolidation	0	13	(4)	**9**
Disposals and other reductions	0	6	5	**11**
Net amortisation expense	(28)	(69)	(83)	**(180)**
Impairment losses recognised	0	0	0	**0**
Impairment losses reversed	0	0	0	**0**
31 December 2006	**(103)**	**(280)**	**(879)**	**(1,262)**
Movements in 2007				
Translation adjustments	0	0	1	**1**
Transfers between items & other	10	(13)	7	**4**
Changes in scope of consolidation	0	(3)	(56)	**(59)**
Disposals and other reductions	0	16	4	**20**
Net amortisation expense	(29)	(71)	(84)	**(184)**
Impairment losses recognised	0	0	0	**0**
Impairment losses reversed	0	0	0	**0**
31 December 2007	**(122)**	**(351)**	**(1,007)**	**(1,480)**

Carrying amount	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
31 December 2006	**70**	**710**	**242**	**1,022**
31 December 2007	**63**	**679**	**331**	**1,073**

[1] Includes Bouygues Telecom UTMS licence: €619 million ➔ see Note 2 for description of amortisation method

3.2.3 Goodwill

5,123

Movement in carrying amount of goodwill during 2007: +€342 million (fully consolidated entities only, excluding associates)

	Gross value	Impairment	Carrying amount
1 January 2006	**4,641**	**(23)**	**4,618**
Changes in scope of consolidation	171		171
Impairment losses		(16)	(16)
Other movements	8		8
31 December 2006	**4,820**	**(39)**	**4,781**
Movements in 2007			
Changes in scope of consolidation	351 [1]		351
Impairment losses		(2)	(2)
Other movements	(11)	4	(7)
31 December 2007	**5,160**	**(37)**	**5,123**

[1] Principal acquisitions of 2007:

Colas :	Spie Rail (Colas Rail)	180
Bouygues Construction:	Mibag Group (ETDE)	46
	Karmar (Bouygues Batiment International)	34
	Warings Group (Entreprises France Europe)	25

Split of goodwill by cash generating unit (CGU):

CGU	31 December 2007		31 December 2006	
	Total	**% of parent**	**Total**	**% of parent**
Bouygues Construction [1]	326	99.97%	224	99.97%
Colas [2]	1,052	96.44%	827	96.49%
TF1 [2]	1,094	43.06%	1,085	42.92%
Bouygues Telecom [2]	2,651	89.55%	2,645	89.55%
Other activities				
Total Bouygues	**5,123**		**4,781**	

[1] Only includes goodwill on subsidiaries acquired by the CGU.
[2] Includes goodwill on subsidiaries acquired by the CGU and on acquisitions made by the parent company (Bouygues SA).

Consolidated purchase price of listed shares:

	Consolidated purchase price per share	Quoted closing share price at 31 December 2007
TF1	12.40	18.30
Colas	76.56	309.50
Alstom	83.26	147.00

● Impairment tests were carried out as described in Note 2, and showed no evidence of impairment of intangible assets or goodwill attached to the Group's CGUs (business segments).

3.2.4 Non-current financial assets

5,841

● **These assets include:**
- **Investments in associates (companies accounted for by the equity method)**
- **Other non-current financial assets**

	Gross value						
	Associates [1]	Other non-current assets: Investments in non-consolidated companies	Other non-current assets: Other non-current assets	Total gross value	Amortisation and impairment	Carrying amount	Non-current deferred tax assets
1 January 2006	**499**	**211**	**206**	**916**	**(136)**	**780**	**375**
Changes in accounting policy							(52)
1 January 2006 [*]	**499**	**211**	**206**	**916**	**(136)**	**780**	**323**
Translation adjustment	(1)			(1)		(1)	(1)
Transfers between items & other	7	13	(11)	9	(8)	1	
Income and expenses recognised directly in equity [*]							(3)
Changes in scope of consolidation	2,356	15	608	2,979	(34)	2,945	2
Acquisitions and other increases	150	39	268	457		457	7
Disposals and other reductions	(51)	(43)	(43)	(137)		(137)	(4)
Net impairment reversals/(losses)					(18)	(18)	(108)
31 December 2006	**2,960**	**235**	**1,028**	**4,223**	**(196)**	**4,027**	**216**
Movements in 2007							
Translation adjustment	(1)	(4)	(8)	(13)	1	(12)	(2)
Transfers between items & other	20		2	22	(7)	15	(7)
Income and expenses recognised directly in equity							(8)
Changes in scope of consolidation	1,229	32	(6)	1,255	(1)	1,254	13
Acquisitions and other increases	290	20	148	458		458	13
Disposals and other reductions	(85)	(11)	(38)	(134)	24	(110)	
Net impairment reversals/(losses)					(16)	(16)	
31 December 2007	**4,413**	**272**	**1,126**	**5,811**	**(195)**	**5,616**	**225**
Amortisation and impairment	**(20)**	**(121)**	**(54)**	**(195)**			
Carrying amount	**4,393**	**151**	**1,072**	**5,616**			**225**

[1] Includes goodwill relating to associates: €2,714 million

[*] Retrospective restatements at 1 January 2006: adoption of option under amended IAS 19 and early adoption of IFRIC 13 (loyalty programme provision) (See note 2 for details of the impact of changes in accounting policy)

3.2.4.1 Investments in associates

4,393

● Components of carrying amount at 31 December 2007	Share of net assets held	Share of 2007 net profit/ (loss)	Goodwill on associates	Carrying amount
1 January 2006	**361**		**136**	**497**
Translation adjustment	(1)			**(1)**
Transfers between items & other	15			**15**
Acquisitions and share issues	747		1,616	**2,363**
Net profit/(loss) for the period		136		**136**
Disposals and other reductions	(51)		(1)	**(52)**
Net impairment losses		(18)		**(18)**
31 December 2006	**1,071**	**118**	**1,751**	**2,940**
Movements in 2007				
Translation adjustment	(1)			**(1)**
Transfers between items & other	20			**20**
Appropriation of prior-year profit	118	(118)		
Acquisitions and share issues	324		963 [(2)]	**1,287**
Net profit/(loss) for the period		265		**265**
Disposals and other reductions	(110)			**(110)**
Net impairment losses		(8)		**(8)**
31 December 2007	**1,422**	**257**	**2,714**	**4,393** [(1)]

[(1)] include : - Alstom = €3,573 million
- Cofiroute (Colas) = €419 million
(see below)

[(2)] includes: - Alstom = €751 million (purchase of an additional 4.91% interest by Bouygues in 2007); total goodwill arising in 2006 and 2007 = €2,367 million.

The Bouygues Group owns a number of interests in associates, which are listed in Note 25 (Detailed List of Consolidated Companies at 31 December 2007).

Principal associates:

	31 December 2006	Net movement in 2007	31 December 2007	Of which: share of net profit/ (loss)
Alstom	2,413	1,160	3,573	179 [(1)]
Construction				
Public works concession companies	60	18	78	12
Other associates	6	(1)	5	(5)
Roads				
Cofiroute	393	26	419	58
Other associates	28	27	55	5
Media	40	213	253	8
Results of other associates		10	10	
Total	**2,940**	**1,453**	**4,393**	**257**

[(1)] Contribution net of amortisation charged against fair value remeasurements in 2007 (based on a 29.98% interest)

Summary information about the assets, liabilities, income and expenses of the Bouygues Group's principal associates is provided below.

Amounts shown are for 100% of the associate	**31 December 2007**	
	Alstom (1)	**Cofiroute**
Non-current assets	8,057	5,352
Current assets	12,646	678
Assets held for sale		
Total assets	**20,703**	**6,030**
Shareholders' equity	1,831	1,728
Non-current liabilities	3,323	3,672
Current liabilities	15,549	630
Liabilities on held-for-sale assets		
Total liabilities	**20,703**	**6,030**
Sales	8,004	1,039
Current operating profit	573	559
Net profit/(loss) of discontinued and held-for-sale operations		
Net profit	**392**	**349**
Net profit attributable to the Group	**388**	**349**

Amounts shown are for 100% of the associate	**31 December 2006**	
	Alstom (2)	**Cofiroute**
Non-current assets	8,224	4,915
Current assets	11,112	699
Assets held for sale		
Total assets	**19,336**	**5,614**
Shareholders' equity	1,375	1,570
Non-current liabilities	4,295	3,472
Current liabilities	13,666	572
Liabilities on held-for-sale assets		
Total liabilities and equity	**19,336**	**5,614**
Sales	14,208	966
Current operating profit	957	510
Net profit/(loss) of discontinued and held-for-sale operations		
Net profit	**538**	**301**
Net profit attributable to the Group	**547**	**301**

(1) Published interim financial statements of Alstom for the six months ended 30 September 2007 (Alstom's financial year-end is 31 March).

(2) Financial statements for the year ended 31 March 2007.

3.2.4.2 Other non-current financial assets

1,223

- **Investments in non-consolidated companies: 151**
- **Other non-current financial assets: 1,072**

3.2.4.2.1 Carrying amount of principal investments in non-consolidated companies at 31 December 2007

	31/12/07								31/12/06
Investment	**Gross value**	**Impairment**	**Carrying amount**	**% interest**	**Total assets**	**Total current & non-current liabilities**	**Total sales**	**Net profit**	**Carrying amount**
French companies									
Foncière du point du jour	10	7	**3**	100.0%	3	-	-	1	**3**
Périphérique de Lyon	9	7	**2**	39.0%	4	-	-	-	**1**
Sylver	4		**4**	49.0%					**4**
CATC	2		**2**	99.8%		-	-	-	**2**
Asphalt and binder companies (Colas) [1]	13	2	**11**		-	-	-	-	**12**
Other investments in French companies	61	30	**31**		-	-	-	-	**43**
Sub-total	**99**	**46**	**53**						**65**
Foreign companies									
IEC Investments (Hong Kong)	43		**43**	13.0%	218	11	26	(8)	
Socoprim (Ivory Coast)	13		**13**	64.0%	22			-	13
A1- International (Netherlands)	13		**13**	50.0%					13
Ma Chang (South Korea)	10		**10**	27.0%	168	139		(1)	9
CCIB (Romania)	6	6	**0**	22.0%	-	-	-	-	0
VSL Corporation (USA)	22	22	**0**	100.0%		1			
Asphalt and binder companies (Colas) [1]	2	1	**1**		-	-	-	-	1
Other investments in foreign companies	64	46	**18**		-	-	-	-	13
Sub-total	**173**	**75**	**98**						**49**
Total	**272**	**121**	**151**						**114**

[1] The information provided for Colas asphalt & binder companies and other investments in French and foreign companies relates to a number of companies, for which individual information is not disclosed on grounds of immateriality.

3.2.4.3 Other non-current financial assets

1,072

The main items included in this heading are:

● Canal+ France financial asset (transfer of TPS)		666 [(1)]
● Advances to non-consolidated companies		196 [(2)]
● Non-current loans and receivables		56
● Other long-term investments:		154
comprising:		
- Deposits and caution money	136	
- Other long-term investment securities	18 [(3)]	

[(1)] The Canal+ France financial asset received in exchange for the transfer of TPS shares was designated by TF1 as a financial asset at fair value through profit or loss on initial recognition in 2006. This asset represents 9.9% of the capital of Canal+ France plus a put option exercisable in February 2010.
The fair value of this asset increased by €37 million during 2007, taking the carrying amount to €666 million.
This change in fair value was recognised in "Other financial income and expenses".

[(2)] Mainly the non-current receivable (financial asset) relating to Alstom Hydro Holding:
In October 2006, Bouygues acquired 50% of Alstom Hydro Holding (Alstom's hydro-power division) from Alstom for €150 million.
Under the agreements with Alstom signed on 29 September 2006 and 31 October 2006:
- Alstom has specific rights, in particular in the event of disagreement between the shareholders.
- Bouygues has an option to sell its shares back to Alstom in November 2009, or earlier in the event of disagreement with Alstom:
. for €175 milllion;
. in exchange for 2.2 million Alstom shares, or the equivalent value in euros.

