NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

(€ million)

2 March 2010

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(Figures in millions of euros unless otherwise indicated)

NOTES

Declaration of compliance:

The consolidated financial statements of the Bouygues group for the year ended 31 December 2009 have been prepared using the principles and methods defined in the standards issued by the International Accounting Standards Board (IASB), which comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the SIC and IFRIC Committees and are referred to collectively as "IFRS", as endorsed by the European Union and applicable as of 31 December 2009.

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

- ✓ the balance sheet;
- ✓ the income statement and statement of recognised income and expense;
- ✓ the statement of changes in 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 2008.

NOTE 1	SIGNIFICANT EVENTS OF THE YEAR

1.1. Scope of consolidation at 31 December 2009

- Main changes in scope of consolidation during the year

  At 31 December 2009, 1,236 entities were consolidated, versus 1,244 at the end of 2008. The net change mainly relates to Bouygues Construction (primarily new joint ventures) and to Bouygues Immobilier.

  The Bouygues group did not make any significant acquisitions in 2009. The principal divestments carried out during the year were the partial disposal of the Axione regional broadband public service concession business (ETDE/Bouygues Construction), and the sale of 49.2% of Finagestion. Both these entities are now accounted for by the equity method as associates.

- Alstom:

  A) 2009: Acquisitions of additional shares on the stock market

  During 2009, Bouygues acquired a further 664,169 Alstom shares on the stock market for €25.2m. The net interest in Alstom at 31 December 2009 was 29.8%, and additional goodwill of €14m was recognised.

  B) 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 since the acquisition date. Alstom's contribution to the net profit of the Bouygues group for the year ended 31 December 2009 was €346m. Net profit for the fourth quarter of 2009 was estimated on the basis of Alstom's accounts for the first half of its financial year, ie the six months ended 30 September 2009.

  Amortisation of fair value remeasurements of intangible assets and other items (arising on acquisitions made in 2009 and in prior periods) had a negative impact of €17m in the period (share attributable to the Bouygues group); this amount is not included in the contribution mentioned above.

  In accordance with IAS 28, the investment in Alstom is reported under "Investments in associates" in the balance sheet, at a carrying amount of €4,054m (including goodwill of €2,463m).

- Disposal by Bouygues of a 49.2% interest in Finagestion (fourth quarter of 2009)

  Finagestion is a holding company owning water and electricity management businesses in Ivory Coast and a water management business in Senegal, which are a legacy from the disposal of Saur in 2005.

  After the disposal of a 49.2% interest in the fourth quarter of 2009, Bouygues retained a 21.5% interest at 31 December 2009.

  As of this date, Finagestion was accounted for in accordance with IFRS 5, "Non-Current Assets Held for Sale and Discontinued Operations". The share of Finagestion's 2009 net profit attributable to the residual 21.5% interest was reported in "Share of profits and losses of associates", while the gain generated by Bouygues SA on the disposal was reported in "Net profit of discontinued and held-for-sale operations" along with the net effects of the deconsolidation of Finagestion.

Capital increase by Bouygues SA: *Bouygues Partage 2* employee share ownership plan

In November 2009, Bouygues launched a new employee share ownership plan by setting up two new special-purpose mutual funds. The terms of the plan were approved by the Board of Directors on 26 June 2009, and the €193m share issue reserved for employees took place on 30 November 2009.

This new plan reflects the Group's consistent belief that it is only fair to associate employees closely with the success of the business, in which they play a key role. This new plan enables employees to add to their savings on attractive terms, while also strengthening their position as shareholders of Bouygues.

The principal terms of the plan are summarised below:

	5-YEAR SCHEME	10-YEAR SCHEME	TOTAL
• **Number of employees subscribing**	**13,810**	**41,516**	**55,326**
• **Subscription price per share (after discount)**	**€21.76**	**€19.04**	**-**
• **Date of announcement of plan to employees**	***20 October 2009***		**-**
• **Nominal discount per share awarded to employees**[1]	**€5.44 (20%)**	**€8.16 (30%)**	**-**
• **Fair value of the benefit awarded to employees subscribing for:**	**€144.38** **3 shares**	**€147.74** **5 shares**	**-**
• **Opening quoted share price on the date of the share issue (30 November)**	**€33.475**		**-**

[1] Subscription price pre-discount: €27.20, ie the average of the opening quoted share prices for the 20 trading days prior to the date of the Board meeting that approved the plan (26 June 2009).

The overall cost of the award recognised in the consolidated income statement for the year ended 31 December 2009 (determined using the same methods as were applied to the *Bouygues Partage 1* employee share ownership plan in 2007) comprised the employer's contribution and the fair value of the employee benefit granted in the form of the discounted subscription price, and amounted to €17.6m.

- Signature of an agreement between TF1 and the AB Group

  On 11 June 2009, the TF1 Group and the AB Group signed an agreement under which TF1 was to acquire 100% of NT1, and the 40% interest in TMC held by the AB Group, for €192m in cash.

  TF1 would retain the same equity interest in the other activities of the AB Group as it currently holds (33.5%). The current AB Group management team would be granted a call option to acquire this TF1 minority stake for €155m within a maximum of 2 years.

  This transaction received clearance from the French Competition Authority on 26 January 2010, subject to compliance with undertakings by the TF1 Group as to its future conduct. TF1 is still awaiting clearance from the CSA, the French audiovisual regulator.

TF1: Sale of the equity interest in Canal+ France

On initial recognition, TF1 designated the Canal+ France financial asset received in exchange for the transfer of TPS shares as a financial asset at fair value through profit or loss. This asset represented 9.9% of the capital of Canal+ France plus a put option exercisable in February 2010, and was sold to Vivendi for €744m on 28 December 2009, a few weeks ahead of the option maturity date. Because this asset was accounted for at fair value through profit or loss, the impact of this sale on consolidated net profit is limited to the unwinding of the discount on the value of the put option during the period, which represented a gain of €39.4m.

- Alstom Hydro Holding

  At the end of November 2009, Bouygues exercised the put option over its 50% equity interest in the hydro-electric power solutions and services company Alstom Hydro Holding, in exchange for 4.4 million Alstom shares (representing approximately 1.3% of the capital). This transaction was carried out further to the agreements reached with Alstom in 2006 on the creation of this jointly-owned company. Bouygues will receive new Alstom shares, created by a reserved share issue and ranking equally with the existing shares. This transaction had not been finalised as at 31 December 2009, pending clearance from the competition authorities in some of the countries where the company has operations.

  The European Commission approved the transaction on 13 January 2010. Final completion will occur later in 2010 once all the required clearances are obtained.

1.2. Consolidated sales for the year ended 31 December 2009

Consolidated sales for the year ended 31 December 2009 were €31,353m, 3.4% lower than the figure for the previous year on a comparable basis (2008 sales: €32,459m, after eliminating sales for the divested Finagestion business).

1.3. Financial crisis

- The consolidated financial statements for the year ended 31 December 2009 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”.

- Any effects of the crisis on the Group’s operations have been taken into account by the relevant business segments, and 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 2009 has not been affected by the crisis, in line with the Group’s consistent policy of not using sensitive or volatile investment vehicles;

  - the Group has access to substantial confirmed bank facilities (see note 8 on liquidity risk).

1. 4. Significant events and changes in the scope of consolidation since 31 December 2009

- Issuance by Bouygues in February 2010 of a €500m bond issue with an 8-year maturity, an issue price of 99.651% and an interest rate of 4%.

NOTE 2	ACCOUNTING POLICIES

2.1. Business areas

The Bouygues group is a diversified industrial group, with operations in more than 80 countries. Its businesses are split into two sectors.

a) Construction:

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

b) Telecoms/Media:

- TF1 (Television)
- Bouygues Telecom (Mobile/Fixed-Line Telephony)

c) As at 31 December 2009, 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, and take account of the recommendations on presentation (CNC Recommendation 2009-R-03) issued by the Conseil National de la Comptabilité – CNC (now called Autorite des Normes Comptables – ANC), the French national accounting standard-setter, on 2 July 2009.

The consolidated financial statements were adopted by the Board of Directors on 2 March 2010.

The consolidated financial statements for the year ended 31 December 2009 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 2008 are presented in the financial statements.

The Bouygues group has applied the same standards, interpretations and accounting policies for the year ended 31 December 2009 as those disclosed in its consolidated financial statements for the year ended 31 December 2008. The new requirements applicable from 1 January 2009 (the effect of which on the financial statements for the year ended 31 December 2009 is not material) have also been applied.

- *Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable to periods beginning on or after 1 January 2009*

- **Revised IAS 1, "Presentation of Financial Statements"**

  The Bouygues group has elected to present the components of comprehensive income in two detailed statements, as permitted by the IASB:

  a) an income statement;
  b) a statement of recognised income and expense that reports the other components of comprehensive income, including income and expenses recognised directly in equity.

- **Amendment to IAS 23, "Borrowing Costs"**

  This standard is of particular relevance to the property sector. The amended IAS 23 removes the option of recognising borrowing costs attributable to qualifying assets as an expense.

  Application of this amendment had no material effect on the Bouygues group.

- **IFRS 8, "Operating Segments"**

  Applying IFRS 8 does not affect the way segment information is reported by the Bouygues group.

- **IFRIC 11, "IFRS 2 – Group and Treasury Share Transactions"**

  The overall cost of the benefit arising from stock option plans awarded by Bouygues to Group employees is recognised by the Bouygues group in its consolidated financial statements.

  At the level of the Group's business segments, the net amounts involved are not material.

• *Other key standards, amendments and interpretations issued by the IASB but not mandatorily applicable in 2009 (and endorsed by the European Union)*

- **Revised IFRS 3 and IAS 27, "Business Combinations" – Phase 2**: These significant revisions affect the way that acquisitions and disposals of entities are accounted for, and are applicable to periods beginning on or after 1 January 2010.

- **IFRIC 12, "Service Concession Arrangements"**: Mandatorily applicable to periods beginning on or after 1 January 2010. The Bouygues group already applies IFRIC 12 within the Colas group to the Portsmouth PFI contract, which is accounted for as a receivable (financial asset) since this treatment most closely reflects the underlying financial and economic reality of the contract; and within Cofiroute (accounted for by the equity method as an associate) in accordance with a decision taken by the group that controls and manages the company.

  Within Bouygues Construction, Private Finance Initiative ("PFI") contracts are entered into with local and governmental authorities by entities in which the Bouygues group generally holds an interest of less than 20%. These entities are not consolidated, given the effective limitations on the Group's role in them. Concession companies are mainly accounted for by the equity method as associates, and from 1 January 2010 will either apply IFRIC 12 or will not be consolidated.

- **IFRIC 15, "Agreements for the Construction of Real Estate"**: Endorsed by the European Union on 22 July 2009. This interpretation does not materially change the profit recognition policies currently used for the Bouygues group's property development activities.

Apart from the partial early adoption of IFRIC 12 (see above), the Bouygues group has not early adopted any of these standards, amendments or interpretations as at 31 December 2009.

• 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 the impairment testing of goodwill, share-based payment (stock options), employee benefits (lump-sum retirement benefits, etc), the fair value of unlisted financial instruments, deferred tax assets, and provisions.

Where no standard or interpretation applies to 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, to ensure that the Group's share of the recoverable amount of the goodwill is greater than its carrying amount in the consolidated financial statements. If it is not, a provision for impairment is recorded in accordance with IAS 36 (see note 2.7.4, "Impairment testing of non-current assets").

Note 3.6 shows the consolidated carrying value of listed shares held by Bouygues (TF1, Alstom, Colas) relative to the closing quoted share price at 31 December 2009.

- Changes in accounting policy

Bouygues has made no material changes in accounting policy during 2009 apart from those arising from IFRS changes mandatorily applicable from 1 January 2009, as indicated earlier in note 2.2.

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 in particular 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**

	2009	2008
Fully consolidated	**903**	**954**
Proportionately consolidated	**272**	**252**
Equity method (associates)	**61**	**38**
	1,236	**1,244**

- The main changes during 2009 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 “Impairment testing 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 is controlled by the entity. An asset is identifiable:

- if it is separable, ie capable of being independently sold, transferred, licensed, rented or exchanged;
- or if it is derived from contractual or other legal rights, whether separable or not.

An asset is controlled:
- if the entity has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits.

Intangible assets with finite useful lives are depreciable. Intangible assets with indefinite useful lives are not depreciable, but are subject to impairment testing and are reviewed at each balance sheet date to ensure that their useful lives are still indefinite.

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, ie 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
UMTS licence[1]	straight line	**17.5 years**[1]
IAP-IRU and front fees (indefeasible right of use)	straight line	**15 years**
IT system software and developments, office applications	straight line	**3 to 8 years**

[1]**UMTS licence:**
Amortised from the date on which the broadband network opened (26 May 2005).

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

- a fixed component of €619.2 million, which was 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 has been recognised in the income statement for the period from the date on which the UMTS network opened (November 2007).

