



**NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2008**

(in millions of euros)

3 March 2009

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(All figures in millions of euros)

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- Declaration of compliance:

The consolidated financial statements of the Bouygues group for the year ended 31 December 2008 have been prepared using the principles and methods defined in the standards issued by the International Accounting Standards Board (IASB), which comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the SIC and IFRIC Committees and are referred to collectively as “IFRS”, as endorsed by the European Union (unless otherwise indicated) and applicable as of 31 December 2008.

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

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

The comparatives presented are from the consolidated financial statements for the year ended 31 December 2007.

1. 1. SCOPE OF CONSOLIDATION AT 31 DECEMBER 2008

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

At 31 December 2008, 1,244 entities were consolidated, against 1,211 at end-2007. The net increase of 33 mainly relates to Colas (26 entities: construction project and asphalt companies, and quarries).

There were no material acquisitions or divestments within the Bouygues group scope of consolidation during 2008.

- **Alstom:**

A) 7 July 2008: 2-for-1 stock split, with the par value of shares halved to €7.

B) 2008: Acquisition of additional shares on the stock market.

During 2008, Bouygues acquired a further 946,000 Alstom shares for €119 million. After dilution arising from capital increases carried out by Alstom, Bouygues held an interest of 29.8% in Alstom at 31 December 2008. Further acquisitions were made in January and February 2009 to restore the Bouygues group's stake to 30%.

Additional goodwill of €83 million was recognised on these acquisitions.

C) The investment in Alstom is still accounted for by the equity method, and is carried at net acquisition cost plus the Bouygues group's share of Alstom's net profit. Net profit for the fourth quarter of 2008 was estimated on the basis of Alstom's accounts for the six months ended 30 September 2008; the contribution recognised by the Bouygues group for the year ended 31 December 2008 was €317 million.

Amortisation charged through the consolidated income statement on fair value remeasurements of intangible assets and other items relating to acquisitions made in 2008 and in previous years had a net negative impact of €19 million (share attributable to the Bouygues group). This impact is not included in the contribution of €317 million.

In accordance with IAS 28, the interest in Alstom is included under "Investments in associates" in the balance sheet, at a carrying amount of €3,865 million (including goodwill).

1. 2. CONSOLIDATED SALES FOR THE YEAR ENDED 31 DECEMBER 2008

Consolidated sales for the year ended 31 December 2008 were €32,713 million, 10.6% higher than sales for the previous year.

1. 3. FINANCIAL CRISIS

- The financial aspects of the crisis have no material impact on the consolidated financial statements.

The cash position of the Bouygues group at 31 December 2008 has not been affected by the crisis, in line with the Group's consistent policy of not using sensitive or volatile investment vehicles. The notes to the financial statements include analysis and commentary on these issues, including sensitivity to currency risk, interest rate risk and customer risk, etc.

The Group also has access to significant confirmed bank facilities (see note 8 on liquidity risk).

In July 2008, Bouygues prepaid the €1 billion bond issue due to mature May 2009 (classified in current debt), refinanced by carrying out a new €1 billion seven-year bond issue at a rate of 6.125% (classified in non-current debt).

Any effects of the crisis on the Group's operations have been taken into account by the relevant business segments.

The consolidated financial statements have been prepared using consistent accounting policies, and applying the principle of prudence in accounting treatments requiring the use of estimates or judgement as described in note 2.2, "Basis of preparation".

1. 4. SIGNIFICANT EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION SINCE 31 DECEMBER 2008

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

2.1. BUSINESS AREAS

The Bouygues group is a diversified industrial group. Its businesses are split into two sectors, and are based in more than 85 countries:

a) Construction:

- Bouygues Construction (Building & Civil Works, Electrical Contracting);
- Bouygues Immobilier (Property);
- Colas (Roads).

b) Telecoms/Media:

- TF1 (Television);
- Bouygues Telecom (mobile/fixed-line telephony).

c) As at 31 December 2008; the Bouygues group also held a 29.8% interest in Alstom (Power and Transport).

2.2. BASIS OF PREPARATION

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 3 March 2009.

The consolidated financial statements for the year ended 31 December 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) using the historical cost convention, with the exception of certain financial assets and financial liabilities measured at fair value. Comparatives for the year ended 31 December 2007 are presented in the financial statements.

The general accounting policies applied by the Bouygues group in the consolidated financial statements for the year ended 31 December 2008 are the same as those used to prepare the financial statements as of 31 December 2007. There have been no significant changes in accounting policy.

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

The Bouygues group applied the same standards, interpretations and accounting policies in preparing the 2008 consolidated financial statements as were applied in preparing the 2007 consolidated financial statements.

The Bouygues group has elected to apply the specific provisions of EC Regulation 611-2007, which allows the adoption of IFRIC 11 (IFRS 2 – Group and Treasury Share Transactions) to be postponed until January 1, 2009.

The amendment to IAS 39 was mandatorily applicable from 1 July 2008, but the reclassifications of financial assets covered by the amendment have no impact on the consolidated financial statements of the Bouygues group.

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

- Revised IAS 1, "Presentation of Financial Statements"
→ Applicable from January 2009.
- Revised IFRS 3 and IAS 27, Business Combinations phase 2
→ Applicable to financial periods beginning on or after 1 July 2009 (i.e. for the Bouygues group, the year commencing 1 January 2010), and not yet endorsed by the European Union or the Accounting Regulatory Committee (ARC).
- IFRIC 12, "Service Concession Arrangements": Applicable to periods beginning on or after 1 January 2008, with endorsement by the European Union expected during 2009. 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 economic and financial reality of the contract.

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

- IFRIC 15, "Agreements for the Construction of Real Estate": Applicable to annual periods beginning on or after 1 January 2009; ARC position statement pending. IFRIC 15 is unlikely to materially change the profit recognition policies currently used for the Group's property development activities.
- *Principal new standards, amendments and interpretations for which early adoption is allowed:*
The Bouygues group has decided not to early adopt in 2008 the following pronouncements issued by the IASB, which are not yet mandatorily applicable:
 - IFRS 8, "Operating Segments" (management-based approach): to be applied from 1 January 2009;
 - Amendment to IAS 23, "Borrowing Costs": to be applied from 1 January 2009;
 - Amendment to IFRS 2, "Share-Based Payment" (vesting conditions and cancellations): to be applied from 1 January 2009.

The Bouygues group has early adopted the following interpretation:

- IFRIC 13, "Customer Loyalty Programmes": Mandatorily applicable from 1 July 2008, and early adopted by Bouygues Telecom effective 31 December 2007.
- 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, and provisions.

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.

Goodwill is tested annually for impairment as of 31 December, or during the year if there is evidence of impairment, by comparing the Group's share of the recoverable amount of the goodwill with the carrying amount in the consolidated financial statements. If this carrying amount is greater than the recoverable amount, a provision for impairment is recorded in accordance with IAS 36.

2.3. CONSOLIDATION METHODS

- Full consolidation:

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

Bouygues holds 43.02% 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 29.8% 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 the scope of consolidation**

	2008	2007
Fully consolidated	954	917
Proportionately consolidated	252	258
Equity method (associates)	38	36
	1,244	1,211

- The main changes during 2008 are described in "Significant Events".

2. 4. 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.

Additional acquisitions of minority interests are recognised as goodwill. Partial disposals are recognised in the income statement, in "Other income and expenses from operations".

2. 5. FOREIGN CURRENCY TRANSLATION

2. 5. 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. 5. 2. Financial statements of foreign entities

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

2. 6. 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. 7. NON-CURRENT ASSETS

2.7 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. 7. 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 (1)	straight line	17.5 years ¹
IAP-IRU (indefeasible right of use)	straight line	15 years
IT system software and developments, office applications	straight line	3/5/8 years

- **¹UMTS 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.

2.7.3. 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 and TF1 Entreprises; 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		
	Film co-production shares	Broadcasting rights Distribution/Trading	Music rights
<ul style="list-style-type: none"> ▪ At end of shooting or on receipt of censor's certificate 	in line with revenues (minimum 3 years straight line)		
<ul style="list-style-type: none"> ▪ On signature of contract for distribution and/or trading rights 		Distribution: minimum 3 years straight line, 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.

2.7.4. 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 indefinite-lived intangible assets 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 cash flows used are derived from the three-year business plan prepared by the management of the business segment (and approved by the Board of Directors of the Bouygues group on 2 December 2008) as part of the Group's management cycle, or in the case of Alstom from a panel of thirteen analysts;
- the discount rate is determined by reference to the segment's weighted average cost of capital;
- 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 fair value of business segments listed on the stock market is measured by reference to the quoted market price.

The recoverable amount (higher of value in use or fair value less costs to sell) 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:**

Segments 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 the Bouygues Telecom Board of Directors.

The discount rate used was 6.16% or 5.61%, depending on the assumptions used. Cash flows beyond the projection period were extrapolated using a reasonable, sector-specific perpetual growth rate (based on three-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 the carrying amount of the assets tested.

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 the Colas Board of Directors.

The discount rate used was 5.52% or 5.05%, depending on the assumptions used. Cash flows beyond the projection period were extrapolated using a reasonable, sector-specific perpetual growth rate (based on three-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 the carrying amount of the assets tested.

TF1

The recoverable amount of the TF1 CGU was determined using the following approach:

- a) Reference to the stock market valuation at end-2008, adjusted to reflect a control premium.
- b) Calculation of value in use using the DCF method, based on three-year cash flow projections as per the latest business plan approved by the TF1 Board of Directors (discount rate: 6.59% or 5.98%, depending on the assumptions used).

Cash flows beyond the projection period were extrapolated using a reasonable, sector-specific perpetual growth rate (using normative cash flow after the initial three-year period).

The value in use calculated using this approach was much higher than the carrying amount of the assets tested.

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 with its carrying amount.

Alstom

The recoverable amount of the interest in Alstom was determined using the following approach:

- a) Reference to the stock market valuation at end-2008, adjusted to reflect a control premium.
- b) Calculation of value in use using the DCF method, based on information published by a panel of thirteen analysts.

Cash flows beyond the projection period were extrapolated using a reasonable, sector-specific perpetual growth rate (using normative cash flow after the initial three-year period).

The value in use calculated using this approach was much higher than the carrying amount of the assets tested (discount rate: 8.74% or 7.86%, depending on the assumptions used).

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 the carrying amount of the assets tested.

The following information as of 31 December 2008 is disclosed in note 3 to the financial statements:

- Consolidated purchase price of listed shares
- Quoted closing share price at 31 December 2008
- **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. 7. 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 (see note 3.2.4 for details).

2. 8. CURRENT ASSETS

2. 8. 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. 8. 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 it acquires (and the other party agrees to deliver) programmes and sports transmission rights.

A programme is treated as ready for transmission 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.

- Rights ordered under irrevocable contracts but not yet available for transmission are valued as follows:

Programmes and broadcasting rights

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

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

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.

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

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 this transmission. If they are acquired for two or more transmissions, consumption is calculated according to the type of programme using the rules described below (unless otherwise specified in the acquisition contract):

	Type of programme		
	Dramas with a running time of at least 52 minutes	Films, TV movies, serials and 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, or if the contractual value at which it was recognised in inventory exceeds the value attributable to it using the rules described above. Probability of transmission is assessed on the basis of the most recent programming schedules approved by management.

2. 8. 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 temporarily delayed.

