NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

CONTENTS

(Figures in millions of euros unless otherwise indicated)

NOTES

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Declaration of compliance:

The consolidated financial statements of Bouygues and its subsidiaries (the "Group") for the year ended 31 December 2011 have been prepared using the principles and methods defined in the standards issued by the International Accounting Standards Board (IASB) – which comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the SIC and IFRIC Committees, and are referred to collectively as "IFRS" – as endorsed by the European Union and applicable as of 31 December 2011. The Bouygues group has not early adopted as of 31 December 2011 any standard or interpretation not endorsed by the European Union, except for the amendment to IAS 1 relating to the presentation of the statement of recognised income and expense (which is not in conflict with pronouncements already endorsed in Europe).

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 2010.

1.0 SIGNIFICANT EVENTS OF THE YEAR

1.1. SCOPE OF CONSOLIDATION AS AT 31 DECEMBER 2011

1,132 entities were consolidated at 31 December 2011, against 1,158 at the end of 2010. The net reduction of 26 mainly relates to Bouygues Immobilier (deconsolidation of real estate partnerships and property companies on project completion, etc.), to Colas, and to TF1 (divestment of SPS, etc.).

	DECEMBER 2011	DECEMBER 2010
Fully consolidated	**865**	**882**
Proportionately consolidated	**206**	**217**
Associates (equity method)	**61**	**59**
	1,132	**1,158**

1.2. SIGNIFICANT EVENTS

1.2.1. Significant events of 2011

The main acquisitions and corporate actions of 2011 are described below:

- Share repurchase tender offer and cancellation of treasury shares

  Following the launch of a share repurchase tender offer at the start of October 2011, Bouygues repurchased 41,666,666 of its own shares, representing 11.69% of the company's share capital, for €1,250 million. On 15 November 2011, the Bouygues Board of Directors decided to cancel these shares.

- On 11 October 2011, Bouygues Telecom was awarded, in exchange for €228 million, a licence to use a 15 MHz frequency in the 2.6 GHz band in France (excluding overseas territories) to establish and operate a public mobile radio-electric network. This licence, which will be brought into use after 2011, was awarded for a period of 20 years.

- LEADBITTER GROUP (BOUYGUES CONSTRUCTION):

  After receiving clearance from the European Commission competition authorities in March 2011, the Bouygues Construction group acquired 51% of the Leadbitter group for €37 million via the holding company Leadbitter Bouygues Holdings Ltd. The 49% interest held by the Leadbitter management team is due to be acquired within no more than 4 years.

  The Leadbitter group, which has a construction business in the United Kingdom, has been fully consolidated in the Bouygues Construction group financial statements with effect from 31 March 2011. Goodwill arising on the transaction, calculated using the partial goodwill method, amounted to €40 million as at 31 December 2011.

  The commitment to buy out the minority shareholders in the holding company is reported as a liability in "Non-current debt" and deducted from equity; the amount involved as at 31 December 2011 was €19 million.

- GAMMA MATERIALS LTD (COLAS):

  At the end of June 2011, Colas acquired a 50% interest in Gamma Materials Ltd (Mauritius) for €33 million. This interest has been accounted for by the proportionate consolidation method since 1 July 2011. The excess of the purchase price over the book value of the net assets acquired was €29 million, most of which has been provisionally allocated to mineral deposits.

- ALSTOM:

  Alstom is accounted for by the equity method, and is carried at net acquisition cost plus Bouygues' share of Alstom's net profit since the acquisition date

  Given the time-lag between the financial year-ends of Alstom (31 March) and Bouygues (31 December), the financial contribution of Alstom to the Bouygues group's net profit for the fourth quarter of 2011 was estimated at €56 million (based on the published results of Alstom for the first six months of the financial year ending 31 March 2012), and at €190 million for the year ended 31 December 2011 (compared with €235 million for the year ended 31 December 2010).

  Amortisation of fair value remeasurements of identifiable intangible assets and other items had a negative impact of €15 million on the consolidated income statement for the year ended 31 December 2011 (portion attributable to the Bouygues group).

  The investment in Alstom is reported under "Investments in associates" in the balance sheet, at a carrying amount of €4,444 million, including goodwill of €2,592 million.

1.2.2. Reminder of significant events of 2010

The main acquisitions and other corporate actions of 2010 are described below:

- Alstom

  Unwinding of the Alstom Hydro Holding put option:

  In November 2009, Bouygues exercised the put option over its 50% equity interest in Alstom Hydro Holding, in exchange for 4,400,000 Alstom shares. This transaction was carried out further to the agreements reached with Alstom in 2006 on the creation of this jointly-owned company.

  This exchange deal was completed in 2010, and raised the percentage interest held in Alstom to 30.8%. In accounting terms, the additional acquisition of Alstom shares, valued at €217.5 million, generated additional goodwill of €128 million, plus a consolidated net gain of €41 million recognised in "Other financial income".

- TF1

  - Consolidation of TMC and NT1:

  On 11 June 2010, the TF1 group acquired control over TMC, TMC Régie and NT1.

  TMC and TMC Régie, which prior to the acquisition were accounted for by the proportionate consolidation method at 40%, have been fully consolidated since 1 July 2010.

  The fair value of the previously-held equity interests was measured by an independent firm of experts; based on the €135 million paid to acquire these interests, a remeasurement gain of €96 million (net of acquisition-related costs) was recognised in "Other operating income" in the year ended 31 December 2010.

- Colas

  - Colas recognised a €27 million impairment loss against the goodwill of its Central European subsidiaries (Romania, Croatia, Slovakia) as at 31 December 2010, against a background of economic crisis.

1.3. Consolidated sales

Consolidated sales for 2011 were €32,706 million, 4.74% higher than the 2010 figure of €31,225 million.

1.4. Significant events and changes in scope of consolidation subsequent to 31 December 2011

On 17 January 2012, Bouygues Telecom was granted, in exchange for €683 million, authorisation to use 10 MHz frequencies in the 800 MHz band in France (excluding overseas territories) to establish and operate a public mobile radio-electric network, with a commitment to open it to mobile virtual network operators (MVNOs). This authorisation, which will come into service at a future date, was awarded for a period of 20 years.

On 9 February 2012, Bouygues carried out a bond issue of €800 million with a ten-year maturity and a 4.5% interest rate, to refinance debt that is approaching maturity.

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2.0 ACCOUNTING POLICIES

2.1. BUSINESS AREAS

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

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

a) Construction:

- Bouygues Construction (building & civil works, energy and services)
- Bouygues Immobilier (property)
- Colas (roads)

b) Telecoms/media:

- TF1 (television)
- Bouygues Telecom (mobile, fixed, TV and internet services)

c) The Bouygues group also holds a 30.75% interest in the Alstom group (Alstom Thermal Power, Alstom Renewable Power, Alstom Transport, Alstom Grid).

2.2. BASIS OF PREPARATION

The consolidated financial statements of the Bouygues group include the financial statements of Bouygues SA and its subsidiaries, and investments in associates and joint ventures. They are presented in millions of euros, the currency in which the majority of the Group's transactions are denominated, and take account of the recommendations on presentation (Recommendation 2009-R-03) issued on 2 July 2009 by the Conseil National de la Comptabilité – CNC (now called Autorité des Normes Comptables – ANC), the French national accounting standard-setter.

The consolidated financial statements were adopted by the Board of Directors on 28 February 2012, and will be submitted for approval by the forthcoming Annual General Meeting on 26 April 2012.

The consolidated financial statements for the year ended 31 December 2011 were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives as at and for the year ended 31 December 2010.

The Bouygues group applied the same standards, interpretations and accounting policies for the year ended 31 December 2011 as applied in its consolidated financial statements for the year ended 31 December 2010, except for new IFRS requirements applicable from 1 January 2011 (see below) and the early adoption of the amendment to IAS 1. These changes did not have a material impact on the consolidated financial statements.