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, TF1 Production and Téléma; distribution and trading rights owned by TF1 DA, 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
▪ At end of shooting or on receipt of censor's certificate	in line with revenues over 8 years		
▪ On signature of contract for distribution and/or trading rights		Distribution = in line with revenues, minimum 3 years straight line Trading: 5 years straight line	2 years 75% of gross value in year 1 25% of gross value 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. Impairment testing of non-current assets

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

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

a) For segments that are listed on a stock market and with good liquidity: on the basis of the quoted share price if this exceeds the carrying amount of the assets, as was the case at the end of the 2009 financial year for TF1 and Alstom.

b) If the quoted share price does not exceed the carrying amount of the assets, and for the Group's other segments (Bouygues Telecom and Colas): 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 Boards of Directors of the entity and of Bouygues SA.

  - The discount rate is determined using a weighted average cost of capital appropriate to the sector in which the segment operates, by reference to a panel of comparable companies.

  - The terminal value is calculated by aggregating the discounted cash flows to infinity, based on normative cash flows and a perpetual growth rate that is consistent with the growth potential of the markets in which the business segment operates and with its competitive position in those markets.

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

- **Information about goodwill impairment tests performed for Bouygues Telecom and Colas**

  - The recoverable amount of Colas and Bouygues Telecom was determined using the method described above, based on three-year cash flow projections as per the business plans of each of the two subsidiaries.

  - Cash flows beyond the projection period were extrapolated using a reasonable, sector-specific perpetual growth rate.

  - The discount rates (weighted average cost of capital) and growth rates used at 31 December 2009 were as follows:

	DISCOUNT RATE		GROWTH RATE
	ASSUMPTION 1[1]	ASSUMPTION 2[1]	
- BOUYGUES TELECOM	5.17%	4.69%	2%
- COLAS	6.32%	5.70%	2%

[1] *Depending on the capital structure: assumption 1 = ⅓ debt, ⅔ equity; assumption 2 = ⅔ debt, ⅓ equity*

  - An analysis of the sensitivity of the calculation to the key parameters, including reasonably possible changes in those parameters, showed no probable scenario in which the recoverable amount of the CGU would become less than the carrying amount of the assets tested (and consequently, in which an impairment loss would need to be recognised).

- **Investments in associates: impairment testing of goodwill (Alstom)**

  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.

  The recoverable amount of the investment in Alstom, as determined by reference to the stock market valuation using the quoted price on 31 December 2009, was greater than the carrying amount of the investment in the consolidated financial statements.

- The following information is disclosed in note 3.6 to the consolidated financial statements:

  - Consolidated carrying value of listed shares
  - Closing quoted share price of these shares on 31 December 2009

- **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). In the case of rights and programmes for which these two criteria have not been met (programmes not yet delivered, sports rights for which the right to broadcast is not activated until the date of the event, etc.), the Group takes the view that it does not control the asset, since it has neither the right nor the ability to broadcast the programme. Consequently, these rights are not recognised in the balance sheet, and any advance payments made to acquire such rights are treated as supplier prepayments.

Programmes and broadcasting rights

The "Programmes and broadcasting rights" line 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.

- Programmes that have not been broadcast and the rights to which have expired are written off as a component of current operating profit, and any previously-recognised provisions are reversed.

- 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 programmes		
	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 below refers to children's programmes (other than cartoons), entertainment shows, plays, magazines 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. If rights are resold, a provision is recorded once the sale is probable to cover any excess of the value at which the rights were initially recognised in inventory (or the amount of advance payments) over the actual or estimated selling price.

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 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.

Consolidated financial expenses 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.

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.

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 expense or income arising on the cancellation of treasury shares is 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

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 accounted for 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 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 tax exposures and to 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 (eg 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 2009 did not require any material impairment to be recognised in the consolidated financial statements.

- 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 is determined by reference to the expected market rate at the balance sheet date, taking into account the estimated timing of benefit payments.

The Bouygues group recognises in consolidated shareholders' equity the effect of changes in actuarial assumptions on the pension obligation.

The actuarial assumptions used to measure the present value of the obligation in respect of lump-sum retirement benefits and long-service awards were updated as at 31 December 2009. This applies in particular to the rate used to discount the obligation, which was determined by reference to market rates for high-quality corporate bonds at the balance sheet date. The effect of these changes in assumptions as of 31 December 2009 was recognised in consolidated equity, in line with the accounting policy applied by the Bouygues group under the revised IAS 19.

2.12. CURRENT LIABILITIES

2.12.1 Advances and down-payments on orders

This item comprises advances and down-payments received from clients on construction contract starts.

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 2009-R-03 issued by the French national accounting standard-setter, the CNC (now called ANC), on 2 July 2009. 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:

- The costs of acquiring and renewing customer contracts are recognised as an expense in the period in which they are incurred.
- Bouygues Telecom generates revenue from services, and from sales of handsets and accessories.
- Services:

  Price plans and commercial services (mobile and fixed-line) 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 loyalty programme:

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

  In accordance with IFRIC 13, the Group has measured the fair value of the loyalty points awarded under its consumer 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 completion rate 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 is can be reliably measured, irrespective of the completion rate.

Property development

- Accounting treatment for property development projects:

  Revenues and profits 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 recognised to date as a proportion of the total estimated costs to completion of the project.

  Accrued expenses are recognised for finishing costs on this type of project, based on the percentage of completion; residual expenses on delivered projects are also recognised in “Trade payables”.

  Overheads, including sales force costs and all advertising costs, are expensed as incurred.

  IAS 23, “Borrowing Costs”:

  The amended version of IAS 23 was endorsed in the European Union via regulation EC 1260/2008 of 10 December 2008.
  The amended standard, which applies to accounting periods beginning on or after 1 January 2009, requires all borrowing costs directly attributable to the construction or production of a qualifying asset to be capitalised. Consequently, the portion of the cost of net debt attributable to the average inventory of projects under construction during the period has been capitalised as part of that inventory. The transitional provisions stipulate that the new treatment must only be applied to borrowing costs relating to projects for which the capitalisation commencement date is on or after the date of adoption of the amended standard.
  Borrowing costs are capitalised in inventory on the basis of average consolidated inventory for the previous quarter. The effect of the revised IAS 23 as at 31 December 2009 was marginal. Consolidated net debt and the average inventory of projects on which construction has started since January 2009 were both immaterial as regards the application of the amended IAS 23.

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.

2.13.5. Changes to French business tax

The 2010 French Finance Bill introduced a new business tax: *Contribution Economique Territoriale* (CET). The CET will replace the old tax, known as *taxe professionnelle* (TP), for tax years commencing on or after 1 January 2010.

The Bouygues group believes that the value added component of the CET, known as the *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE) and equal to 1.5% of the value added produced by the business, has similar characteristics to the minimum TP contribution (also capped by reference to value added). The CVAE component will therefore be recognised in the income statement using the same account postings as those used for the old TP. Consequently, no deferred tax liability has been recognised in the consolidated financial statements as at 31 December 2009 (see also the statement issued by the CNC, now called ANC, on 14 January 2010).

2.14. Cash flow statement

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

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

- Cash flow:

  The Bouygues group defines cash flow as:

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

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

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

2.15. Financial indicators

Definitions of key financial indicators:

2.15.1. EBITDA

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).

2.15.2. Free cash flow

Cash flow (as defined in note 2.14 above) minus (i) cost of net debt, (ii) net income tax expense, and (iii) net capital expenditure for the period.

2.15.3. Net debt

This represents the aggregate of:

- cash and equivalents;
- overdrafts and short-term bank borrowings;
- non-current and current debt;
- financial instruments (used to hedge financial liabilities measured at fair value).

2.16. Statement of recognised income and expense

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

2.17. COMPARABILITY OF THE FINANCIAL STATEMENTS

Changes in the scope of consolidation during the year ended 31 December 2009 did not have a material effect on the consolidated financial statements as presented for the year then ended, and do not impair comparisons with the previous financial year.

YEAR ENDED 31 DECEMBER 2008: DECONSOLIDATION OF FINAGESTION (in accordance with IFRS 5)
→ IMPACT ON THE 2008 FINANCIAL STATEMENTS (Change from full consolidation to equity method)

Consolidated income statement

(€ million)

	2008 FULL-YEAR IMPACT
SALES	***(280)***
OPERATING PROFIT	**(34)**
• Cost of net debt	2
• Income tax expense	12
NET PROFIT	**(20)**

NET PROFIT FOR THE YEAR RECLASSIFIED TO:	
• Net profit of discontinued and held-for-sale operations (IFRS 5)	**20**

Consolidated cash flow statement (impact of Finagestion, 2008)
(€ million)

	2008 FULL-YEAR IMPACT
OPERATING CASH FLOWS	
• Cash flow	(73)
• Changes in working capital related to operating activities	7
A – NET CASH GENERATED BY OPERATING ACTIVITIES	**(66)**
INVESTING CASH FLOWS	
• Capital expenditure, net of disposals	48
• Acquisitions of financial assets, net of disposals	2
B – NET CASH USED IN INVESTING ACTIVITIES	**50**
FINANCING CASH FLOWS	
• Dividends paid during the period	5
• Other cash flows related to financing activities	(3)
C – NET CASH GENERATED BY FINANCING ACTIVITIES	**2**
IMPACT ON CHANGE IN CASH POSITION DURING 2008	**(14)**

NOTE 3 NON-CURRENT ASSETS 17,700

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

	2009	2008 [a]
Acquisitions of property, plant and equipment	1,219	1,635
Acquisitions of intangible assets	146	198
Capital expenditure	**1,365**	**1,833**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies, other long-term investments)	62	354
Acquisitions of non-current assets	**1,427**	**2,187**
Disposals of non-current assets	(904)	(241)
Acquisitions of non-current assets, net of disposals	**523**	[b] **1,946**

[a]Excluding Finagestion

[b]- Includes net acquisitions of €684m by Bouygues Telecom and €370m by Colas
- Includes the disposal of the equity interest in Canal+ France: (€744m)

For a breakdown of non-current assets by business segment see note 16, "Segment Information".

3.2. Non-current assets: movements during the period

3.2.1. Property, plant and equipment — 5,927

Gross value	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
1 January 2008	**1,776**	**8,757**	**2,049**	**347**	**12,929**
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**
Disposals, transfers and other movements	28	(186)	(110)	(262)	**(530)**
31 December 2008	**1,925**	**9,534**	**2,225**	**449**	**14,133**
of which finance leases	27	117	103		**247**
Movements during 2009					
Translation adjustments	8	25	6		**39**
Changes in scope of consolidation	(133)	(197)	(106)	(73)	**(509)**
Acquisitions during the period	56	612	260	291	**1,219** [a]
Disposals, transfers and other movements	4	(194)	(97)	(297)	**(584)**
31 December 2009	**1,860**	**9,780**	**2,288**	**370**	**14,298**
of which finance leases	24	107	92		**223**

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 2008	**(564)**	**(5,448)**	**(1,353)**		**(7,365)**
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, transfers and other movements	18	360	128		**506**
31 December 2008	**(616)**	**(5,922)**	**(1,475)**		**(8,013)**
of which finance leases	(10)	(63)	(85)		**(158)**
Movements during 2009					
Translation adjustments	(2)	(11)	(4)		**(17)**
Changes in scope of consolidation	51	117	84		**252**
Net expense for the period	(70)	(849)	(257)		**(1,176)**
Disposals, transfers and other movements	16	447	120		**583**
31 December 2009	**(621)**	**(6,218)**	**(1,532)**		**(8,371)**
of which finance leases	(9)	(65)	(81)		**(155)**

Carrying amount	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
31 December 2008	**1,309**	**3,612**	**750**	**449**	**6,120**
of which finance leases	17	54	18		**89**
31 December 2009	**1,239**	**3,562**	**756**	**370**	**5927** [b]
of which finance leases	15	42	11		**68**

[a] Includes Bouygues Telecom: network investments of €409m
[b] Includes investment grants netted off property, plant and equipment: -€3m
Analyses by business segment and geographical area of the carrying amount of intangible assets and property, plant and equipment, and of net capital expenditure, are provided in Note 16, "Segment Information".

. **Operating commitments not yet recognised involving future outflows of resources**:

	Falling due: within less than 1 year	within 1 to 5 years	after more than 5 years	Total 2009	Total 2008
Colas: orders in progress for plant & equipment	**23**	**11**	**1**	**35**	**51**
Bouygues Telecom: orders in progress for network equipment assets (PP&E)	**178**			**178**	**257**
Total	**201**	**11**	**1**	**213**	**308**

3.2.2. Intangible assets 988

- Overall decrease in carrying amount: €108m

Gross value	Development expenses [a]	Concessions, patents and similar rights	Other intangible assets	Total
1 January 2008	**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, transfers and other movements	0	26	(21)	**5**
31 December 2008	**203**	**1,190**	**1,360**	**2,753**
Movements during 2009				
Translation adjustments	0	0	1	**1**
Changes in scope of consolidation	0	(9)	(48)	**(57)**
Acquisitions during the period	22	68	54	**144**
Disposals, transfers and other movements	(5)	(22)	(10)	**(37)**
31 December 2009	**220**	**1,227**	**1,357**	**2,804**

Amortisation and impairment	Development expenses [a]	Concessions, patents and similar rights	Other intangible assets	Total
1 January 2008	**(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, transfers and other movements	0	4	5	**9**
31 December 2008	**(148)**	**(425)**	**(1,084)**	**(1,657)**
Movements during 2009				
Translation adjustments	0	0	0	**0**
Changes in scope of consolidation	0	0	17	**17**
Net expense for the period	(27)	(89)	(84)	**(200)**
Disposals, transfers and other movements	5	3	16	**24**
31 December 2009	**(170)**	**(511)**	**(1,135)**	**(1,816)**

- Carrying amount:

Net	Development expenses [a]	Concessions, patents and similar rights	Other intangible assets	Total
31 December 2008	**55**	**765**	**276**	**1,096**
31 December 2009	**50**	**716** [b]	**222**	**988**

[a]- Development expenses:
- software development expenses are usually capitalised (relates mainly to Bouygues Telecom);
- development expenses of a permanent and recurring nature that do not meet the IAS 38 capitalisation criteria are expensed (relates mainly to Colas).