2. 8. 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. 9. 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. 9. 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, given that its international operations (primarily Bouygues Construction and Colas) do not involve exports. Where 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. Exposure to currency risk is therefore limited to contract margins, and to any design work carried out in France. The Bouygues group also 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. 9. 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. 9. 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 contract award has been confirmed; if the hedged item ceases to exist (for example, if the service is not provided or the contract is cancelled), the hedge is closed out immediately.

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.

Currency derivatives are used solely for hedging purposes.

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. 9. 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. 10. 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 their respective parent companies 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. 11. NON-CURRENT LIABILITIES

2. 11. 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. 11. 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 a 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 two-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 and decommissioning costs (e.g. quarries).

Costs incurred as a result of a contractual obligation to remedy immediate environmental damage are covered by a provision.

- 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 and Canada); only a limited number of employees are involved, as it was decided some years ago to close these plans to new entrants. The fair value of the assets held to cover these plans as of 31 December 2008 did not require any material impairment to be recognised in the consolidated financial statements for the year then ended.

- 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.

2. 12. CURRENT LIABILITIES

2. 12. 1 Advances and down-payments on orders

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

2. 12. 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.

2. 12. 3. Trade payables and other current liabilities

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

2. 13. 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. 13. 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 from sales of handsets and accessories.

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.

Sales of handsets and accessories

Sales of handsets and SIM cards are recognised on sale 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.

Consumer customer loyalty programme

Consumer customers earn points as and when they are billed. Customers can then use these points to obtain a handset upgrade provided that they sign up again for a minimum period of 12 months.

Bouygues Telecom early adopted IFRIC 13, "Customer Loyalty Programmes", in its consolidated financial statements for the year ended 31 December 2007, as permitted by paragraph 10 of IFRIC 13. The European Union endorsed IFRIC 13 on 16 December 2008, in EC Regulation 1262/2008.

IFRIC 13 is now mandatorily applicable to accounting periods beginning on or after 1 July 2008.

In accordance with paragraphs AG1 to AG3 of IFRIC 13, Bouygues Telecom has measured the fair value of the loyalty points awarded under its consumer customer loyalty programme, and has not deferred any revenues as a result.

2. 13. 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 works. 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 expected losses on completion is recognised as a current provision in the balance sheet. The loss is provided for in full as soon as it 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. 13. 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 facilities for road-building and asphalt products; they are included in current operating profit.

2. 13. 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. 14. 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. 15. OFF-BALANCE SHEET COMMITMENTS

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

2. 16. FINANCIAL INDICATORS

Definitions of key financial indicators:

2. 16. 1. Cash flow

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

2. 16. 2. 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. 16. 3. Free cash flow

Cash flow (as defined above) after cost of net debt and net income tax expense for the period, less net capital expenditure for the period.

2. 16. 4. 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).

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

	2008	2007
Acquisitions of property, plant and equipment	1,683	1,570
Acquisitions of intangible assets	199	217
Capital expenditure	1,882	1,787
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies, other long-term investments)	356	2,195
Acquisitions of non-current assets	2,238	3,982
Disposals of non-current assets	(241)	(208)
Acquisitions of non-current assets, net of disposals	1,997^a	3,774

^aIncludes net acquisitions of €872m by Bouygues Telecom (3G network, etc) and of €540m by Colas

3.2. Movements during the period

3.2.1. Property, plant and equipment

6,120

Gross value	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
1 January 2007	1,609	7,996	1,843	269	11,717
Movements during 2007					
Translation adjustments	(14)	(53)	(16)	(2)	(85)
Changes in scope of consolidation	51	160	33	(7)	237
Acquisitions during the period	89	915	301	265	1,570
Disposals and other reductions	(20)	(368)	(140)		(528)
Transfers between items & other	61	107	28	(178)	18
31 December 2007	1,776	8,757	2,049	347	12,929
of which finance leases	29	94	105		228
Movements during 2008					
Translation adjustments	(16)	(50)	(11)		(77)
Changes in scope of consolidation	55	55	17	1	128
Acquisitions during the period	82	958	280	363	1,683 ^a
Disposals and other reductions	(23)	(377)	(151)	(5)	(556)
Transfers between items & other	51	191	41	(257)	26
31 December 2008	1,925	9,534	2,225	449	14,133
of which finance leases	27	117	103		247

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 2007	(496)	(4,929)	(1,253)		(6,678)
Movements during 2007					
Translation adjustments	4	31	9		44
Changes in scope of consolidation	(14)	(80)	(21)		(115)
Net expense for the period	(61)	(782)	(226)		(1,069)
Disposals and other reductions	6	312	133		451
Transfers between items & other	(3)		5		2
31 December 2007	(564)	(5,448)	(1,353)		(7,365)
of which finance leases	(8)	(59)	(88)		(155)
Movements during 2008					
Translation adjustments	2	21	6		29
Changes in scope of consolidation	(8)	(17)	(6)		(31)
Net expense for the period	(64)	(838)	(250)		(1,152)
Disposals and other reductions	12	345	137		494
Transfers between items & other	6	15	(9)		12
31 December 2008	(616)	(5,922)	(1,475)		(8,013)
of which finance leases	(10)	(63)	(85)		(158)

Carrying amount	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
31 December 2007	1,212	3,309	696	347	5,564
of which finance leases	21	35	17		73
31 December 2008	1,309	3,612	750	449	6120^b
of which finance leases	17	54	18		89

^aIncluding Bouygues Telecom: network investments of €678m

^bIncludes investment grants netted off property, plant and equipment: negative impact €137m

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

1,096

- Overall increase in carrying amount: €23m

Gross value	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
1 January 2007	173	990	1,121	2,284
Movements during 2007				
Translation adjustments	0	0	(3)	(3)
Changes in scope of consolidation	0	12	80	92
Acquisitions during the period	21	37	159	217
Disposals and other reductions	0	(18)	(9)	(27)
Transfers between items and other	(9)	9	(10)	(10)
31 December 2007	185	1,030	1,338	2,553
Movements during 2008				
Translation adjustments	0	0	(3)	(3)
Changes in scope of consolidation	0	0	(1)	(1)
Acquisitions during the period	18	134	47	199
Disposals and other reductions	0	(5)	(14)	(19)
Transfers between items and other	0	31	(7)	24
31 December 2008	203	1,190 ^a	1,360	2,753

Amortisation and impairment	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
1 January 2007	(103)	(280)	(879)	(1,262)
Movements during 2007				
Translation adjustments	0	0	1	1
Changes in scope of consolidation	0	(3)	(56)	(59)
Net expense for the period	(29)	(71)	(84)	(184)
Disposals and other reductions	0	16	4	20
Transfers between items and other	10	(13)	7	4
31 December 2007	(122)	(351)	(1,007)	(1,480)
Movements during 2008				
Translation adjustments	0	1	1	2
Changes in scope of consolidation	0	1	1	2
Net expense for the period	(26)	(80)	(84)	(190)
Disposals and other reductions	0	4	5	9
Transfers between items and other	0	0	0	0
31 December 2008	(148)	(425) ^a	(1,084)	(1,657)

Carrying amount	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
31 December 2007	63	679	331	1,073
31 December 2008	55	765 ^a	276	1,096

^aIncludes Bouygues Telecom's UMTS licence: gross value €619m, carrying amount €492m. See note 2 for amortisation method used.

3.2.3. Goodwill

5,157

Overall increase in carrying amount during the year ended 31 December 2008: €34m (fully consolidated entities only, amounts for associates are disclosed in note 3.2.4.1, "Investments in associates").

	Gross value	Impairment	Carrying amount
1 January 2007	4,820	(39)	4,781
Movements during 2007			
Changes in scope of consolidation	351		351
Impairment losses charged during the period		(2)	(2)
Other movements (including translation adjustments)	(11)	4	(7)
31 December 2007	5,160	(37)	5,123
Movements during 2008			
Changes in scope of consolidation	65 ^a		65
Impairment losses charged during the period		(6)	(6)
Other movements (including translation adjustments)	(25)		(25)
31 December 2008	5,200	(43)	5,157

^aGoodwill arising on the principal acquisitions made in 2008:

Bouygues:	Colas (purchase of additional shares)	15
Colas :	SAMI (Drawnac Group), Gouyer Group	22
Bouygues Construction:	Codime (ETDE)	} 13
	Marazzi (Bouygues Bâtiment Entreprise Europe); Mibag, etc	

Split of goodwill by cash generating unit (CGU)

CGU	31 December 2008		31 December 2007	
	Total	% (Bouygues or subsidiaries)	Total	% (Bouygues or subsidiaries)
Bouygues Construction ^a	325	99.97	326	99.97
Colas ^b	1,089	96.78	1,052	96.44
TF1 ^b	1,090	43.02	1,094	43.06
Bouygues Telecom ^b	2,651	89.55	2,651	89.55
Other activities	2			
Total Bouygues group	5,157		5,123	

^aOnly includes goodwill on subsidiaries acquired by the CGU.

^bIncludes 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 2008 ^a
TF1	12.75	10.44
Colas	92.10	142.00
Alstom	45.47	41.98

Impairment tests carried out using the methodology described in Note 2 showed no evidence that the recoverable amount of any CGU had fallen below the carrying amount of the assets tested.

^aBefore adjustment to reflect a control premium

3.2.4. Non-current financial assets

6,297

These assets include

- Investments in associates (companies accounted for by the equity method)
- Other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc).

	Gross value			Total gross value	Amortisation and impairment	Carrying amount	Non-current deferred tax assets
	Associates ^a	Other non-current assets Investments in non-consolidated companies	Other non-current assets				
1 January 2007	2,960	235	1,028	4,223	(196)	4,027	216
Movements during 2007							
Translation adjustments	(1)	(4)	(8)	(13)	1	(12)	(2)
Changes in scope of consolidation	1,229	32	(6)	1,255	(1)	1,254	13
Acquisitions and other increases	232	20	148	400		400	13
Net amortisation and impairment losses					(16)	(16)	
Disposals and other reductions	(85)	(11)	(38)	(134)	24	(110)	
Income and expenses recognised directly in equity	58			58		58	(8)
Transfers between items and other	20		2	22	(7)	15	(7)
31 December 2007	4,413	272	1,126	5,811	(195)	5,616	225
Movements during 2008							
Translation adjustments	(5)	3	(21)	(23)		(23)	(2)
Changes in scope of consolidation	92	2	9	103		103	
Acquisitions and other increases	418	58	142	618		618	12
Net amortisation and impairment losses					(17)	(17)	
Disposals and other reductions	(82)	(26)	(51)	(159)		(159)	
Income and expenses recognised directly in equity	(80)			(80)		(80)	16
Transfers between items and other	(9)	2	(8)	(15)	8	(7)	(5)
31 December 2008	4,747	311	1,197	6,255	(204)	6,051	246
						6,297	
Amortisation and impairment	(5)	(128)	(71)	(204)			
Carrying amount	4,742	183	1,126	6,051			246

^aIncludes goodwill on associates of €2,795m

3.2.4.1. Investments in associates

4,742

Components of carrying amount at 31 December 2008	Share of net assets held	Share of profit/(loss) for the period	Goodwill	Carrying amount
1 January 2007	1,189		1,751	2,940
Movements during 2007				
Translation adjustments	(1)			(1)
Acquisitions and share issues	324		963	1,287
Net profit/(loss) for the period		265		265
Impairment losses		(8)		(8)
Disposals and other reductions	(110)			(110)
Transfers between items & other	20			20
31 December 2007	1,422	257	2,714	4,393
Movements during 2008				
Translation adjustments	(5)			(5)
Acquisitions and share issues	103		90 ^b	193
Net profit/(loss) for the period		360		360
Impairment losses		(3)		(3)
Disposals and other reductions	(195)		(9)	(204)
Appropriation of prior-year profit	257	(257)		
Transfers between items & other	8			8
31 December 2008	1,590	357	2,795	4742^a

^aincludes: - Alstom: €3,865m
- Cofiroute (Colas): €448m
(see below)

^bincludes: - Alstom: increase of €83m (additional acquisitions during 2008), total goodwill €2,450m

A list of associates in which the Bouygues group holds an interest is provided in note 24 (Detailed list of consolidated companies at 31 December 2008).