This interest was recognised as a non-current financial asset at 31 December 2007, at a carrying amount of €160 million. The same treatment was applied as at 31 December 2006. Because of the long-term industrial strategy underpinning relations between Bouygues and Alstom, the Bouygues group does not account for the call option entitling it to exchange this asset for Alstom shares in October 2009 as a financial instrument. If this item had been accounted for as a financial instrument, the resulting volatility would have had an estimated favourable impact of €57 million on the financial statements for 2007 (cumulative favourable impact to date since initial recognition: €107 million), corresponding to the intrinsic after-tax value of the put option as at 31 December 2007.

[(3)] Main components of "Other long-term investment securities":

Mutual funds	10
Other investments individually less than €2 million	8
	18

Analysis of investments in non-consolidated companies and other non-current financial assets (excluding associates) by type

1,223

	Available-for-sale financial assets (1)	Loans and receivables (3)	Financial assets at fair value through profit or loss (2)	Held-to-maturity financial assets (3)	Total
31 December 2006	96	231	631	129	**1,087**
Movements during 2007	43	32	44	17	**136**
31 December 2007	139	263	675	146	**1,223**
Due within less than 1 year		27	2	2	**31**
Due within 1-5 years	28	32	666	4	**730**
Due after more than 5 years	111	204	7	140	**462**

[(1)] Impact of remeasurement recognised in equity
[(2)] Impact of remeasurement recognised in profit or loss
[(3)] Measured at amortised cost

Investments in joint ventures

The Bouygues Group holds a number of interests in joint ventures, which are listed in Note 25 (Detailed List of Consolidated Companies at 31 December 2007).

Aggregate amounts of assets/liabilities and key income statement indicators are shown below:

Bouygues share	**2007**	**2006**
Non-current assets	164	147
Current assets	1,135	1,067
Total assets	**1,299**	**1,214**
Shareholders' equity	196	83
Non-current liabilities	440	100
Current liabilities	663	1,031
Total liabilities & equity	**1,299**	**1,214**
Sales	**1,450**	**1,287**
Operating profit	**98**	**70**
Net profit	**104**	**68**

3.2.5 Non-current tax assets 225

See Note 7 for details.

NOTE 4	CURRENT ASSETS	15,827

4.1 Inventories

2,763

Inventories	31 December 2007 Gross value	Impairment [1]	Carrying amount	31 December 2006 Gross value	Impairment [1]	Carrying amount
Inventories: raw materials, supplies, finished goods and property development inventories	2,356	(93)	**2,263**	1,826	(79)	**1,747**
Programmes and broadcasting rights (TF1)	664	(164)	**500**	693	(142)	**551**
Total	**3,020**	**(257)**	**2,763**	**2,519**	**(221)**	**2,298**

		2007	2006
[1] includes:	Losses charged during the period	(123)	(77)
	Losses reversed during the period	89 [a]	85

[a] Includes reversals of impairment losses on property development inventories (Bouygues Immobilier): €12 million

Programming schedules for future years not yet recognised

The maturities of broadcasting and sports transmission rights contracts (see Note 2 for details) are as follows:

	Maturity within less than 1 year	Maturity within 1-5 years	Maturity after more than 5 years	Total 2007	Total 2006
. Programmes and broadcasting rights [a]	463	754	120	1,337	1,290
. Sports transmission rights	222	499	91	812	951
Total	**685**	**1,253**	**211**	**2,149**	**2,241**

[a] Some of these contracts are denominated in foreign currencies: €7.8 million in CHF, €36.9 million in GBP and €405.7 million in USD.

4.2 Advances and down-payments on orders

363

	31 December 2007			31 December 2006		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments on orders	367	(4)	**363**	337	(4)	**333**

4.3 Trade receivables, tax assets and other receivables

9,277

	31/12/07			31/12/06		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	7,250	(339)	**6,911**	6,586	(334)	**6,252**
Current tax assets (tax receivable)	84	(3)	**81**	42	(2)	**40**
Other receivables and prepaid expenses:						
Other operating receivables (employees, social security, government & other)	1,519	(35)	**1,484**	1,377	(23)	**1,354**
Sundry receivables	694	(85)	**609**	528	(96)	**432**
Prepaid expenses	192		**192**	166		**166**
Sub-total	2,405	(120)	**2,285**	2,071	(119)	**1,952**
Total	**9,739**	**(462)**	**9,277**	**8,699**	**(455)**	**8,244**

As required under IFRS 7, applicable from 2007 onwards, the table below shows the age of trade receivables.

Split of trade receivables between non-past due and past due balances as of 31 December 2007

	Non-past due balances	Balances past due by: 0-6 months	6-12 months	> 12 months	Total
Trade receivables	5,056	1,592	244	358	**7,250**
Impairment of trade receivables	(8)	(66)	(51)	(214)	**(339)**
Carrying amount of trade receivables	**5,048**	**1,526**	**193**	**144**	**6,911**

An analysis of unimpaired trade receivables more than 12 months past due revealed no additional credit risk (recoverable VAT, offset with trade creditors, etc.).

4.4 Financial instruments (assets)

38

See Note 17, Financial Instruments.

4.5 Cash and equivalents

3,386

Cash and equivalents	31 December 2007 Gross value	31 December 2007 Impairment	31 December 2007 Carrying amount	31 December 2006 Gross value	31 December 2006 Impairment	31 December 2006 Carrying amount
Cash	905		**905**	669		**669**
Short-term investment securities	2,487	(6)	**2,481** (1)	3,110	(3)	**3,107**
Total	**3,392**	**(6)**	**3,386**	**3,779**	**(3)**	**3,776**

- Bouygues SA holds €2,268 million of these short-term investment securities.
- Investments are placed by the Group with high-quality French and foreign banks.
- Cash equivalents are readily convertible into cash.

(1) Short-term investment securities are mainly classified as available-for-sale.

Net cash and equivalents as shown in the cash flow statement comprise the following items:

	31/12/2007	31/12/2006
Assets		
Cash	905	669
Short-term investment securities	2,481	3,107
Sub-total	3,386	3,776
Liabilities		
Overdrafts and short-term bank borrowings		
Sub-total	(276)	(247)
	(276)	(247)
Net cash and equivalents	**3,110**	**3,529**

Split of cash and equivalents by currency at 31 December 2007	Euro	Pound sterling	Swiss franc	Other European currencies	US dollar	Other	Total
Cash	478	45	32	84	41	225	**905**
Short-term investment securities	2,470			2		9	**2,481**
Financial instruments							
Overdrafts and short-term bank borrowings	(233)			(9)		(34)	**(276)**
Total 2007	**2,715**	**45**	**32**	**77**	**41**	**200**	**3,110**
Total 2006	**3,281**	**33**	**48**	**(1)**	**24**	**144**	**3,529**

NOTE 5 CONSOLIDATED SHAREHOLDERS' EQUITY

5.1 Share capital of Bouygues SA (in euros) €347,502,578

As at 31 December 2007, the share capital of Bouygues SA consisted of 347,702,578 shares. Movements in the year ended 31 December 2007 were as follows:

	1 January 2007	Movements during 2007 Reductions	Increases	31 December 2007
Shares	334,777,583	(5,019,768)	17,744,763	347,502,578
Investment certificates				
Number of shares/certificates	**334,777,583**	**(5,019,768)**	**17,744,763**	**347,502,578**
Par value	€1			€1
Share capital (in euros)	**334,777,583**	**(5,019,768)**	**17,744,763**	**347,502,578**

5.2 Shareholders' equity as at 31 December 2007 attributable to the Group and to minority interests

31 December 2007	Share capital	Share premium	Reserves related to capital	Retained earnings	Consolidated reserves & profit for year	Treasury shares	Items recognised directly in equity	Total 31/12/2007
Attributable to the Group	348	2,140	805	438	3,213	(22)	69	**6,991**
Minority interests					1,216		(2)	**1,214**
Total shareholders' equity	**348**	**2,140**	**805**	**438**	**4,429**	**(22)**	**67**	**8,205**

5.3 Analysis of income and expense recognised directly in equity (change in the period):

Attributable to the Group	Ref.	Year ended 31/12/2007	Year ended 31/12/2006
Translation differences	1	**(36)**	**(36)**
Fair value remeasurements (financial instruments)	2	**29**	**56**
Actuarial gains/(losses)	3	**66**	**10**
Taxes on items recognised directly in equity		**11**	**(22)**
Other movements during the period		**2**	**(16)**
		72	**(8)**
Attributable to minority interests			
Other income and expenses		**(3)**	**(4)**
Total		**69**	**(12)**

● These items are reported in the statement of recognised income and expense.

1 - Translation differences

● Principal translation differences in the year ended 31 December 2007 arising on foreign companies reporting in:

	31/12/2006	Movement in 2007	31/12/2007
US dollars	(11)	(29)	(40)
Canadian dollars	2	8	10
Other currencies	17	(15)	2
Total	**8**	**(36)**	**(28)**

2 - Fair value remeasurements (portion attributable to the Group)

Amounts recognised directly in equity on the remeasurement of financial instruments and available-for-sale financial assets at fair value

	31/12/2006	Movement in 2007	31/12/2007
Gross movement during the year	86	29 [1]	**115**

[1] Mainly financial instruments contracted by concession companies and currency hedging instruments

3 - Actuarial gains and losses on employee benefits (IAS 19) (portion attributable to the Group)

(*)	31/12/2006	Movement in 2007	31/12/2007
1 January 2006			
Change in accounting policy	(8)		
1 January 2006, restated	(8)		
Gross movement during the year	(8)	66	**58**

(*) *restated following retrospective application of the change in accounting policy for defined-benefit post-employment plans (see Note 2)*

5.4 Analysis of "Other transactions with shareholders":

Share-based payment (IFRS2): impact on consolidated shareholders' equity

	31/12/2006	31/12/2007 (charged to "Personnel costs")	
TF1 and Bouygues SA stock options			
. Transfer to reserves			
- TF1	2	2	Portion attributable to the Bouygues Group
- Bouygues SA	9	16	Based on plans granted since November 2002
Consolidated expense	**11**	**18**	
2007 employee share ownership plans			
- Bouygues Partage	4	23	[a]
- Bouygues Confiance 4		27	[a]
Total	**15**	**68**	

[a] Fair value of the employee benefit

5.5 Analysis of acquisitions of treasury shares:

- Treasury shares held	31/12/2006	acquisitions	cancellations (capital reduction)	31/12/2007
. By Bouygues SA	(69)	(225)	272	(22)
. Under a liquidity agreement	(6)	(22)		(28)
Total	**(75)**	**(247)**	**272**	**(50)**

NOTE 6	NON-CURRENT AND CURRENT PROVISIONS

6.1 Non-current provisions = 1,493

	Long-term employee benefits (1)	Litigation and claims (2)	Guarantees given (3)	Other non-current provisions (4)	Total
1 January 2006	**368**	**309**	**232**	**356**	**1,265**
Changes in accounting policy	20			15	**35**
1 January 2006	**(*)388**	**309**	**232**	**371**	**1,300**
Movements in 2006					
Translation adjustments			(1)	(1)	**(2)**
Transfers between items	1	(5)	1	11	**8**
Changes in scope of consolidation	(1)		4	4	**7**
Actuarial gains and losses	(11)				**(11)**
Charges to provisions	45	126	90	132	**393**
Provisions utilised	(14)	(28)	(42)	(50)	**(134)**
Provisions no longer required	(2)	(69)	(16)	(33)	**(120)**
31 December 2006	**406**	**333**	**268**	**434**	**1,441**
Movements in 2007					
Translation adjustments	(2)		(2)		**(4)**
Transfers between items	5			(7)	**(2)**
Changes in scope of consolidation	13	6	2	8	**29**
Actuarial gains and losses	(16)				**(16)**
Charges to provisions	55	96	98	110	**359**
Provisions utilised	(28)	(87)	(47)	(47)	**(209)**
Provisions no longer required	(8)	(53)	(23)	(21)	**(105)**
31 December 2007	**425**	**295**	**296**	**477**	**1,493**

(*) Restatement of €20 million following retrospective application of the change in accounting policy for defined-benefit post-employment plans (see Note 2)