[b]Includes Bouygues Telecom's UMTS licence: gross value €619m, carrying amount €457m (see Note 2 for amortisation method)

3.2.3. Goodwill 5,156

Overall decrease in carrying amount during the year: €1m (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 2008	**5,160**	**(37)**	**5,123**
Movements during 2008			
Changes in scope of consolidation	65		65
Impairment losses charged during the period		(6)	(6)
Translation adjustments and other movements	(25)		(25)
31 December 2008	**5,200**	**(43)**	**5,157**
Movements during 2009			
Changes in scope of consolidation	(19) [a]	9 [b]	(10)
Impairment losses charged during the period		(2)	(2)
Translation adjustments and other movements	9	2	11
31 December 2009	**5,190**	**(34)**	**5,156**

[a]Includes deconsolidation of Finagestion: (€9m)
[b]Includes deconsolidation of Finagestion: €9m

Acquisitions (excluding Alstom) during 2009 had an immaterial effect when taken individually, and an aggregate effect of €19m

Split of goodwill by cash generating unit (CGU)

CGU	31/12/2009 Total	31/12/2009 % (Bouygues or subsidiaries)	31/12/2008 Total	31/12/2008 % (Bouygues or subsidiaries)
Bouygues Construction[a]	326	99.97	325	99.97
Colas[b]	1,086	96.62	1,089	96.78
TF1[b]	1,091	43.02	1,090	43.02
Bouygues Telecom[b]	2,651	89.55	2,651	89.55
Other activities	2		2	
Total Bouygues group	**5,156**		**5,157**	

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

Consolidated carrying value of listed shares as at 31 December 2009 (in euros)

	Consolidated carrying value per share	Closing quoted share price at 31/12/2009 [a]
TF1	12.83	12.89
Colas	95.09	174.49
Alstom	48.26	49.06

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.

[a]Before adjustment to reflect a control premium (TF1/Colas)

3.2.4. Non-current financial assets 5,629

Non-current financial assets comprise:
- 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						
		Other non-current assets					
	Investments in associates [a]	Investments in non-consolidated companies	Other non-current assets	Total gross value	Amortisation and impairment	Carrying amount	Non-current deferred tax assets
1 January 2008	**4,413**	**272**	**1,126**	**5,811**	**(195)**	**5,616**	**225**
Movements during 2008							
Changes in scope of consolidation	92	2	9	**103**		**103**	
Acquisitions and other increases	418	58	142	**618**		**618**	**12**
Amortisation and impairment, net					(17)	**(17)**	
Disposals and other reductions	(82)	(26)	(51)	**(159)**		**(159)**	
Income and expense recognised directly in equity	(85)	3	(21)	**(103)**		**(103)**	**14**
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**
Amortisation and impairment	**(5)**	**(128)**	**(71)**	**(204)**			
Carrying amount	**4,742**	**183**	**1,126**	**6,051**			
Movements during 2009							
Changes in scope of consolidation	31	(33)	156	**154**	(9)	**145**	**(9)**
Acquisitions and other increases	408	14	68	**490**		**490**	
Amortisation and impairment, net					2	**2**	
Disposals and other reductions	(138)	(15)	(927)	**(1,080)**		**(1,080)**	
Income and expense recognised directly in equity	(100) [b]	(2)	5	**(97)**		**(97)**	**(2)**
Transfers between items and other	14	1	(168)	**(153)**	(2)	**(155)**	**38**
31 December 2009	**4,962**	**276**	**331**	**5,569**	**(213)**	**5,356**	**273**
Amortisation and impairment	**(5)**	**(135)**	**(73)**	**(213)**			
Carrying amount	**4,957**	**141**	**258**	**5,356**			**273**

5,629

[a]Includes goodwill on associates of €2,816m

[b]Mainly relates to actuarial gains/losses on lump-sum retirement obligations of Alstom
includes net movement in the translation reserve: -€8m

3.2.4.1. Investments in associates 4,957

Components of carrying amount at 31 December 2009	Share of net assets held	Share of profit for the period	Goodwill	Carrying amount
1 January 2008	**1,422**	**257**	**2,714**	**4,393**
Movements during 2008				
Translation adjustments	(5)			**(5)**
Acquisitions and share issues	103		90	**193**
Profit for the period		360		**360**
Impairment losses		(3)		**(3)**
Appropriation of prior-year profit	257	(257)		
Disposals, transfers and other movements	(187)		(9)	**(196)**
31 December 2008	**1,590**	**357**	**2,795**	**4,742**
Movements during 2009				
Translation adjustments	(9)			**(9)**
Acquisitions and share issues	25		21[b]	**46**
Profit for the period		393		**393**
Impairment losses				
Appropriation of prior-year profit	357	(357)		
Disposals, transfers and other movements	(215)			**(215)**
31 December 2009	**1,748**	**393**	**2,816**	**4957[a]**

[a]Includes: - Alstom = €4,054m
- Cofiroute (Colas) = €469m
(see below)

[b]Includes: - Alstom, increase of €14m (additional goodwill on acquisitions during 2009): total goodwill = €2,463m

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 2009).

Principal associates

	31/12/2008	Net movement in 2009	31/12/2009	Includes: share of profit/(loss) for the period
Alstom	3,865	189	4,054	329[a]
Construction				
Concession companies	101	(24)	77	(8)
Other associates	4		4	
Roads				
Cofiroute	448	21	469	52
Other associates	51	6	57	2
Media	259	16	275	15
Other associates	14	7	21	3
Total	**4,742**	**215**	**4,957**	**393**

[a]Contribution net of amortisation of €17m charged against fair value remeasurements in 2009

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

Amounts shown are for 100% of the associate	31 December 2009	
	Alstom[a]	Cofiroute
Non-current assets	8,557	5,934
Current assets	15,357	498
Total assets	**23,914**	**6,432**
Shareholders' equity	3,099	2,022
Non-current liabilities	2,572	3,720
Current liabilities	18,243	690
Total liabilities and equity	**23,914**	**6,432**
Sales	**9,683**	**1,284**
Current operating profit	**828**	**593**
Net profit	**572**	**312**
Net profit attributable to the Group	**562**	**312**

Amounts shown are for 100% of the associate	31 December 2008	
	Alstom[b]	Cofiroute
Non-current assets	8,625	5,808
Current assets	15,619	594
Total assets	**24,244**	**6,402**
Shareholders' equity	2,884	1,902
Non-current liabilities	2,092	3,696
Current liabilities	19,268	804
Total liabilities and equity	**24,244**	**6,402**
Sales	**18,739**	**1,350**
Current operating profit	**1,536**	**580**
Net profit	**1,118**	**324**
Net profit attributable to the Group	**1,109**	**324**

[a]Interim financial statements published by Alstom for the six months ended 30 September 2009 (Alstom's financial year-end is 31 March)
[b]Financial statements for the year ended 31 March 2009

- Investments in non-consolidated companies: €141m
- Other non-current financial assets: €258m

Principal investments in non-consolidated companies at 31 December 2009

Investment	31/12/2009 Gross value	Impairment	Carrying amount	% interest	Total assets	Total current & non-current liabilities	Total sales	Net profit/ (loss)	31/12/2008 Carrying amount
French companies									
CERF (Colas quarry, France)[a]			**0**						**34**
Sofica Valor	8		**8**	43.4%					**3**
Sylver	4		**4**	49.0%					**4**
Asphalt and binder companies (Colas)[b]	15	2	**13**						**12**
Other investments in French companies	55	40	**15**						**16**
Sub-total	**82**	**42**	**40**						**69**
Foreign companies									
IEC Investments (Hong Kong)	49		**49**	15.0%	165	11	21	(51)	**51**
Socoprim (Ivory Coast)	14		**14**	64.0%	22				**13**
A1- International (Netherlands)	13	13	**0**	50.0%					**7**
Bombela (South Africa)	9		**9**	17.0%	339	328			**9**
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	79	51	**28**						**33**
Sub-total	**194**	**93**	**101**						**114**
Total	**276**	**135**	**141**						**183**

[a]Company acquired at the end of 2008, and consolidated in 2009

[b]The 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 258

The main items included in this heading are:

- advances to non-consolidated companies	54	
- non-current loans and receivables	47	
- other long-term investments:	157	
- deposits and caution money		134
- other long-term investment securities		23 [a]

[a]Main components of "Other long-term investment securities"

- mutual funds	14
- other investments individually less than €2m	9
	23

Analysis of investments in non-consolidated companies and other non-current financial assets (excluding associates) by type **399**

	Measured at fair value				
	Available-for-sale financial assets [a]	Other financial assets measured at fair value [b]	Loans and receivables [c]	Held-to-maturity financial assets [c]	Total
31 December 2008	**146**	**712**	**249**	**202**	**1,309**
Movements during 2009	(4)	(708) [d]	(175) [e]	(23)	**(910)**
31 December 2009	**142**	**4**	**74**	**179**	**399**
Due within less than 1 year	4		15	6	**25**
Due within 1 to 5 years	18		34	26	**78**
Due after more than 5 years	120	4	25	147	**296**

[a] Impact of fair value remeasurements recognised in equity
[b] Impact of fair value remeasurements recognised in profit or loss
[c] Measured at amortised cost
[d] Includes disposal of the equity interest in Canal+ France: -€705m
[e] Includes reclassification of the Alstom Hydro Holding financial asset as a current asset: -€168m

Investments in joint ventures

The Bouygues group holds a number of interests in joint ventures, which are listed in Note 24 (Detailed list of consolidated companies at 31 December 2009).

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

Bouygues share in joint ventures	2009	2008
Non-current assets	147	144
Current assets	712	825
Total assets	**859**	**969**
Shareholders' equity	(62)	63
Non-current liabilities	158	121
Current liabilities	763	785
Total liabilities and equity	**859**	**969**
Sales	**1,230**	**1,638**
Operating profit/(loss)	**(48)**	**29**
Net profit/(loss)	**(50)**	**34**

3.2.5. Non-current tax assets **273**

See Note 7 for details.

NOTE 4 CURRENT ASSETS 16,235

4.1. Inventories 2,680

Inventories	31 December 2009 Gross value	Impairment[a]	Carrying amount	31 December 2008 Gross value	Impairment[a]	Carrying amount
Property development inventories	1,483	(117)	**1,366**	1,777	(91)	**1,686**
Raw materials and finished goods	757	(32)	**725**	835	(40)	**795**
Programmes and broadcasting rights (TF1)	746	(157)	**589**	722	(180)	**542**
Total	**2,986**	**(306)**	**2,680**	**3,334**	**(311)**	**3,023**

		2009	2008
[a]includes:	impairment charged during the period:	(130)	(157)
	impairment reversed during the period:	133	108

Operating commitments not yet recognised involving future outflows of resources:

· ***TF1: Programming schedules for future years***

The maturities of broadcasting and sports transmission rights contracts are as follows:

	Maturity within less than 1 year	within 1 to 5 years	after more than 5 years	Total 2009	Total 2008
Programmes and broadcasting rights[a]	534	823	167	**1,524**	**1,382**
Sports transmission rights	188	339		**527**	**693**
Total	**722**	**1,162**	**167**	**2,051**	**2,075**

[a]2009: some of these contracts are denominated in foreign currencies: €17.9m in Swiss francs, €14.9m in pounds sterling, and €230.4m in U.S. dollars.