- *Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption for periods beginning on or after 1 January 2011:*

  - **IFRIC 14**, "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (no impact on the financial statements)

  - **IFRIC 19**, "Extinguishing Financial Liabilities with Equity Instruments" (no impact on the financial statements)

  - **Revised IAS 24**, "Related Party Disclosures" (impact on the notes, presented in Note 20)

  - **Annual improvements to IFRSs** (no impact on the financial statements)

- **Amendment to IFRS 7***:* Disclosures – Transfers of Financial Assets (mandatorily applicable from 1 January 2012, not early adopted by the Group: impact on the notes under review)

- *Other key standards and amendments issued by the IASB but not yet endorsed by the European Union*

  The table below shows the principal standards and interpretations that had been issued by the IASB prior to 31 December 2011 but have not yet come into effect:

Standard	IASB effective date*	Expected impact on the Bouygues group
Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters	1 July 2011	No impact on the financial statements
Amendment to IAS 12: Deferred Tax – Recovery of Underlying Assets	1 January 2012	No impact on the financial statements
Amendment to IAS 1: Presentation of items of Other Comprehensive Income (OCI) **(1)**	1 July 2012	Impact on the presentation of the financial statements
Revised IAS 28: Investments in Associates and Joint Ventures	1 January 2013	Under review
Revised IAS 27: Separate Financial Statements	1 January 2013	No impact on the financial statements
IFRS 10: Consolidated Financial Statements	1 January 2013	Under review
IFRS 11: Joint Arrangements	1 January 2013	Under review
IFRS 12: Disclosure of Interests in Other Entities	1 January 2013	Under review
IFRS 13: Fair Value Measurement	1 January 2013	Under review
Amendment to IAS 19: Employee Benefits	1 January 2013	Under review
IFRS 9: Financial Instruments - Classification and Measurement of Financial Assets	1 January 2015	Not quantifiable at present (endorsement process suspended by the European Union)
***** *Unless otherwise indicated, applicable to accounting periods beginning on or after the date shown in this column*		

(1) *Although the amendment to IAS 1 has not yet been endorsed by the European Union, the Bouygues group has decided to early adopt it since it is not in conflict with pronouncements that have already been endorsed.*

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

  Preparing financial statements to comply with IFRS standards and interpretations requires the use of estimates and assumptions which may have affected the amounts reported for assets, liabilities and contingent liabilities at the balance sheet date, and the amounts of income and expenses reported for the period.

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

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

  Where no standard or interpretation applies to specific transactions, events or conditions, Group management exercises its judgement to define and apply accounting policies that will provide relevant information that gives a fair presentation and is comparable between periods, such that the financial statements:

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

  - reflect the economic substance of the underlying transactions;

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

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

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:

  - As at 31 December 2011, Bouygues held 43.59% 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 general 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 general 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, and to Bouygues Immobilier property companies.

- Investments in associates

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

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

  - Alstom: Bouygues exercises significant influence over Alstom, as demonstrated by its 30.75% interest in the capital and 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.

- Concession arrangements and Public-Private Partnership (PPP) contracts:

  The Bouygues Construction group enters into concession arrangements and PPP contracts with local authorities via entities in which the Group holds an equity interest, generally of less than 20%. Given the effectively limited role of the Group in these entities, they are not consolidated. Equity interests in concession operating entities are in the majority of cases accounted for as associates by the equity method, or otherwise are not consolidated.

- In accordance with IAS 39, equity investments in non-consolidated companies are measured at fair value, and are subject to impairment testing.

2.4. BUSINESS COMBINATIONS

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

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

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

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

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

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

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

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

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described under "Impairment testing of non-current assets" in Note 2.7.4 below, in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

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

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

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

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

2.5. FOREIGN CURRENCY TRANSLATION

2.5.1. 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 with a functional currency other than the euro

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. INCOME TAXES

- 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. Such assets are recognised to the extent that is probable that sufficient taxable profits will be available against which to offset the temporary differences, and are reviewed at each balance sheet date.
  - Tax losses available for carry-forward (deferred tax assets), where it is probable that these losses will be recovered in future periods.

Deferred taxes are measured using known applicable national tax rates for the relevant country as at the balance sheet date. In the case of France, the tax rate applied to deferred taxes expected to reverse in 2012 incorporates the exceptional 5% contribution enacted in the new revised Finance Bill for 2011 and 2012.

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

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 **(2)**	3 to 15 years	3 to 7 years	5 to 10 years
- Other property, plant and equipment (vehicles and office equipment) **(2)**	3 to 10 years	2 to 10 years	

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

(2) *Depending on the type of equipment*

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".

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, along with a corresponding liability. 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, i.e. 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, i.e. if they are expected to generate future economic benefits and their cost can be reliably measured.

- **Concessions, patents and similar rights**

  These include the following assets held by Bouygues Telecom:

Type of asset	Amortisation method	Period
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 awarded in 2002:**
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, 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, recognised as incurred from the date on which the UMTS network opened (November 2007).

The licences acquired in 2011 and 2012 (see Notes 1.2 and 1.4) were awarded for a 20-year period, and will be amortised from the date on which each licence is brought into use.

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 Vidéo and TF1 Production; distribution and trading rights owned by TF1 DA and TF1 Entreprises; and music rights owned by Une Musique.

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

	Categories of broadcasting rights		
	Film co-production shares	Distribution/ Trading rights	Music rights
Amortisation method	In line with revenues over 8 years	• Distribution = in line with revenues, minimum 3 years straight line • Trading: 5 years straight line	Over 2 years with: • 75% of gross value in year 1 • 25% of gross value in year 2
Initial recognition	At end of shooting or on receipt of censor's certificate	On signature of contract	On signature of contract

- Films co-produced by TF1 Films Production are amortised in line with revenues over a limited time-frame, taking account of the timing of revenue sources; this policy is consistent with industry practice.

- An impairment loss is recognised against broadcasting 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 – non-current assets and investments in associates

Impairment tests are carried out on the carrying amount of intangible assets and investments in associates if there is objective evidence that they may have become impaired.
The carrying amounts of indefinite-lived intangible assets and goodwill are compared to their recoverable amounts at least at the end of each financial year.

Impairment testing of TF1, Bouygues Telecom and Colas

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 TF1, which is listed on the stock market and has good liquidity: on the basis of the quoted share price if this exceeds the carrying amount of the assets (after allowing for a control premium); otherwise, using the Discounted Cash Flow (DCF) method, taking account of the specific characteristics of TF1 (see (b) below).

b) For other CGUs: using the DCF method, taking account of the specific characteristics of the CGU.

- 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 in December 2011, based on market conditions as of that date.

- 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. Any such losses are allocated in the first instance to any goodwill recognised in the balance sheet, and may not be subsequently reversed.

- Information about goodwill impairment tests performed for TF1, Bouygues Telecom and Colas:

  - The recoverable amount of TF1, Bouygues Telecom and Colas was determined using the method described above, based on three-year cash flow projections as per the business plans of each of the three 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 end-2011 were as follows:

	DISCOUNT RATE		PERPETUAL GROWTH RATE
	SCENARIO 1(a)	SCENARIO 2(a)	
- TF1	8.62%	7.70%	2%
- BOUYGUES TELECOM	5.41%	4.91%	2%
- COLAS	7.02%	6.31%	2%

(a) *Depending on the capital structure: scenario 1 = ⅓ debt, ⅔ equity; scenario 2 = ⅔ debt, ⅓ equity*

Impairment testing of the investment in 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 in Alstom was tested for impairment as at 31 December 2011 by comparing it with the recoverable amount as derived from forecasts prepared by a panel of financial analysts.

- Discount rates (weighted average cost of capital) and growth rate used for Alstom at end-2011

	DISCOUNT RATE		GROWTH RATE APPLIED TO CASH FLOWS AFTER A 5-YEAR TIME HORIZON
	SCENARIO 1(a)	SCENARIO 2(a)	
ALSTOM	9.12%	8.18%	2%

(a) *Depending on the capital structure: scenario 1 = ⅓ debt, ⅔ equity; scenario 2 = ⅔ debt, ⅓ equity*

Note 3.2 to the consolidated financial statements includes a table showing the consolidated carrying amount of listed shares held by Bouygues (TF1, Alstom, Colas) relative to the closing quoted share price at 31 December 2011. As of that date, there were no material events that might call into question the carrying amounts reported for these companies.