			Principal segments involved:	
(1) Long-term employee benefits		**425**	- Bouygues Construction	103
Lump-sum retirement benefits	294		- Colas	225
Long-service awards	98		- TF1	34
Other long-term employee benefits	33			
(2) Litigation and claims		**295**	- Bouygues Construction	132
Provisions for customer disputes	154		- Bouygues Immobilier	41
Subcontractor claims	33		- Colas	110
Employee-related litigation and claims	19			
Other litigation and claims	89			
(3) Guarantees given		**296**	- Bouygues Construction	190
Provisions for guarantees given	205		- Bouygues Immobilier	17
Additional building, civil engineering/ civil works guarantees	91		- Colas	89
(4) Other non-current provisions		**477**	- Bouygues Construction	141
Risks related to official inspections	151		- Colas	166
Provisions for miscellaneous foreign risks	23		- Bouygues Telecom	62
Provisions for subsidiaries and affiliates	24			
Provisions for contractual obligations	8			
Provisions for site rehabilitation costs	95			
Other non-current provisions	176			

6.2 Current provisions = 597

Provisions relating to the operating cycle (see note 2)

	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for losses to completion	Provisions for business customer loyalty programmes (Bouygues Telecom)	Other current provisions	Total
1 January 2006	**31**	**153**	**132**	**174**	**186**	**676**
Changes in accounting policy				(159)		**(159)**
1 January 2006	**31**	**153**	**132**	**15** [*]	**186**	**517**
Movements in 2006						
Translation adjustments		(3)	(1)			**(4)**
Transfers between items	(1)	(1)	(10)		(18)	**(30)**
Changes in scope of consolidation	(1)	(6)	3		(3)	**(7)**
Charges to provisions	24	69	74	154 [*]	100	**421**
Provisions utilised	(14)	(28)	(72)	(157)	(55)	**(326)**
Provisions no longer required	(3)	(19)	(14)	(1)	(10)	**(47)**
31 December 2006	**36**	**165**	**112**	**11**	**200**	**524**
Movements in 2007						
Translation adjustments	(1)	(3)	(2)			**(6)**
Transfers between items		1	1		4	**6**
Changes in scope of consolidation	1	2	13		8	**24**
Charges to provisions	36	76	80	2	100	**294**
Provisions utilised	(17)	(41)	(61)		(73)	**(192)**
Provisions no longer required	(5)	(19)	(12)		(17)	**(53)**
31 December 2007	**50**	**181** [(1)]	**131** [(3)]	**13**	**222** [(2)]	**597**

[(1)] including:

		Principal segments involved:	
- provisions for risks on completed projects:	85	- Bouygues Construction	129
- provisions for final settlement on projects:	96	- Colas	52

[(2)] including:

- reinsurance costs:	22	- Challenger Réassurance	21
- other current provisions:	129	- Bouygues Construction	45
- site rehabilitation (current portion)	16	- Bouygues Immobilier	36
- rental guarantees (Bouygues Immobilier)	12	- Colas	44
- film co-financing (TF1)	11	- TF1	49
- current customer litigation/vendor's liability guarantee (TF1)	32		

[(3)] Relates to the Construction segment: Bouygues Construction €67 million, Bouygues Immobilier €11 million and Colas €53 million (Individual project provisions are not disclosed for confidentiality reasons)

[(*)] Restatement of -€159 million as at 1 January 2006 following retrospective application of the change in accounting policy for the retail customer loyalty programme (IFRIC 13) ---> see Note 2

NOTE 7	NON-CURRENT TAX ASSETS/LIABILITIES	225 / 84

7.1 Non-current tax assets

	31/12/2006	Movement	31/12/2007
● Deferred tax assets	**250**		
- Change in accounting policy	(55) [2]		
● Deferred tax assets	**195** [1]	**30**	**225**
- Bouygues Telecom [3]	6	**2**	8 [4]
- Other segments	189	**28**	217
● Non-current tax receivable	**21**	**(21)**	**0**
Total non-current tax assets	**216**	**9**	**225**

(1) - Restatement at 1 January 2006 following change in accounting policy: -€55 million (Bouygues Telecom: -€58 million); see Note 2.

(2) - of which Bouygues Telecom -€58 million

(3) - Bouygues Telecom: the balance consists of deferred tax assets on temporary differences.

(4) - of which Colas €86 million, Bouygues Construction €78 million

7.2 Non-current tax liabilities

	31/12/2006	Movement	31/12/2007
Deferred tax liabilities	75	9	84
Other non-current tax liabilities	0	0	0
Total non-current tax liabilities	**75**	**9**	**84**

7.3 Deferred tax assets and liabilities by business segment

Type of deferred taxation by business segment	Net deferred tax asset/liability at 31/12/2006	Changes in scope of consolidation	Translation adjustment	Movements during 2007: Gain	Movements during 2007: Expense	Other items	Net deferred tax asset/liability at 31/12/2007 [(2)]
A - Tax losses available for carry-forward							
Bouygues Construction	6	1			(2)		**5**
Bouygues Immobilier	0						**0**
Colas	9				(1)		**8**
TF1	9						**9**
Bouygues Telecom	0						**0**
Bouygues SA and other activities	0						**0**
Sub-total	**24**	**1**	**0**	**0**	**(3)**	**0**	**22**
B - Temporary differences							
Bouygues Construction	57	2		12			**71**
Bouygues Immobilier	27	(3)		8		(1)	**31**
Colas		(2)		14	(8)		**4**
TF1	9	(2)		8	(3)		**12**
Bouygues Telecom	6			2			**8**
Bouygues SA and other activities	(3)			3	(16)	9	**(7)**
Sub-total	**96** [(1)]	**(5)**	**0**	**47**	**(27)**	**8**	**119**
Total	**120**	**0**	**0**	**47**	**(30)**	**4**	**141** [(3)]

[(1)] Restatement at 1 January 2006 following change in accounting policy: -€55 million; see Note 7.1.

[(2)] Main sources of deferred taxation:

	2007	2006
- Deferred tax assets on employee benefits (mainly lump-sum retirement benefits)	122	113
- Deferred tax on temporarily non-deductible provisions	163	50
- Restricted provisions booked solely for tax purposes	(209)	(119)
- Other	65	76
	141	120

[(3)] Net deferred tax assets:
- Deferred tax assets : €225 million
- Deferred tax liabilities : €84 million

7.4 Period to recovery of deferred tax assets

31 December 2007	Less than 2 years	2 to 5 years	Over 5 years	Total
Period to recovery of deferred tax assets	126	66	33	**225**

7.5 Unrecognised deferred tax assets

Amount of deferred tax assets not recognised due to low probability of recovery at end 2007 (mainly tax loss carry-forwards):

	31/12/2006	Movements during 2007	31/12/2007
Bouygues Construction	56	(7)	49
Bouygues Immobilier	17	4	21
Colas	20	3	23
TF1	41	(7)	34
Bouygues Telecom		0	
Other	18	(10)	8
Total unrecognised deferred tax assets	**152**	**(17)**	**135**

NOTE 8	NON-CURRENT AND CURRENT DEBT	7,395

Non-current debt	**7,067**
Current debt	**328**

8.1 Interest-bearing debt by maturity

	Current debt 2008	Non-current debt 1 to 2 years 2009	2 to 3 years 2010	3 to 4 years 2011	4 to 5 years 2012	5 to 6 years 2013	6 or more years 2014 & later	Total non-current debt 31/12/2007	Total 31/12/2006
Bond issues	142	1,004	495	747		1,148	3,166	**6,560**	**6,564**
Bank borrowings	145	235	53	14	14	5	59	**380**	**177**
Finance lease obligations	22	18	15	10	4	2	5	**54**	**56**
Other debt	19	36	7	20	4	1	5	**73**	**47**
Total interest-bearing debt	**328**	**1,293**	**570**	**791**	**22**	**1,156**	**3,235**	**7,067**	**6,844**
Comparative at 31/12/2006	**867**	**60**	**1,105**	**536**	**771**	**13**	**4,359**		**6,844**

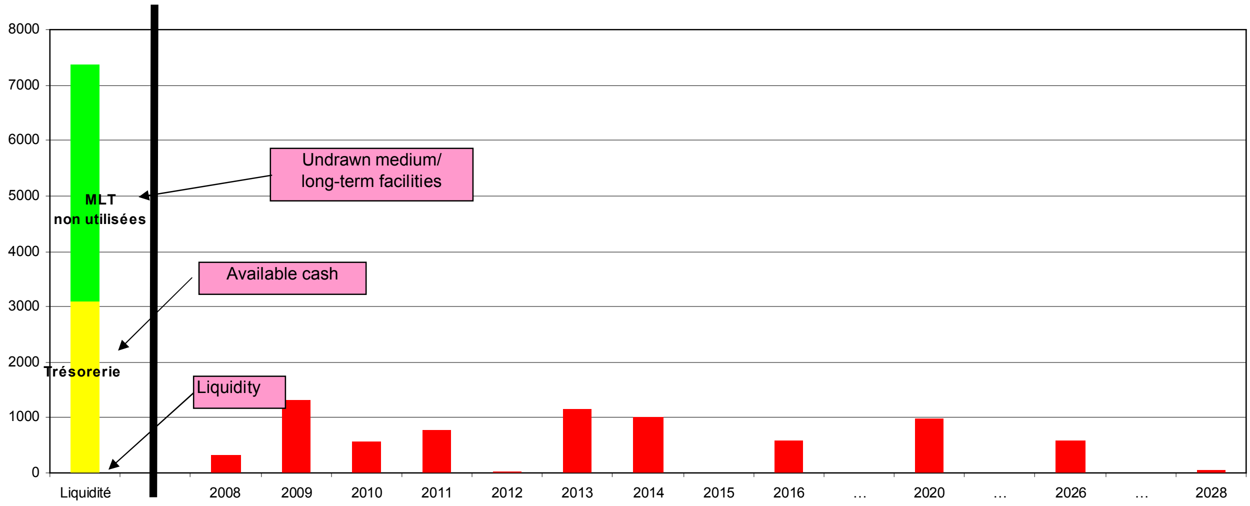
Finance lease obligations by business segment	**Construction**	**Property**	**Roads**	**Media**	**Telecoms**	**Bouygues SA & other activities**	**Total**
Non-current, 31 December 2007	2		34	2	16		**54**
Current, 31 December 2007	1		18	1	2		**22**
Non-current, 31 December 2006			35	2	19		**56**
Current, 31 December 2006			20	1	3		**24**

8.2 Confirmed credit facilities and drawdowns

	Confirmed facilities - Maturity				Drawdowns - Maturity			
Description	Less than 1 year	1 to 5 years	Over 5 years	**Total**	Less than 1 year	1 to 5 years	Over 5 years	**Total**
Bond issues (primarily Bouygues SA)	142	2,246	4,314	**6,702**	142	2,246	4,314	**6,702**
Bank borrowings	581	4,121	83	**4,785**	145	316	64	**525**
Other borrowings	41	114	13	**168**	41	114	13	**168**
Total credit facilities	**764**	**6,481**	**4,410**	**11,655**	**328**	**2,676**	**4,391**	**7,395**

8.3 Liquidity at 31 December 2007

As at 31 December 2007, available cash stood at €3,106 million (including -€3 million of financial instruments contracted to hedge net debt). The Group also had €4,265 million of undrawn confirmed medium-term credit facilities as at the same date.



Consequently, the Group has no exposure to liquidity risk.
The credit facilities contracted by Bouygues contain no financial covenants or trigger events, and nor do those used by Bouygues subsidiaries.

The 10-year bond issue maturing May 2016, the 7-year bond issue maturing May 2013 and the 20-year sterling bond issue maturing 2026 all contain a change of control clause relating to Bouygues SA.

8.4 Split of current and non-current debt by interest rate type

Split of current and non-current debt, including the effect of all open interest rate hedging contracts at the balance sheet date:

	31/12/2007	31/12/2006
- Fixed rate [(1)]	89%	87%
- Variable rate	11%	13%

[(1)] Rates fixed for more than one year

8.5 Interest rate risk

The split of financial assets and financial liabilities by interest rate type at 31 December 2007 was as follows:

	Variable rate	Fixed rate	Total
Financial liabilities	695	6,699	7,394
Financial assets [(*)]	3,106		3,106
Net position before hedging	(2,411)	6,699	4,288
Interest rate hedges	(114)	114	
Net position after hedging	(2,525)	6,813	4,288
Adjustment for seasonal nature of certain activities	250		
Net position after hedging and adjustment	(2,275)		

[(*)] Includes -€3 million for the fair value of financial instruments contracted to hedge net debt.