· ***Bouygues Immobilier:***

	Maturity within less than 1 year	within 1 to 5 years	after more than 5 years	Total 2009	Total 2008
Reciprocal operating off balance sheet commitments relating to the acquisition of land banks	**170**	**21**		**191**	**311**

· ***Bouygues Telecom:***

	Maturity within less than 1 year	within 1 to 5 years	after more than 5 years	Total 2009	Total 2008
Agreements to secure handset supplies	**219**			**219**	**84**

4.2. Advances and down-payments on orders 400

	31 December 2009			31 December 2008		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments on orders	421	(21)	**400**	433	(4)	**429**

4.3. Trade receivables, tax assets and other receivables 8,220

	31 December 2009			31 December 2008		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	6,509	(377)	**6,132**	7,456	(359)	**7,097**
Current tax assets (tax receivable)	73	(2)	**71**	102	(3)	**99**
Other receivables and prepaid expenses:						
- Other operating receivables (employees, social security, government and other)	1,426	(60)	**1,366**	1,664	(48)	**1,616**
- Sundry receivables	536	(83)	**453**	494	(86)	**408**
- Prepaid expenses	198		**198**	223		**223**
Sub-total	**2,160**	**(143)**	**2,017**	**2,381**	**(134)**	**2,247**
Total	**8,742**	**(522)**	**8,220**	**9,939**	**(496)**	**9,443**

Split of trade receivables between non-past due and past due balances at 31 December 2009 and 31 December 2008

	Non-past due balances	Balances past due by: 0-6 months	6-12 months	> 12 months	Total
Trade receivables	4,513	1,335	283	378	**6,509**
Impairment of trade receivables	(34)	(67)	(47)	(229)	**(377)**
Carrying amount of trade receivables at 31 December 2009	**4,479**	**1,268**	**236**	**149**	**6,132**
Carrying amount of trade receivables at 31 December 2008	**4,978**	**1,763**	**219**	**137**	**7,097**

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 4,713

Cash and equivalents	31 December 2009 Gross value	Impairment	Carrying amount	31 December 2008 Gross value	Impairment	Carrying amount
Cash	1,690		**1,690**	792		**792**
Cash equivalents	3,030	(7)	**3,023** [a]	3,054	(6)	**3,048**
Total	**4,720**	**(7)**	**4,713**	**3,846**	**(6)**	**3,840**

[a]- Bouygues SA holds €2,888m 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.

All investments of cash and equivalents were available as at 31 December 2009.

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

	31/12/2009	31/12/2008
Assets		
Cash	1,690	792
Cash equivalents	3,023	3,048
Sub-total: assets	**4,713**	**3,840**
Liabilities		
Overdrafts and short-term bank borrowings	(258)	(393)
Sub-total: liabilities	**(258)**	**(393)**
Total	**4,455**	**3,447**

Split of cash position by currency at 31 December 2009	Euro	Pound sterling	Swiss franc	Other European currencies	U.S. dollar	Other currencies	Total
Cash	965	92	36	22	99	476	**1,690**
Cash equivalents	3,012		1			10	**3,023**
Financial instruments							
Overdrafts and short-term bank borrowings	(137)			(73)		(48)	**(258)**
Total at 31 December 2009	**3,840**	**92**	**37**	**(51)**	**99**	**438**	**4,455**
Total at 31 December 2008	**3,189**	**44**	**45**	**(36)**	**13**	**192**	**3,447**

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

	01/01/2009	Translation adjustments	Charges and write-backs (operating) Depreciation and amortisation	Impairment and provisions	Write-backs (no longer required)	Other movements [a]	31/12/2009
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	(9,671)	(18)	(1,361)			862	**(10,188)**
Impairment of goodwill	(42)			(1)		9	**(34)**
Impairment of investments in non-consolidated companies	(128)					(7)	**(135)**
Impairment of other non-current financial assets	(76)					(1)	**(77)**
Impairment of inventories	(311)			(6)	10	1	**(306)**
Impairment of trade receivables	(359)	1		(108)	40	49	**(377)**
Impairment of cash equivalents	(6)					(1)	**(7)**
Impairment of other current assets	(141)			(32)	2	4	**(167)**
Total deducted from assets	**(10,734)**	**(17)**	**(1,361)**	**(147)**	**52**	**916**	**(11,291)**
Current and non-current provisions	**(2,310)**	**(11)**		**(510)**	**205**	**68**	**(2,558)**
Total recognised as liabilities	**(2,310)**	**(11)**		**(510)**	**205**	**68**	**(2,558)**

[a]Write-backs on disposals and changes in scope of consolidation, and net movement recognised in financial income/expenses

4.6. Other current financial assets 222

	31/12/2009	31/12/2008
Financial instruments used to hedge financial liabilities	21	24
Other financial assets (financial assets due within < 1 year, financial instruments related to working capital items, etc)	201[a]	59
Total	**222**	**83**

[a]Includes €175m 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 terms of the agreements with Alstom signed at that time, Bouygues had an option to sell its shares back to Alstom in November 2009:
  . for €175m, or
  . in exchange for 4.4 million Alstom shares, or the equivalent value in euros.

- In November 2009, Bouygues exercised its option to exchange for Alstom shares; this transaction is pending clearance from the competition authorities in some countries, and will be completed in 2010 (see Note 1.1).

- At 31 December 2009, Alstom exercised exclusive control over Alstom Hydro Holding, and the equity interest in the company was not consolidated by the Bouygues group; instead, it was recognised as a current financial asset with a carrying amount of €175m as of that date.

The impact of the unwinding of the discount on this asset, amounting to €7m in the year ended 31 December 2009, was recognised in "Other financial income".

Because of the long-term industrial strategy underpinning relations between Bouygues and Alstom, the Bouygues group continued during 2009 not to account for the option entitling it to exchange this asset for Alstom shares as a financial instrument.

If this item had been accounted for as a financial instrument, the resulting volatility would have had an estimated positive impact of €24m in the year ended 31 December 2009, giving a cumulative favourable fair value impact of €41m since 2006 (excluding tax effects).

Because the option to exchange expired in 2009, this asset was reclassified to "Other current financial assets".

NOTE 5 CONSOLIDATED SHAREHOLDERS' EQUITY

5.1. Share capital of Bouygues SA (in euros) € 354,267,911

As of 31 December 2009, the share capital of Bouygues SA consisted of 354,267,911 shares with a par value of €1. Movements during 2009 were as follov

	01/01/2009	Movements during 2009 Reductions	Movements during 2009 Increases	31/12/2009
Shares	**342,818,079**	(1,068,181)	12,518,013	**354,267,911**
Number of shares	**342,818,079**	**(1,068,181)**	**12,518,013**	**354,267,911**
Par value	**€ 1**			**€ 1**
Share capital (€)	**342,818,079**	**(1,068,181)**	**12,518,013**	**354,267,911**

5.2. Shareholders' equity as of 31 December 2009 attributable to the Group and to minority interests

	Share capital	Share premium	Reserves related to capital	Retained earnings	Consolidated reserves and profit for the year	Items recognised directly in equity	Total 31/12/2009
Attributable to the Group	354	2,069	806	1,017	4,485	(195)	**8,536**
Attributable to minority interests					1,194	(4)	**1,190**
Total shareholders' equity	**354**	**2,069**	**806**	**1,017**	**5,679**	**(199)**[a]	**9,726**

[a]Cumulative balance of items recognised directly in equity as of 31 December 2009

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

	Ref.	Attributable to the Group[a] 2009	2008
Translation reserve	1	6	(22)
Fair value remeasurement reserve (financial instruments)	2	(16)	(49)
Actuarial gains/(losses)	3	38	(43)
Taxes on items recognised directly in equity		25	18
Share of remeasurements of associates		(100)	(85)
Other movements during the period			
Sub-total		**(47)**	**(181)**

(a) Income and expenses relating to associates have been reclassified to a separate line, "Share of remeasurements of associates".

	Minority interests 2009	2008
Other income and expenses relating to minority interests	**2**	**(4)**
Total	**(45)**	**(185)**

These items are reported in the statement of recognised income and expense, presented immediately after the consolidated income statement.

5.3.1. - Translation reserve

Principal translation differences in the year ended 31 December 2009 arising on foreign companies reporting in:

	31/12/2008	Movements during 2009	31/12/2009
U.S. dollar	**(22)**	(12)	**(34)**
Canadian dollar	**(16)**	23	**7**
Pound sterling	**(18)**	5	**(13)**
South African rand	**3**	(20)	**(17)**
Other currencies	**(1)**	2	**1**
Total	**(54)**	**(2)**	**(56)**[a]

[a]Includes the cumulative translation difference on associates: -€11m

5.3.2. - Fair value remeasurement reserve (portion attributable to the Group)

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

	31/12/2008	Movements during 2009	31/12/2009
Gross movement (excluding associates)	**49**	(17)	**32**

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

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

	31/12/2008	Movements during 2009	31/12/2009
Gross movement (excluding associates)	**(37)**	38 [a]	**1**

[a]The movement during the year was mainly due to the updating of calculation parameters, especially the discount rate applied to the lump-sum retirement benefit obligation.

5.4. Analysis of "Other transactions with shareholders"

Share-based payment (IFRS 2): impact on consolidated shareholders' equity

	2009	2008	(matching entry charged to profit or loss)
Stock options: TF1 and Bouygues SA			
Transfer to reserves:			
- TF1	**1**		
- Bouygues SA	**25**	**21**	Based on plans awarded since March 2004
Consolidated expense	**26**	**21**	
2009 employee share ownership plan			
- Bouygues Partage 2 plan	**8**		Cost of the employee benefit
Total	**34**	**21**	

NOTE 6 NON-CURRENT AND CURRENT PROVISIONS

6.1. Non-current provisions = 1,727

	Long-term employee benefits [a]	Litigation and claims [b]	Guarantees given [c]	Other non-current provisions [d]	Total
1 January 2008	**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**
Write-backs (utilised or no longer required)	(23)	(70)	(80)	(95)	**(268)** [e]
Actuarial gains and losses	44				**44**
Transfers and other movements	(2)		2	37	**37**
31 December 2008	**493**	**332**	**319**	**538**	**1,682**
Movements during 2009					
Translation adjustments	2		2		**4**
Changes in scope of consolidation	(17)	(1)	1	(54)	**(71)**
Charges to provisions	41	118	127	136	**422**
Write-backs (utilised or no longer required)	(25)	(108)	(83)	(86)	**(302)** [f]
Actuarial gains and losses	(39)				**(39)**
Transfers and other movements		2	2	27	**31**
31 December 2009	**455**	**343**	**368**	**561**	**1,727**

Provisions are based on management's best estimate of the risk, including risks relating to tax inspections.

			Principal segments involved	
[a] **Long-term employee benefits**		**455**	- Bouygues Construction	124
Lump-sum retirement benefits	311		- Colas	248
Long-service awards	104		- TF1	30
Other long-term employee benefits	40		- Bouygues Telecom	32
[b] **Litigation and claims**		**343**	- Bouygues Construction	173
Provisions for customer disputes	186		- Bouygues Immobilier	34
Subcontractor claims	34		- Colas	118
Employee-related litigation and claims	123			
[c] **Guarantees given**		**368**	- Bouygues Construction	255
Provisions for guarantees given	256		- Bouygues Immobilier	24
Provisions for additional building/civil engineering/ civil works guarantees	112		- Colas	89
[d] **Other non-current provisions**		**561**	- Bouygues Construction	186
Risks related to official inspections	136		- Colas	208
Provisions for miscellaneous foreign risks	111		- Bouygues Telecom	124
Provisions for subsidiaries and affiliates	24			
Other non-current provisions	290			

[e] Including write-backs of provisions no longer required: -€110m

[f] Including write-backs of provisions no longer required: -€101m

6.2. Current provisions = 831

Provisions related 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 2008	**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**
Write-backs (utilised or no longer required)	(31)	(73)	(97)	(95)	**(296)** [d]
Transfers	3	(2)		(10)	**(9)**
31 December 2008	**55**	**177**	**144**	**252**	**628**
Movements during 2009					
Translation adjustments			6	1	**7**
Changes in scope of consolidation	(1)	(3)		(2)	**(6)**
Charges to provisions	34	153	168	134	**489**
Write-backs (utilised or no longer required)	(26)	(82)	(84)	(135)	**(327)** [e]
Transfers	(3)	8		35	**40**
31 December 2009	**59**	**253** [a]	**234** [c]	**285** [b]	**831**

		<u>Segments involved</u>	
[a]including:			
- provisions for risks on completed projects	102	Mainly Bouygues Construction	
- provisions for final settlement on projects	151	and Colas	
[b]including:			
- reinsurance costs	21	- Challenger Réassurance	21
- rental guarantees (Bouygues Immobilier)	31	- Bouygues Construction	54
- current customer disputes and vendor's liability guarantee (TF1)	18	- Bouygues Immobilier	59
- other current provisions	215	- Colas	80
		- TF1	34
		- Bouygues Telecom	32

[c]**<u>Provisions relating to the Construction segment</u>**, mainly Bouygues Construction and Colas.
(Individual project provisions are not disclosed for confidentiality reasons)

[d]**Including write-backs of provisions no longer required: -€87m**

[e]**Including write-backs of provisions no longer required: -€104m**

NOTE 7 NON CURRENT TAX ASSETS AND LIABILITIES

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7.1. Non-current tax assets

	31/12/2008	Movements during 2009	31/12/2009
Deferred tax assets	**246**	**27**	**273**
Bouygues Telecom	22	(3)	19
Colas	91	11	102
Bouygues Construction	85	5	90
Bouygues Immobilier	32	10	42
Other business segments	16	4	20
Long-term tax receivable			
Total non-current tax assets	**246**	**27**	**273**

. 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 7.4).