Principal associates

	31 December 2007	Net movement in 2008	31 December 2008	Includes: share of net profit/(loss) for the period
Alstom	3,573	292	3,865	299 ^a
Construction				
Concession companies	78	23	101	2
Other associates	5	(1)	4	
Roads				
Cofiroute	419	29	448	54
Other associates	55	(4)	51	(8)
Media	253	6	259	10
Other associates	10	4	14	
Total	4,393	349	4,742	357

^aContribution net of amortisation of €19m charged against fair value remeasurements in 2008 (based on a 29.78% 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 2008	
	Alstom ^a	Cofiroute
Non-current assets	8,518	5,808
Current assets	14,458	594
Total assets	22,976	6,402
Shareholders' equity	2,477	1,902
Non-current liabilities	2,545	3,696
Current liabilities	17,954	804
Total liabilities and equity	22,976	6,402
Sales	8,956	1,350
Current operating profit	697	580
Net profit	531	324
Net profit attributable to the Group	527	324

Amounts shown are for 100% of the associate	31 December 2007	
	Alstom ^b	Cofiroute
Non-current assets	8,357	5,352
Current assets	12,988	678
Total assets	21,345	6,030
Shareholders' equity	2,245	1,728
Non-current liabilities	2,632	3,672
Current liabilities	16,468	630
Total liabilities and equity	21,345	6,030
Sales	16,908	1,039
Current operating profit	1,295	559
Net profit	862	349
Net profit attributable to the Group	852	349

^aInterim financial statements published by Alstom for the six months ended 30 September 2008 (Alstom's financial year-end is 31 March)

^bFinancial statements for the year ended 31 March 2008

3.2.4.2. Other non-current financial assets

1,309

- Investments in non-consolidated companies: €183m
- Other non-current financial assets: €1,126m

Carrying amount of principal investments in non-consolidated companies at 31 December 2008

Investment	31/12/2008							31/12/2007	
	Gross value	Impairment	Carrying amount	% interest	Total assets	Total current & non-current liabilities	Total sales	Net profit/(loss)	Carrying amount
French companies									
CERF (Colas quarry, France) ^a	34		34	100.0%					
Sofica Valor	3		3	18.9%					
Sylver	4		4	49.0%					4
Asphalt and binder companies (Colas) ^b	14	2	12						11
Other investments in French companies ^b	64	48	16						38
Sub-total	119	50	69						53
Foreign companies									
IEC Investments (Hong Kong)	51		51	15.0%	211	8	17	(8)	43
Socoprim (Ivory Coast)	13		13	64.0%	22				13
A1- International (Netherlands)	13	6	7	50.0%					13
Bombela (South Africa)	9		9	17.0%	253	243			0
CCIB (Romania)	6	6	0	22.0%					0
VSL Corporation (United States)	22	22	0	100.0%					0
Asphalt and binder companies (Colas) ^b	2	1	1						1
Other investments in foreign companies ^b	76	43	33						28
Sub-total	192	78	114						98
Total	311	128	183						151

^aAcquired at the end of 2008, will be consolidated in 2009.

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

Other non-current financial assets**1,126**

The main items included in this heading are

- Canal+ France financial asset (transfer of TPS)	705	^a
- Advances to non-consolidated companies	196	^b
- Non-current loans and receivables	63	
- Other long-term investments:	162	
comprising:		
- deposits and caution money	142	
- other long-term investment securities	20	^c

^aThe Canal+ France financial asset received in exchange for the transfer of TPS shares represents 9.9% of the capital of Canal+ France plus a put option exercisable in February 2010. This option will enable TF1 to sell all its Canal+ France shares at the greater of:

- . a minimum price of €746m;
- . an independent valuation at the exercise date.

On initial recognition, the Bouygues group designated this asset (comprising the interest in Canal+ France and the put option) as a financial asset at fair value through profit or loss.

The fair value of this financial asset is determined on the basis of the minimum price of €746m, discounted at the interest rate derived from the agreement signed on 6 January 2006. During the year ended 31 December 2008, the fair value of the asset increased by €39m, taking the carrying amount to €705m as of that date. This increase in fair value was recognised in the income statement under "Other financial income and expenses".

^bMainly comprises €168m for 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 €150m.

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

- Alstom has specific rights, in particular in the event of 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 between the shareholders):

- . at a minimum price of €175m; or
- . in exchange for 4.4 million Alstom shares or the equivalent value in euros.

Consequently, Alstom has exclusive control over Alstom Hydro Holding, and Bouygues does not consolidate its interest in the company. Instead, this interest is recognised by Bouygues as a non-current financial asset. The carrying amount of this asset as of 31 December 2008 was €168m, corresponding to the present value of the minimum amount receivable. The effect of the unwinding of the discount on the asset during the year ended 31 December 2008 was a gain of €8m, recognised in the income statement under "Other financial income and expenses".

Because of the long-term industrial strategy underpinning relations between Bouygues and Alstom, the Bouygues group does not recognise the put option entitling it to exchange this asset for Alstom shares (exercisable 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 net negative impact of €90m in the year ended 31 December 2008, giving a cumulative change in fair value to date of €17m (corresponding to the fair value of the put option as of 31 December 2008), versus €107m as of 31 December 2007.

^cMain components of "Other long-term investment securities":

- mutual funds	13
- other investments individually less than €2m	7
	20

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

1,309

	Measured at fair value				Total
	Available-for-sale financial assets	Other financial assets measured at fair value	Loans and receivables	Held-to-maturity financial assets	
	a	b	c	c	
31 December 2007	139	675	263	146	1,223
Movements during 2008	7	37	(14)	56	86
31 December 2008	146	712	249	202	1,309
Due within less than 1 year	2		17	16	35
Due within 1-5 years	23	704	218	23	968
Due after more than 5 years	121	8	14	163	306

^aImpact of remeasurements recognised in equity

^bImpact of remeasurements recognised in profit or loss

^cMeasured 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 2008).

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

Bouygues share in joint ventures	2008	2007
Non-current assets	144	164
Current assets	825	1,135
Total assets	969	1,299
Shareholders' equity	63	113
Non-current liabilities	121	116
Current liabilities	785	1,070
Total liabilities and equity	969	1,299
Sales	1,638	1,450
Operating profit	29	98
Net profit	34	104

3.2.5. Non-current tax assets

246

See Note 7 for details.

4.1. Inventories

3,023

Inventories	31 December 2008			31 December 2007		
	Gross value	Impairment ¹	Carrying amount	Gross value	Impairment ¹	Carrying amount
Inventories: raw materials, supplies, finished goods and property development inventories	2,612	(131)	2,481	2,356	(93)	2,263
Programmes and broadcasting rights (TF1)	722	(180)	542	664	(164)	500
Total	3,334	(311)	3,023	3,020	(257)	2,763

¹Includes: Losses charged during the period: (157) (123)
Losses reversed during the period: 108 89

TF1: 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			Total 2008	Total 2007
	within less than 1 year	within 1-5 years	after more than 5 years		
Programmes and broadcasting rights ¹	578	749	55	1,382	1,337
Sports transmission rights	211	429	53	693	812
Total	789	1,178	108	2,075	2,149

¹2008: Some of these contracts are denominated in foreign currencies: €13.9m in Swiss francs, €20.1m in pounds sterling and €353.2m in US dollars.

4.2. Advances and down-payments on orders

429

	31 December 2008			31 December 2007		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments on orders	433	(4)	429	367	(4)	363

4.3. Trade receivables, tax assets and other receivables

9,443

	31 December 2008			31 December 2007		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	7,456	(359)	7,097	7,250	(339)	6,911
Current tax assets (tax receivable)	102	(3)	99 ^a	84	(3)	81
Other receivables and prepaid expenses						
- Other operating receivables (employees, social security, government and other)	1,664	(48)	1,616	1,519	(35)	1,484
- Sundry receivables	494	(86)	408	694	(85)	609
- Prepaid expenses	223		223	192		192
Sub-total	2,381	(134)	2,247	2,405	(120)	2,285
Total	9,939	(496)	9,443	9,739	(462)	9,277

^aIncludes an estimated €38m of net excess payments on account of income taxes, to be refunded by the tax authorities in 2009.

Split of trade receivables between non-past due and past due balances as of 31 December 2008 and 31 December 2007

	Non-past due balances	Balances past due by:			Total
		0-6 months	6-12 months	>12 months	
Trade receivables	4,985	1,869	262	340	7,456
Impairment of trade receivables	(7)	(106)	(43)	(203)	(359)
Carrying amount of trade receivables at 31 December 2008	4,978	1,763	219	137	7,097
Carrying amount of trade receivables at 31 December 2007	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. Cash and equivalents

3,840

Cash and equivalents	31 December 2008			31 December 2007		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Cash	792		792	905		905
Cash equivalents	3,054	(6)	3,048 ^a	2,487	(6)	2,481
Total	3,846	(6)	3,840	3,392	(6)	3,386

- ^a- Bouygues SA holds €2,887m of these cash equivalents.
- Surplus cash is invested with high-quality French and foreign banks.
- Cash equivalents are readily convertible into cash.
- Cash and cash equivalents are measured at fair value.