An immediate 1% rise in short-term interest rates would reduce net interest expense by €22.75 million over a full year.

8.6 Split of current and non-current debt by currency

	Europe						
	Euro	Pound Sterling	Other currencies	US dollar	CFA franc	Other currencies	Total
Non-current, 31/12/07	6,258	663	86	1	28	31	**7,067**
Current, 31/12/07	293	7	21		3	4	**328**
Non-current, 31/12/06	6,105	650	19	13	31	26	**6,844**
Current, 31/12/06	833	2	16	1	5	10	**867**

An analysis of net debt by business segment is provided in Note 16.

NOTE 9	MAIN COMPONENTS OF CHANGE IN NET DEBT	(4,288)

9.1 Change in net debt

	31/12/2006	Movements during 2007	31/12/2007
Cash and equivalents	3,776	(390)	3,386
Overdrafts and short-term bank borrowings	(247)	(29)	(276)
Net cash and equivalents	**3,529**	**(419)** [1]	**3,110**
Non-current debt	(6,844)	(223)	(7,067)
Current debt	(867)	539	(328)
Financial instruments, net	6	(9)	(3)
Gross debt	**(7,705)**	**307**	**(7,398)**
Net debt	**(4,176)**	**(112)**	**(4,288)**

[1] Net cash and equivalents as analysed in the 2007 cash flow statement (net cash flows + non-monetary movements)

9.2 Principal transactions in the year ended 31 December 2007

Net debt at 31 December 2006	**(4,176)**
Acquisition of additional 4.91% interest in Alstom	**(961)**
Other acquisitions of investments (Colas Rail, Mibag, AB Groupe, etc), net of disposals	**(693)**
Bouygues SA share issues (including Bouygues Partage and Bouygues Confiance 4 share ownership plans)	**406**
Dividends paid (Bouygues SA, minorities, etc)	**(568)**
Purchase of treasury shares, net of exercise of stock options	**(90)**
Other changes in scope of consolidation and miscellaneous financial transactions	**78**
Operating and other items	**1,716**
Net debt at 31 December 2007	**(4,288)**

Sign convention: cash and equivalents positive, debt negative

NOTE 10	CURRENT LIABILITIES	16,579

Breakdown of current liabilities

	31/12/2007	31/12/2006
Advances and down-payments received	1,419	958
Debt (amount due within one year) [(1)]	328	867
Current taxes payable	223	144
Trade payables	7,442	6,744
Current provisions [(2)]	597	524
Other current liabilities, deferred income and similar		
Other operating liabilities (employees, Social Security, government)	2,592	2,298
Deferred income	1,600	1,217
Other non-financial liabilities	2,076	1,801
Overdrafts and short-term bank borrowings	276	247
Other current financial liabilities	26	10
Total	**16,579**	**14,810**

[(1)] See analysis in Note 8.
[(2)] See analysis in Note 6.2.

NOTE 11

ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

11.1 Analysis by accounting classification

	2007	2006
Sales of goods	2,660	2,496
Sales of services	11,409	10,104
Construction contracts	15,544	13,808
Sales	**29,613**	**26,408**
Royalties		2
Other revenues from operations	137	178
Other revenues from operations	**137**	**180**
Total	**29,750**	**26,588**

There were no material exchanges of goods or services in the year ended 31 December 2007.

Information about construction contracts

	Bouygues Construction	Colas	Total
Unbilled works	295	360	655
Warranty retentions	63	51	114
Works billed in advance	(1,157)	(307)	(1,464)
Advance payments received	(601)	(85)	(686)

11.2 Analysis by business segment

Sales reported by fully-consolidated companies include accounting revenues from works contracts and sales of goods and services.

SEGMENT	2007 sales France	2007 sales International	2007 sales Total	2007 sales %	2006 sales France	2006 sales International	2006 sales Total	2006 sales %
Construction	4,743	3,345	8,088	27	4,063	2,617	6,680	25
Property	1,940	134	2,074	7	1,390	218	1,608	6
Roads	6,898	4,742	11,640	40	6,239	4,443	10,682	41
Media	2,445	302	2,747	9	2,361	278	2,639	10
Telecoms	4,780		4,780	16	4,525		4,525	17
Bouygues SA & other activities	4	280	284	1	5	269	274	1
Consolidated sales	**20,810**	**8,803**	**29,613**	**100**	**18,583**	**7,825**	**26,408**	**100**
% change vs. 2006	**12%**	**12%**	**12%**					

11.3 Analysis by geographical area

	2007 sales Total	2007 sales %	2006 sales Total	2006 sales %
France	20,810	70	18,583	70
European Union (27 members)	3,506	12	2,960 *	11
Rest of Europe	840	3	860	3
Africa	1,304	4	1,034	4
Middle East	140	1	77	0
United States and Canada	2,102	7	2,067	8
Central and South America	211	1	154	1
Asia-Pacific	700	2	673	3
Total	**29,613**	**100**	**26,408**	**100**

* Including Romania and Bulgaria.

11.4 Split by type of contract, France/International (%)

	2007 France	2007 International	2007 Overall	2006 France	2006 International	2006 Overall
Public-sector contracts (1)	30	49	35	31	48	36
Private-sector contracts	70	51	65	69	52	64

(1) Sales billed directly to government departments or local authorities (mainly works and maintenance contracts) in France and abroad.

NOTE 12	OPERATING PROFIT	2,181

	2007		2006	
Current operating profit				
Sales		29,613		26,408
Other revenues from operations		137		180
Purchases used in production and external charges		(20,314)		(18,197)
Taxes other than income tax		(600)		(585)
Personnel costs		(5,968)		(5,278)
Net depreciation, amortisation, provisions and impairment				
Depreciation and amortisation		(1,245)		(1,190)
Net charge to provisions and impairment losses		(419)		(372) *
Changes in production & property development inventories		379		471
Other operating income and expenses		580		496
Reversals of provisions no longer required [(1)]	226		216	
Net gain on disposals of non-current assets	69		98	
Other income and expenses	*285*		*182*	
Current operating profit		**2,163**		**1,933** *
Non-current operating income and expenses		18		(44)
Operating profit		**2,181**		**1,889** *

[(*)] Includes restatement of +€12 million following retrospective application of the change in accounting policy relating to the provision for the retail customer loyalty programme.

See Note 16 for an analysis by business segment.

[(1)] Reversals of provisions no longer required relate mainly to claims and disputes settled with an outcome favourable to the Bouygues group.

NOTE 13	COST OF NET DEBT	(235)

COMPONENTS OF COST OF NET DEBT

	2007	2006
- net debt	(238)	(198)
- finance leases	(2)	(4)
- financial instruments	5	2
Total	(235)	(200)

NOTE 14	INCOME TAX EXPENSE	(633)

14.1 Analysis of income tax expense

	2007			2006		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(491)	(160)	(651)	(327)	(133)	(460)
Change in deferred tax liabilities	(3)	(4)	(7)	14	(1)	13
Change in deferred tax assets	14	11	25	(110)[(1)] *	(2)	(112) *
Total	**(480)**	**(153)**	**(633)**	**(423)**	**(136)**	**(559)** *

[(1)] Includes Bouygues Telecom deferred tax assets written back.

[(*)] Includes restatement of -€4 million following retrospective application of the change in accounting policy relating to the provision for the retail customer loyalty programme.

See Note 16 for an analysis by business segment.

14.2 Tax proof (reconciliation between standard tax rate and effective tax rate)

Differences between the standard corporate income tax rate applicable in France and the effective tax rate based on the consolidated financial statements are as follows:

	2007	2006
- Net profit (100%)	1,593	1,590
- Eliminations:		
Income tax expense	633	559
Net profit of discontinued and held-for-sale operations	0	(364)
Share of profits and losses of associates	(257)	(118)
- Net profit from continuing operations before tax	**1,969**	**1,667**
- Standard tax rate in France	34.43%	34.43%
- Recognition and utilisation of tax loss carry-forwards	(0.73%)	0.49%
- Effect of permanent differences	(0.70%)	(0.32%)
- Flat-rate taxes, dividend taxes and tax credits	0.62%	0.65%
- Taxes at rates not linked to profits: differences in tax rates, long-term capital gains, foreign taxes	(1.45%)	(1.75%)
- Effective tax rate	**32.17%**	**33.50%**

NOTE 15 — NET PROFIT FROM CONTINUING OPERATIONS AND DILUTED EARNINGS PER SHARE

15.1 Net profit from continuing operations:

Net profit from continuing operations for the period was €1,593 million, with the portion attributable to the Bouygues group rising by 32%. This figure excludes the 2006 gains on the divestment of TPS and BTC (discontinued or held-for-sale operations), and breaks down as follows:

	2007	2006	Change
Net profit from continuing operations (100%)	1,593	1,226	30%
Minority interest in net profit from continuing operations	(217)	(180)	21%
Net profit from continuing operations attributable to the Group	**1,376**	**1,046**	**32%**

15.2 Basic and diluted earnings per share:

Earnings per share before dilution (basic earnings per share) is obtained by dividing net profit attributable to the Group by the weighted average number of shares outstanding during the year, excluding the average number of ordinary shares bought and held as treasury shares.

	2007	2006
Net profit attributable to the Group (€m)	1,376	1,254*
Weighted average number of shares outstanding	338,921,348	335,953,459
Basic earnings per share (in euros)	**4.06**	**3.73**

(*) Includes restatement of +€8 million following retrospective application of the change in accounting policy relating to the provision for the retail customer loyalty programme.

Diluted earnings per share is calculated by reference to the weighted average number of shares outstanding, adjusted for the conversion of all potentially dilutive shares (i.e. stock subscription options legally and effectively exercisable at the balance sheet date).

	2007	2006
Net profit used to calculate diluted earnings per share	1,376	1,254*
Weighted average number of shares outstanding	338,921,348	335,953,459
Adjustment for potentially dilutive effect of stock options	10,433,177	10,353,752
Diluted earnings per share (in euros)	**3.94**	**3.62**

NOTE 16	SEGMENT INFORMATION

Segment information is provided in two forms:

1- By business segment:
. Construction (Bouygues Construction)
. Property (Bouygues Immobilier)
. Roads (Colas)
. Media (TF1)
. Telecoms (Bouygues Telecom)
. Bouygues SA and other activities

2- By geographical area: France, Rest of Europe, Africa, Asia-Pacific, Americas, Middle East
(Sales are allocated by the location where the sales are generated, and property, plant and equipment by location of the asset)

Inter-segment sales are generally conducted on an arm's length basis.