Sensitivity analysis

An analysis was performed for each CGU and for the investment in Alstom in order to determine the sensitivity of the calculation to the key parameters (discount rates, growth rates, normative cash flows), either individually or using combined scenarios for discount rates and normative cash flows (including reasonably possible changes in normative cash flows). This analysis showed no probable scenario in which the recoverable amount of the assets tested would fall below their carrying amount (and consequently, in which an impairment loss would need to be recognised).

The recoverable amount determined on the basis of this analysis (using two different capital structure scenarios) was greater than the carrying amount of the assets tested.

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 advances to non-consolidated companies), deposits and caution money, and investments in non-consolidated companies (i.e. those 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.

The TF1 group has a 33.5% equity interest in Groupe AB, and has granted the Groupe AB management team a call option exercisable at any time up to and including 12 June 2012 at a price of €155 million.
In accordance with IAS 27, the granting of this call option by TF1 means that this equity interest is carried in the balance sheet as a non-current financial asset at its fair value of €155 million.

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).

Concession arrangements and Public-Private Partnership (PPP) contracts:

The Group (Bouygues Construction and Colas) holds equity interests in entities that have entered into concession arrangements or PPP contracts. These contracts, which are accounted for in accordance with IFRIC 12, are assessed on a case by case basis.

Under the financial receivable method, the initial receivable represents the fair value of the activity undertaken; this receivable is subsequently measured at amortised cost using the effective interest method as defined in IAS 39.

Consequently, the receivable represents the fair value of the activity undertaken, plus cumulative interest calculated using the effective interest method, minus payments received from the grantor.

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. Property development projects

Property development project inventories are measured at cost, which includes land acquisition costs and taxes, construction and fitting-out costs, utilities costs, professional fees and ancillary costs.

All advertising costs are recognised in profit or loss as incurred.

Preliminary studies relating to property development projects are recognised in inventory. If the probability of the project being completed is low, especially if there is a risk of withdrawal or refusal of planning permission, the amount recognised is written down via a provision for impairment.

2.8.3. 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 are deemed to have been consumed on transmission. If they are acquired for a single transmission, they are regarded as having been consumed in full at the time of this transmission. If they are acquired for two or more transmissions, consumption is calculated according to the type of programme using the rules described below (unless otherwise specified in the acquisition contract):

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

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

A provision for impairment is recorded once it becomes probable that a programme will not be transmitted, or if the contractual value at which it was recognised in inventory exceeds the value attributable to it using the rules described above. Probability of transmission is assessed on the basis of the most recent programming schedules approved by management. 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.

2.8.4. 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.

2.8.5. 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, since the bulk of debt is at fixed-rate either in the form of fixed-rate bond issues, or via a portfolio of hedging instruments that 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 at the balance sheet date if the Group has an obligation to a third party resulting from a past event and it is probable that settlement of the obligation will result in a net outflow from the Group of resources embodying economic benefits.

The amount recognised as a provision represents the Group’s best estimate of the net outflow of resources.

Non-current provisions are not usually associated with the normal operating 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 ten-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 (e.g. quarries).

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

- Employee benefits:

  - Provisions for long-service awards.

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

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

  - status, age and length of service for each employee category;
  - employee turnover, calculated on the basis of the average number of leavers by business segment, age bracket and employee category;
  - average salary and wages including bonuses and benefits in kind, uplifted by a coefficient to reflect the applicable percentage of employer's social security charges;
  - a final salary inflation rate;
  - a discount rate applied to the obligation over the projected period to the retirement date;
  - estimated mortality, 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 2011 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 for high-quality corporate bonds 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.

2. 12. CURRENT LIABILITIES

2.12.1 Advances and down-payments on orders

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

2.12.2. Current provisions

- Provisions relating to the normal operating 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 customer. 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 Conseil National de la Comptabilité (CNC), now the Autorité des Normes Comptables (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

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.

Services carried out on behalf of content providers in relation to SMS+ services and special numbers 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.

- The costs of acquiring and renewing customer contracts are recognised as an expense in the period in which they are incurred.

- Distributor/retailer commission:

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

- Consumer loyalty programme:

  Customers on non-capped plans earn points as they are billed, which they can use to obtain a handset update provided that they renew their plan for a minimum of 12 months. With effect from 2011, customers on capped plans have been able to obtain a cut-price handset upgrade after twenty-four months provided that they renew their plan.

  In accordance with IFRIC 13 (paragraphs AG1 to AG3), Bouygues Telecom has measured the fair value of the benefits awarded under its loyalty programmes, and has not deferred any revenues as a result.

2.13.2. Accounting for construction 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 that have been accepted by the client or are highly probable.

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

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.

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.

2.14. Cash flow statement

The cash flow statement is presented in accordance with IAS 7 and with CNC 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 cash equivalents;
  - overdrafts and short-term bank borrowings.

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

2.15.3. Net debt

This represents the aggregate of:

- cash and cash 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 2011 did not have a material effect on the consolidated financial statements as presented for that year, and do not impair comparisons with the consolidated financial statements for the year ended 31 December 2010.

Sales contributed by Leadbitter (Bouygues Construction) from the date of acquisition to 31 December 2011 amounted to €384 million. The sales contribution of Gamma Materials Ltd was immaterial.

Sales recorded by Colas – Mayotte for the years ended 31 December 2011 and 2010 have been reclassified to “France”, since this overseas territory became an administrative department of France on 1 January 2011. The amounts involved are as follows:

- Year ended 31 December 2011 = €69 million
- Year ended 31 December 2010 = €70 million

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NOTE 3 NON-CURRENT ASSETS

19,442

For a breakdown of non-current assets by business segment see Note 16, “Segment Information”.

3.1 ACQUISITIONS OF NON-CURRENT ASSETS DURING THE YEAR, NET OF DISPOSALS

	2011	2010
Acquisitions of property, plant and equipment	1,677	1,377
Acquisitions of intangible assets	379	130
Capital expenditure	**2,056**	**1,507**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies, other long-term investments)	149	494
Acquisitions of non-current assets	**2,205**	**2,001**
Disposals of non-current assets	(205)	(323)
Acquisitions of non-current assets, net of disposals	**2,000** (a)	**1,678**

(a) Includes €1,089m for Bouygues Telecom (€681m in 2010),and €496m for Colas (€500m in 2010)

3.2 NON-CURRENT ASSETS: MOVEMENTS DURING THE PERIOD

3.2.1 Property, plant and equipment

6,542

	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
Gross value					
31 December 2009	**1,860**	**9,780**	**2,288**	**370**	**14,298**
Movements during 2010					
Translation adjustments	35	117	34	1	187
Changes in scope of consolidation	(23)	121	12	18	128
Acquisitions during the period	62	691	293	331	1,377
Disposals, transfers and other movements	(11)	(396)	(97)	(289)	(793)
31 December 2010	**1,923**	**10,313**	**2,530**	**431**	**15,197**
of which finance leases	24	109	82		215
Movements during 2011					
Translation adjustments	8	28	2	(1)	37
Changes in scope of consolidation	35	11	8	(1)	53
Acquisitions during the period	134	896	336	311	1,677 (a)
Disposals, transfers and other movements	(41)	(237)	(141)	(289)	(708)
31 December 2011	**2,059**	**11,011**	**2,735**	**451**	**16,256**
of which finance leases	24	97	66		187
Depreciation and impairment					
31 December 2009	**(621)**	**(6,218)**	**(1,532)**		**(8,371)**
Movements during 2010					
Translation adjustments	(11)	(69)	(21)		(101)
Changes in scope of consolidation	30	(104)	(10)		(84)
Net expense for the period	(68)	(872)	(277)		(1,217)
Disposals, transfers and other movements	21	540	174		735
31 December 2010	**(649)**	**(6,723)**	**(1,666)**		**(9,038)**
of which finance leases	(9)	(60)	(74)		(143)
Movements during 2011					
Translation adjustments	(1)	(15)	(2)		(18)
Changes in scope of consolidation		(1)	(5)		(6)
Net expense for the period	(71)	(882)	(299)		(1,252)
Disposals, transfers and other movements	46	401	153		600
31 December 2011	**(675)**	**(7,220)**	**(1,819)**		**(9,714)**
of which finance leases	(10)	(55)	(62)		(127)
Carrying amount					
31 December 2010	**1,274**	**3,590**	**864**	**431**	**6,159**
of which finance leases	15	49	8		72
31 December 2011	**1,384**	**3,791**	**916**	**451**	**6,542**
of which finance leases	14	42	4		60