7.2. Non-current tax liabilities

	31/12/2008	Movements during 2009	31/12/2009
Deferred tax liabilities	**89**		**89** [a]
Other non-current tax liabilities			
Total non-current tax liabilities	**89**		**89**

[a] Includes €82m for Colas

7.3. Net deferred tax asset/liability by business segment

Type of deferred taxation by business segment	Net deferred tax asset/(liability) at 31/12/2008	Changes in scope of consolidation	Translation adjustments	Movements during 2009 Gain	Movements during 2009 Expense	Other items	Net deferred tax asset/(liability) at 31/12/2009
A - Tax losses available for carry-forward							
Bouygues Construction	**7**				(1)	(1)	**5**
Bouygues Immobilier	**2**						**2**
Colas	**10**			8			**18**
TF1	**13**				(5)		**8**
Sub-total	**32**			**8**	**(6)**	**(1)**	**33**
B - Temporary differences							
Bouygues Construction	**76**			11		(3)	**84**
Bouygues Immobilier	**28**	(1)		12			**39**
Colas	**2**	(2)	(1)	13	(6)	(4)	**2**
TF1	**1**			3		(2)	**2**
Bouygues Telecom	**22**				(1)	(2)	**19**
Bouygues SA and other activities	**(4)**	(8)		12	(1)	6	**5**
Sub-total	**125**	**(11)**	**(1)**	**51**	**(8)**	**(5)**	**151**
Total	**157**	**(11)**	**(1)**	**59**	**(14)**	**(6)**	[a] **184**

[a] • Breakdown of net deferred tax asset:

- Deferred tax assets	246	184
- Deferred tax liabilities	(89)	

• Main sources of deferred taxation:

	2009	**2008**
- Deferred tax assets on employee benefits (mainly lump-sum retirement benefits)	137	144
- Deferred taxation on provisions temporarily non-deductible for tax purposes	100	88
- Restricted provisions booked solely for tax purposes	(106)	(106)
- Other	53	31
	184	157

7.4. Period to recovery of deferred tax assets

31 December 2009	Less than 2 years	2-5 years	More than 5 years	Total
Expected period to recovery of deferred tax assets	85	54	134 [a]	**273**

[a]Mainly Colas

7.5. Unrecognised deferred tax assets

Amount of deferred tax assets not recognised due to low probability of recovery at 31 December 2009 (mainly tax loss carry-forwards): Applies solely to companies not included in the Bouygues SA group tax election.

	31/12/2008	Movements during 2009	31/12/2009
Bouygues Construction	**73**	(7)	**66**
Bouygues Immobilier	**37**	3	**40**
Colas	**28**	6	**34**
TF1	**28**	(4)	**24**
Other	**9**	(5)	**4**
Total unrecognised deferred tax assets	**175**	**(7)**	**168**

NOTE 8 NON-CURRENT AND CURRENT DEBT 7,160

Non-current debt	**6,434**
Current debt	**726**

8.1. Interest-bearing debt by maturity

	Current debt (maturing 2010)				Non-current debt							
	Accrued interest	1 to 3 months	4 to 12 months	Total maturing 2010	1 to 2 years 2011	2 to 3 years 2012	3 to 4 years 2013	4 to 5 years 2014	5 to 6 years 2015	6 or more years 2016 and later	Total 31/12/2009	Total 31/12/2008
Bond issues	143		497	**640**	750		1,149	993	996	2,177	**6,065**	**6,557**
Bank borrowings		6	38	**44**	70	66	14	12	8	114	**284**	**316**
Finance lease obligations		5	15	**20**	17	13	6	2	1	1	**40**	**58**
Other borrowings		2	20	**22**	11	14	2	2	3	13	**45**	**94**
Total debt	**143**	**13**	**570**	**726**	**848**	**93**	**1,171**	**1,009**	**1,008**	**2,305**	**6,434**	**7,025**
Comparative at 31 December 2008	**175**	**49**	**1,113**	**1,337**	**646**	**894**	**38**	**1,174**	**1,009**	**3,264**		**7,025**

Finance lease obligations by business segment	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Non-current, 31 December 2009	1		29		10		**40**
Current, 31 December 2009			16	1	3		**20**
Non-current, 31 December 2008	1		43	1	12	1	**58**
Current, 31 December 2008	1		21		4		**26**

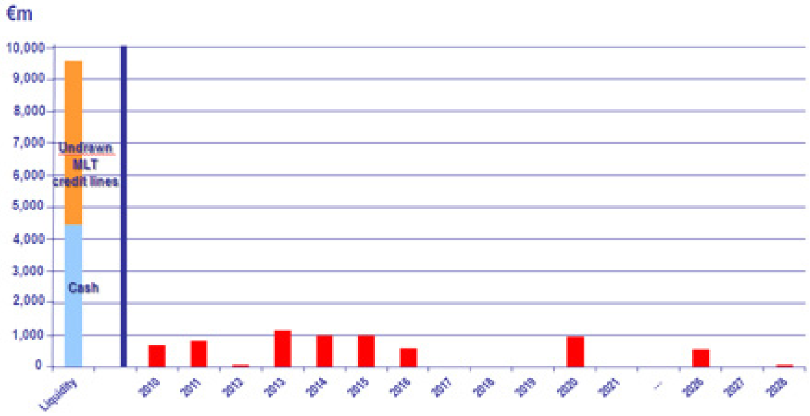
8.2. Confirmed credit facilities and drawdowns

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)	640	2,892	3,173	**6,705**	640	2,892	3,173	**6,705**
Bank borrowings	708	4,342	394	**5,444**	44	162	122	**328**
Finance lease obligations	20	38	2	**60**	20	38	2	**60**
Other borrowings	22	29	16	**67**	22	29	16	**67**
Total credit facilities	**1,390**	**7,301**	**3,585**	**12,276**	**726**	**3,121**	**3,313**	**7,160**

Undrawn confirmed credit facilities = €5,116m

8.3. Liquidity at 31 December 2009

As at 31 December 2009, available cash stood at €4,456m (including +€1m of financial instruments contracted to hedge net debt). The Group also had €5,116m of undrawn confirmed medium-term credit facilities as at the same date.



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

The credit facilities contracted by Bouygues SA and its subsidiaries contain no financial covenants or trigger event clauses.

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:

	31/12/2009	31/12/2008
Fixed rate [a]	**95%**	94%
Variable rate	**5%**	6%

[a]Rates fixed for more than one year

8.5. Interest rate risk

The split of financial assets and financial liabilities by interest rate type at 31 December 2009 was as follows:

	Variable rate	Fixed rate	Total
Financial liabilities (debt)	594	6,566	**7,160**
Financial assets[1] (net cash position)	4,456		**4,456**
Net position before hedging	(3,862)	6,566	**2,704**
Interest rate hedges	(259)	259	
Net position after hedging	**(4,121)**	**6,825**	**2,704**
Adjustment for seasonal nature of certain activities	450		
Net position after hedging and adjustment	**(3,671)**		

[1]Includes +€1m 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 €36.7m over a full year.

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

	Euro	Europe: Pound sterling	Europe: Other currencies	U.S. dollar	CFA franc	Other currencies	Total
Non-current, 31 December 2009	5,659	670	60	4		41	**6,434**
Current, 31 December 2009	698	6	14			8	**726**
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**

. An analysis of debt by business segment is provided in Note 16.
. An analysis of collateral and pledges given by the Bouygues group is provided in Note 18.1 (breakdown by business segment).

NOTE 9 MAIN COMPONENTS OF CHANGE IN NET DEBT (2,704)

9.1. Change in net debt

	31/12/2008	Movements in 2009	31/12/2009
Cash and equivalents	**3,840**	873	**4,713**
Overdrafts and short-term bank borrowings	**(393)**	135	**(258)**
Net cash and equivalents	**3,447**	**1,008**	**4,455**
Non-current debt	**(7,025)**	591	**(6,434)**
Current debt	**(1,337)**	611	**(726)**
Financial instruments, net	**(1)**	2	**1**
Total debt	**(8,363)**	**1,204**	**(7,159)**
Net debt	**(4,916)**	**2,212**	**(2,704)**

[a]net cash position as analysed in the 2009 cash flow statement (net cash flows + non-monetary movements)

9.2. Principal net debt transactions in the year ended 31 December 2009

Net debt at 31 December 2008	**(4,916)**
Acquisitions/disposals	[a] 843
Dividends paid	(671)
Transactions involving share capital	[b] 217
Changes in scope of consolidation	[c] 184
Operating items	1,639
Net debt at 31 December 2009	**(2,704)**

[a]includes +€744m relating to the disposal of the equity interest in Canal+ France

[b]includes +€192m relating to the capital increase for the Bouygues Partage 2 employee share ownership plan

[c]relates mainly to the Axione and Finagestion disposals

NOTE 10 CURRENT LIABILITIES 15,959

Breakdown of current liabilities:

	31/12/2009	31/12/2008
Advances and down-payments received	1,276	1,301
Current debt [a]	726	1,337
Current taxes payable	132	163
Trade payables	6,479	7,577
Current provisions [b]	831	628
Other current liabilities, deferred income and similar		
Other operating liabilities (employees, social security, government)	2,457	2,646
Deferred income	1,934	1,921
Other non-financial liabilities, deferred income and similar	1,828	1,901
Overdrafts and short-term bank borrowings	258	393
Financial instruments	20	25
Other current financial liabilities	18	35
Total	15,959	17,927

[a]See analysis in Note 8, "Non-current and current debt".

[b]See analysis in Note 6.2.

NOTE 11 ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

11.1. Analysis by accounting classification

	2009	2008 [a]
Sales of goods	**2,469**	**2,684**
Sales of services	**12,286**	**12,370**
Construction contracts	**16,598**	**17,405**
Sales	**31,353**	**32,459**
Royalties		
Other revenues from operations	**139**	**124**
Other revenues from operations	**139**	**124**
Total revenues	**31,492**	**32,583**

[a]After reclassification of the Finagestion group

There were no material exchanges of goods or services in the year ended 31 December 2009.

Consolidated balance sheet: information about construction contracts

	Bouygues Construction	Colas	Total
Unbilled works	329	376	**705**
Warranty retentions	65	55	**120**
Works billed in advance	1,438	339	**1,777**
Advance payments received	809	119	**928**

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.

	2009 sales				2008 sales			
BUSINESS SEGMENT	**France**	**International**	**Total**	**%**	**France**	**International**	**Total**	**%**
Construction	4,978	4,187	**9,165**	29	5,063	4,097	**9,160**	28
Property	2,719	252	**2,971**	9	2,732	177	**2,909**	9
Roads	6,629	4,882	**11,511**	37	7,208	5,518	**12,726**	39
Media	1,991	348	**2,339**	7	2,237	338	**2,575**	8
Telecoms	5,352		**5,352**	16	5,073		**5,073**	15
Bouygues SA & other activities	9	6	**15**		10	6	**16**	
Consolidated sales	**21,678**	**9,675**	**31,353**	**100**	**22,323**	**10,136**	**32,459**	**100**
% change 2009 vs. 2008	**-3%**	**-5%**	**-3%**					

11.3. Analysis by geographical area

	2009 sales		2008 sales	
	Total	**%**	**Total**	**%**
France	**21,678**	69	**22,323**	69
European Union (27 members)	**3,820**	12	**4,175**	13
Rest of Europe	**1,012**	3	**1,015**	3
Africa	**1,396**	5	**1,361**	4
Middle East	**140**	0	**254**	1
United States, Canada	**1,956**	6	**2,140**	6
Central and South America	**188**	1	**188**	1
Asia-Pacific	**1,048**	3	**910**	3
Oceania	**115**	1	**93**	
Total	**31,353**	**100**	**32,459**	**100**

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

	2009			2008		
	France	**International**	**Overall**	**France**	**International**	**Overall**
Public-sector contracts [a]	32	51	**38**	32	50	**38**
Private-sector contracts	68	49	**62**	68	50	**62**

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

NOTE 12 OPERATING PROFIT 1,855

		2009	2008
Current operating profit			
Sales		**31,353**	**32,459**
Other revenues from operations		**139**	**124**
Purchases used in production and external charges		**(20,681)**	**(22,360)**
Taxes other than income tax		**(706)**	**(650)**
Personnel costs		**(6,474)**	**(6,397)**
Net depreciation, amortisation, provisions and impairment			
Depreciation and amortisation	*	**(1,361)**	**(1,310)**
Net charge to provisions and impairment losses	*	**(657)** [b]	**(483)**
Change in production & property development inventories		**(286)**	**78**
Other income from operations		**1,119**	**1,398**
Reversals of provisions no longer required	*	257	239
Other miscellaneous income[a]		862	1,159
Other expenses on operations[a]		**(591)**	**(663)**
Current operating profit	*	**1,855**	**2,196**
Other operating income and expenses		**0**	**0**
Operating profit		**1,855**	**2,196**

*Components used in the calculation of EBITDA

See Note 16 for an analysis by business segment.

[a]Includes €61m of net gains on disposals.
[b]Includes -€347m for Bouygues Construction, -€183m for Colas and -€81m for Bouygues Immobilier.

NOTE 13 COST OF NET DEBT/ OTHER FINANCIAL INCOME AND EXPENSES

(344)
25

13.1. COMPONENTS OF COST OF NET DEBT

	2009	2008
Financial expenses	**(425)**	**(432)**
Financial income	**81**	**157**
Including:		
- on finance leases	***(3)***	***(4)***
- on financial instruments	***0***	***6***
Total cost of net debt	**(344)**	**(275)**

	2009	2008
- Interest expense on net debt	(381)	(380)
- Interest expense related to treasury management	(35)	(43)
- Interest expense on finance leases	(3)	(4)
- Net effect of financial instruments	0	6
- Income from cash equivalents	75	146
Total cost of net debt	**(344)**	**(275)**

13.2. OTHER FINANCIAL INCOME AND EXPENSES

	2009	2008
Other financial income	117	123
Other financial expenses	(92)	(142)
Other financial income/(expenses), net	25	(19)

"Other financial income and expenses" include gains arising from the unwinding of discount on the Canal+ France and Alstom Hydro Holding financial assets, interest paid to investors on calls for funds (commercial property), commitment fees, fair value remeasurements of "Other current financial assets", and other items.