16.1 Analysis by business segment - year ended 31 December 2007

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL 2007
Income statement							
Total sales	8,340	2,075	11,673	2,764	4,796	462	**30,110**
Inter-segment sales	(252)	(1)	(33)	(17)	(16)	(178)	**(497)**
Third-party sales	**8,088**	**2,074**	**11,640**	**2,747**	**4,780**	**284**	**29,613**
Net depreciation and amortisation expense	(127)	(5)	(413)	(88)	(579)	(33)	**(1,245)**
Net charges to provisions	(142)	(38)	(151)	(40)	(34)	(14)	**(419)**
Current operating profit	**293**	**210**	**637**	**305**	**746**	**(28)**	**2,163**
Non-current operating income and expenses	21		(3)				**18**
Operating profit	**314**	**210**	**634**	**305**	**746**	**(28)**	**2,181**
Cost of net debt	79	(10)	(10)	(21)	3	(276)	**(235)**
Income tax expense	(122)	(60)	(209)	(93)	(256)	107	**(633)**
Share of profits and losses of associates	7		62	8		180	**257**
Net profit from continuing operations	**289**	**128**	**481**	**228**	**492**	**(25)**	**1,593**
Net profit of discontinued and held-for-sale operations							
Net profit	**289**	**128**	**481**	**228**	**492**	**(25)**	**1,593**
Net profit attributable to the Group	**287**	**124**	**457**	**98**	**440**	**(30)**	**1,376**
Balance sheet							
Property, plant and equipment	496	12	2,184	158	2,332	382	**5,564**
Intangible assets	58	3	71	208	727	6	**1,073**
Goodwill	326		1,052	1,094	2,651		**5,123**
Deferred tax assets and non-current tax receivables	78	33	86	22	8	(2)	**225**
Investments in associates	83		474	253		3,583	**4,393**
Other non-current assets	154	18	162	692	4	193	**1,223**
Cash and equivalents	473	162	372	39	16	2,324	**3,386**
Unallocated assets							**12,441**
Total assets							**33,428**
Non-current liabilities	356	116	149	618	17	5,811	**7,067**
Non-current provisions	566	86	590	48	96	107	**1,493**
Deferred tax liabilities and non-current tax liabilities	2	3	74	1		4	**84**
Current financial liabilities	6	117	45	10	5	145	**328**
Overdrafts and short-term bank borrowings	(2,339)	(68)	(172)	5	(194)	3,044	**276**
Unallocated liabilities							**24,180**
Total liabilities							**33,428**
Net debt (1)	2,450	(2)	347	(597)	188	(6,674)	**(4,288)**
Cash flow statement							
Operating cash flow before changes in working capital	410	205	1,098	394	1,330	82	**3,519**
Net acquisitions of property, plant and equipment and intangible assets	(299)	(7)	(624)	(129)	(596)	(24)	**(1,679)**
Net acquisitions of investments in consolidated companies and other investments	(70)	(32)	(338)	(231)	(9)	(1,415)	**(2,095)**
Other indicators							
EBITDA	463	227	1,143	426	1,332	10	**3,601**
Free cash flow	68	128	254	151	480	(109)	**972**

(1) Contribution at business segment level, including Bouygues Relais and Uniservice current accounts (these inter-segment accounts are eliminated in the "Bouygues SA & other activities" column).
Sign convention: cash and equivalents positive, debt negative.

16.2 Analysis by business segment - year ended 31 December 2006

	Construction	Property	Roads	Media	Telecoms (2)	Bouygues SA & other activities	TOTAL 2006 (2)
Income statement							
Total sales	6,923	1,608	10,716	2,654	4,539	542	**26,982**
Inter-segment sales	(243)		(34)	(15)	(14)	(268)	**(574)**
Third-party sales	**6,680**	**1,608**	**10,682**	**2,639**	**4,525**	**274**	**26,408**
Net depreciation and amortisation expense	(103)	(2)	(369)	(86)	(595)	(35)	**(1,190)**
Net charges to provisions	(117)	(4)	(134)	(30)	(66)	(21)	**(372)**
Current operating profit	**305**	**176**	**524**	**301**	**593**	**34**	**1,933**
Non-current operating income and expenses	(43)		4			(5)	**(44)**
Operating profit	**262**	**176**	**528**	**301**	**593**	**29**	**1,889**
Cost of net debt	51	(1)	(15)	(12)	(9)	(214)	**(200)**
Income tax expense	(119)	(56)	(168)	(99)	(195)	78	**(559)**
Share of profits and losses of associates	8		54	13		43	**118**
Net profit from continuing operations	**211**	**109**	**402**	**198**	**389**	**(83)**	**1,226**
Net profit of discontinued and held-for-sale operations				254	110		**364**
Net profit	**211**	**109**	**402**	**452**	**499**	**(83)**	**1,590**
Net profit attributable to the Group	**210**	**107**	**382**	**194**	**448**	**(87)**	**1,254**
Balance sheet							
Property, plant and equipment	372	9	1,835	152	2,273	398	**5,039**
Intangible assets	20	3	61	157	771	10	**1,022**
Goodwill	224		827	1,085	2,645		**4,781**
Deferred tax assets and non-current tax receivables (3)	65	30	72	22	7	20	**216**
Investments in associates	66		422	40		2,412	**2,940**
Other non-current assets	87	16	144	657	3	180	**1,087**
Cash and equivalents	344	96	272	275	9	2,780	**3,776**
Unallocated assets							**10,904**
Total assets							**29,765**
Non-current liabilities	230	38	137	506	18	5,915	**6,844**
Non-current provisions (3)	584	86	523	46	99	103	**1,441**
Deferred tax liabilities and non-current tax liabilities	3	2	63	5		2	**75**
Current financial liabilities	4	79	32	145	6	601	**867**
Overdrafts and short-term bank borrowings	(1,949)	(46)	(306)	3	(82)	2,627	**247**
Unallocated liabilities							**20,291**
Total liabilities							**29,765**
Net debt (1)	2,059	26	410	(379)	67	(6,359)	**(4,176)**
Cash flow statement							
Operating cash flow before changes in working capital	437	163	942	380	1,210	19	**3,151**
Net acquisitions of property, plant and equipment and intangible assets	(206)	(4)	(527)	(78)	(611)	(178)	**(1,604)**
Net acquisitions of investments in consolidated companies and other investments	(169)	11	(54)	(42)	121	(2,314)	**(2,447)**
Other indicators							
EBITDA	430	161	976	412	1,229	71	**3,279**
Free cash flow	163	102	232	191	394	(294)	**788**

(1) Contribution at business segment level, including Bouygues Relais and Uniservice current accounts (these inter-segment accounts are eliminated in the "Bouygues SA & other activities" column).
Sign convention: cash and equivalents positive, debt negative.

(2) Restated following retrospective application of change in accounting policy relating to the provision for the retail customer loyalty programme. Impact on net profit: +€8 million.

16.3 Analysis by geographical area

Year ended 31 December 2007	France [2]	European Union (27 members)	Rest of Europe	Africa	Asia-Pacific	Americas	Middle East	Total
Income statement								
Third-party sales	20,810	3,506	840	1,304	700	2,313	140	**29,613**
Balance sheet								
Property, plant and equipment (1)	4,289	408	74	276	56	458	3	**5,564**
Intangible assets	1,021	35	2	7		8		**1,073**
Unallocated assets								**26,791**
Total assets								**33,428**
Cash flow statement								
Purchase price of property, plant and equipment and intangibles	(1,351)	(128)	(15)	(138)	(25)	(129)	(1)	**(1,787)**

[1] Includes assets held under finance leases.
[2] Includes French overseas departments.

Year ended 31 December 2006	France [2]	European Union (27 members)	Rest of Europe	Africa	Asia-Pacific	Americas	Middle East	Total
Income statement								
Third-party sales	18,583	2,960	860	1,034	673	2,221	77	**26,408**
Balance sheet								
Property, plant and equipment [1]	3,880	345	118	203	56	434	3	**5,039**
Intangible assets	967	28	8	10	1	8		**1,022**
Unallocated assets								**23,704**
Total assets								**29,765**
Cash flow statement								
Purchase price of property, plant and equipment and intangibles	(1,312)	(110)	(31)	(65)	(29)	(150)	(3)	**(1,700)**

[1] Includes assets held under finance leases.
[2] Includes French overseas departments.

16.4 Income statement by function

Year ended 31 December 2007	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Consolidated sales	**8,088**	**2,074**	**11,640**	**2,747**	**4,780**	**284**	**29,613**
Cost of sales	(6,881)	(1,674)	(10,009)	(2,022)	(3,365)	(256)	**(24,207)**
Gross profit	**1,207**	**400**	**1,631**	**725**	**1,415**	**28**	**5,406** (1)
Research and development expenses	(10)	(2)	(67)	(16)	(24)	(1)	**(120)**
Selling expenses	(371)	(130)		(151)	(191)		**(843)**
Administrative expenses	(538)	(58)	(925)	(253)	(454)	(43)	**(2,271)**
Goodwill impairment			(2)				**(2)**
Other current operating income & expenses	5					(12)	**(7)**
Current operating profit	**293**	**210**	**637**	**305**	**746**	**(28)**	**2,163**

(1) Gross margin rate = 18.3%

Year ended 31 December 2006	Construction	Property	Roads	Media	Telecoms (3)	Bouygues SA & other activities	Total (3)
Consolidated sales	**6,680**	**1,608**	**10,682**	**2,639**	**4,525**	**274**	**26,408**
Cost of sales	(5,609)	(1,277)	(9,244)	(1,973)	(3,314)	(226)	**(21,643)**
Gross profit	**1,071**	**331**	**1,438**	**666**	**1,211**	**48**	**4,765** (2)
Research and development expenses	(8)	(2)	(61)	(8)	(22)	(1)	**(102)**
Selling expenses	(333)	(100)		(141)	(155)		**(729)**
Administrative expenses	(438)	(53)	(848)	(216)	(441)	(45)	**(2,041)**
Goodwill impairment			(9)	(4)		(6)	**(19)**
Other current operating income & expenses	13		4	4		38	**59**
Current operating profit	**305**	**176**	**524**	**301**	**593**	**34**	**1,933**

(2) Gross margin rate = 18.0%

(3) Includes impact of +€12 million on operating profit following retrospective application of change in accounting policy relating to the provision for the retail customer loyalty programme.

NOTE 17	FINANCIAL INSTRUMENTS

The tables presented below show the aggregate nominal amounts at 31 December 2007 for each type of financial instrument used, split by residual maturity for interest rate hedges and by currency for currency hedges.

17.1 Interest rate hedges

Analysis by maturity

Maturity	Notional amounts at 31/12/2007 2008	2009 to 2012	After 2012	Total	Notional amounts 31/12/2006
Interest rate swaps					
- on financial assets	650	28	-	**678** [1]	**983**
- on financial liabilities	285	1,182	164	**1,631** [2]	**1,154**
Future rate agreements					
- on financial assets	-	-	-	**-**	**-**
- on financial liabilities	-	-	-	**-**	**-**
Caps/floors					
- on financial assets	-	-	-	**-**	**-**
- on financial liabilities	150	65	-	**215**	**204**

[1] of which swaps paying fixed rate: 678
[2] of which swaps paying fixed rate: 1,131

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total 31/12/2007	Total 31/12/2006
Interest rate swaps								
- on financial assets	-	-	-	-	-	678	**678**	**983**
- on financial liabilities	7	-	164	300	960 (1)	200	**1,631**	**1,154**
Future rate agreements								
- on financial assets	-	-	-	-	-	-	**-**	-
- on financial liabilities	-	-	-	-	-	-	**-**	-
Caps/floors								
- on financial assets	-	-	-	-	-	-	**-**	-
- on financial liabilities	51	14	-	150	-	-	**215**	204

(1) Forward interest rate swaps used for hedging purposes.
In the case of renewable interest rate hedges, the amounts shown in the columns relate to the longest maturity.

17.2 Currency hedges

Analysis by original currency

Currency	US dollar	Pound sterling	Swiss franc	Hong Kong dollar	Other	Total 31/12/2007	Total 31/12/2006
	At 31 December 2007 (equivalent value, in millions of euros)						
Forward purchases/sales							
- forward purchases	134	1	2	-	397	**534**	**363**
- forward sales	175	111	5	-	79	**370**	**210**
Currency swaps	46	220	77	18	82	**443**	**255**
Currency options							
- forward purchases	37	3	4	-	11	**55**	**67**
- forward sales	-	-	-	-	20	**20**	-

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Totaux 31/12/07	Totaux 31/12/06
Forward purchases/sales								
- forward purchases	100	-	337	93	4	-	**534**	**363**
- forward sales	357	-	2	11	-	-	**370**	**210**
Currency swaps	5	-	-	-	-	438	**443**	**255**
Currency options								
- forward purchases	3	-	7	25	20	-	**55**	**67**
- forward sales	-	-	20	-	-	-	**20**	**-**

17.3 Market value of hedging instruments

At 31 December 2007, the market value (net present value) of the hedging instruments portfolio was +€2.6 million. This amount mainly comprises the net present value of interest rate swaps contracted to hedge the Group's debt (fair value hedges and cash flow hedges), and the net present value of forwards and futures contracted to hedge currency risk arising on commercial transactions.