(a) Includes Bouygues Telecom: €771m (of which mobile network investments: €492m), and Colas: €527m

Operating commitments not yet recognised involving future outflows of resources

Property, plant and equipment	Falling due: within less than 1 year	within 1 to 5 years	after more than 5 years	TOTAL 2011	TOTAL 2010
Colas: orders in progress for plant and equipment	51			**51**	82
Bouygues Telecom: orders in progress for network equipment assets	155	14		**169**	275
TOTAL	**206**	**14**	**0**	**220**	**357**

3.2.2 Intangible assets

1,209

	Development expenses (a)	Concessions, patents and similar rights	Other intangible assets	Total
Gross value				
31 December 2009	**220**	**1,227**	**1,357**	**2,804**
Movements during 2010				
Translation adjustments		2	2	4
Changes in scope of consolidation		33	7	40
Acquisitions during the period	7	65	54	126
Disposals, transfers and other movements	26	(49)	(66)	(89)
31 December 2010	**253**	**1,278**	**1,354**	**2,885**
Movements during 2011				
Translation adjustments			1	1
Changes in scope of consolidation	(5)	(1)	(15)	(21)
Acquisitions during the period	25	72	282	379 (c)
Disposals, transfers and other movements	(57)	39	(23)	(41)
31 December 2011	**216**	**1,388**	**1,599**	**3,203**
Amortisation and impairment				
31 December 2009	**(170)**	**(511)**	**(1,135)**	**(1,816)**
Movements during 2010				
Translation adjustments		(1)	(1)	(2)
Changes in scope of consolidation		(2)	(4)	(6)
Net expense for the period	(11)	(104)	(56)	(171)
Disposals, transfers and other movements	(25)	66	59	100
31 December 2010	**(206)**	**(552)**	**(1,137)**	**(1,895)**
Movements during 2011				
Translation adjustments			(1)	(1)
Changes in scope of consolidation	5	1	13	19
Net expense for the period	(23)	(91)	(48)	(162)
Disposals, transfers and other movements	56	(32)	21	45
31 December 2011	**(168)**	**(674)**	**(1,152)**	**(1,994)**
Carrying amount				
31 December 2010	**47**	**726**	**217**	**990**
31 December 2011	**48**	**714** (b)	**447**	**1,209**

(a) Development expenses:

- *Software development expenses are usually capitalised (mainly relates to Bouygues Telecom)*
- *Development expenses of a permanent and recurring nature that do not meet the IAS 38 capitalisation criteria are expensed (mainly relates to Colas)*

(b) Includes Bouygues Telecom's UMTS licence: carrying amount €382m

(c) Includes Bouygues Telecom's licence to use 15 MHz duplex frequencies in the 2.6 GHz band (€228m)

Operating commitments not yet recognised involving future outflows of resources

Intangible assets	Falling due: within less than 1 year	within 1 to 5 years	after more than 5 years	TOTAL 2011	TOTAL 2010
TF1: broadcasting rights (securing programming schedules for future years)	14			**14**	20
Bouygues Telecom: capital expenditure commitments (licence to use frequencies)	683			**683** (a)	
TOTAL	**697**	**0**	**0**	**697**	**20**

(a) Licence to use 10 MHz duplex frequencies in the 800 MHz band

3.2.3 Goodwill

5,580

Overall increase in carrying amount during the year: €49m (fully consolidated entities only; for goodwill on associates, see Note 3.2.4.1, "Investments in associates")

	Gross value	Impairment	Carrying amount
1 January 2010	**5,190**	**(34)**	**5,156**
Movements during 2010			
Changes in scope of consolidation	392	(1)	391
Impairment losses charged in the period		(47)	(47)
Translation adjustments and other movements	29	2	31
31 December 2010	**5,611**	**(80)**	**5,531**
Movements during 2011			
Changes in scope of consolidation	28	18	46
Impairment losses charged in the period		(3)	(3)
Translation adjustments and other movements	6		6
31 December 2011	**5,645**	**(65)**	**5,580**

Split of goodwill by cash generating unit (CGU)

CGU	31 December 2011		31 December 2010	
	Total	% (Bouygues or subsidiaries)	Total	% (Bouygues or subsidiaries)
Bouygues Construction (a)	388	99.97	347	99.97
Colas (b)	1,069	96.55	1,063	96.62
TF1 (b)	1,458	43.59	1,468	43.09
Bouygues Telecom (b)	2,664	89.55	2,651	89.55
Other activities	1		2	
Total Bouygues	**5,580**		**5,531**	

(a) Only includes goodwill on subsidiaries acquired by the CGU

(b) Includes goodwill on subsidiaries acquired by the CGU and on acquisitions made at parent company (Bouygues SA) level for the CGU

Consolidated carrying amount of listed shares as at 31 December 2011 (in euros)

	Consolidated carrying amount per share	Closing quoted share price at 31 December 2011
TF1	13.67	7.54 [(a)]
Colas	98.12	103.00
Alstom	50.79	23.43

Impairment tests carried out at 31 December 2011 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) €8.67 after adjustment to reflect a control premium

3.2.4 Non-current financial assets

6,111

These comprise:

- investments in associates (companies accounted for by the equity method): €5,085m;
- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc.);
- deferred tax assets and non-current tax receivable.

	Investments in associates (a)	Investments in non-consolidated companies	Other non-current assets	Total	Amortisation and impairment	Carrying amount	Deferred tax assets and non-current tax receivable
31 December 2009	**4,962**	**276**	**331**	**5,569**	**(213)**	**5,356**	**273**
Movements during 2010							
Changes in scope of consolidation	(97)	11	1	(85)	(7)	(92)	22
Acquisitions and other increases	345	22	111	478		478	
Amortisation and impairment, net					(11)	(11)	
Disposals and other reductions	(157)	(10)	(82)	(249)		(249)	
Transfers and other allocations	(25)	168	57	200	(3)	197	(34)
31 December 2010	**5,028**	**467**	**418**	**5,913**	**(234)**	**5,679**	**261**
Amortisation and impairment	**(8)**	**(138)**	**(88)**	**(234)**			
Carrying amount	**5,020**	**329**	**330**	**5,679**			**261**

	Investments in associates (a)	Investments in non-consolidated companies	Other non-current assets	Total	Amortisation and impairment	Carrying amount	Deferred tax assets and non-current tax receivable
31 December 2010	**5,028**	**467**	**418**	**5,913**	**(234)**	**5,679**	**261**
Movements during 2011							
Changes in scope of consolidation		(4)	(7)	(11)	(13)	(24)	(3)
Acquisitions and other increases	199	62	128	389		389	
Amortisation and impairment, net					(2)	(2)	
Disposals and other reductions	(115)	(2)	(55)	(172)		(172)	(2)
Transfers and other allocations	(12) [(b)]	5	19	12	(27)	(15)	
31 December 2011	**5,100**	**528**	**503**	**6,131**	**(276)**	**5,855**	**256**
Amortisation and impairment	**(15)**	**(149)**	**(112)**	**(276)**			
Carrying amount	**5,085**	**379**	**391**	**5,855**			**256**

6,111

(a) Includes goodwill on associates of €2,748m at 31 December 2011

(b) Mainly relates to actuarial gains/losses on Alstom lump-sum retirement benefit obligations (including net movement of -€30m in the translation reserve)

3.2.4.1 Investments in associates

5,085

Components of carrying amount	Share of net assets held	Share of profit for the period	Goodwill	Carrying amount
31 December 2009	**1,748**	**393**	**2,816**	**4,957**
Movements during 2010				
Translation adjustments	32			32
Acquisitions and share issues	94		126	220
Profit for the period		281		281
Impairment losses			(3)	(3)
Appropriation of prior-year profit, disposals, transfers and other movements	112	(393)	(186)	(467)
31 December 2010	**1,986**	**281**	**2,753**	**5,020**
Movements during 2011				
Translation adjustments	(4)			(4)
Acquisitions and share issues	7		2	9
Profit for the period		198		198
Impairment losses				
Appropriation of prior-year profit, disposals, transfers and other movements	150	(281)	(7)	(138)
31 December 2011	**2,139**	**198**	**2,748**	**5,085** (a)

(a) Includes: Alstom = €4,444m / Cofiroute (Colas) = €488m (see below)

A list of associates in which the Bouygues group holds an interest is provided in Note 24 (List of consolidated companies at 31 December 2011).