NOTE 14 INCOME TAX EXPENSE (487)

14.1. Analysis of income tax expense

	2009			2008		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(395)	(137)	**(532)**	(470)	(123)	**(593)**
Change in deferred tax liabilities	2	3	**5**	1	(8)	**(7)**
Change in deferred tax assets	42	(2)	**40**	11	(4)	**7**
Total	**(351)**	**(136)**	**(487)**	**(458)**	**(135)**	**(593)**

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:

	2009	2008
Net profit (100%)	**1,456**	**1,686**
Eliminations:		
Income tax expense	487	593
Net profit of discontinued and held-for-sale operations	(14)	(20)
Share of profits and losses of associates	(393)	(357)
Net pre-tax profit from continuing operations excluding associates	**1,536**	**1,902**
Standard tax rate in France	34.43%	34.43%
Recognition and utilisation of tax loss carry-forwards	(0.88%)	1.63%
Effect of permanent differences	0.69%	(2.39%)
Flat-rate taxes, dividend taxes and tax credits	0.07%	0.31%
Taxes at rates not linked to profits: differential tax rates, long-term capital gains, foreign taxes	(2.60%)	(2.80%)
Effective tax rate	**31.71%**	**31.18%**

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

15.1. Net profit from continuing operations

Net profit from continuing operations for the period was €1,442m; the portion attributable to the Bouygues group fell by 13% compared to the previous year. An analysis is provided below:

	2009	2008	Change
Net profit from continuing operations (100%)	**1,442**	**1,666**	(13%)
Minority interest in net profit from continuing operations	**(137)**	**(174)**	(21%)
Net profit from continuing operations attributable to the Group	**1,305**	**1,492**	(13%)

15.2. Basic and diluted earnings per share from continuing operations

Basic earnings per share from continuing operations is calculated by dividing net profit from continuing operations 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.

	2009	2008
Net profit from continuing operations attributable to the Group (€m)	**1,305**	**1,492**
Weighted average number of shares outstanding	**345,165,830**	**342,609,161**
Basic earnings per share from continuing operations (€)	**3.78**	**4.35**

Diluted earnings from continuing operations 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).

	2009	2008
Net profit from continuing operations used to calculate diluted earnings per share (€m)	**1,305**	**1,492**
Weighted average number of shares outstanding	**345,165,830**	**342,609,161**
Adjustment for potentially dilutive effect of stock options	**1,056,524**	**3,567,732**
Diluted earnings per share from continuing operations (€)	**3.77**	**4.31**

NOTE 16 SEGMENT INFORMATION

Segment information is provided in two forms:

1. By business segment (CGU): 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 2009

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total 2009
Income statement							
Total sales	9,546	2,989	11,580	2,365	5,368	135	**31,983**
Inter-segment sales	(381)	(18)	(69)	(26)	(16)	(120)	**(630)**
Third-party sales	**9,165**	**2,971**	**11,511**	**2,339**	**5,352**	**15**	**31,353**
Net depreciation and amortisation expense	(162)	(6)	(482)	(100)	(604)	(7)	**(1,361)**
Net charges to provisions	(347)	(81)	(183)	(14)	(25)	(7)	**(657)**
Current operating profit	**335**	**203**	**541**	**101**	**730**	**(55)**	**1,855**
Cost of net debt	26	(6)	(34)	(22)	(10)	(298)	**(344)**
Income tax expense	(124)	(49)	(172)	(15)	(246)	119	**(487)**
Share of profits/(losses) of associates	(7)		55	15		330	**393**
Net profit from continuing operations	**241**	**113**	**391**	**115**	**471**	**111**	**1,442**
Net profit of discontinued and held-for-sale operations						14	**14**
Net profit	**241**	**113**	**391**	**115**	**471**	**125**	**1,456**
Net profit attributable to the Group	**240**	**110**	**374**	**49**	**422**	**124** [a]	**1,319**
Balance sheet							
Property, plant and equipment	411	15	2,312	191	2,737	261	**5,927**
Intangible assets	48	3	60	136	739	2	**988**
Goodwill	326		1,086	1,091	2,651	2	**5,156**
Deferred tax assets and long-term tax receivable	90	42	102	12	19	8	**273**
Investments in associates	81		526	275		[b] 4,075	**4,957**
Other non-current assets	161	14	166	20	8	30	**399**
Cash and equivalents	519	97	498	124	15	3,460	**4,713**
Other assets							**11,522**
Total assets							**33,935**
Non-current debt	347	91	212		293	5,491	**6,434**
Non-current provisions	738	83	663	46	167	30	**1,727**
Deferred tax liabilities and non-current tax liabilities	1	1	84	1		2	**89**
Current debt	8	17	45	502	15	139	**726**
Overdrafts and short-term bank borrowings	(3,121)	(156)	115	(443)		3,863	**258**
Other liabilities							**24,701**
Total liabilities							**33,935**
Net debt [c]	**3,285**	**146**	**116**	**73**	**(294)**	**(6,030)**	**(2,704)**
Cash flow statement							
Cash flow	**569**	**181**	**1,066**	**186**	**1,340**	**88**	**3,430**
Acquisitions of property, plant and equipment and intangible assets, net of disposals	**(142)**	**(6)**	**(362)**	**(70)**	**(683)**	**(7)**	**(1,270)**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**20**		**(8)**	**739** [d]	**(1)**	**(3)**	**747**
Other indicators							
EBITDA	**746**	**269**	**1,109**	**194**	**1,344**	**(46)**	**3,616**
Free cash flow	**329**	**120**	**498**	**79**	**401**	**(98)**	**1,329**

[a] Includes €329m for Alstom

[b] Includes €4,054m for Alstom

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

[d] Includes €744m on the disposal of the equity interest in Canal+ France

16.2. Analysis by business segment - Year ended 31 December 2008

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total 2008
Income statement							[a]
Total sales	9,497	2,924	12,789	2,595	5,089	174	**33,068**
Inter-segment sales	(337)	(15)	(63)	(20)	(16)	(158)	**(609)**
Third-party sales	**9,160**	**2,909**	**12,726**	**2,575**	**5,073**	**16**	**32,459**
Net depreciation and amortisation expense	(154)	(6)	(466)	(95)	(585)	(4)	**(1,310)**
Net charges to provisions	(168)	(86)	(153)	(53)	(24)	1	**(483)**
Current operating profit	**308**	**247**	**681**	**177**	**817**	**(34)**	**2,196**
Cost of net debt	93	(17)	(21)	(23)	(3)	(304)	**(275)**
Income tax expense	(114)	(89)	(217)	(41)	(279)	147	**(593)**
Share of profits/(losses) of associates	2		46	10		299	**357**
Net profit from continuing operations	**294**	**111**	**495**	**164**	**534**	**68**	**1,666**
Net profit of discontinued and held-for-sale operations						20	**20**
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 long-term tax receivable	85	32	91	17	22	(1)	**246**
Investments in associates	105		499	259		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**
Other 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**
Other liabilities							**24,962**
Total liabilities							**35,488**
Net debt	**2,592**	**1**	**(7)**	**(699)**	**(107)**	**(6,696)**	**(4,916)**
Cash flow statement							[a]
Cash flow	**452**	**222**	**1,185**	**270**	**1,409**	**4**	**3,542**
Acquisitions of property, plant and equipment and intangible assets, net of disposals		**(8)**	**(540)**	**(58)**	**(872)**	**1**	**(1,730)**
Acquisitions of investments in consolidated companies and other investments, net of disposals		**(9)**	**(114)**	**(7)**		**(140)**	**(216)**
Other indicators							
EBITDA	**534**	**312**	**1,219**	**317**	**1,405**	**(37)**	**3,750**
Free cash flow	**178**	**108**	**409**	**149**	**255**	**(155)**	**944**

[a]After adjusting for the disposal of Finagestion

16.3. Analysis by geographical area

Year ended 31 December 2009	France[1]	European Union (27 members)	Rest of Europe	Africa	Asia-Pacific Oceania	Americas	Middle East	Total
Income statement								
Third-party sales	21,678	3,820	1,012	1,396	1,163	2,144	140	**31,353**
Balance sheet								
Property, plant and equipment [a]	4,643	387	77	164	142	510	4	**5,927**
Intangible assets	952	24				12		**988**
Cash flow statement								
Purchase price of property, plant & equipment and intangible assets	(1,067)	(55)	(17)	(74)	(63)	(87)	(2)	**(1,365)**

[1]Includes French overseas departments
[a]includes assets held under finance leases

Year ended 31 December 2008	France[1]	European Union (27 members)	Rest of Europe	Africa	Asia-Pacific Oceania	Americas	Middle East	Total
Income statement								
Third-party sales	22,323	4,175	1,015	1,361	1,003	2,328	254	**32,459**
Balance sheet								
Property, plant and equipment [a]	4,711	412	85	307	109	488	8	**6,120**
Intangible assets	1,056	25		4		11		**1,096**
Cash flow statement								
Purchase price of property, plant & equipment and intangible assets	(1,451)	(91)	(18)	(74)	(66)	(124)	(9)	**(1,833)**

[1]Includes French overseas departments
[a]includes assets held under finance leases

16.4. Income statement by function

Year ended 31 December 2009	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Consolidated sales	**9,165**	**2,971**	**11,511**	**2,339**	**5,352**	**15**	**31,353**
Cost of sales	(7,816)	(2,559)	(9,862)	(1,902)	(3,870)	(9)	**(26,018)**
Gross profit	**1,349**	**412**	**1,649**	**437**	**1,482**	**6**	[a] **5,335**
Research and development expenses	(12)	(1)	(70)	(21)	(19)	(2)	**(125)**
Selling expenses	(438)	(149)		(110)	(185)		**(882)**
Administrative expenses	(564)	(59)	(1,036)	(211)	(548)	(56)	**(2,474)**
Goodwill impairment			(2)				**(2)**
Other current operating income and expenses				6		(3)	**3**
Current operating profit	**335**	**203**	**541**	**101**	**730**	**(55)**	**1,855**

[a]Gross margin rate =17%

Year ended 31 December 2008	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Consolidated sales	**9,160**	**2,909**	**12,726**	**2,575**	**5,073**	**16**	**32,459**
Cost of sales	(7,837)	(2,409)	(10,944)	(2,082)	(3,500)	(13)	**(26,785)**
Gross profit	**1,323**	**500**	**1,782**	**493**	**1,573**	**3**	[a] **5,674**
Research and development expenses	(11)	(1)	(70)	(14)	(24)	(1)	**(121)**
Selling expenses	(406)	(175)		(124)	(181)	(1)	**(887)**
Administrative expenses	(606)	(77)	(1,025)	(178)	(548)	(31)	**(2,465)**
Goodwill impairment			(6)				**(6)**
Other current operating income and expenses	8				(3)	(4)	**1**
Current operating profit	**308**	**247**	**681**	**177**	**817**	**(34)**	**2,196**

[a]Gross margin rate =17.5%

NOTE 17 FINANCIAL INSTRUMENTS

The tables presented below show the aggregate notional amounts at 31 December 2009 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 31/12/2009 2010	2011 to 2014	After 2014	Total	Notional amounts 31/12/2008
Interest rate swaps					
- on financial assets	850	1		**851** [a]	**30**
- on financial liabilities	910	500	159	**1,569** [b]	**1,773**
Caps/floors					
- on financial assets					**-**
- on financial liabilities		150		**150**	**48**

[a] of which rate paid = fixed rate: €851m
[b] of which rate paid = fixed rate: €1,269m

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Notional amounts 31/12/2009	Notional amounts 31/12/2008
Interest rate swaps								
- on financial assets						851	**851**	**30**
- on financial liabilities			184 [a]	500	885 [a]		**1,569**	**1,773**
Caps/floors								
- on financial assets								-
- on financial liabilities		150					**150**	**48**

[a] Includes 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	U.S. dollar	Pound sterling	Swiss franc	South African rand	Other currencies	Notional amount	Notional amount 31/12/2008
	31 December 2009 (equivalent value in € million)						
Forward purchases/sales							
- forward purchases	293	8	1	11	106	**419**	**519**
- forward sales	100	59		3	85	**247**	**519**
Currency swaps	(2)	181	57	17	148	**401**	**414**
Currency options							
- forward purchases			34			**34**	**27**
- forward sales							**27**

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Notional amount 31/12/2009	Notional amount 31/12/2008
Forward purchases/sales								
- forward purchases	225		59	89	46		**419**	**519**
- forward sales	171		61	15			**247**	**519**
Currency swaps	28			(15)		388	**401**	**414**
Currency options								
- forward purchases						34	**34**	**27**
- forward sales								**27**

17.3. Market value of hedging instruments

At 31 December 2009, the market value (net present value) of the hedging instruments portfolio was -€14.2m. 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: -€5.7m
- cash flow hedges: -€8.5m

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of -€6.5m; in the event of a -1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of -€22m.