The split of this market value by type of hedge is as follows:
- fair value hedges of components of net debt: -€3.0 million
- cash flow hedges: +€5.6 million

In the event of a +1.00% movement of in the yield curve, the hedging instruments portfolio would have a market value of +€10.8 million; in the event of a -1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of -€5.8 million.

In the event of a uniform 1% depreciation in the euro against all other currencies, the hedging instruments portfolio would have a market value of -€4.4 million.

These calculations were prepared by the Bouygues group, or obtained from the banks with whom the instruments were contracted.

NOTE 18	OFF BALANCE SHEET COMMITMENTS

18.1 Reciprocal commitments

Commitments given/received	Total 31/12/07	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Maturity				Total 31/12/06
								under 1 year	1 to 5 years	over 5 years	Total	
Commitments given	**2,389**	**36**	**524**	**171**	**371**	**1,287**		**656**	**1,060**	**673**	**2,389**	**1,940**
Image transmission	***240***				*240*			*81*	*159*		***240***	*280*
Operating leases [1]	***1,533***	32	57	109	131	1,204 [2]		208	657	668	**1,533**	**1,151**
Irrevocable purchase obligations	***616***	4	467 [3]	62		83		367	244	5	**616**	**509**
Commitments received	**2,331**	**36**	**524**	**171**	**371**	**1,229**		**633**	**1,025**	**673**	**2,331**	**1,953**
Image transmission	***240***				*240*			*81*	*159*		***240***	*280*
Operating leases [1]	**1,533**	32	57	109	131	1,204		208	657	668	**1,533**	**1,151**
Irrevocable purchase obligations	**558**	4	467	62		25		344	209	5	**558**	**522**
BALANCE [4]	**58**					**58**		**23**	**35**		**58**	**(13)**

[1] Minimum future lease payments due until the normal renewal date of the lease (or earliest potential termination date) under operating leases relating to current operations (land, buildings, plant & equipment, etc).

[2] Bouygues Telecom: commitments given in connection with operating activities, primarily commercial leases of property and sites housing technical installations for the network: includes site rentals of €699 million and property rentals of €468 million (including the new corporate HQ and the Technopole site).

[3] Bouygues Immobilier: irrevocable commitments, subject to conditions, relating to the purchase of land banks.

[4] Bouygues Telecom: effect of the specific terms of certain equipment supply contracts.

18.2 Sundry commitments

	Total 31/12/07	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Maturity				Total 31/12/06
								under 1 year	1 to 5 years	over 5 years	Total	
Commitments given	**996**	**141**	**48**	**95**	**149**	**517**	**46**	**594**	**301**	**101**	**996**	**698**
Other contractual obligations and commercial commitments given (guarantees, endorsements, etc) [1]	**996**	141	48	95	149	517	46	594	301	101	**996**	698 [*]
Commitments received	**203**				**62**	**93**	**48**	**114**	**87**	**2**	**203**	**68**
Other contractual obligations and commercial commitments received (guarantees, endorsements, etc)	**203**				62	93	48	114	87	2	**203**	68
Balance	**793**	**141**	**48**	**95**	**87**	**424**	**(2)**	**480**	**214**	**99**	**793**	**630**

[*] Restated following retrospective application of change in accounting policy relating to defined-benefit post-employment benefits.
[1] In the course of its ordinary activities, the Group provides ten-year guarantees or performance bonds for which no quantified estimate or disclosure is made unless it becomes apparent that the guarantee or bond will require the Group to make payments, in which case a provision would be recognised.

Sundry commitments: comments

Commitments given by Bouygues Telecom:	
GSM licence	Bouygues Telecom has a GSM licence which requires compliance with a number of obligations. This licence is due for renewal in 2009.
UMTS licence	On 12 June 2007, the French telecommunications regulator (ARCEP) requested that Bouygues Telecom comply with its obligation under the terms of its licence to make 3G services (including voice and data services) commercially available in a zone representing 20% of the population by 30 November 2007. Bouygues Telecom has complied with this request.
Blind spots	In 2002, Bouygues Telecom and the two other French mobile operators committed to providing coverage in a number of blind spots. This commitment was set out in an agreement signed in 2003 and amended in 2004. During 2007, the programme to provide coverage in blind spots continued. By 31 December 2007, the scheduled date for completion, nearly 90% of the 3,000 communities involved had coverage.
Strategic road network	Under a national agreement signed in February 2007, Bouygues Telecom (along with Orange and SFR) agreed to provide coverage over 57,000 km of France's strategic road network. Under the terms of the specifications relating to the renewal of its licence in December 2009, Bouygues Telecom must have provided this coverage by the end of 2010.

Commitment given by Bouygues SA:

Commitment to retain the Alstom shares acquired from the French State for at least 3 years.
(until 31 October 2009)

Commitment received by Bouygues SA:

Put option on Alstom Hydro-Holding shares granted by Alstom to Bouygues SA, exercisable 31 October 2009;
see note 3.2.4.3.

TF1 commitments:

Under the agreements between Vivendi, TF1 and M6, the commitments and guarantees provided by TF1 and M6 in respect of the obligations of TPS were covered by a counter-guarantee issued by Vivendi taking effect from 4 January 2007.
Consequently, the commitments entered into by TF1 and M6 are disclosed neither in "Commitments given" nor in "Commitments received" as at 31 December 2006.

18.3 Summary of commitments (18.1 + 18.2)

	Total 31/12/07	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Maturity: under 1 year	Maturity: 1 to 5 years	Maturity: over 5 years	Total	Total 31/12/06
Total commitments given	**3,385**	**177**	**572**	**266**	**520**	**1,804**	**46**	**1,250**	**1,361**	**774**	**3,385**	**2,638** (*)
Total commitments received	**2,534**	**36**	**524**	**171**	**433**	**1,322**	**48**	**747**	**1,112**	**675**	**2,534**	**2,021**

● No material off balance sheet commitments have been omitted from this disclosure, in accordance with applicable accounting standards.
(*) Restated following retrospective application of the change in accounting policy relating to defined-benefit post-employment benefits.

18.4 Collateral given

	Total 31/12/07	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Maturity under 1 year	Maturity 1 to 5 years	Maturity over 5 years	Maturity Total	Total 31/12/06
Mortgages secured on land and buildings, pledges of plant and equipment	**14**	3	4	7				5	7	2	14	10
Pledges of securities and subordinated loans	**16**	16						6		10	16	8
Total	**30**	**19**	**4**	**7**				**11**	**7**	**12**	**30**	**18**

18.5 Contingent assets and liabilities

Contingent assets: Litigation	- The French Competition Commission ruling of 30 November 2005, which ordered Bouygues Telecom to pay a fine of €58 million for alleged collusion, was upheld by the Paris Appeal Court on 12 December 2006. Bouygues Telecom has appealed against the Appeal Court's decision. - In a ruling dated 29 June 2007, the French Supreme Court (*Cour de Cassation*) upheld the fine for alleged collusion imposed on the three mobile operators for acting as a cartel, but overturned the ruling on the sharing of information between 1997 and 2003 (fine imposed on Bouygues Telecom: €16 million). The *Cour de Cassation* referred the case back to the Paris Appeal Court, which will hear the case again on this issue in light of the ruling from the *Cour de Cassation*. The Appeal Court ruling is expected during 2008.
Claims	In 2006 and earlier, Bouygues Construction filed claims relating to ongoing and completed projects. These claims will not be recognised as assets until accepted by the client.
Contingent liabilities: Litigation	The French Competition Commission is investigating a complaint about the SMS tariffs charged by Bouygues Telecom, SFR and Orange France.

18.6 Obligations under finance leases and operating leases:

18.6.1 Obligations under finance leases

Summary of future minimum lease payments	under 1 year	1 to 5 years	Total
Finance leases at 31 December 2007	22	51	73
Comparative at 31 December 2006	26	57	83

Present value of minimum lease payments	under 1 year	1 to 5 years	Total
Minimum lease payments	22	51	73
Finance charges	2	4	6
Present value of minimum lease payments	**20**	**47**	**67**
Comparative at 31 December 2006	22	50	72

The amount of contingent rent under finance leases at 31 December 2007 is: nil

18.6.2 Obligations under operating leases

Minimum payments for the year	Total lease payments for the year
Minimum payments for the year ended 31 December 2007	181

Summary of future minimum lease payments	under 1 year	1 to 5 years	over 5 years	Total
Operating leases at 31 December 2007	209	656	668	1,533
Comparative at 31 December 2006	225	539	387	1,151

NOTE 19	HEADCOUNT, EMPLOYEE BENEFIT OBLIGATIONS AND EMPLOYEE SHARE OWNERSHIP

19.1 Average headcount

	2007	2006
Managerial	19,826	18,511
Supervisory, technical and clerical	20,038	18,650
Site workers	30,830	28,758
Sub-total: France	**70,694**	**65,919**
Expatriates and local contract staff	63,387	57,599
Total average headcount	**134,081**	**123,518**

19.2 Employee benefit obligations and retirement benefit obligations (post-employment benefits)

The tables below disclose information about the Bouygues group's retirement benefit obligations.

19.2.1 Defined-contribution plans

	2007	2006
Amounts recognised as expenses	(1,548)	(1,404)

The above defined-contribution expenses comprise contributions to:
- health insurance and mutual insurance funds
- pension funds (compulsory and top-up schemes)
- unemployment insurance funds

For related-party information, see Note 20.

19.2.2 Defined-benefit plans

Net expense recognised in the income statement (as an operating item)

	Lump-sum retirement benefits		Pensions	
	2007	2006 *	2007	2006 *
Current service cost	5	11	(5)	
Interest expense on obligation	10	11	5	5
Expected return on plan assets			(5)	(4)
Past service cost (1)	5	5	(1)	(1)
Net expense recognised in the income statement	**20**	**27**	**(6)**	**0**

(1) Primarily amortisation under master agreements

Amounts recognised in the balance sheet

	Lump-sum retirement benefits		Pensions		Total	Total
	31/12/2007	31/12/2006 *	31/12/2007	31/12/2006 *	31/12/2007	31/12/2006 *
Present value of obligation (1)	361	343	287	118	648	461
Fair value of plan assets (dedicated funds)	(4)	(2) (2)	(259) (2)	(88)	(263)	(90)
Unrecognised past service cost (3)	(63)	(67)	5	4	(58)	(63)
Ratio of dedicated funds to present value of obligation			90%	75%		
Net obligation recognised	**294**	**274**	**33**	**34**	**327**	**308**

(1) Total present value of obligation relating to lump-sum retirement benefits and pensions.

(2) Residual TF1 fund covering a portion of the obligation, reducing the present value of the TF1 obligation.

(3) Primarily on master agreements.

(*) Restated following retrospective application of change in accounting policy relating to defined-benefit post-employment benefits (see note 2).

Movement in balance sheet items

	Lump-sum retirement benefits		Pensions	
	31/12/2007	31/12/2006 *	31/12/2007	31/12/2006*
Position at 1 January	274	259	34	33
Expense recognised	22	27	(4)	
Changes in scope of consolidation	9		6	
Translation adjustment			(1)	
Transfers between items and other movements	2		1	
Actuarial gains/losses recognised in equity	(13)	(12)	(3)	1
Position at 31 December	**294**	**274**	**33**	**34**

(*) Restated following retrospective application of change in accounting policy relating to defined-benefit post-employment benefits (see note 2).

Main actuarial assumptions used to measure lump-sum retirement benefit obligations

	31/12/2007	31/12/2006
Discount rate (OAT TEC 10)	3.83%-4.35%	3.38%-3.83%
Mortality table	INSEE	INSEE
Retirement age		
- Managerial	60/65 years	60/63 years
- Technical, supervisory, clerical & site workers	60/65 years	60 years
Salary inflation rate (1)	2%-5.5%	2%-4.6%

(1) Including general inflation

Analysis by business segment for the year ended 31 December 2007

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Net lump-sum retirement benefit expense	8	1	9	(3)	2	3	20
Non-current provisions (balance sheet)							
- Lump-sum retirement benefits	79	8	135	27	18	27	294
- Pensions			33				33

Analysis by geographical area for the year ended 31 December 2007

	France (2)	European Union	Africa	Asia-Pacific	Americas	Total
Net lump-sum retirement benefit expense (1)	19		1			20
Non-current provisions (balance sheet)						
- Lump-sum retirement benefits	280	1	13			294
- Pensions		33				33

(1) Pension expense for the year ended 31 December 2007 is immaterial.