Principal associates

	31/12/2010	Net movement in 2011	31/12/2011	Includes: share of net profit/(loss) for the period
Alstom	4,366	77	**4,444** (b)	175 (a)
Construction				
Concession companies	62	(13)	**49**	(11)
Other associates	5	0	**5**	(2)
Roads				
Cofiroute	490	(2)	**488**	49
Other associates	65	14	**79**	9
Media	14	(13)	**1**	(14)
Other associates	18	2	**19**	(8)
Total	**5,020**	**65**	**5,085**	**198**

(a) Contribution of Alstom group: Net of amortisation charged against fair value remeasurements in 2011: €190m - €15m = €175m

(b) Includes goodwill of €2,592m

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 2011	
	Alstom (a)	**Cofiroute**
Non-current assets	12,487	5,825
Current assets	17,294	655
Total assets	**29,781**	**6,480**
Shareholders' equity	4,102	2,142
Non-current liabilities	6,378	3,665
Current liabilities	19,301	673
Total liabilities and equity	**29,781**	**6,480**
Sales	**9,389**	**1,331**
Current operating profit	**627**	**602**
Net profit	**368**	**294**
Net profit attributable to the Group	**363**	**49**

Amounts shown are for 100% of the associate	31 December 2010	
	Alstom (b)	**Cofiroute**
Non-current assets	12,042	5,841
Current assets	17,591	568
Total assets	**29,633**	**6,409**
Shareholders' equity	4,152	2,150
Non-current liabilities	6,165	3,726
Current liabilities	19,316	533
Total liabilities and equity	**29,633**	**6,409**
Sales	**20,923**	**1,292**
Current operating profit	**1,570**	**584**
Net profit	**490**	**312**
Net profit attributable to the Group	**462**	**312**

(a) Interim financial statements published by Alstom for the six months ended 30 September 2011 (Alstom's financial year-end is 31 March 2012)

(b) Published financial statements for the year ended 31 March 2011

3.2.4.2 Investments in non-consolidated companies and other non-current financial assets

770

- Principal investments in non-consolidated companies at 31 December 2011

									31/12/2010
	31/12/2011								
Investment	**Gross value**	**Impairment**	**Carrying amount**	**% interest**	**Total assets**	**Total current and non-current liabilities**	**Total sales**	**Net profit/ (loss)**	**Carrying amount**
French companies									
Property									
Société Maintenance technologique	5		5	100.0%					
Colas									
Carrières Lamalou (b)	16		16	100.0%					
STPC - Travaux Publics de Concassage (b)	12		12	100.0%					
Béziers Béton (b)	6		6	100.0%					
Montpellier Béton (b)	4		4	100.0%					
Asphalt and binder companies (a)	14	(2)	12						12
TF1									
Groupe AB (put option)	155		155	33.5%					155
Sylver	4		4	49.0%					4
Serendipity									
Wonderbox	6		6	11.1%					2
Sub-total	**222**	**(2)**	**220**						**173**
Foreign companies									
Construction									
IEC Investments (Hong Kong)	54		54	15.0%	150	20	26	(14)	53
Socoprim (Ivory Coast)	13		13	61.0%	96	73			13
Bombela (South Africa)	9		9	17.0%	411	399	17		9
VSL Corporation (United States)	22	(22)	0	100.0%					
TF1									
Wikio	4		4	10.1%					4
A1-International (Netherlands)	13	(13)	0	50.0%					
Colas									
Asphalt and binder companies (a)	2	(1)	1						1
Sub-total	**117**	**(36)**	**81**						**80**
Other investments	189	(111)	78						76
Total	**528**	**(149)**	**379**			**329**	**467**	**(138)**	**329**

(a) The information provided for "Asphalt & binder companies" and "Other investments" relates to a large number of companies, for which individual information is not disclosed on grounds of immateriality

(b) These non-consolidated companies were acquired by Colas from the Servant group at the end of 2011, and will be consolidated in 2012

- Other non-current financial assets **391**
  - Advances to non-consolidated companies 74
  - Non-current loans and receivables 174
  - Other long-term investments: 143
    - Deposits and caution money paid (net) *125*
    - Mutual funds *10*
    - Other investments with carrying amounts of less than €2m individually *8*

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

770

	Measured at fair value			
	Available-for-sale financial assets (a)	Other financial assets measured at fair value (b)	Loans and receivables (c)	Total
31 December 2010	**206**	**161**	**292**	**659**
Movements during 2011	39 (f)	(5)	77 (e)	**111**
31 December 2011	**245**	**156** (d)	**369**	**770**
Due within less than 1 year			36	**36**
Due within 1 to 5 years			90	**90**
Due after more than 5 years			243	**243**

(a) Impact of fair value remeasurements recognised in equity (except in the event of a significant and prolonged decline in value, in which case an impairment loss is recognised in profit or loss)

(b) Impact of fair value remeasurements recognised in profit or loss

(c) Measured at amortised cost

(d) Includes Groupe AB put option, initially designated at fair value

(e) Includes financial receivables relating to Public-Private Partnership (PPP) activities

(f) Movements during 2011 mainly relate to companies acquired by Colas at the end of 2011, which are to be consolidated in 2012

Investments in joint ventures

The Bouygues group holds a number of interests in joint ventures, which are listed in Note 24 (List of consolidated companies at 31 December 2011).

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

Bouygues share in joint ventures	31 December 2011	31 December 2010
Non-current assets	246	183
Current assets	1,156	941
Total assets	**1,402**	**1,124**
Shareholders' equity	(90)	(136)
Non-current liabilities	132	136
Current liabilities	1,360	1,124
Total liabilities and equity	**1,402**	**1,124**
Sales	**1,279**	**1,181**
Operating profit	**27**	**13**
Net profit	**28**	**11**

3.2.5 Non-current tax assets

256

See Note 7 for details.

NOTE 4 CURRENT ASSETS

4.1 INVENTORIES

2,727

	31 December 2011			31 December 2010		
	Gross value	Impairment (a)	Carrying amount	Gross value	Impairment (a)	Carrying amount
Property development inventories	1,289	(113)	**1,176** [b]	1,338	(112)	1,226
Raw materials and finished goods	955	(40)	**915**	877	(41)	836
Programmes and broadcasting rights (TF1)	778	(142)	**636**	771	(153)	618
Total	**3,022**	**(295)**	**2,727**	**2,986**	**(306)**	**2,680**

(a) Includes: impairment losses (93) (76)

impairment reversals 99 90

(b) Includes Bouygues Immobilier: properties under construction = €1,014m, completed properties = €15m

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			Total 2011	Total 2010
	less than 1 year	1 to 5 years	more than 5 years		
Programmes and broadcasting rights (a)	582	852	77	**1,511**	1,605
Sports transmission rights	185	402	4	**591**	636
Total	**767**	**1,254**	**81**	**2,102**	**2,241**
Comparatve at 31 December 2010	**751**	**1,331**	**159**	**2,241**	

(a) 2011: some of these contracts are denominated in foreign currencies: €18.9m in Swiss francs, €3.1m in pounds sterling and €282.7m in US dollars.