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 -€19.3m.

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

NOTE 18 OFF BALANCE SHEET COMMITMENTS

Notes 18.1 and 18.2 disclose information about guarantee commitments and sundry contractual commitments. Operating lease obligations are shown separately in note 18.3.

18.1. Guarantee commitments

	31/12/2009	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Less than 1 year	1 to 5 years	Over 5 years	31/12/2008
. Pledges, mortgages and collateral	**136**	**33**		**103**				10	40	86	**85**
. Guarantees and endorsements given	**150**	**54**	**6**	**82**	**8**			37	96	17	**332**
Total guarantee commitments given	**286**	**87**	**6**	**185**	**8**			**47**	**136**	**103**	**417**
. Guarantees and endorsements received	**3**				**3**			1	2		**185**
Total guarantee commitments received	**3**				**3**			**1**	**2**		**185**
BALANCE	**283**	**87**	**6**	**185**	**5**			**46**	**134**	**103**	**232**

18.2. Sundry contractual commitments

	31/12/2009	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Less than 1 year	1 to 5 years	Over 5 years	31/12/2008
. Image transmission	**160**				**160**			78	80	2	**191**
. Network maintenance	**152**					**152**		93	59		**141**
. Retirement benefit obligations	**45**	**18**	**2**	**22**			**3**	4	14	27	**52**
. Other commitments	**459**	**1**	**6**		**246** [a]	**202**	**4**	408	42	9	**165**
Total sundry contractual commitments given	**816**	**19**	**8**	**22**	**406**	**354**	**7**	**583**	**195**	**38**	**549**
. Image transmission	**160**				**160**			78	80	2	**191**
. Network maintenance	**152**					**152**		93	59		**141**
. Retirement benefit obligations	**45**	**18**	**2**	**22**			**3**	4	14	27	**52**
. Other commitments	**451**	**1**	**2**		**246** [a]	**202**		400	42	9	**155**
Total sundry contractual commitments received	**808**	**19**	**4**	**22**	**406**	**354**	**3**	**575**	**195**	**38**	**539**
BALANCE	**8**		**4**				**4**	**8**			**10**

[a] Includes firm or optional commitments to deliver or receive securities, including the agreement signed with the AB Group (€192m)
The presentation of sundry contractual commitments has been harmonised across the Group's business segments.

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

18.3. Operating leases

	31/12/2009	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Less than 1 year	1 to 5 years	Over 5 years	31/12/2008
Operating lease commitments											
. Commitments given	**1,518**	**33**	**32**	**145**	**164**	**1,144**		**246**	**784**	**488**	**1,553**
. Commitments received	**1,518**	**33**	**32**	**145**	**164**	**1,144**		**246**	**784**	**488**	**1,553**
Operating lease commitments, net											

Minimum future lease payments due until the normal renewal date of the lease (or earliest potential termination date) under operating leases relating to current operations (land, buildings, plant & equipment, etc).
After revaluation (projected increase in rentals), these amounts mainly take account of a discounting calculation (incremental borrowing rate).

Bouygues Telecom: commitments given in connection with operating activities, primarily commercial leases of property and land intended to house technical installations for the network: includes site rentals of €694m, and property and other rentals of €450m (including the new corporate HQ and the new Technical centre).

18.4. Finance leases (already recognised as liabilities in the balance sheet)

	31/12/2009	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Less than 1 year	1 to 5 years	Over 5 years	31/12/2008
. Finance leases	**59**	**1**		**45**	**1**	**12**		**20**	**37**	**2**	**76**

18.5. Other commitments

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".

Bouygues Telecom

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

The agreement signed in 2003 by the three operators, the French government, the French regional authorities and ARCEP stipulated that coverage be provided in blind spots in some 3,000 communities. By the end of 2009, coverage had been extended to nearly 98% of the communities included in this initial agreement. The operators have also agreed, in addition to their initial commitment, to extend coverage to a further 364 communities, taking the final target to over 3,300 communities that must have coverage by 2011.

18.6. Contingent assets and liabilities

Bouygues Telecom

Contingent assets:

Litigation

- The French Competition Authority ruling of 30 November 2005, which ordered Bouygues Telecom to pay a fine of €58m for alleged collusion, was upheld by the Paris Appeal Court on 12 December 2006.
Bouygues Telecom appealed against the Appeal Court's decision.
- In a ruling dated 29 June 2007, the *Cour de Cassation* (Supreme Court) upheld the fine 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: €16m).
The *Cour de Cassation* referred the case back to the Paris Appeal Court, which in a ruling dated 11 March 2009 upheld the fine for sharing of information. Bouygues Telecom has lodged a fresh appeal with the *Cour de Cassation* against this new ruling; a decision is expected during 2010.

Audiovisual Services Tax

The French Audiovisual Law (No. 2009-258 of 5 March 2009) introduced a tax on services payable by all electronic communications operators, levied at 0.9% on the portion of annual taxable revenues above €5m (before VAT).
Operators who are members of the French telecoms federation (FFT) have filed a complaint about this new tax with the European Commission, which has recently instituted an infringement procedure against the French government in respect of this tax.

NOTE 19 HEADCOUNT, EMPLOYEE BENEFITS OBLIGATIONS AND EMPLOYEE SHARE OWNERSHIP

19.1. Average headcount

	2009	2008
Managerial staff	21,804	21,450
Supervisory, technical and clerical staff	21,246	21,466
Site workers	31,143	32,586
Sub-total: France	**74,193**	**75,502**
Expatriates and local contract staff	70,161	72,250
Total average headcount	**144354[a]**	**147,752**

[a]Including Finagestion until 30 September 2009.

19.2. Employee benefit obligations

	31/12/2008	Movement in 2009	31/12/2009
Lump-sum retirement benefits	**358**	(47)	**311**
Long-service awards	**106**	(2)	**104**
Other post-employment benefits (pensions)	**29**	11	**40**
Total	**493**	**(38)**	**455**

19.3. Employee benefit obligations: post-employment benefits (excluding long-service awards)

The tables below disclose information about the Bouygues group's post-employment benefit obligations.

19.3.1. Defined-contribution plans

	2009	2008
Amounts recognised as expenses	**(1,679)**	**(1,683)**

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.

19.3.2. Defined-benefit plans

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

	Lump-sum retirement benefits		Pensions[b]	
	2009	2008	2009	2008
Current service cost	**2**	**11**		**(1)**
Interest expense on obligation	**11**	**12**	**11**	**5**
Expected return on plan assets			**(10)**	**(6)**
Past service cost[a]	**4**	**6**	**(1)**	**1**
Net expense recognised in the income statement	**17**	**29**	**0**	**(1)**

[a]Primarily amortisation under master agreements
[b]Colas: pensions are managed by independent funds

Amounts recognised in the balance sheet

	Lump-sum retirement benefits		Pensions[c]		Total	Total
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Present value of obligation[a]	363	418	283	221	**646**	**639**
Fair value of plan assets (dedicated funds)	(5)[b]	(5)[b]	(246)	(195)	**(251)**	**(200)**
Unrecognised past service cost	(47)	(55)	3	3	**(44)**	**(52)**
Ratio of dedicated funds to present value of obligation			87%	88%		
Net obligation recognised (provision)	**311**	**358**	**40**	**29**	**351**	**387**

[a]Total present value of obligation relating to lump-sum retirement benefits and pensions.
[b]Residual TF1 fund covering a portion of the obligation.
[c]Relates primarily to Colas group pension funds located in the United Kingdom.

Movement in balance sheet items (non-current provisions)

	Lump-sum retirement benefits		Pensions	
	2009	2008	2009	2008
Position at 1 January	**358**	**294**	**29**	**33**
Expense recognised	20	29		(1)
Changes in scope of consolidation				1
Translation adjustment				(5)
Transfers between items and other movements	(22)	(7)	0	(1)
Actuarial gains/losses recognised directly in equity	(45)	42	11	2
Position at 31 December	**311**	**358**	**40**	**29**

Analysis by business segment: year ended 31 December 2009

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total
Net lump-sum retirement benefit expense	8	1	7	(3)	3	1	**17**
Non-current provisions (balance sheet):							
- Lump-sum retirement benefits	99	7	147	22	25	11	**311**
- Pensions	2		38				**40**

Analysis by geographical area: year ended 31 December 2009

	France (incl. overseas departments)	European Union	Rest of Europe	Africa	Americas	Asia-Pacific	Middle East	Total
Net lump-sum retirement benefit expense[a]	17							**17**
Non-current provisions (balance sheet):								
- Lump-sum retirement benefits	305			1	1	3	1	**311**
- Pensions		39			1			**40**

[a]Pension expense for the year ended 31 December 2009 is not material.

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

	2009	2008
Discount rate	**4.89% (Iboxx A10)**	**3.66%**
Mortality table	**INSEE**	**INSEE**
Retirement age (depending on business segment):		
- Managerial staff	**62/65 years**	**62/65 years**
- Technical, supervisory & clerical staff, site workers	**60/65 years**	**60/65 years**
Salary inflation rate (depending on business segment) (a)	**2% to 4%**	**2% to 5.5%**

[a]Includes general inflation

19.4. Employee share ownership

.1. Stock options

Total number of effectively exercisable options: 6,785,691

Quoted share price on 31 December 2009: €36.425

Plan	Outstanding options at 31/12/2009	Date of grant	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price (€)	Number of effectively exercisable options
2003.06	1,167,582	17/06/2003	17/06/2007	17/06/2004	19.37	1,167,582
2004.03	2,820,143	15/03/2004	15/03/2008	15/03/2005	25.15	2,820,143
2005.06	2,797,966	21/06/2005	21/06/2009	21/06/2006	31.34	2,797,966
2006.09	3,552,889	05/09/2006	05/09/2010	05/09/2007	40.00	-
2007.06	4,253,400	05/06/2007	05/06/2011	05/06/2008	63.44	-
2008.03	4,301,450	31/03/2008	31/03/2012	31/03/2009	43.23	-
2009.04	4,643,200	01/04/2009	01/04/2013	01/04/2010	25.95	-
					Total:	**6,785,691**

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

1) They must be legally exercisable at 31 December 2009, 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 2009, in other words the exercise price must be less than the closing share price on 31 December 2009 (€36.425).

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

20.1. Related-party disclosures

	Expenses		Income		Receivables		Liabilities	
	2009	2008	2009	2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Parties with an ownership interest	6	6	1	1				
Joint ventures	53	55	170	208	179	107	123	99
Associates	13	18	257	431	57	21	22	38
Other related parties	29	16	10	31	32	33	31	32
Total	**101**	**95**	**438**	**671**	**268**	**161**	**176**	**169**
Maturity								
less than 1 year					231	148	173	166
1 to 5 years					20	12	3	3
more than 5 years					17	1		
of which impairment of doubtful receivables (mainly non-consolidated companies)					77	68		

Identity of related parties:
- Parties with an ownership interest: SCDM
- Joint ventures: primarily quarry companies, project joint ventures and property development companies
- Associates: includes in particular transactions with concession companies
- Other related parties: mainly comprises transactions with non-consolidated companies in which the Group has an interest

20.2. Disclosures about remuneration and benefits paid to directors and senior executives (Bouygues)

These disclosures cover members of the Group's Management Committee who were in post on 31 December 2009.

Direct remuneration: €15,757,114, comprising basic remuneration of €7,994,036; €7,763,078 of variable remuneration paid in 2010 on the basis of 2009 performance; and €504,774 of directors' fees.
Directors' fees paid to non-executive and non-voting directors amounted to €455,396.

Short-term benefits: none.

Post-employment benefits: Members of the Management Committee belong to a top-up retirement plan based on 0.92% of their reference salary for each year's membership of the plan. This top-up plan is capped at eight times the annual French social security ceiling, and is contracted out to an insurance company. Contributions paid into the fund managed by the insurance company amounted to €3,200,000 in 2009.

Long-term benefits: none.

Termination benefits: these comprise lump-sum retirement benefits of €896,799.

Share-based payment: A total of 1,200,000 stock options were awarded to directors and senior executives on 1 April 2009, at an exercise price of €25.95. The earliest exercise date is 1 April 2013, and the expense recognised for these options in the year ended 31 December 2009 was €1,178,096.