(2) Including French overseas departments.

19.3 Employee share ownership

19.3.1 Stock options

Securities giving potential access to the share capital

Share price at 31 December 2007: €57.00

PLAN	Options outstanding at 31 December 2007	Date of grant	Earliest normal exercise date	Earliest employee share ownership plan exercise date	Exercise price (€)
2001.03	637,701	27/03/2001	27/03/2005	-	**33.47**
2001.07	738,447	03/07/2001	03/07/2005	-	**32.81**
2001.09	150,000	18/09/2001	18/09/2005	-	**28.67**
2002.06	1,375,615	25/06/2002 *	25/06/2006	25/06/2003	**23.41**
2002.12	588,447	17/12/2002	17/12/2006	17/12/2003	**23.00**
2003.06	1,968,220	17/06/2003	17/06/2007	17/06/2004	**19.37**
2004.03	3,496,113	15/03/2004	15/03/2008	15/03/2005	**25.15**
2005.06	2,897,080	21/06/2005	21/06/2009	21/06/2006	**31.34**
2006.09	3,616,489	05/09/2006	05/09/2010	05/09/2007	**40.00**
2007.06	4,335,000	05/06/2007	05/06/2011	05/06/2008	**63.44**

* Employee share ownership plan rules apply from the June 2002 plan onwards, as indicated below.

The total number of potentially exercisable options (10,433,177) comprises:

1) Options legally exercisable at 31 December 2007, either by normal exercise or by partial exercise ahead of the normal exercise date under the terms of the employee savings plan: for plans awarded since June 2002, options are exercisable in annual 25% tranches.

2) Options effectively exercisable at 31 December 2007, i.e. options that are in the money (exercise price below the average share price for the year ended 31 December 2007: €58.51).

NOTE 20	DISCLOSURES ON RELATED PARTIES AND REMUNERATION OF DIRECTORS/SENIOR EXECUTIVES

20.1 Related-party disclosures

	Expenses		Income		Receivables		Liabilities	
	2007	2006	2007	2006	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Parties with an ownership interest (SCDM)	6	6	0		0		0	
Joint ventures	91	73	244	214	111	97	103	93
Associates	7	2	587	314	47	69	161	192
Other related parties	13	11	36	25	33	26	40	38
Total	**117**	**92**	**867**	**553**	**191**	**192**	**304**	**323**
Maturity								
less than 1 year					165	177	289	136
1 to 5 years					9	9	15	187
more than 5 years					17	6	0	
includes: impairment of doubtful receivables (primarily non-consolidated companies)					60	68		

20.2 Remuneration and benefits paid to directors and senior executives

These disclosures cover members of the Group's Executive Committee who were in post on 31 December 2007.

Direct remuneration: €23,441,811, comprising basic remuneration of €9,383,416, exceptional variable remuneration of €13,464,000 paid in 2008 on the basis of 2007 performance, and €594,395 of directors' fees.
Directors' fees paid to non-executive directors and non-voting supervisors amounted to €414,845.

Short-term benefits: None

Post-employment benefits: Members of the Executive Committee belong to a top-up retirement benefit plan based on 0.92% of their reference salary for each year's membership of the plan. This plan is contracted out to an insurance company. Contributions paid into the fund managed by the insurance company amounted to €3,720,000 in 2007.

Long-term benefits: None

Termination benefits: These comprise lump-sum retirement benefits of €3,150,104.

Share-based payment: 1,210,000 stock options were granted on 5 June 2007 at an exercise price of €63.44. The earliest exercise date is 5 June 2011, and the expense recognised in the year ended 31 December 2007 was €1,483,218.

NOTE 21	ADDITIONAL CASH FLOW STATEMENT INFORMATION

21.1 Cash flows of acquired and divested subsidiaries

Breakdown by business segment of net cash flows resulting from acquisitions and divestments of subsidiaries:

Acquired/divested subsidiaries	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total 2007
Cash and equivalents		(9)	(118)	11	(6)	2	**(120)**
Inventories	(3)	(35)	(23)	(2)	(2)		**(65)**
Trade receivables	(87)	(16)	(338)	(6)	(10)	1	**(456)**
Non-current assets	1	(6)	(167)	(222)	(1)	(1,402)	**(1,797)**
Goodwill	(105)		(231)	(8)	(7)		**(351)**
Trade payables	74	30	445	1	11	(5)	**556**
Non-current debt	49	3	40	(4)			**88**
Non-current provisions		1	30				**31**
Net acquisition/divestment cost	**(71)**	**(32)**	**(362)**	**(230)**	**(15)**	**(1,404)**	**(2,114)**
Cash acquired or divested		9	118	(11)	6	(2)	**120**
Net debt on long-term investments			29			20	**49**
Net cash flow resulting from acquisitions and divestments of subsidiaries	**(71)**	**(23)**	**(215)**	**(241)**	**(9)**	**(1,386)**	**(1,945)** [(1)]

[(1)] Includes:

Acquisition of shares in Alstom (29.98% interest at 31 December 2007)	€961 million
Exercise of Bouygues Telecom option (6.50% interest/BNP)	€441 million
Acquisition of shares in AB Groupe (33.50% interest/TF1)	€232 million
Acquisition of shares in Colas Rail (Colas)	€267 million

NOTE 22	AUDITORS' FEES

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of Bouygues and consolidated companies, as expensed through the income statement in 2007.

in thousands of euros

Engagement	Mazars & Guérard network			Ernst & Young network			Other firms (1)			Total expense	
	2007	**%**	**2006**	**2007**	**%**	**2006**	**2007**	**%**	**2006**	**2007**	**2006**
A - Audit											
Audit of consolidated and individual company financial statements [a]	4,816	94	4,336	3,097	86	2,775	7,999	82	7,225	15,912	14,336
- Bouygues SA	*208*		*189*	*208*		*189*				*416*	378
- Consolidated companies	*4,608*		*4,147*	*2,889*		*2,586*	*7,999*		*7,225*	*15,496*	*13,958*
Related engagements [b]	175	4	109	426	12	255	930	10	748	1,531	1,112
- Bouygues SA	*95*		*45*	*130*		*36*				*225*	81
- Consolidated companies	*80*		*64*	*296*		*219*	*930*		*748*	*1,306*	*1,031*
Sub-total 1	**4,991**	**98**	**4,445**	**3,523**	**98**	**3,030**	**8,929**	**92**	**7,973**	**17,443**	**15,448**
B - Other services [c]											
Company law, tax, employment law	88	2		45	1	31	435	5	499	568	530
Other			(24)	25	1	(42)	318	3	96	343	30
Sub-total 2	**88**	**2**	**(24)**	**70**	**2**	**(11)**	**753**	**8**	**595**	**911**	**560**
Total fee expense	**5,079**	**100**	**4,421**	**3,593**	**100**	**3,019**	**9,682**	**100**	**8,568**	**18,354**	**16,008**

(1) In the interests of comprehensiveness, this table includes fees paid to other firms.

(a) Includes services provided by independent experts and member firms to the auditors in connection with their audit engagement.

(b) Includes procedures and directly related services provided to the issuer or its subsidiaries:
- by the auditors, in compliance with article 10 of the Code of Ethics;
- by a member firm of the auditor's network, in compliance with articles 23 and 24 of the Code of Ethics.

(c) Non-audit services provided, in compliance with article 24 of the Code of Ethics, by member firms to subsidiaries of the issuer on whose financial statements an audit opinion is issued.

NOTE 23	CHANGES IN SCOPE OF CONSOLIDATION: DISCONTINUED/HELD-FOR-SALE OPERATIONS

*** There were no discontinued or held-for-sale operations in 2007.**

Impacts on:

1. Balance sheet: Assets and liabilities of discontinued and held-for-sale operations on the 2006 balance sheet → TPS :

	31/12/2007	31/12/2006 TPS
Non-current assets		
Property, plant and equipment and intangible assets		
Goodwill		
Other non-current assets		
	NONE	
Current assets		
Cash and equivalents		
Other current assets		
Total: Held-for-sale assets		**0**
Non-current liabilities		
Non-current debt		
Other non-current liabilities		
	NONE	
Current liabilities		
Current debt		
Other current liabilities		
Total: Liabilities on held-for-sale assets		**0**
Net assets divested		**0**

2. Cash flow statement: In the cash flow statement for the year ended 31 December 2007, the contribution of TPS cash flows to the change in the Group's net cash position is included in the line "Impact from changes in scope of consolidation".

3.Income statement: Income and expenses generated by discontinued and held-for-sale operations are as follows:

	2007			2006		
			Total	TPS (8 months)	BTC (4 months)	Total
SALES			**0**	**235**	**32**	**267**
OPERATING PROFIT			**0**	**45**	**(2)**	**43**
COST OF NET DEBT			**0**	**(1)**	**0**	**(1)**
Other financial income and expenses			**0**	**(1)**	**0**	**(1)**
Income tax expense			**0**	**(1)**	**0**	**(1)**
NET PROFIT BEFORE GAINS ON DIVESTMENT	**0**	**0**	**0**	**42**	**(2)**	**40**
GAINS ON DIVESTMENT, NET OF TAXES			**0**	**212**	**112**	**324**
NET PROFIT OF DISCONTINUED OR HELD-FOR-SALE OPERATIONS	**0**	**0**	**0**	**254**	**110**	**364**

NOTE 24	PRINCIPAL EXCHANGE RATES

Convention : 1 local currency unit = x euros

Country	Currency unit	Closing rate		Annual average rate	
		31/12/2007	31/12/2006	2007	2006
EUROPE					
Denmark	Danish krone	0.134079	0.134120	0.134205	0.134066
United Kingdom	Pound sterling	1.363605	1.489203	1.455005	1.466482
Hungary	Hungarian forint	0.003941	0.003972	0.003978	0.003786
Poland	Polish zloty	0.278280	0.261028	0.264907	0.256439
Czech Republic	Czech koruna	0.037554	0.036383	0.036059	0.035379
Romania	Romanian leu	0.277185	0.295552	0.299315	0.284694
Switzerland	Swiss franc	0.604339	0.622316	0.607576	0.634213
NORTH AMERICA					
United States	US dollar	0.679302	0.759301	0.727786	0.791771
Canada	Canadian dollar	0.692089	0.654407	0.682012	0.700939
REST OF THE WORLD					
Morocco	Moroccan dirham	0.088090	0.089759	0.089048	0.090474
Thailand	Thai baht	0.022831	0.021381	0.022643	0.021037
Hong Kong	Hong Kong dollar	0.087108	0.097648	0.092928	0.101914
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.099703	0.108549	0.103267	0.115831

NOTE 25	DETAILED LIST OF CONSOLIDATED COMPANIES AT 31 DECEMBER 2007

(PRINCIPAL GROUP COMPANIES)

COMPANY	CITY/COUNTRY	% INTEREST		% DIRECT AND INDIRECT CONTROL [(1)]	
		2007	2006	2007	2006
A – TELECOMS - MEDIA					
I - TELECOMS					
BOUYGUES TELECOM GROUP					
FULL CONSOLIDATION					
BOUYGUES TELECOM S.A. and its subsidiaries	Boulogne-Billancourt, France	89.55	89.55		
II - MEDIA					
TF1 GROUP					
FULL CONSOLIDATION					
TELEVISION FRANCAISE 1 S.A.	Boulogne-Billancourt, France	43.06	42.92		
CIBY DROITS AUDIOVISUELS	Boulogne-Billancourt, France	43.06	42.92	100.00	100.00
LA CHAINE INFO	Boulogne-Billancourt, France	43.06	42.92	100.00	100.00
TELE SHOPPING	Boulogne-Billancourt, France	43.06	42.92	100.00	100.00
TF1 INTERNATIONAL	Boulogne-Billancourt, France	43.06	42.92	100.00	100.00
TF1 PUBLICITE	Boulogne-Billancourt, France	43.06	42.92	100.00	100.00
TF1 VIDEO	Boulogne-Billancourt, France	43.06	42.92	100.00	100.00
UNE MUSIQUE	Boulogne-Billancourt, France	43.06	42.92	100.00	100.00
E-TF1	Boulogne-Billancourt, France	43.06	42.92	100.00	100.00
EUROSPORT S.A. and its subsidiaries	Issy-Les-Moulineaux, France	43.06	42.92	100.00	100.00
DUJARDIN and its subsidiaries	La Teste de Buch, France	43.06	-	100.00	-
ASSOCIATES (equity method)					
METRO FRANCE PUBLICATIONS	Paris, France	14.77	14.72	34.30	34.30
GROUPE AB (including WB TV)	La Plaine Saint Denis, France	14.43	-	33.50	-