	Maturity			Total 2011	Total 2010
	less than 1 year	1 to 5 years	more than 5 years		
Bouygues Immobilier					
Reciprocal off balance sheet operating commitments relating to acquisition of land banks	**282**			**282**	**269**
Bouygues Telecom					
Agreements to secure handset supplies	**170**			**170**	**156**

4.2 ADVANCES AND DOWN-PAYMENTS ON ORDERS 390

	31 December 2011			31 December 2010		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments on orders	404	(14)	**390**	410	(14)	396

4.3 TRADE RECEIVABLES, TAX ASSETS AND OTHER CURRENT RECEIVABLES 8,910

	31 December 2011			31 December 2010		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	**7,278**	(539)	**6,739**	**6,624**	(457)	**6,167**
Current tax assets (tax receivable)	**123**	(2)	**121**	**136**	(2)	**134**
Other receivables and prepaid expenses:						
• Other operating receivables (employees, social security, government and other)	1,338	(79)	1,259	1,292	(76)	1,216
• Sundry receivables	656	(81)	575	630	(81)	549
• Prepaid expenses	216		216	217		217
Total other current receivables and prepaid expenses	**2,210**	(160)	**2,050**	**2,139**	(157)	**1,982**
Total	**9,611**	**(701)**	**8,910**	**8,899**	**(616)**	**8,283**

Split of carrying amount of trade receivables between non past due and past due balances

	Non past due balances	Balances past due by: 0-6 months	6-12 months	> 12 months	Total
Trade receivables	5,213	1,235	381	449	**7,278**
Impairment of trade receivables	(73)	(76)	(103)	(287)	**(539)**
Carrying amount of trade receivables at 31 December 2011	**5,140**	**1,159**	**278**	**162** [(a)]	**6,739**
Carrying amount of trade receivables at 31 December 2010	**4,483**	**1,292**	**184**	**208**	**6,167**

(a) Includes €81m for Colas and €56m for Bouygues Construction

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 CASH EQUIVALENTS

3,415

	31 December 2011			31 December 2010		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Cash	1,297		**1,297** [(a)]	1,977		**1,977**
Cash equivalents	2,124	(6)	**2,118** [(b)]	3,601	(2)	**3,599**
Total	**3,421**	**(6)**	**3,415**	**5,578**	**(2)**	**5,576**

(a) Includes €329m of term deposits maturing within less than 3 months recorded in the books of Bouygues SA

(b) €1,965m of these cash equivalents are held by Bouygues SA.

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 2011.

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

Split of cash position by currency	Euro	Pound sterling	Swiss franc	Other European currencies	US dollar	Other currencies	Total 31/12/2011	Total 31/12/2010
Cash	655	131	33	1	54	423	**1,297**	**1,977**
Cash equivalents	2,104				1	13	**2,118**	**3,599**
Overdrafts and short-term bank borrowings	(99)		(1)	(51)		(88)	**(239)**	**(294)**
Total: 31 December 2011	**2,660**	**131**	**32**	**(50)**	**55**	**348**	**3,176**	**5,282**
Total: 31 December 2010	**4,795**	**103**	**53**	**(19)**	**38**	**312**	**5,282**	

4.5 ANALYSIS OF DEPRECIATION, AMORTISATION, PROVISIONS AND IMPAIRMENT IN THE BALANCE SHEET AND INCOME STATEMENT

		Charges and reversals (operating)					
	31/12/2010	Translation adjustments	Depreciation and amortisation	Impairment and provisions	Reversals (unutilised)	Other movements (a)	31/12/2011
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(10,933)	(19)	(1,414)			658	**(11,708)**
Impairment of goodwill	(80)			(3)		18	**(65)**
Impairment of investments in non-consolidated companies	(138)			(4)		(7)	**(149)**
Impairment of other non-current financial assets	(96)			1		(32)	**(127)**
Impairment of inventories	(306)	1		(16)	22	4	**(295)**
Impairment of trade receivables	(457)			(121)	47	(8)	**(539)**
Impairment of cash equivalents	(2)			(3)		(1)	**(6)**
Impairment of other current assets	(173)			(13)	6	4	**(176)**
Total deducted from assets	**(12,185)**	**(18)**	**(1,414)**	**(159)**	**75**	**636**	**(13,065)**
Non-current and current provisions	**(2,800)**	**7**		**(243)**	**300**	**40**	**(2,696)**
Total recognised as liabilities	**(2,800)**	**7**		**(243)**	**300**	**40**	**(2,696)**

(a) Reversals on disposals and changes in scope of consolidation, and net movement recognised in financial income/expenses

4.6 OTHER CURRENT FINANCIAL ASSETS

	31 December 2011	31 December 2010
Financial instruments used to hedge financial liabilities	23	13
Other financial assets (financial assets due within less than 1 year, financial instruments related to working capital items, etc.)	15	18
Total	**38**	**31**

NOTE 5 CONSOLIDATED SHAREHOLDERS' EQUITY

5.1 SHARE CAPITAL OF BOUYGUES SA (IN EUROS) €314,869,079

As of 31 December 2011, the share capital of Bouygues SA consisted of 314,869,079 shares with a par value of €1. Movements during 2011 were as follows:

	31 December 2010	Movements during 2011 Reductions	Movements during 2011 Increases	31 December 2011
Shares	365,862,523	(51,639,953) [a]	646,509 [b]	314,869,079
Number of shares	**365,862,523**	**(51,639,953)**	**646,509**	**314,869,079**
Par value	€1			€1
Share capital (€)	**365,862,523**	**(51,639,953)**	**646,509**	**314,869,079**

(a) Cancellation of treasury shares held by Bouygues SA (including 41,666,666 shares acquired under the share repurchase tender offer)

(b) After exercise of stock options

5.2 SHAREHOLDERS' EQUITY AT 31 DECEMBER 2011 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 31/12/2011
Attributable to the Group	315	839	807	1,790	4,759	(149)	**8,361**
Attributable to minority interests					1,311	6	**1,317**
Total shareholders' equity	**315**	**839**	**807**	**1,790**	**6,070**	**(143)** [a]	**9,678**

(a) Cumulative balance of items recognised directly in equity as at 31 December 2011

5.3 ANALYSIS OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (CHANGE IN THE PERIOD)

	Ref.	2011 Attributable to the Group	2010 Attributable to the Group
Translation reserve	1	61	32
Fair value remeasurement reserve (financial instruments)	2	(69)	21
Actuarial gains/(losses)	3	25	(12)
Taxes on items recognised directly in equity		2	(4)
Share of remeasurements of associates		(49)	(16)
Sub-total		**(30)**	**21**
		Minority interests	
Other income and expense attributable to minority interests		2	8
Total		**(28)**	**29**

5.3.1 Translation reserve

Principal translation adjustments in the year ended 31 December 2011 arising on the consolidated financial statements of foreign subsidiaries and associates reporting in the following currencies:

	31 December 2010	Movements during 2011	31 December 2011
US dollar	(13)	11	(2)
Canadian dollar	30	3	33
Australian dollar	7	2	9
Pound sterling	(12)	6	(6)
Thai bhat	2	5	7
South African rand	(55)	40	(15)
Swiss franc	7	1	8
Czech koruna	9	(2)	7
Other currencies	33	(5)	28
Total	**8**	**61** (b)	**69** (a)

(a) Includes cumulative translation adjustments on associates: +€17m (including +€9m for Alstom)
(b) Split: subsidiaries +€61m, changes in scope of consolidation +€4m, associates -€4m

5.3.2 Fair value remeasurement reserve (attributable to the Group)

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

	31 December 2010	Movements during 2011	31 December 2011
Gross movement (excluding associates)	53	(69)	(16)

This mainly relates to cash flow hedges, currency hedges, and fair value remeasurement of available-for-sale financial assets.