The net cash position shown in the cash flow statement comprises the following items:

	31 December 2008	31 December 2007
Assets		
Cash	792	905
Cash equivalents	3,048	2,481
Sub-total	3,840	3,386
Liabilities		
Overdrafts and short-term bank borrowings	(393)	(276)
Sub-total	(393)	(276)
Net cash position	3,447	3,110

Split of cash and equivalents by currency at 31 December 2008	Euro	Pound sterling	Swiss franc	Other European currencies	US dollar	Other currencies	Total
Cash	317	44	48	81	31	271	792
Cash equivalents	3,028		3	3		14	3,048
Financial instruments							
Overdrafts and short-term bank borrowings	(156)		(6)	(120)	(18)	(93)	(393)
Total at 31 December 2008	3,189	44	45	(36)	13	192	3,447
Total at 31 December 2007	2,715	45	32	77	41	200	3,110

4.5. Analysis of depreciation, amortisation, provisions and impairment in the balance sheet and income statement

	Charges and write-backs (operating)						31/12/2008
	01/01/2008	Translation adjustments	Depreciation & amortisation	Impairment & provisions	Write-backs (no longer required)	Other movements ^a	
Depreciation and amortisation	(8,845)	31	(1,335)	(7)		485	(9,671)
Impairment of goodwill	(37)			(6) ^b		1	(42)
Impairment of investments in non-consolidated companies	(122)					(6)	(128)
Impairment of other non-current financial assets	(73)					(3)	(76)
Impairment of inventories	(257)	1		(57)	8	(6)	(311)
Impairment of trade receivables	(339)	(1)		(50)	35	(4)	(359)
Impairment of cash equivalents	(6)						(6)
Impairment of other current assets	(127)			(19)	4	1	(141)
Current and non-current provisions	(2,090)	13		(366)	196	(63)	(2,310)
Total		44	(1,335)	(505)	243	405	

^aWrite-backs on disposals and changes in scope of consolidation, and net charge recognised in financial income/expense

^bVarious Colas subsidiaries

NOTE 5

CONSOLIDATED SHAREHOLDERS' EQUITY

5.1. Share capital of Bouygues SA (in euros)

€342,818,079

As of 31 December 2008, the share capital of Bouygues SA consisted of 342,818,079 shares with a par value of €1. Movements during 2008 were as follows:

	01/01/2008	Movements during 2008		31/12/2008
		Reductions	Increases	
Shares	347,502,578	(6,952,935)	2,268,436	342,818,079
Number of shares	347,502,578	(6,952,935)	2,268,436	342,818,079
Par value	€1			€1
Share capital (in euros)	347,502,578	(6,952,935)	2,268,436	342,818,079

5.2. Shareholders' equity as of 31 December 2008 attributable to the Group and to minority interests

	Share capital	Share premium	Reserves related to capital	Retained earnings	Consolidated reserves & profit for year	Treasury shares	Items recognised directly in equity	Total 31/12/2008
Attributable to the Group	343	1,862	805	679	4,004	(3)	(136)	7,554
Minority interests					1,217		(6)	1,211
Total shareholders' equity	343	1,862	805	679	5,221	(3)	(142)^a	8,765

^aCumulative balance of items recognised directly in equity as of 31 December 2008

5.3. Analysis of income and expense recognised directly in equity (change in the period, portion attributable to the Group)

	Ref.	Attributable to the Group	
		Year ended 31/12/2008	Year ended 31/12/2007
Translation differences	1	(26)	(36)
Fair value remeasurements (financial instruments)	2	(50)	17
Actuarial gains/(losses)	3	(43)	16
Taxes on items recognised directly in equity		18	18
Share of Alstom remeasurements (equity-accounted)		(80)	58
Other movements during the period			(1)
Sub-total		(181)	72
		Minority interests	
Other income and expenses		(4)	(3)
Total		(185)	69

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

1 - Translation differences

Principal translation differences in the year ended 31 December 2008 arising on foreign companies reporting in:

	31/12/2007	Movements during 2008	31/12/2008
US dollar	(40)	18	(22)
Canadian dollar	9	(25)	(16)
Pound sterling	(3)	(15)	(18)
Other currencies	6	(4)	2
Total	(28)	(26)	(54)

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

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

	31/12/2007	Movements during 2008	31/12/2008
Gross movement (excluding associates)	115	(66) ^a	49

. Mainly currency hedging instruments and fair value remeasurement of financial instruments.

^aIncludes reclassification as of 1 January 2008 of items recognised directly in equity in respect of associates, which are now reported separately: (€16m)

3 - Actuarial gains and losses on employee benefits (IAS19) (portion attributable to the Group)

	31/12/2007	Movements during 2008	31/12/2008
Gross movement (excluding associates)	58	(95) ^a	(37)

^aIncludes reclassification as of 1 January 2008 of items recognised directly in equity in respect of associates, which are now reported separately: (€50m)

- mainly due to the drop in the 10-year OAT rate (3.66% in 2008, versus 4.35% in 2007)

5.4. Analysis of "Other transactions with shareholders"

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

	2008	2007	(charged to "Personnel costs")
TF1 and Bouygues SA stock options			
Transfer to reserves:			
- TF1		2	Portion attributable to the Bouygues group
- Bouygues SA	21	16	Based on plans granted since November 2002
Consolidated expense	21	18	
2007 employee share ownership plans			
- Bouygues Partage and Bouygues Confiance 4 plans		50	Cost of the employee benefit
Total	21	68	

5.5. Analysis of "Acquisitions of treasury shares"

Treasury shares held	31/12/2007	Acquisitions	Cancellations (capital reductions) ¹	31/12/2008
By Bouygues SA	(22)	(331)	350	(3)
Under a liquidity agreement	(28)	(43)		(71)
Total	(50)	(374)	350	(74)

¹Reduction in the share capital of Bouygues SA effective 6 June 2008

6.1. Non-current provisions = 1,682

	Long-term employee benefits	Litigation and claims	Guarantees given	Other non- current provisions	Total
	a	b	c	d	
1 January 2007	406	333	268	434	1,441
Movements during 2007					
Translation adjustments	(2)		(2)		(4)
Changes in scope of consolidation	13	6	2	8	29
Charges to provisions	55	96	98	110	359
Provisions utilised	(28)	(87)	(47)	(47)	(209)
Provisions no longer required	(8)	(53)	(23)	(21)	(105)
Actuarial gains and losses	(16)				(16)
Transfers between items	5			(7)	(2)
31 December 2007	425	295	296	477	1,493
Movements during 2008					
Translation adjustments	(4)	(1)	(4)		(9)
Changes in scope of consolidation	2	2	1	1	6
Charges to provisions	51	106	104	118	379
Provisions utilised	(16)	(29)	(59)	(54)	(158)
Provisions no longer required	(7)	(41)	(21)	(41)	(110)
Actuarial gains and losses	44				44
Transfers between items	(2)		2	37	37
31 December 2008	493	332	319	538	1,682

		Principal segments involved	
Long-term employee benefits	493	- Bouygues Construction	135
Lump-sum retirement benefits	358	- Colas	249
Long-service awards	106	- TF1	33
Other long-term employee benefits	29		
Litigation and claims	332	- Bouygues Construction	156
Provisions for customer disputes	176	- Bouygues Immobilier	31
Subcontractor claims	39	- Colas	125
Employee-related litigation and claims	22		
Other litigation and claims	95		
Guarantees given	319	- Bouygues Construction	212
Provisions for guarantees given	226	- Bouygues Immobilier	20
Additional building/civil engineering/ civil works guarantees	93	- Colas	87
Other non-current provisions	538	- Bouygues Construction	143
Risks related to official inspections	139	- Colas	187
Provisions for miscellaneous foreign risks	81	- Bouygues Telecom	93
Provisions for subsidiaries and affiliates	25		
Other non-current provisions	293		

6.2. Current provisions = 628

Provisions relating to the operating cycle (see note 2):

	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for expected losses to completion	Other current provisions	Total
1 January 2007	36	165	112	211	524
Movements during 2007					
Translation adjustments	(1)	(3)	(2)		(6)
Changes in scope of consolidation	1	2	13	8	24
Charges to provisions	36	76	80	102	294
Provisions utilised	(17)	(41)	(61)	(73)	(192)
Provisions no longer required	(5)	(19)	(12)	(17)	(53)
Transfers between items		1	1	4	6
31 December 2007	50	181	131	235	597
Movements during 2008					
Translation adjustments	(1)		(3)		(4)
Changes in scope of consolidation	1	1	(1)		1
Charges to provisions	33	70	114	122	339
Provisions utilised	(23)	(41)	(79)	(66)	(209)
Provisions no longer required	(8)	(32)	(18)	(29)	(87)
Transfers between items	3	(2)		(10)	(9)
31 December 2008	55	177^a	144^c	252^b	628

^aIncluding:

- provisions for risks on completed projects	79	}
- provisions for final settlement on projects	98	

Principal segments involved

Mainly Bouygues Construction and Colas

^bIncluding:

- reinsurance costs	22	- Challenger Réassurance	21
- rental guarantees (Bouygues Immobilier)	29	- Bouygues Construction	53
- current customer litigation/vendor's liability guarantee (TF1)	26	- Bouygues Immobilier	52
- other current provisions	175	- Colas	39
		- TF1	41

^cRelates to the Construction segment, mainly Bouygues Construction and Colas
(Individual project provisions are not disclosed for confidentiality reasons)

7.1. Non-current tax assets

	31/12/2007	Movement	31/12/2008
Deferred tax assets	225	21	246
Bouygues Telecom	8	14	22
Colas	86	5	91
Bouygues Construction	78	7	85
Other business segments	53	(5)	48
Non-current tax receivable			
Total non-current tax assets	225	21	246

. Deferred tax assets mainly derived from:

- temporary differences (provisions temporarily non-deductible for tax purposes, etc)
- tax losses with a genuine probability of recovery (see note 7.3)

7.2. Non-current tax liabilities

	31/12/2007	Movement	31/12/2008
Deferred tax liabilities	84	5	89^a
Other non-current tax liabilities			
Total non-current tax liabilities	84	5	89

^aPrimarily Colas

7.3. Net deferred tax asset/liability by business segment

Type of deferred taxation by business segment	Net deferred tax asset/ (liability) at 31/12/2007	Changes in scope of consolidation	Translation adjustment	Movements during 2008		Other items	Net deferred tax asset/ (liability) at 31/12/2008 ^a
				Gain	Expense		
A - Tax losses available for carry-forward							
Bouygues Construction	5			2			7
Bouygues Immobilier				1		1	2
Colas	8			2			10
TF1	9			4			13
Sub-total	22			9		1	32
B - Temporary differences							
Bouygues Construction	71	1	(1)	1		4	76
Bouygues Immobilier	31	(2)		1		(2)	28
Colas	4	(2)		7	(15)	8	2
TF1	12				(8)	(3)	1
Bouygues Telecom	8			10		4	22
Bouygues SA and other activities	(7)			3	(7)	7	(4)
Sub-total	119	(3)	(1)	22	(30)	18	125
Total	141	(3)	(1)	31	(30)	19	157

- ^a Breakdown of net deferred tax assets:
- Deferred tax assets: 246
 - Deferred tax liabilities: (89) } 157

- Main sources of deferred taxation:

	2008	2007
- Deferred tax assets on employee benefits (mainly lump-sum retirement benefits)	144	122
- Deferred taxation on provisions temporarily non-deductible for tax purposes	88	163
- Restricted provisions booked solely for tax purposes	(106)	(209)
- Other	31	65
	157	141

7.4. Period to recovery of deferred tax assets

31 December 2008	Less than 2 years	2 to 5 years	More than 5 years	Total
Expected period to recovery of deferred tax assets	71	56	119	246

7.5. Unrecognised deferred tax assets

Amount of deferred tax assets not recognised due to low probability of recovery at end 2008 (mainly tax loss carry-forwards):

	31/12/2007	Movements during 2008	31/12/2008
Bouygues Construction	49	24	73
Bouygues Immobilier	21	16	37
Colas	23	5	28
TF1	34	(6)	28
Other	8	1	9
Total unrecognised deferred tax assets	135	40	175

^aRelates solely to companies not included in the Bouygues SA group tax election

NOTE 8

NON-CURRENT AND CURRENT DEBT

8,362

Non-current debt	7,025
Current debt	1,337

8.1. Interest-bearing debt by maturity

	Current debt (maturing 2009)				Non-current debt						Total 31/12/08	Total 31/12/07
	Accrued interest	1 to 3 months	4 to 12 months	Total maturing 2009	1 to 2 years 2010	2 to 3 years 2011	3 to 4 years 2012	4 to 5 years 2013	5 to 6 years 2014	6 or more years 2015 & later		
Bond issues	172		989	1,161	497	749		1,148	992	3,171	6,557	6,560
Bank borrowings		35	75	110	104	74	24	18	13	83	316	380
Finance lease obligations		7	19	26	24	14	9	3	2	6	58	54
Other borrowings	3	7	30	40	21	57	5	5	2	4	94	73
Total debt	175	49	1,113	1,337	646	894	38	1,174	1,009	3,264	7,025	7,067
Comparative at 31/12/07				328	1,293	570	791	22	1,156	3,235		7,067