NOTE 21 ADDITIONAL CASH FLOW STATEMENT INFORMATION

21.1 Cash flows of acquired and divested subsidiaries

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

- On continuing operations

Acquired/divested subsidiaries	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	Total 31/12/2009
Cash and equivalents	24	8	(10)	2			**24**
Inventories		(1)	3				**2**
Trade and other receivables	(12)	(24)	(12)	(2)		1	**(49)**
Non-current assets	38	3	(28)	2			**15**
Goodwill	(2)		9	(2)			**5**
Trade payables & other current liabilities	(28)	18	16	(1)		(1)	**4**
Non-current liabilities		(4)	3				**(1)**
Non-current provisions			6				**6**
Non-current taxes			3				**3**
Net acquisition/divestment cost	**20**	**0**	**(10)**	**(1)**	**0**	**0**	**9**
Cash acquired or divested	(24)	(8)	10	(7)		(56)	**(85)**
Net debt on long-term investments			(2)			(1)	**(3)**
Net cash inflow/(outflow) resulting from acquisitions & divestments of subsidiaries	**(4)**	**(8)**	**(2)**	**(8)**	**0**	**(57)**	**(79)**

- Discontinued and held-for-sale operations

Acquired/divested subsidiaries						Finagestion	Total 31/12/2009
Cash and equivalents						20	**20**
Inventories						45	**45**
Trade and other receivables						504	**504**
Non-current assets						147	**147**
Goodwill							**0**
Trade payables & other current liabilities						(561)	**(561)**
Non-current liabilities						(88)	**(88)**
Non-current provisions						(77)	**(77)**
Non-current taxes						10	**10**
Net acquisition/divestment cost	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash acquired or divested						(20)	**(20)**
Net debt on long-term investments							**0**
Net cash inflow/(outflow) resulting from acquisitions & divestments of subsidiaries	**0**	**0**	**0**	**0**	**0**	**(20)**	**(20)**

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 2009.

in € '000

Engagement	Mazars network			Ernst & Young network			Other firms[a]			Total Charge	
	2009	%	2008	2009	%	2008	2009	%	2008	2009	2008
A - Audit											
Audit of consolidated and individual company financial statements[1]	5,379	96	5,757	3,696	92	3,408	8,024	87	8,565	**17,099**	**17,730**
- Bouygues SA	216		229	217		213				**433**	**442**
- Consolidated companies	5,163		5,528	3,479		3,195	8,024		8,565	**16,666**	**17,288**
Related engagements[2]	236	4	230	311	8	469	77	1	627	**624**	**1,326**
- Bouygues SA			34	10		89				**10**	**123**
- Consolidated companies	236		196	301		380	77		627	**614**	**1,203**
Sub-total 1	**5,615**	**100**	**5,987**	**4,007**	**100**	**3,877**	**8,101**	**88**	**9,192**	**17,723**	**19,056**
B - Other services[3]											
Legal, tax, employment law	0	0	140	0	0	27	638	7	470	**638**	**637**
Other	0	0		0	0		450	5	159	**450**	**159**
Sub-total 2	**0**	**0**	**140**	**0**	**0**	**27**	**1,088**	**12**	**629**	**1,088**	**796**
Total fee expense	**5,615**	**100**	**6,127**	**4,007**	**100**	**3,904**	**9,189**	**100**	**9,821**	**18,811**	**19,852**

[a]In the interests of comprehensiveness, this table includes fees paid to other firms.

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

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

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

NOTE 23 PRINCIPAL EXCHANGE RATES

Convention: 1 local currency unit = x euros

Country	Currency unit	Closing rate 2009	Closing rate 2008	Annual average rate 2009	Annual average rate 2008
EUROPE					
Denmark	Danish krone	**0.134376**	0.134217	**0.134299**	0.134124
United Kingdom	Pound sterling	**1.125999**	1.049869	**1.123622**	1.246022
Hungary	Hungarian forint	**0.003698**	0.003750	**0.003553**	0.003983
Poland	Polish zloty	**0.243635**	0.240761	**0.230048**	0.283465
Czech Republic	Czech koruna	**0.037774**	0.037209	**0.037742**	0.039938
Romania	Romanian leu	**0.236055**	0.248602	**0.235754**	0.270235
Switzerland	Swiss franc	**0.674036**	0.673401	**0.663291**	0.633459
NORTH AMERICA					
United States	US dollar	**0.694155**	0.718546	**0.716174**	0.679075
Canada	Canadian dollar	**0.661026**	0.588305	**0.632161**	0.638723
REST OF THE WORLD					
Morocco	Moroccan dirham	**0.088464**	0.088822	**0.088884**	0.088098
Thailand	Thai baht	**0.020839**	0.020710	**0.020901**	0.020518
Hong Kong	Hong Kong dollar	**0.089518**	0.092714	**0.092393**	0.087240
African Financial Community	CFA franc	**0.001524**	0.001524	**0.001524**	0.001524
South Africa	South African rand	**0.093756**	0.076530	**0.086801**	0.082737

NOTE 24	LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT 31 DECEMBER 2009

Company	City/Country	% interest 2009	% interest 2008	% direct and indirect control[a] 2009	% direct and indirect control[a] 2008
A - TELECOMS - MEDIA					
1 – TELECOMMUNICATIONS – BOUYGUES TELECOM Group					
Full consolidation					
Bouygues Telecom SA and its subsidiaries	Paris/France	89.55	89.55		
2 – MEDIA –TF1 Group					
Full consolidation					
Télévision Française 1 SA	Boulogne-Billancourt/France	43.02	43.02		
La Chaîne Info	Boulogne-Billancourt/France	43.02	43.02	100.00	100.00
Téléshopping	Boulogne-Billancourt/France	43.02	43.02	100.00	100.00
TF1 Droits Audiovisuels (formerly TF1 International)	Boulogne-Billancourt/France	43.02	43.02	100.00	100.00
TF1 Publicité	Boulogne-Billancourt/France	43.02	43.02	100.00	100.00
TF1 Vidéo	Boulogne-Billancourt/France	43.02	43.02	100.00	100.00
Une Musique	Boulogne-Billancourt/France	43.02	43.02	100.00	100.00
E-TF1	Boulogne-Billancourt/France	43.02	43.02	100.00	100.00
Eurosport SA and its subsidiaries	Issy-les-Moulineaux/France	43.02	43.02	100.00	100.00
Dujardin and its subsidiaries	La Teste de Buch/France	43.02	43.02	100.00	100.00
TV Breizh	Lorient/France	43.02	43.02	100.00	100.00
TF1 Entreprises	Boulogne-Billancourt/France	43.02	43.02	100.00	100.00
Proportionate consolidation					
Télé Monte Carlo	Monaco	17.21	17.21	40.00	40.00
Associates (equity method)					
Métro France Publications	Paris/France	14.76	14.76	34.30	34.30
AB Group (including WB TV)	La Plaine Saint-Denis/France	14.41	14.41	33.50	33.50

[a] *Where percentage of control differs from percentage interest*

Principal Group companies	City/Country	% interest 2009	% interest 2008	% direct and indirect control[a] 2009	% direct and indirect control[a] 2008
B - CONSTRUCTION					
1 – CONSTRUCTION - BOUYGUES CONSTRUCTION Group					
Full consolidation					
Bouygues Construction SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Bouygues Bâtiment Ile-de-France					
Bouygues Bâtiment Ile-de-France SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Bâtiment France subsidiaries					
Bati-Rénov 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		
Bouygues Bâtiment International					
Bouygues Bâtiment International SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Bâtiment International subsidiaries					
Bouygues Thaï Ltd	Bangkok/Thailand	48.98	48.98		
Bymaro	Casablanca/Morocco	99.96	99.96		
DTP Singapour Pte Ltd	Singapore	99.97	99.97		
VCES Holding s.r.o. and its subsidiaries	Pardubice/Czech Republic	99.97	50.98		
Karmar S.A.	Warsaw/Poland	99.97	99.97		
Kohler Investment SA	Luxembourg	99.97	99.97		
Entreprises France-Europe subsidiaries					
DV Construction SA	Mérignac/France	99.97	99.97		
GTB Construction SA (formerly 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		

[a] *Where percentage of control differs from percentage interest*

Principal Group companies	City/Country	% interest		% direct and indirect control[a]	
		2009	2008	2009	2008
Acieroïd SA	Barcelona/Spain	99.97	99.97		
Bouygues UK Ltd	London/United Kingdom	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/United Kingdom	99.97	99.97		
Westminster Local Education Partnership Ltd	London/United Kingdom	79.98	79.98		
Bouygues Travaux Publics					
Bouygues TP SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Prader Losinger SA	Sion/Switzerland	99.64	99.64		
Other Bouygues Construction subsidiaries					
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		
Entreprise Transport & Distribution d'Électricité Group (ETDE)					
ETDE SA	Saint-Quentin-en-Yvelines/France	99.97	99.97		
Axione	Malakoff/France	99.97	99.97		
Exprimm IT	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	Absorbed	99.97		
Mainguy SAS	Vertou/France	99 .97	99.97		
Serma SAS	Champforgueil/France	99.97	99.97		
Stefal SAS and its subsidiaries	Ivry sur Seine/France	Absorbed	99.97		
Transel SAS	Saint-Quentin-en-Yvelines/France	Absorbed	99.97		
David Webster Lighting and its subsidiaries	Harlow/United Kingdom	99.97	99.97		
Ecovert FM	London/United Kingdom	99.97	99.97		
Icel Maidstone Ltd and its subsidiaries	London/United Kingdom	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		
ETDE Contracting LTD (formerly Thermal Transfer Ltd)	Derbyshire/United Kingdom	99.97	99.97		

[a]*Where percentage of control differs from percentage interest*

Principal Group companies	City/Country	% interest 2009	% interest 2008	% direct and indirect control[a] 2009	% direct and indirect control[a] 2008
Proportionate consolidation					
Bouygues TP					
Bombela Civils Jv Ltd	Johannesburg/South Africa	44.99	44.99		
Associates (equity method)					
Bouygues Construction					
Consortium Stade de France SA	Saint-Denis/France	33.32	33.32		
Bouygues Bâtiment International					
Hermes Airports Ltd	Nicosia/Cyprus	21.99	21.99		
Entreprise Transport & Distribution d'Électricité Group (ETDE)					
Axione Infrastructures SAS and its subsidiaries	Saint-Quentin-en-Yvelines/France	15.00	-		
Bouygues TP					
Adelac SAS	Beaumont/France	45.86[b]	45.87		
Autoroute de liaison Seine-Sarthe SA	Bourg-Achard/France	33.16	33.16		
Bina Fincom	Zagreb/Croatia	44.99	44.99		
2 – ROADS – COLAS Group					
Full consolidation					
Colas SA and its regional subsidiaries (Colas, Screg and Sacer)	Boulogne-Billancourt/France	96.62	96.78		
Grands Travaux Océan Indien (GTOI) SA	Le Port (Reunion Island)/France	96.61	96.77	99.99	99.99
Spac and its subsidiaries	Clichy/France	96.61	96.77	100.00	100.00
Aximum	Chatou/France	96.61	96.77	100.00	100.00
Colas Guadeloupe	Baie-Mahault (Guadeloupe)/France	96.61	96.77	100.00	100.00
Colas Martinique	Le Lamentin (Martinique)/France	96.61	96.77	100.00	100.00
Smac and its subsidiaries	Boulogne-Billancourt/France	96.61	96.77	100.00	100.00
Colas Rail	Maisons-Laffitte/France	96.61	96.77	100.00	100.00

[a] *Where percentage of control differs from percentage interest*

[b] *39.19% Bouygues Construction, 6.67% Colas*

Principal Group companies	City/Country	% interest 2009	% interest 2008	% direct and indirect control[a] 2009	% direct and indirect control[a] 2008
Colas Hungaria and its subsidiaries	Budapest/Hungary	96.62	96.78	100.00	100.00
Colas Danmark A/S	Virum/Denmark	96.62	96.78	100.00	100.00
Colas SA and its subsidiaries	Lausanne/Switzerland	95.87	96.03	99.22	99.22
Colas Inc. and its subsidiaries	Morristown New Jersey/USA	96.62	96.78	100.00	100.00
Colas du Maroc and its subsidiaries	Casablanca/Morocco	96.61	96.77	100.00	100.00
Colas Ltd and its subsidiaries	Rowfant/United Kingdom	96.62	96.78	100.00	100.00
Colas Polska	Sroda-Wielkopol/Poland	96.62	96.78	100.00	100.00
Routière Colas du Gabon	Libreville/Gabon	86.86	87.01	89.90	89.90
Colas Belgium and its subsidiaries	Brussels/Belgium	96.61	96.77	100.00	100.00
Colas Cz	Prague/Czech Republic	96.62	96.78	100.00	100.00
Colas Canada Inc.	Montréal Québec/Canada	96.62	96.78	100.00	100.00
Proportionate consolidation					
Carrières Roy	Saint-Varent/France	48.29	48.37	49.98	49.98
Associates (equity method)					
Cofiroute	Sèvres/France	16.11	16.13	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		
Parque Empresarial Cristalia SL	Madrid/Spain	100.00	100.00		
Bouygues Inmobiliaria SA	Madrid/Spain	100.00	100.00		

[a] *Where percentage of control differs from percentage interest*

Principal Group companies	City/Country	% interest 2009	% interest 2008	% direct and indirect control[a] 2009	% direct and indirect control[a] 2008
C - OTHER SUBSIDIARIES					
Full consolidation					
Finagestion and its subsidiaries (Africa)	Saint-Quentin-en-Yvelines/France	Change of method	70.70		
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		
Proportionate consolidation					
Serendipity and its subsidiaries	Paris/France	50.00	50.00		
Associates (equity method)					
Finagestion and its subsidiaries (Africa)	Saint-Quentin-en-Yvelines/France	21.50	Fully consolidated in 2008		
Alstom	Levallois-Perret/France	29.80	29.78		

[a] *Where percentage of control differs from percentage interest*