[(1)] where percentage control differs from percentage interest

COMPANY	CITY / COUNTRY	% INTEREST 2007	% INTEREST 2006	% DIRECT AND INDIRECT CONTROL (1) 2007	% DIRECT AND INDIRECT CONTROL (1) 2006
B - CONSTRUCTION					
I - BOUYGUES CONSTRUCTION					
BOUYGUES CONSTRUCTION GROUP					
FULL CONSOLIDATION					
BOUYGUES CONSTRUCTION S.A.	St-Quentin-en-Yvelines, France	99.97	99.97		
1.0– BOUYGUES BATIMENT ILE-DE-FRANCE					
BOUYGUES BATIMENT ILE DE FRANCE S.A.	St-Quentin-en-Yvelines, France	99.97	99.97		
BATIMENT FRANCE SUBSIDIARIES					
BATI RENOV S.A.	Orly, France	99.32	99.88		
BREZILLON S.A.	Noyon, France	99.32	99.33		
SODEARIF S.A.	St-Quentin-en-Yvelines, France	99.96	99.96		
1.1 – BOUYGUES BATIMENT INTERNATIONAL					
BOUYGUES BATIMENT INTERNATIONAL S.A	St-Quentin-en-Yvelines, France	99.97	99.97		
BATIMENT INTERNATIONAL SUBSIDIARIES					
INTERNATIONAL					
BOUYGUES THAI LTD	Bangkok, Thailand	48.98	48.98		
BYMARO	Casablanca, Morocco	99.95	99.95		
DTP SINGAPOUR PTE LTD	Singapore	99.97	99.97		
VCES HOLDING SRO and its subsidiaries	Pardubice, Czech Republic	50.98	50.98		
KARMAR SA	Warsaw, Poland	94.58	-		
KOHLER INVESTMENT SA	Luxembourg	89.87	-		
1.2 - ENTREPRISES FRANCE EUROPE SUBSIDIARIES					
DV CONSTRUCTION S.A.	Merignac, France	99.97	99.97		
GTB BOUYER DUCHEMIN S.A.	Nantes, France	99.97	99.97		
GFC CONSTRUCTION S.A.	Caluire et Cuire, France	99.97	99.97		
NORPAC S.A.	Villeneuve d'Ascq, France	99.97	99.97		
PERTUY CONSTRUCTION S.A.	Maxeville, France	99.97	99.97		
QUILLE S.A.	Rouen, France	99.97	99.97		

(1) where percentage control differs from percentage interest

COMPANY	CITY / COUNTRY	% INTEREST 2007	% INTEREST 2006	% DIRECT AND INDIRECT CONTROL [(1)] 2007	% DIRECT AND INDIRECT CONTROL [(1)] 2006
INTERNATIONAL					
ACIEROID S.A.	Barcelona, Spain	99.97	99.97		
BOUYGUES UK LTD	London, United Kingdom	99.97	99.97		
LOSINGER CONSTRUCTION A.G.	Bern, Switzerland	99.97	99.97		
MARAZZI HOLDING AG and its subsidiaries	Bern, Switzerland	99.97	99.97		
WARINGS CONSTRUCTION GROUP HOLDING LTD and its subsidiaries	Portsmouth, United Kingdom	99.97	-		
1.3- BOUYGUES TP					
BOUYGUES TP S.A.	St-Quentin-en-Yvelines, France	99.97	99.97		
INTERNATIONAL					
PRADER LOSINGER S.A.	Sion, Switzerland	99.64	99.64		
PRADER AG TUNNELBAU	Zûrich, Switzerland	99.90	99.90		
1.4- OTHER BOUYGUES CONSTRUCTION SUBSIDIARIES					
DTP TERRASSEMENT S.A.	St-Quentin-en-Yvelines, France	99.97	99.97		
INTERNATIONAL					
DRAGAGES ET TP (HONG-KONG) LTD	Hong Kong, China	99.97	99.97		
V.S.L. INTERNATIONAL LTD	Bern, Switzerland	99.82	99.88		
1.5 - ENTREPRISE TRANSPORT & DISTRIBUTION D'ELECTRICITE GROUP (E.T.D.E.)					
E.T.D.E. S.A.	St-Quentin-en-Yvelines, France	99.97	99.97		
AXIONE and its subsidiaries	Malakoff, France	99.97	99.97		
E.T.D.E RESEAUX ET COMMUNICATION S.A.	Villebon sur Yvette, France	99.97	99.97		
EXPRIMM S.A.	St-Quentin-en-Yvelines, France	99.97	99.97		
GALLET DELAGE SA	St-Quentin-en-Yvelines, France	99.97	99.97		
MAINGUY S.A.S	Vertou, France	99.97	99.97		
SERMA S.A.S.	Champforgueil, France	99.97	99.97		
STEFAL S.A.S. and its subsidiaries	Montrouge, France	99.97	99.97		
TRANSEL S.A.S	St-Quentin-en-Yvelines, France	99.97	99.97		
INTERNATIONAL					
DAVID WEBSTER LIGHTING and its subsidiaries	Hertfordshire, United Kingdom	99.97	99.97		
ECOVERT FM	London, United Kingdom	99.97	99.97		
ICEL MAIDSTONE LTD and its subsidiaries	Sittingbourne, United Kingdom	99.97	99.97		
Sté GABONAISE D'ELECTRIFICATION ET DE CANALISATION (SOGEC)	Libreville, Gabon	84.39	84.39		
SZIGMA COOP	Gyor, Hungary	99.97	99.97		
THERMAL TRANSFER LTD	East Kilbride, Scotland	99.97	99.97		

[(1)] where percentage control differs from percentage interest

COMPANY	CITY / COUNTRY	% INTEREST 2007	% INTEREST 2006	% DIRECT AND INDIRECT CONTROL [1] 2007	% DIRECT AND INDIRECT CONTROL [1] 2006
PROPORTIONATE CONSOLIDATION					
BOUYGUES TP					
BOMBELA CIVILS JV LTD	Johannesburg, South Africa	44.99	44.99		
ASSOCIATES (equity method)					
BOUYGUES CONSTRUCTION					
CONSORTIUM STADE DE FRANCE S.A.	Saint-Denis, France	33.32	33.32		
BOUYGUES BATIMENT INTERNATIONAL					
HERMES AIRPORTS LTD	Nicosia, Cyprus	21.99	21.99		
BOUYGUES TP					
ADELAC SAS	Archamps, France	39.19	39.19		
AUTOROUTE DE LIAISON SEINE - SARTHE S.A.	Versailles, France	33.16	33.16		
INTERNATIONAL					
BOMBELA CONCESSION COMPANY LTD	Johannesburg, South Africa	24.99	24.99		
AKA	Budapest, Hungary	25.11	25.11		
BINA FINCOM	Zagreb, Croatia	50.98	50.98		
II - ROADS					
COLAS GROUP					
FULL CONSOLIDATION					
COLAS S.A. and its regional subsidiaries (COLAS, SCREG and SACER)	Boulogne-Billancourt, France	96.44	96.49		
GRANDS TRAVAUX OCEAN INDIEN (GTOI) S.A.	Le Port (La Réunion), France	96.43	96.48	99.99	99.99
SPAC and its subsidiaries	Clichy, France	96.43	96.48	100.00	100.00
SECO - RAIL	Chatou, France	96.43	96.48	100.00	100.00
SOMARO	Chatou, France	96.43	96.48	100.00	100.00
COLAS GUADELOUPE	Baie-Mahault (Guadeloupe), France	96.43	96.48	100.00	100.00
COLAS MARTINIQUE	Le Lamentin (Martinique), France	96.43	96.48	100.00	100.00
SMAC and its subsidiaries	Boulogne-Billancourt, France	96.43	96.48	100.00	100.00
COLAS RAIL	Cergy-Pontoise, France	96.43	-	100.00	-

[1] where percentage control differs from percentage interest

COMPANY	CITY / COUNTRY	% INTEREST 2007	% INTEREST 2006	% DIRECT AND INDIRECT CONTROL [(1)] 2007	% DIRECT AND INDIRECT CONTROL [(1)] 2006
INTERNATIONAL					
COLAS HUNGARIA and its subsidiaries	Budapest, Hungary	96.44	96.49	100.00	100.00
COLAS DANMARK A/S	Virum, Denmark	96.44	96.49	100.00	100.00
COLAS S.A. and its subsidiaries	Lausanne, Switzerland	95.69	95.74	99.22	99.22
COLAS INC and its subsidiaries	Morristown, New Jersey, USA	96.44	96.49	100.00	100.00
COLAS du MAROC and its subsidiaries	Casablanca, Morocco	96.43	96.48	100.00	100.00
COLAS LTD and its subsidiaries	Rowfant, United Kingdom	96.44	96.49	100.00	100.00
COLAS POLSKA	Sroda-Wielkopol, Poland	96.44	96.49	100.00	100.00
ROUTIERE COLAS du GABON	Libreville, Gabon	86.76	86.74	89.90	89.90
COLAS BELGIUM and its subsidiaries	Brussels, Belgium	96.44	96.49	100.00	100.00
COLAS CZ	Prague, Czech Republic	96.44	96.49		100.00
PROPORTIONATE CONSOLIDATION					
CARRIERES ROY	St-Varent, France	48.20	48.23	49.98	49.98
ASSOCIATES (equity method)					
COFIROUTE	Sèvres, France	16.08	16.08	16.67	16.67
III - PROPERTY					
BOUYGUES IMMOBILIER GROUP					
FULL CONSOLIDATION					
BOUYGUES IMMOBILIER	Boulogne-Billancourt, France	100.00	100.00		
S.N.C. BOUYGUES IMMOBILIER ENTREPRISES ILE DE FRANCE	Boulogne-Billancourt, France	100.00	100.00		
S.N.C. BOUYGUES IMMOBILIER PARIS	Boulogne-Billancourt, France	100.00	100.00		
S.N.C. BOUYGUES IMMOBILIER EST	Strasbourg, France	100.00	100.00		
S.L.C. and its subsidiaries	Lyon, France	100.00	100.00		
BLANC & Cie	Grenoble, France	100.00	-		
INTERNATIONAL					
PARQUE EMPRESARIAL CRISTALIA S.L.	Madrid, Spain	100.00	100.00		
S.A. BOUYGUES INMOBILIARIA	Madrid, Spain	100.00	100.00		

[(1)] where percentage control differs from percentage interest

COMPANY	CITY / COUNTRY	% INTEREST 2007	% INTEREST 2006	% DIRECT AND INDIRECT CONTROL [(1)] 2007	% DIRECT AND INDIRECT CONTROL [(1)] 2006
C – OTHER SUBSIDIARIES					
FULL CONSOLIDATION					
FINAGESTION and its subsidiaries (Africa)	St-Quentin-en-Yvelines, France	100.00	100.00		
BOUYGUES RELAIS S.N.C.	Paris, France	100.00	100.00		
CHALLENGER S.N.C.	Paris, France	100.00	100.00		
Sté FRANCAISE DE PARTICIPATION & GESTION (SFPG) S.A and its subsidiaries	Paris, France	99.76	99.76		
GIE 32 HOCHE	Paris, France	90.00	90.00		
INTERNATIONAL					
CHALLENGER REASSURANCE	Luxembourg	99.99	99.99		
UNISERVICE	Geneva, Switzerland	99.99	99.99		
ASSOCIATES (equity method)					
ALSTOM	Levallois Perret, France	29.98	25.07		

(1) where percentage control differs from percentage interest