Finance lease obligations by business segment	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Non-current, 31 December 2008		1	43	1	12	1	58
Current, 31 December 2008		1	21		4		26
Non-current, 31 December 2007		2	34	2	16		54
Current, 31 December 2007		1	18	1	2		22

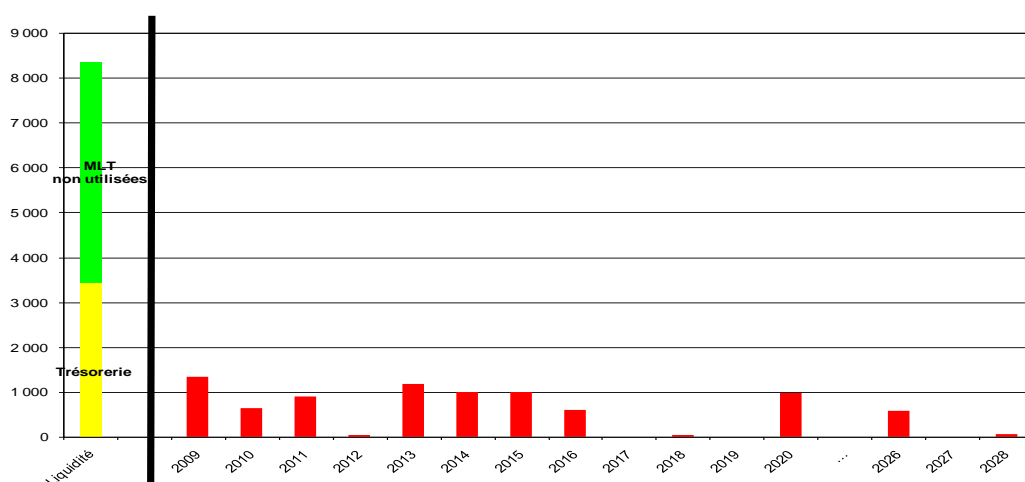
8.2. Confirmed credit facilities and drawdowns

Description	Confirmed facilities - Maturity				Drawdowns - Maturity			
	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)	1,161	2,394	4,163	7,718	1,161	2,394	4,163	7,718
Bank borrowings	1,400	3,753	196	5,349	110	220	96	426
Finance lease obligations	26	50	8	84	26	50	8	84
Other borrowings	40	88	6	134	40	88	6	134
Total credit facilities	2,627	6,285	4,373	13,285	1,337	2,752	4,273	8,362

Undrawn confirmed credit facilities = €4,923m

8.3. Liquidity at 31 December 2008

As at 31 December 2008, available cash stood at €3,446 million (including -€1 million of financial instruments contracted to hedge net debt). The Group also had €4,923 million of undrawn confirmed medium-term credit facilities as at the same date.



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.

The credit facilities contracted by Bouygues contain no financial covenants or trigger events. The same applies to those contracted by Bouygues subsidiaries, except for a syndicated credit facility on which Colas had drawn down \$10m as at 31 December 2008; this facility is subject to compliance with a minimum level of net assets, a condition with which Colas was in compliance as at 31 December 2008.

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:

	31/12/08	31/12/07
Fixed rate ^a	94%	89%
Variable rate	6%	11%

^aRates 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 2008 was as follows:

	Variable rate	Fixed rate	Total
Financial liabilities (debt)	641	7,721	8,362
Financial assets* (net cash position)	3,446		3,446
Net position before hedging	(2,805)	7,721	4,916
Interest rate hedges	(107)	107	
Net position after hedging	(2,912)	7,828	4,916
Adjustment for seasonal nature of certain activities	275		
Net position after hedging and adjustment	(2,637)		

*Includes -€1 million for the fair value of financial instruments contracted to hedge net debt.

The effect of an immediate 1% rise in short-term interest rates on the net position described above would be to reduce net interest expense by €26.4m over a full year.

8.6. Split of current and non-current debt by currency

	Europe			US dollar	CFA franc	Other currencies	Total
	Euro	Pound sterling	Other currencies				
Non-current, 31 December 2008	6,132	654	65	39	82	53	7,025
Current, 31 December 2008	1,250	9	63	2	5	8	1,337
Non-current, 31 December 2007	6,258	663	86	1	28	31	7,067
Current, 31 December 2007	293	7	21		3	4	328

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

. An analysis of collateral and pledges given by the Bouygues group is provided in note 18.4.

NOTE 9**MAIN COMPONENTS OF CHANGE IN NET DEBT****(4,916)****9.1. Change in net debt**

	31/12/2007	Movements during 2008	31/12/2008
Cash and equivalents	3,386	454	3,840
Overdrafts and short-term bank borrowings	(276)	(117)	(393)
Net cash and equivalents	3,110	337	3,447^a
Non-current debt	(7,067)	42	(7,025)
Current debt	(328)	(1,009)	(1,337)
Financial instruments, net	(3)	2	(1)
Total debt	(7,398)	(965)	(8,363)
Net debt	(4,288)	(628)	(4,916)

^aNet cash position as analysed in the 2008 cash flow statement (net cash flows + non-monetary movements)

9.2. Principal transactions in the year ended 31 December 2008

Net debt at 31 December 2007	(4,288)
Acquisition of additional interest in Alstom	(119)
Other acquisitions/disposals of investments (Sami, Southwest Industries, Gouyer Group, ISAF, CERF, etc)	(99)
Bouygues SA share issues (Bouygues Confiance 4, 2008 portion)	126
Dividends paid (Bouygues SA, minorities, etc)	(685)
Purchase of treasury shares, net of exercise of stock options	(264)
Other financial transactions	(147)
Operating items	560
Net debt at 31 December 2008	(4,916)

Sign convention: cash and equivalents positive, debt negative

Breakdown of current liabilities

	31/12/2008	31/12/2007
Advances and down-payments received	1,301	1,419
Current debt ^a	1,337	328
Current taxes payable	163	223
Trade payables	7,577	7,442
Current provisions ^b	628	597
Other current liabilities, deferred income and similar		
Other operating liabilities (employees, Social Security, government)	2,646	2,592
Deferred income	1,921	1,600
Unrealised foreign exchange gains	2	0
Other non-financial liabilities	1,899	2,076
Overdrafts and short-term bank borrowings	393	276
Other current financial liabilities	60	26
Total	17,927	16,579

^aSee analysis in note 8

^bSee analysis in note 6.2

NOTE 11

ANALYSIS OF SALES AND
OTHER REVENUES FROM OPERATIONS11.1. Analysis by accounting classification

	2008	2007 a
Sales of goods	2,873	2,643
Sales of services	12,435	11,401
Construction contracts	17,405	15,544
Sales	32,713	29,588
Royalties		
Other revenues from operations	128	137
Other revenues from operations	128	137
Total	32,841	29,725

^aRestatement of -€25m to reflect retrospective change in accounting policy for recognition of revenue by TF1 subsidiaries on transactions where the subsidiary acts as agent for a third party.

There were no material exchanges of goods or services in the year ended 31 December 2008.

Consolidated balance sheet: information about construction contracts

	Bouygues Construction	Colas	Total
Unbilled works	368	409	777
Warranty retentions	74	51	125
Works billed in advance	1,447	357	1,804
Advance payments received	656	94	750

11.2. Analysis by business segment

Sales reported by consolidated companies (excluding associates) include accounting revenues from works contracts and sales of goods and services.

Segment	2008 sales				2007 sales			
	France	International	Total	%	France	International	Total	%
Construction	5,063	4,073	9,136	28	4,743	3,345	8,088	27
Property	2,732	177	2,909	9	1,940	134	2,074	7
Roads	7,208	5,518	12,726	39	6,898	4,742	11,640	40
Media	2,237	338	2,575	8	2,420	302	2,722	9
Telecoms	5,073		5,073	15	4,780		4,780	16
Bouygues SA & other activities	8	286	294	1	4	280	284	1
Consolidated sales	22,321	10,392	32,713	100	20,785	8,803	29,588	100
% change vs. 2007	7%	18%	11%					

11.3. Analysis by geographical area

	2008 sales		2007 sales	
	Total	%	Total	%
France	22,321	68	20,785	70
European Union (27 members)	4,175	13	3,506	12
Rest of Europe	1,015	3	840	3
Africa	1,617	5	1,304	4
Middle East	253	1	140	1
United States and Canada	2,140	6	2,102	7
Central and South America	188	1	211	1
Asia-Pacific	1,004	3	700	2
Total	32,713	100	29,588	100

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

	2008			2007		
	France	International	Overall	France	International	Overall
Public-sector contracts^a	32	50	38	30	49	35
Private-sector contracts	68	50	62	70	51	65

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

NOTE 12**OPERATING PROFIT****2,230**

	2008	2007
Current operating profit		
Sales	32,713	29,588
Other revenues from operations	128	137
Purchases used in production and external charges	(22,465)	(20,289)
Taxes other than income tax	(660)	(600)
Personnel costs	(6,471)	(5,968)
Net depreciation, amortisation, provisions and impairment		
Depreciation and amortisation	(1,335)	(1,245)
Net charge to provisions and impairment losses	(505)	(419)
Changes in production & property development inventories	78	379
Other operating income and expenses	747	580
Reversals of provisions no longer required	243	226
Net gain on disposals of non-current assets	176	69
Other income and expenses	328	285
Current operating profit	2,230	2,163
Non-current operating income and expenses	0	18 ^a
Operating profit	2,230	2,181

See note 16 for an analysis by business segment.

^aWrite-back of provisions for anti-competitive practice penalties (Bouygues Construction and Colas)

13.1. COMPONENTS OF COST OF NET DEBT

	2008	2007
Financial expenses	(435)	(381)
Financial income	158	146
Including:		
<i>on finance leases</i>	(4)	(2)
<i>on financial instruments</i>	6	5
Total cost of net debt	(277)	(235)

	2008	2007
- Interest expense on net debt	(382)	(339)
- Interest expense related to treasury management	(44)	(34)
- Interest expense on finance leases	(4)	(2)
- Net positive/(negative) effect of financial instruments	6	5
- Income from cash and equivalents	147	135
Total cost of net debt	(277)	(235)

14.1. Analysis of income tax expense

	2008			2007		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(470)	(137)	(607)	(491)	(160)	(651)
Change in deferred tax liabilities	1	(8)	(7)	(3)	(4)	(7)
Change in deferred tax assets	11	(2)	9	14	11	25
Total	(458)	(147)	(605)	(480)	(153)	(633)

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:

	2008	2007
Net profit (100%)	1,686	1,593
Eliminations:		
Income tax expense	605	633
Net profit of discontinued and held-for-sale operations		
Share of profits and losses of associates	(357)	(257)
Net profit from continuing operations before tax	1,934	1,969
Gross tax rate	31.30%	32.10%
Standard tax rate in France	34.43%	34.43%
Recognition and utilisation of tax loss carry-forwards	1.60%	(0.73%)
Effect of permanent differences	(2.18%)	(0.70%)
Flat-rate taxes, dividend taxes and tax credits	0.31%	0.62%
Taxes at rates not linked to profits: differential tax rates, long-term capital gains, foreign taxes	(2.89%)	(1.45%)
Effective tax rate	31.27%	32.17%

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 €1,686m; the portion attributable to the Bouygues group rose by 9%.
An analysis is provided below:

	2008	2007	Change
Net profit from continuing operations (100%)	1,686	1,593	6%
Minority interest in net profit from continuing operations	(185)	(217)	(15%)
Net profit from continuing operations attributable to the Group	1,501	1,376	9%

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.