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

	31 December 2010	Movements during 2011	31 December 2011
Gross movement (excluding associates)	(11)	38 (a)	27

(a) Includes other movements of €13m

5.4 ANALYSIS OF "OTHER TRANSACTIONS WITH SHAREHOLDERS" (ATTRIBUTABLE TO THE GROUP)

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

	2011	2010	(matching entry charged to profit or loss)
TF1 and Bouygues SA stock options			
Transfer to reserves:			
• TF1	**1**	**1**	
• Bouygues SA	**18**	**25**	2011 expense calculated on the basis of plans awarded since June 2005
Consolidated expense	**19**	**26**	
2009 employee share ownership plans			
• Bouygues Confiance 5 plan		**8**	Cost of employee benefit
Total	**19**	**34**	

NOTE 6 NON-CURRENT AND CURRENT PROVISIONS

6.1 NON-CURRENT PROVISIONS

1,865

	Long-term employee benefits (a)	Litigation and claims (b)	Guarantees given (c)	Other non-current provisions (d)	Total
31 December 2009	**455**	**343**	**368**	**561**	**1,727**
Movements during 2010					
Translation adjustments	2	0	4	4	10
Changes in scope of consolidation	20	(1)	(1)	37	55
Charges to provisions	49	121	103	126	399
Reversals (utilised or unutilised)	(40)	(97)	(105)	(115)	(357) [e]
Actuarial gains and losses	11	0	0	0	11
Transfers and other movements	1	(2)	3	23	25
31 December 2010	**498**	**364**	**372**	**636**	**1,870**
Movements during 2011					
Translation adjustments	1	0	0	(1)	0
Changes in scope of consolidation	0	0	0	(6)	(6)
Charges to provisions	41	99	110	108	358
Reversals (utilised or unutilised)	(27)	(106)	(104)	(88)	(325) [f]
Actuarial gains and losses	(27)	0	0	0	(27)
Transfers and other movements	(6)	3	4	(6)	(5)
31 December 2011	**480**	**360**	**382**	**643**	**1,865**

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

*(a) **Long-term employee benefits***		***480***	***Principal segments involved:***	
Lump-sum retirement benefits	*308*		*Bouygues Construction*	*126*
Long-service awards	*122*		*Colas*	*259*
Other long-term employee benefits	*50*		*TF1*	*29*
			Bouygues Telecom	*42*
*(b) **Litigation and claims***		***360***		
Provisions for customer disputes	*182*		*Bouygues Construction*	*195*
Subcontractor claims	*36*		*Bouygues Immobilier*	*40*
Employee-related and other litigation and claims	*142*		*Colas*	*112*
*(c) **Guarantees given***		***382***		
Provisions for guarantees given	*275*		*Bouygues Construction*	*273*
Provisions for additional building/civil engineering/civil works guarantees	*107*		*Bouygues Immobilier*	*28*
			Colas	*81*
*(d) **Other non-current provisions***		***643***		
Risks related to official inspections	*168*		*Bouygues Construction*	*203*
Provisions for miscellaneous foreign risks	*103*		*Colas*	*297*
Provisions for subsidiaries and affiliates	*60*		*Bouygues Telecom*	*81*
Dismantling and site rehabilitation	*212*			
Other non-current provisions	*100*			

(e) Including reversals of unutilised provisions: -€157m

(f) Including reversals of unutilised provisions: -€175m

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(e)	Provisions for expected losses to completion (b)	Other current provisions (a)	Total
31 December 2009	**59**	**253**	**234**	**285**	**831**
Movements during 2010					
Translation adjustments		6	12	9	27
Changes in scope of consolidation		(5)	1	(1)	(5)
Charges to provisions	27	159	142	134	462
Reversals (utilised or unutilised)	(29)	(119)	(107)	(118)	(373) (c)
Transfers and other movements				(12)	(12)
31 December 2010	**57**	**294**	**282**	**297**	**930**
Movements during 2011					
Translation adjustments		1	(6)	(2)	(7)
Changes in scope of consolidation	(1)	(2)	(2)	3	(2)
Charges to provisions	25	139	95	136	395
Reversals (utilised or unutilised)	(23)	(139)	(165)	(158)	(485) (d)
Transfers and other movements	(2)	(4)	1	5	
31 December 2011	**56**	**289**	**205**	**281**	**831**

(a) Other current provisions comprise:

Reinsurance costs	*7*
Current customer disputes and vendor's liability guarantee (TF1)	*27*
Customer loyalty programmes (Bouygues Telecom)	*23*
Site rehabilitation costs (current)	*10*
Rental guarantees (Bouygues Immobilier)	*4*
Miscellaneous current provisions	*210*

Entities involved:

Bouygues Construction	*63*
Bouygues Immobilier	*44*
Colas	*76*
TF1	*57*
Bouygues Telecom	*26*
Challenger Réassurance	*7*

(b) Provisions relating to construction activities, mainly Bouygues Construction and Colas
(Individual project provisions are not disclosed for confidentiality reasons)

(c) Including reversals of unutilised provisions: -€127m
(d) Including reversals of unutilised provisions: -€125m
(e) Mainly Bouygues Construction and Colas

NOTE 7 NON-CURRENT TAX ASSETS AND LIABILITIES

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7.1 NON-CURRENT TAX ASSETS

	31 December 2010	Movements during 2011	31 December 2011
Deferred tax assets			
Bouygues Construction	84	(7)	77
Bouygues Immobilier	39	(16)	23
Colas	133	19	152
Bouygues Telecom	6	(6)	
TF1	3	3	6
Bouygues SA and other	(4)	2	(2)
Total non-current tax assets	**261**	**(5)**	**256**

Deferred tax assets mainly derive from:

- *temporary differences (provisions temporarily non-deductible for tax purposes, etc.);*
- *tax losses with a genuine probability of recovery.*

7.2 NON-CURRENT TAX LIABILITIES

	31 December 2010	Movements during 2011	31 December 2011
Deferred tax liabilities	112	90	**202** [(a)]
Other non-current tax liabilities		1	**1**
Total non-current tax liabilities	**112**	**91**	**203**

(a) Includes €110m for Colas and €72m for Bouygues Telecom

7.3 NET DEFERRED TAX ASSET/LIABILITY BY BUSINESS SEGMENT

Deferred taxation by segment and type	Net deferred tax asset/ (liability) at 31/12/2010	Movements during 2011					Net deferred tax asset/ (liability) at 31/12/2011
		Changes in scope of consolidation	Translation adjustments	Gain	Expense	Other items [(a)]	
A- Tax losses available for carry-forward							
Bouygues Construction	3						**3**
Bouygues Immobilier							
Colas	8				(1)		**7**
TF1	8				(2)		**6**
Bouygues SA	9				(9)		
Sub-total	**28**				**(12)**		**16**
B- Temporary differences							
Bouygues Construction	78			6	(13)	(3)	**68**
Bouygues Immobilier	39	(2)			(15)		**22**
Colas	29	(1)	(1)	16	(3)	(5)	**35**
TF1	(16)			13	(6)	(1)	**(10)**
Bouygues Telecom	6				(80)	2	**(72)**
Bouygues SA and other	(15)			2	(1)	8	**(6)**
Sub-total	**121**	**(3)**	**(1)**	**37**	**(118)**	**1**	**37**
TOTAL	**149**	**(3)**	**(1)**	**37**	**(130)**	**1**	**53** [(b)]

(a) Mainly deferred taxation on changes in fair value remeasurements of financial instruments and on actuarial gains/losses on employee benefits

(b) • Breakdown of net deferred tax asset (€m):

- *deferred tax asset: 256*
- *deferred tax liability: (203)*

= 53

• principal sources of deferred taxation:	***31/12/2011***	***31/12/2010***
- *deferred tax assets on employee benefits (mainly lump-sum retirement benefits)*	*133*	*138*
- *deferred tax assets on provisions temporarily non-deductible for tax purposes*	*70*	*80*
- *restricted provisions booked solely for tax purposes*	*(104)*	*(127)*
- *other*	*(46)*	*58*
	53	*149*

7.4 PERIOD TO RECOVERY OF DEFERRED TAX ASSETS

31 December 2011	Less than 2 years	2 to 5 years	More than 5 years	Total
Estimated period to recovery of deferred tax assets	132	69	55 [(a)]	**256**

(a) Mainly Colas

7.5 UNRECOGNISED DEFERRED TAX ASSETS

Some deferred tax assets were not recognised as of 31 December 2011 due to the low probability of recovery (mainly loss carry-forwards, which in the case of France are relevant only to companies not included in the Bouygues SA group tax election).