	2008	2007
Net profit attributable to the Group (€m)	1,501	1,376
Weighted average number of shares outstanding	342,609,161	338,921,348
Basic earnings per share (in euros)	4.38	4.06

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 exercisable and in the money at the balance sheet date).

	2008	2007
Net profit used to calculate diluted earnings per share	1,501	1,376
Weighted average number of shares outstanding	342,609,161	338,921,348
Adjustment for potentially dilutive effect of stock options	3,567,732	10,433,177
Diluted earnings per share (in euros)	4.34	3.94

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, European Union, Rest of Europe, Africa, Asia-Pacific, Americas, and Middle East.
(sales are allocated by the location where the sale is generated, and property, plant and equipment by the 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 2008

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total 2008
Income statement							
Total sales	9,497	2,924	12,789	2,595	5,089	483	33,377
Inter-segment sales	(361)	(15)	(63)	(20)	(16)	(189)	(664)
Third-party sales	9,136	2,909	12,726	2,575	5,073	294	32,713
Net depreciation and amortisation expense	(154)	(6)	(466)	(95)	(585)	(29)	(1,335)
Net charges to provisions	(168)	(86)	(153)	(53)	(24)	(21)	(505)
Current operating profit	308	247	681	177	817		2,230
Non-current operating income and expenses							
Operating profit	308	247	681	177	817		2,230
Cost of net debt	93	(17)	(21)	(23)	(3)	(306)	(277)
Income tax expense	(114)	(89)	(217)	(41)	(279)	135	(605)
Share of profits/(losses) of associates	2		46	10		299	357
Net profit from continuing operations	294	111	495	164	534	88	1,686
Net profit of discontinued and held-for-sale operations							
Net profit	294	111	495	164	534	88	1,686
Net profit attributable to the Group	297	105	474	71	478	76	1,501
Balance sheet							
Property, plant and equipment	574	16	2,346	178	2,600	406	6,120
Intangible assets	86	3	66	166	770	5	1,096
Goodwill	325		1,089	1,090	2,651	2	5,157
Deferred tax assets and non-current tax receivable	85	32	91	17	22	(1)	246
Investments in associates	105		499	259		^a 3,879	4,742
Other non-current assets	147	16	195	741	5	205	1,309
Cash and equivalents	379	107	371	17	14	2,952	3,840
Unallocated assets							12,978
Total assets							35,488
Non-current debt	375	61	186	695	105	5,603	7,025
Non-current provisions	646	78	648	59	139	112	1,682
Deferred tax liabilities and non-current tax liabilities	2	1	79	3		4	89
Current debt	26	77	53	4	7	1,170	1,337
Overdrafts and short-term bank borrowings	(2,614)	(33)	130	19	9	2,882	393
Unallocated liabilities							24,962
Total liabilities							35,488
Net debt^b	2,592	1	(7)	(699)	(107)	(6,696)	(4,916)
Cash flow statement							
Cash flow	452	222	1,185	270	1,409	77	3,615
Acquisitions of property, plant and equipment and intangible assets, net of disposals	(253)	(8)	(540)	(58)	(872)	(48)	(1,779)
Acquisitions of investments in consolidated companies & other investments, net of disposals	54	(9)	(114)	(7)		(142)	(218)
Other indicators							
EBITDA	534	312	1,219	317	1,405	40	3,827
Free cash flow	178	108	409	149	255	(145)	954

^aIncludes €3,865m for Alstom

^bContribution at business segment level, including Bouygues Relais and Uniservice current accounts (these inter-segment accounts are eliminated in the "Bouygues SA & other activities" column).

16.2. 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	2,739	4,796	462	30,085
Inter-segment sales	(252)	(1)	(33)	(17)	(16)	(178)	(497)
Third-party sales	8,088	2,074	11,640	2,722	4,780	284	29,588
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/(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 receivable	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 debt	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 debt	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	2,450	(2)	347	(597)	188	(6,674)	(4,288)
Cash flow statement							
Cash flow	410	205	1,098	394	1,330	82	3,519
Acquisitions of property, plant and equipment and intangible assets, net of disposals	(299)	(7)	(624)	(129)	(596)	(24)	(1,679)
Acquisitions of investments in consolidated companies & other investments, net of disposals	(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

16.3. Analysis by geographical area

Year ended 31 December 2008	France ^b	European Union (27 members)	Rest of Europe	Africa	Asia-Pacific	Americas	Middle East	Total
Income statement								
Third-party sales	22,321	4,175	1,015	1,617	1,004	2,328	253	32,713
Balance sheet								
Property, plant and equipment	4,711	412	85	307	109	488	8	6,120
Intangible assets	1,056	25		4		11		1,096
Unallocated assets ^a								28,272
Total assets								35,488
Cash flow statement								
Purchase price of property, plant and equipment and intangible assets	(1,451)	(91)	(18)	(123)	(66)	(124)	(9)	(1,882)

^aIncludes assets held under finance leases; ^bincludes French overseas departments

Year ended 31 December 2007	France ^b	European Union (27 members)	Rest of Europe	Africa	Asia-Pacific	Americas	Middle East	Total
Income statement								
Third-party sales	20,785	3,506	840	1,304	700	2,313	140	29,588
Balance sheet								
Property, plant and equipment	4,289	408	74	276	56	458	3	5,564
Intangible assets	1,021	35	2	7		8		1,073
Unallocated assets ^a								26,791
Total assets								33,428
Cash flow statement								
Purchase price of property, plant and equipment and intangible assets	(1,351)	(128)	(15)	(138)	(25)	(129)	(1)	(1,787)

^aIncludes assets held under finance leases; ^bincludes French overseas departments

16.4. Income statement by function

Year ended 31 December 2008	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Consolidated sales	9,136	2,909	12,726	2,575	5,073	294	32,713
Cost of sales	(7,813)	(2,409)	(10,944)	(2,082)	(3,500)	(233)	(26,981)
Gross profit	1,323	500	1,782	493	1,573	61	5,732^a
Research and development expenses	(11)	(1)	(70)	(14)	(24)	(1)	(121)
Selling expenses	(406)	(175)	(1,025)	(124)	(181)	(1)	(887)
Administrative expenses	(606)	(77)	(6)	(178)	(548)	(52)	(2,486)
Goodwill impairment			(6)				(6)
Other current operating income and expenses	8				(3)	(7)	(2)
Current operating profit	308	247	681	177	817		2,230

^aGross margin rate = 17.5%

Year ended 31 December 2007	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Consolidated sales	8,088	2,074	11,640	2,722	4,780	284	29,588
Cost of sales	(6,881)	(1,674)	(10,009)	(1,997)	(3,365)	(256)	(24,182)
Gross profit	1,207	400	1,631	725	1,415	28	5,406^a
Research and development expenses	(10)	(2)	(67)	(16)	(24)	(1)	(120)
Selling expenses	(371)	(130)	(925)	(151)	(191)	(43)	(843)
Administrative expenses	(538)	(58)	(2)	(253)	(454)		(2,271)
Goodwill impairment			(2)				(2)
Other current operating income and expenses	5					(12)	(7)
Current operating profit	293	210	637	305	746	(28)	2,163

^aGross margin rate = 18.3%

The tables presented below show the aggregate notional amounts at 31 December 2008 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 31/12/2008			Total	Notional amounts 31/12/2007
	2009	2010 to 2013	After 2013		
Interest rate swaps					
- on financial assets	28	2		30 ^a	678
- on financial liabilities	796	823	154	1,773 ^b	1,631
Caps/floors					
- on financial assets					-
- on financial liabilities	48			48	215

^aof which swaps paying fixed rate: €30m

^bof which swaps paying fixed rate: €1,273m

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total 31/12/2008	Total 31/12/2007
Interest rate swaps								
- on financial assets						30	30	678
- on financial liabilities	6		192 ^a	700	675 ^a	200	1,773	1,631
Caps/floors								
- on financial assets								-
- on financial liabilities	36	12					48	215

^aIncludes forward interest rate swaps used for hedging purposes

In the case of renewable interest rate hedges, the amounts shown in each column relate to the longest maturity.

17.2. Currency hedges

Analysis by original currency

Currency	At 31 December 2008 (equivalent value in millions of euros)					Total	Total 31/12/2007
	US dollar	Pound sterling	Swiss franc	Hong Kong dollar	Other currencies		
Forward purchases/sales							
- forward purchases	176	20	12	4	307	519	534
- forward sales	229	52	16	15	207	519	370
Currency swaps	68	169	57	29	91	414	443
Currency options							
- forward purchases	17	4	6			27	55
- forward sales	16	4	7			27	20

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total 31/12/2008	Total 31/12/2007
Forward purchases/sales								
- forward purchases	234		215	51	19		519	534
- forward sales	424		75	20			519	370
Currency swaps	5			31		378	414	443
Currency options								
- forward purchases				4	23		27	55
- forward sales					27		27	20

17.3. Market value of hedging instruments

At 31 December 2008, the market value (net present value) of the hedging instruments portfolio was -€4.5m. 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:	+€1.6m
- cash flow hedges:	-€6.1m

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of +€7.8m; in the event of a -1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of -€16.6m.

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 -€12.2m.

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

18.1. Reciprocal commitments

Commitments given/received	Total 31/12/08	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Maturity			Total	Total 31/12/07
								under 1 year	1 to 5 years	over 5 years		
Commitments given	2,171	35	376	183	361	1,216		559	1,008	604	2,171	2,389
Image transmission	191				191			78	111	2	191	240
Operating leases ^a	1,553	32	63	132	170	1,156 ^b		248	703	602	1,553	1,533
Irrevocable purchase obligations	427	3	313 ^c	51		60		233	194		427	616
Commitments received	2,134	35	376	183	361	1,179		545	985	604	2,134	2,331
Image transmission	191				191			78	111	2	191	240
Operating leases ^a	1,553	32	63	132	170	1,156		248	703	602	1,553	1,533
Irrevocable purchase obligations	390	3	313	51		23		219	171		390	558
Balance^d	37					37		14	23		37	58

^aMinimum 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).

^bBouygues 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 €698m, and property and other rentals of €458m (including the new corporate HQ and the new Technological centre).

^cBouygues Immobilier: irrevocable commitments, subject to conditions, relating to the purchase of land banks.

^dBouygues Telecom: effect of the specific terms of certain equipment supply contracts.

18.2. Sundry commitments

	Total 31/12/08	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Maturity			Total	Total 31/12/07
								under 1 year	1 to 5 years	over 5 years		
Commitments given	953	86	35	96	194	488	54	546	302	105	953	996
Other contractual obligations and commercial commitments given (guarantees, endorsements, etc) ^a	953	86	35	96	194	488	54	546	302	105	953	996
Commitments received	236				113	39	84	109	127		236	203
Other contractual obligations and commercial commitments received (guarantees, endorsements, etc)	236				113	39	84	109	127		236	203
Balance	717	86	35	96	81	449	(30)	437	175	105	717	793

^aIn 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 may require the Group to make payments, in which case a provision would be recognised.

Collateral and pledges given as security for debt: see note 8.

Sundry commitments: comments

Commitments given by Bouygues Telecom

GSM licence	Bouygues Telecom has a GSM licence that requires compliance with a number of obligations, with which the company is in compliance. This licence is due for renewal in 2009.
UMTS licence	The order of 3 December 2002 authorising Bouygues Telecom to establish and operate a UMTS network requires compliance with a number of obligations regarding the date of opening the network for commercial use, the rollout timetable and coverage of the French population, and the services offered. Bouygues Telecom is required to achieve 75% population coverage by 12 December 2010.
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 2008, the programme to provide coverage in blind spots continued. By 31 December 2008, over 96% of the 3,000 communities involved had coverage. The operators have also agreed to provide coverage to an additional 364 communities currently in blind spots by the end of 2011, when the programme is due to be completed.
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 government 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".

18.3. Summary of commitments (18.1 + 18.2)

	Total 31/12/08	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Maturity			Total	31/12/07
								under 1 year	1 to 5 years	over 5 years		
Total commitments given	3,124	121	411	279	555	1,704	54	1,105	1,310	709	3,124	3,385
Total commitments received	2,370	35	376	183	474	1,218	84	654	1,112	604	2,370	2,534

No material off balance sheet commitments have been omitted from this disclosure, in accordance with applicable accounting standards.

18.4. Collateral given

	Total 31/12/08	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Maturity			Total	Total 31/12/07
								under 1 year	1 to 5 years	over 5 years		
Mortgages secured on land and buildings, pledges of plant and equipment	29	3		26				4	18	7	29	14
Pledges of securities and subordinated loans	56	56								56	56	16
Total	85	59		26				4	18	63	85	30

Treasury shares held by Bouygues: none of these shares was pledged as collateral or security or subject to any lien during the year ended 31 December 2008.

18.5. Contingent assets and liabilities

Contingent assets: Litigation

- The French Competition Council 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 alleged collusion, 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 in early 2009.

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 2008	25	56	81
Comparative at 31 December 2007	22	51	73

Present value of minimum lease payments	under 1 year	1 to 5 years	Total
Minimum lease payments	25	56	81
Finance charges	2	5	7
Present value of minimum lease payments	23	51	74
Comparative at 31 December 2007	20	47	67

The amount of contingent rent under finance leases at 31 December 2008 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 2008	197

Summary of future minimum lease payments	under 1 year	1 to 5 years	over 5 years	Total
Operating leases at 31 December 2008	248	703	602	1,553
Comparative at 31 December 2007	208	657	668	1,533

HEADCOUNT, EMPLOYEE BENEFIT OBLIGATIONS AND EMPLOYEE SHARE OWNERSHIP

19.1. Average headcount

	2008	2007
Managerial	21,450	19,826
Supervisory, technical and clerical	21,466	20,038
Site workers	32,586	30,830
Sub-total: France	75,502	70,694
Expatriates and local contract staff	72,250	63,387
Total average headcount	147,752	134,081

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

	2008	2007
Amounts recognised as expenses	(1,690)	(1,548)

These 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	
	2008	2007	2008	2007
Current service cost	11	5	(1)	(5)
Interest expense on obligation	12	10	5	5
Expected return on plan assets			(6)	(5)
Past service cost ^a	6	5	1	(1)
Net expense recognised in the income statement	29	20	(1)	(6)

^aPrimarily amortisation under master agreements

Amounts recognised in the balance sheet

	Lump-sum retirement benefits		Pensions ^c		Total	Total
	31/12/2008	31/12/2007	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Present value of obligation ^a	418	361	221	287	639	648
Fair value of plan assets (dedicated funds)	(5) ^b	(4) ^b	(195)	(259)	(200)	(263)
Unrecognised past service cost	(55)	(63)	3	5	(52)	(58)
Ratio of dedicated funds to present value of obligation			88%	90%		
Net obligation recognised	358	294	29	33	387	327

^aTotal present value of obligation relating to lump-sum retirement benefits and pensions.

^bResidual TF1 fund covering a portion of the obligation.

^cRelates primarily to Colas group pension funds located in the United Kingdom.

Movement in balance sheet items

	Lump-sum retirement benefits		Pensions	
	2008	2007	2008	2007
Position at 1 January	294	274	33	34
Expense recognised	29	22	(1)	(4)
Changes in scope of consolidation		9	1	6
Translation adjustment			(5)	(1)
Transfers between items and other movements	(7)	2	(1)	1
Actuarial gains/losses recognised directly in equity	42	(13)	2	(3)
Position at 31 December	358	294	29	33

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

	2008	2007
Discount rate (OAT TEC 10)	3.66%	3.83%-4.35%
Mortality table	INSEE	INSEE
Retirement age (depending on business segment)		
- Managerial	62/65 years	60/65 years
- Technical, supervisory, clerical & site workers	60/65 years	60/65 years
Salary inflation rate (depending on business segment) ^a	2%-5.5%	2%-5.5%

^aIncluding general inflation

Analysis by business segment: year ended 31 December 2008

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Net lump-sum retirement benefit expense	8	1	11	3	3	3	29
Non-current provisions (balance sheet):							
- Lump-sum retirement benefits	109	8	158	26	27	30	358
- Pensions			29				29

Analysis by geographical area: year ended 31 December 2008

	France (incl. overseas departments)	European Union	Rest of Europe	Africa	Asia-Pacific	Middle East	Total
Net lump-sum retirement benefit expense^a	26			3			29
Non-current provisions (balance sheet):							
- Lump-sum retirement benefits	335		1	20	1	1	358
- Pensions		29					29

^aPension expense for the year ended 31 December 2008 is not material.

19.3. Employee share ownership

19.3.1. Stock options

Total number of effectively exercisable options: 6,650,786

Quoted share price on 31 December 2008: €30.20

Plan	Outstanding options at 31/12/2008	Date of grant	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price (€)	Number of effectively exercisable options
2002.06	1,074,808	25/06/2002	25/06/2006	25/06/2003	23.41	1,074,808
2002.12	588,447	17/12/2002	17/12/2006	17/12/2003	23.00	588,447
2003.06	1,778,270	17/06/2003	17/06/2007	17/06/2004	19.37	1,778,270
2004.03	3,209,261	15/03/2004	15/03/2008	15/03/2005	25.15	3,209,261
2005.06	2,873,966	21/06/2005	21/06/2009	21/06/2006	31.34	-
2006.09	3,595,514	05/09/2006	05/09/2010	05/09/2007	40.00	-
2007.06	4,322,200	05/06/2007	05/06/2011	05/06/2008	63.44	-
2008.03	4,354,450	31/03/2008	31/03/2012	31/03/2009	43.23	-
						Total: 6,650,786

To be regarded as effectively exercisable, stock options must meet two conditions:

- 1) They must be legally exercisable at 31 December 2008, either by normal exercise or by partial exercise ahead of the normal exercise date under the terms of the company savings scheme; for plans awarded since June 2002, options are exercisable in annual 25% tranches after the first year.
- 2) They must be in the money at 31 December 2008, in other words the exercise price must be less than the closing share price on 31 December 2008 (€30.20).

NOTE 20

DISCLOSURES ON RELATED PARTIES AND REMUNERATION OF DIRECTORS/SENIOR EXECUTIVES

20.1. Related-party disclosures

	Expenses		Income		Receivables		Liabilities	
	2008	2007	2008	2007	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Parties with an ownership interest (SCDM)	6	6	1					
Joint ventures	55	91	208	244	107	111	99	103
Associates	18	7	431	587	21	47	38	161
Other related parties	16	13	31	36	33	33	32	40
Total	95	117	671	867	161	191	169	304
Maturity								
less than 1 year					148	165	166	289
1 to 5 years					12	9	3	15
more than 5 years					1	17		
of which impairment of doubtful receivables (primarily non-consolidated companies)					68	60		

20.2. Remuneration and benefits paid to directors and senior executives

These disclosures cover members of the Group's Management Committee who were in post on 31 December 2008.

Direct remuneration: €15,623,168, comprising basic remuneration of €7,600,770, variable remuneration of €8,022,398 paid in 2009 on the basis of 2008 performance, and €487,878 of directors' fees.

Directors' fees paid to non-executive and non-voting directors amounted to €551,600.

Short-term benefits: none.

Post-employment benefits: Members of the Management 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 €2,700,000 in 2008.

Long-term benefits: none.

Termination benefits: These comprise lump-sum retirement benefits of €935,919.

Share-based payment: 935,000 stock options were awarded on 31 March 2008 at an exercise price of €43.23. The earliest exercise date is 31 March 2012, and the expense recognised in the year ended 31 December 2008 was €927,330.

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 31/12/08
Cash and equivalents	(4)	5	(4)	2			(1)
Inventories	(8)	(33)	(9)	(1)			(51)
Trade and other receivables	(25)	75	(116)	(3)			(69)
Non-current assets	60	6	(65)			(144)	(143)
Goodwill	(7)		(41)				(48)
Trade and other current liabilities	30	(68)	121	2			85
Non-current liabilities		6	35				41
Non-current provisions	4		2	(1)			5
Net acquisition/divestment cost	50	(9)	(77)	(1)	0	(144)	(181)
Cash acquired or divested	4	(5)	4	(2)			1
Net debt on long-term investments			(29)			(21)	(50)
Net cash flow arising from acquisitions and divestments of subsidiaries	54	(14)	(102)	(3)	0	(165)	(230)

^aIncludes acquisition of additional shares in Alstom (0.59% of the capital in the year ended 31 December 2008): €119m

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 (excluding associates), as expensed through the income statement in 2008.

in thousands of euros

Engagement	Mazars network			Ernst & Young network			Other firms ^a			Total Charge	
	2008	%	2007	2008	%	2007	2008	%	2007	2008	2007
A - Audit											
Audit of consolidated and individual company financial statements ¹	5,757	94	4,816	3,408	87	3,097	8,565	87	7,999	17,730	15,912
- Bouygues SA	229		208	213		208				442	416
- Consolidated companies	5,528		4,608	3,195		2,889	8,565		7,999	17,288	15,496
Related engagements ²	230	4	175	469	12	426	627	6	930	1,326	1,531
- Bouygues SA	34		95	89		130				123	225
- Consolidated companies	196		80	380		296	627		930	1,203	1,306
Sub-total 1	5,987	98	4,991	3,877	99	3,523	9,192	93	8,929	19,056	17,443
B - Other services³											
Company law, tax, employment law	140	2	88	27	1	45	470	5	435	637	568
Other						25	159	2	318	159	343
Sub-total 2	140	2	88	27	1	70	629	7	753	796	911
Total fee expense	6,127	100	5,079	3,904	100	3,593	9,821	100	9,682	19,852	18,354

^aIn the interests of comprehensiveness, this table includes fees paid to other firms.

¹Includes services provided by independent experts and member firms to the auditors in connection with their audit engagement.

²Includes 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..

³Non-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**PRINCIPAL EXCHANGE RATES**

Convention: 1 local currency unit = x euros

Country	Currency unit	Closing rate		Annual average rate	
		31/12/2008	31/12/2007	2008	2007
EUROPE					
Denmark	Danish krone	0.134217	0.134079	0.134124	0.134205
United Kingdom	Pound sterling	1.049869	1.363605	1.246022	1.455005
Hungary	Hungarian forint	0.003750	0.003941	0.003983	0.003978
Poland	Polish zloty	0.240761	0.278280	0.283465	0.264907
Czech Republic	Czech koruna	0.037209	0.037554	0.039938	0.036059
Romania	Romanian leu	0.248602	0.277185	0.270235	0.299315
Switzerland	Swiss franc	0.673401	0.604339	0.633459	0.607576
NORTH AMERICA					
United States	US dollar	0.718546	0.679302	0.679075	0.727786
Canada	Canadian dollar	0.588305	0.692089	0.638723	0.682012
REST OF THE WORLD					
Morocco	Moroccan dirham	0.088822	0.088090	0.088098	0.089048
Thailand	Thai baht	0.020710	0.022831	0.020518	0.022643
Hong Kong	Hong Kong dollar	0.092714	0.087108	0.087240	0.092928
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.076530	0.099703	0.082737	0.103267

Principal Group companies	City/Country	% interest		% direct and indirect control ^a	
		2008	2007	2008	2007
A – TELECOMS - MEDIA					
1 – TELECOMS – BOUYGUES TELECOM Group					
Full consolidation					
Bouygues Telecom SA and its subsidiaries	Boulogne-Billancourt/France	89.55	89.55		
2 - MEDIA – TF1 Group					
Full consolidation					
Télévision Française 1 SA	Boulogne-Billancourt/France	43.02	43.06		
Ciby Droits Audiovisuels	Boulogne-Billancourt/France	Merged	43.06	-	100.00
La Chaîne Info	Boulogne-Billancourt/France	43.02	43.06	100.00	100.00
Téléshopping	Boulogne-Billancourt/France	43.02	43.06	100.00	100.00
TF1 International	Boulogne-Billancourt/France	43.02	43.06	100.00	100.00
TF1 Publicité	Boulogne-Billancourt/France	43.02	43.06	100.00	100.00
TF1 Vidéo	Boulogne-Billancourt/France	43.02	43.06	100.00	100.00
Une Musique	Boulogne-Billancourt/France	43.02	43.06	100.00	100.00
E-TF1	Boulogne-Billancourt/France	43.02	43.06	100.00	100.00
Eurosport SA and its subsidiaries	Issy-les-Moulineaux/France	43.02	43.06	100.00	100.00
Dujardin and its subsidiaries	La Teste de Buch/France	43.02	43.06	100.00	100.00
Associates (equity method)					
Métro France Publications	Paris/France	14.76	14.77	34.30	34.30
AB Group (including WB TV)	La Plaine Saint-Denis/France	14.41	14.43	33.50	33.50

^aWhere percentage control differs from percentage interest

Principal Group companies	City/Country	% interest		% direct and indirect control ^a	
		2008	2007	2008	2007
B – CONSTRUCTION					
1 – CONSTRUCTION – BOUYGUES CONSTRUCTION Group					
Full consolidation					
Bouygues Construction SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
<i><u>Bouygues Bâtiment Ile-de-France</u></i>					
Bouygues Bâtiment Ile-de-France SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Bâtiment France subsidiaries					
Bati-Réno SA	Orly/France	99.32	99.32		
Brézillon SA	Noyon/France	99.32	99.32		
Sodéarif SA	Saint-Quentin-en-Yvelines/France	99.96	99.96		
<i><u>Bouygues Bâtiment International</u></i>					
Bouygues Bâtiment International SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Bâtiment International subsidiaries					
Bouygues Thai Ltd	Bangkok/Thailand	48.98	48.98		
Bymaroc	Casablanca/Morocco	99.96	99.95		
DTP Singapour Pte Ltd	Singapore	99.97	99.97		
VCES Holding s.r.o. and its subsidiaries	Pardubice/Czech Republic	50.98	50.98		
Karmar S.A.	Warsaw/Poland	99.97	94.58		
Kohler Investment SA	Luxembourg	99.97	89.87		
<i><u>Entreprises France-Europe subsidiaries</u></i>					
DV Construction SA	Mérignac/France	99.97	99.97		
GTB Bouyer Duchemin SA	Nantes/France	99.97	99.97		
GFC Construction SA	Caluire et Cuire/France	99.97	99.97		
Norpac SA	Villeneuve d'Ascq/France	99.97	99.97		
Pertuy Construction SA	Maxeville/France	99.97	99.97		
Quille SA	Rouen/France	99.97	99.97		

^aWhere percentage control differs from percentage interest

Principal Group companies	City/Country	% interest		% direct and indirect control ^a	
		2008	2007	2008	2007
Acieroid SA	Barcelona/Spain	99.97	99.97		
Bouygues UK Ltd	London/England	99.97	99.97		
Losinger Construction AG	Koniz/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/England	99.97	99.97		
Westminster Local Education Partnership Ltd	London/England	79.98	-		
<u>Bouygues Travaux Publics</u>					
Bouygues TP SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Prader Losinger SA	Sion/Switzerland	99.64	99.64		
Prader AG Tunnelbau	Zurich/Switzerland	Merged	99.90		
<u>Other Bouygues Construction subsidiaries</u>					
DTP Terrassement SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Dragages et TP (Hong-Kong) Ltd	Hong Kong/China	99.97	99.97		
VSL International Ltd	Bern/Switzerland	99.82	99.82		
<u>Entreprise Transport & Distribution d'Électricité Group (ETDE)</u>					
ETDE SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Axione and its subsidiaries	Malakoff/France	99.97	99.97		
Exprimm IT (formerly ETDE Réseaux et Communication SA)	Villebon sur Yvette/France	99.97	99.97		
Exprimm SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Gallet Delage SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Mainguy SAS	Vertou/France	99.97	99.97		
Serma SAS	Champforgeuil/France	99.97	99.97		
Stefal SAS and its subsidiaries	Ivry sur Seine/France	99.97	99.97		
Transel SAS	Saint-Quentin-en-Yvelines/France	99.97	99.97		
David Webster Lighting and its subsidiaries	Harlow/England	99.97	99.97		
Ecovert FM	London/England	99.97	99.97		
Icel Maidstone Ltd and its subsidiaries	London/England	99.97	99.97		
Société gabonaise d'électrification 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		

^aWhere percentage control differs from percentage interest

Principal Group companies	City/Country	% interest		% direct and indirect control ^a	
		2008	2007	2008	2007
Proportionate consolidation					
<u>Bouygues TP</u>					
Bombela Civils Jv Ltd	Johannesburg/South Africa	44.99	44.99		
Associates (equity method)					
<u>Bouygues Construction</u>					
Consortium Stade de France SA	Saint-Denis/France	33.32	33.32		
<u>Bouygues Bâtiment International</u>					
Hermes Airports Ltd	Nicosia/Cyprus	21.99	21.99		
<u>Bouygues TP</u>					
Adelac SAS	Beaumont/France	39.19	39.19		
Autoroute de liaison Seine-Sarthe SA	Bourg-Achard/France	33.16	33.16		
Bombela Concession Company Ltd	Johannesburg/South Africa	Deconsolidated	24.99		
Aka	Budapest/Hungary	Deconsolidated	25.11		
Bina Fincom	Zagreb/Croatia	44.99	50.98		
2 - ROADS – COLAS Group					
Full consolidation					
Colas SA and its regional subsidiaries (Colas, Screg and Sacer)	Boulogne-Billancourt/France	96.78	96.44		
Grands Travaux Océan Indien (GTOI) SA	Le Port (La Réunion)/France	96.77	96.43	99.99	99.99
Spac and its subsidiaries	Clichy/France	96.77	96.43	100.00	100.00
Seco-Rail	Chatou/France	Merged	96.43	100.00	100.00
Aximum (ex. Somaro)	Chatou/France	96.77	96.43	100.00	100.00
Colas Guadeloupe	Baie-Mahault/Guadeloupe	96.77	96.43	100.00	100.00
Colas Martinique	Le Lamentin/Martinique	96.77	96.43	100.00	100.00
Smac and its subsidiaries	Boulogne-Billancourt/France	96.77	96.43	100.00	100.00
Colas Rail	Maisons-Laffitte/France	96.77	96.43	100.00	100.00

^aWhere percentage control differs from percentage interest

Principal Group companies	City/Country	% interest		% direct and indirect control ^a	
		2008	2007	2008	2007
Colas Hungaria and its subsidiaries	Budapest/Hungary	96.78	96.44	100.00	100.00
Colas Danmark A/S	Virum/Denmark	96.78	96.44	100.00	100.00
Colas SA and its subsidiaries	Lausanne/Switzerland	96.03	95.69	99.22	99.22
Colas Inc. and its subsidiaries	Morristown, New Jersey/USA.	96.78	96.44	100.00	100.00
Colas du Maroc and its subsidiaries	Casablanca/Morocco	96.77	96.43	100.00	100.00
Colas Ltd and its subsidiaries	Rowfant/England	96.78	96.44	100.00	100.00
Colas Polska	Sroda-Wielkopol/Poland	96.78	96.44	100.00	100.00
Routière Colas du Gabon	Libreville/Gabon	87.01	86.76	89.90	89.90
Colas Belgium and its subsidiaries	Brussels/Belgium	96.77	96.44	100.00	100.00
Colas Cz	Prague/Czech Republic	96.78	96.44		-
Proportionate consolidation					
Carrières Roy	Saint-Varent/France	48.37	48.20	49.98	49.98
Associates (equity method)					
Cofiroute	Sèvres/France	16.13	16.08	16.67	16.67
3 – PROPERTY – BOUYGUES IMMOBILIER Group					
Full consolidation					
Bouygues Immobilier	Boulogne-Billancourt/France	100.00	100.00		
SNC Bouygues Immobilier Entreprises Île-de-France	Boulogne-Billancourt/France	100.00	100.00		
SNC Bouygues Immobilier Paris	Boulogne-Billancourt/France	100.00	100.00		
SNC Bouygues Immobilier Est	Strasbourg/France	100.00	100.00		
SLC and its subsidiaries	Lyon/France	100.00	100.00		
Blanc & Cie	Grenoble/France	Merged	100.00		
Parque Empresarial Cristalia SL	Madrid/Spain	100.00	100.00		
SA Bouygues Inmobiliaria	Madrid/Spain	100.00	100.00		

^aWhere percentage control differs from percentage interest

Principal Group companies	City/Country	% interest		% direct and indirect control ^a	
		2008	2007	2008	2007
C – OTHER SUBSIDIARIES					
Full consolidation					
Finagestion and its subsidiaries (Africa)	Saint-Quentin-en-Yvelines/France	70.70	100.00		
Bouygues Relais SNC	Paris/France	100.00	100.00		
Challenger SNC	Paris/France	100.00	100.00		
Société Française de Participation & Gestion (SFPG) SA and its subsidiaries	Paris/France	99.76	99.76		
GIE 32 Hoche	Paris/France	90.00	90.00		
Challenger Réassurance	Luxembourg	99.99	99.99		
Uniservice	Geneva/Switzerland	99.99	99.99		
Serendipity and its subsidiaries	Paris/France	Change of method	100.00		
Proportionate consolidation					
Serendipity and its subsidiaries	Paris/France	50.00	-		
Associates (equity method)					
Alstom	Levallois-Perret/France	29.78	29.98		

^aWhere percentage control differs from percentage interest