	31 December 2010	Movements during 2011	31 December 2011
Bouygues Construction	**92**	26	**118**
Bouygues Immobilier	**48**	(1)	**47**
Colas	**58**	1	**59**
TF1	**28**	(4)	**24**
Other	**1**	(1)	
Total unrecognised deferred tax assets	**227**	**21**	**248**

NOTE 8 NON-CURRENT AND CURRENT DEBT

7,023

Non-current debt	6,807
Current debt	216

8.1 INTEREST-BEARING DEBT BY MATURITY

	Current debt (maturing 2012)				Non-current debt							
	Accrued interest	1 to 3 months	4 to 12 months	Total maturing 2012	1 to 2 years 2013	2 to 3 years 2014	3 to 4 years 2015	4 to 5 years 2016	5 to 6 years 2017	6 or more years (2018 and later)	Total 31/12/2011	Total 31/12/2010
Bond issues	121			**121**	710	755	998	599		3,032	**6,094**	6,085
Bank borrowings		9	49	**58**	46	36	347	18	46	96	**589**	556
Finance lease obligations		3	17	**20**	13	10	6	4	2		**35**	47
Other borrowings		9	8	**17**	13	20	22	8	3	23	**89**	62
Total debt	**121**	**21**	**74**	**216**	**782**	**821**	**1,373**	**629**	**51**	**3,151**	**6,807**	**6,750**
Comparative: 31/12/2010	**150**	**770**	**74**	**994**	**81**	**765**	**779**	**1,341**	**618**	**3,166**		**6,750**

Finance lease obligations by business segment	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total
Non-current: 31 December 2011			24	11			**35**
Current: 31 December 2011	1		9	4	6		**20**
Non-current: 31 December 2010	1		24	16	6		**47**
Current: 31 December 2010			16	4	3		**23**

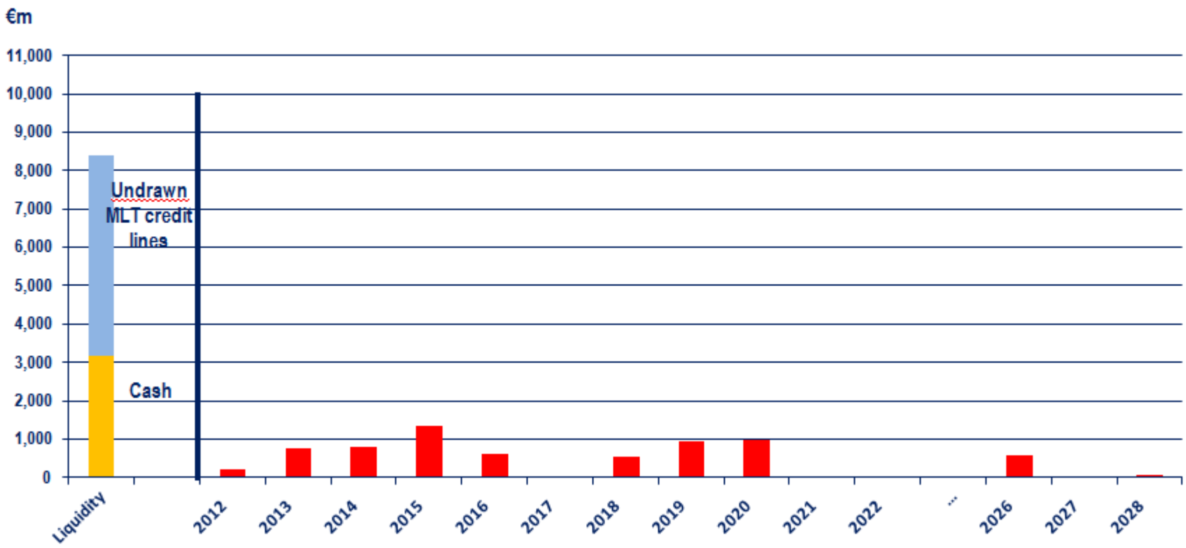
8.2 CONFIRMED CREDIT FACILITIES AND DRAWDOWNS

Description	Confirmed facilities - Maturity				Drawdowns - Maturity			
	Less than 1 year	1 to 5 years	More than 5 years	Total	Less than 1 year	1 to 5 years	More than 5 years	Total
Bond issues (mainly Bouygues SA)	121	3,062	3,032	**6,215**	121	3,062	3,032	**6,215**
Bank borrowings (a)	557	4,995	340	**5,892**	58	447	142	**647**
Finance lease obligations	21	33	2	**56**	20	33	2	**55**
Other borrowings	16	63	26	**105**	17	63	26	**106**
Total credit facilities	**715**	**8,153**	**3,400**	**12,268**	**216**	**3,605**	**3,202**	**7,023**

(a) Undrawn confirmed credit facilities = €5,245m

8.3 LIQUIDITY AS AT 31 DECEMBER 2011

As at 31 December 2011, available cash stood at €3,161m (including -€16m of financial instruments contracted to hedge net debt). The Group also had €5,245m of credit facilities as at the same date.



The bond issues maturing in 2013, 2015, 2016, 2018, 2019 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 hedges at the balance sheet date:

	31 December 2011	31 December 2010
Fixed rate (a)	**90%**	92%
Floating rate	**10%**	8%

(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 2011 was as follows:

	Variable rate	Fixed rate	Total
Financial liabilities (debt)	929	6,094	**7,023**
Financial assets (a) (net cash position)	3,161		**3,161**
Net position before hedging	(2,232)	6,094	**3,862**
Interest rate hedges	(229)	229	
Net position after hedging	**(2,461)**	**6,323**	**3,862**
Adjustment for seasonal nature of certain activities	630		
Net position after hedging and adjustment	**(1,831)**		

(a) Includes -€16m for the fair value of financial instruments contracted to hedge net debt

The effect of a 1% rise in short-term interest rates on the net position described above would be to reduce the cost of net debt by €18.3m over a full year.

8.6 SPLIT OF CURRENT AND NON-CURRENT DEBT BY CURRENCY

	Europe						
	Euro	Pound sterling	Other currencies	US dollar	Hong Kong dollar	Other currencies	Total
Non-current: 31 December 2011	6,001	697	4	38	29	38	**6,807**
Current: 31 December 2011	160	10	21	23	1	1	**216**
Non-current: 31 December 2010	5,968	670	53	12	26	21	**6,750**
Current: 31 December 2010	964	10	8	2	1	9	**994**

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

(3,862)

9.1 CHANGE IN NET DEBT

	31 December 2010	Movements during 2011	31 December 2011
Cash and cash equivalents	5,576	(2,161)	**3,415**
Overdrafts and short-term bank borrowing	(294)	55	**(239)**
Net cash position	**5,282**	**(2,106)**	**3,176** [a]
Non-current debt	(6,750)	(57)	**(6,807)**
Current debt	(994)	778	**(216)**
Financial instruments, net	(11)	(4)	**(15)**
Total debt	**(7,755)**	**717**	**(7,038)**
Net debt	**(2,473)**	**(1,389)**	**(3,862)**

(a) Net cash position as analysed in the 2011 cash flow statement (net cash flows + non-monetary movements)

9.2 PRINCIPAL NET DEBT TRANSACTIONS IN THE YEAR ENDED 31 DECEMBER 2011

Net debt at 31 December 2010	**(2,473)**
Acquisitions/disposals of financial assets	(114) [a]
Dividends paid	(694)
Transactions involving share capital	(1,377) [b]
Changes in scope of consolidation	24
Operating items	772 [c]
Net debt at 31 December 2011	**(3,862)**

(a) Includes Bouygues Construction (Leadbitter acquisition: -€37m) and Colas (Gamma Materials acquisition: -€33m)

(b) Includes reduction in the share capital of Bouygues SA following the share repurchase tender offer (-€1,250m); purchase of Bouygues SA treasury shares on the stock market (-€169m); capital increase arising under the Bouygues Confiance 5 employee share ownership plan (share of employee contribution for 2011: +€56m); and exercise of stock options (+€17m)

(c) Excluding the €228m spent on the 4G 2.6 GHz frequencies, operating items amounted to €1,000m

16,369

NOTE 10 CURRENT LIABILITIES

Breakdown of current liabilities

	31 December 2011	31 December 2010
Advances and down-payments received	**1,574**	1,413
Current debt [(a)]	**216**	994
Current taxes payable	**136**	137
Trade payables	**6,826**	6,347
Current provisions [(b)]	**831**	930
Other current liabilities		
Other operating liabilities (employees, social security, government)	**2,576**	2,450
Deferred income	**1,843**	1,794
Other non-financial liabilities	**2,026**	1,845
Overdrafts and short-term bank borrowings	**239**	294
Financial instruments	**38**	24
Other current financial liabilities	**64**	19
Total	**16,369**	**16,247**

(a) See analysis in Note 8, “Non-current and current debt”

(b) See analysis in Note 6.2, “Current provisions”

NOTE 11 ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

11.1 ANALYSIS BY ACCOUNTING CLASSIFICATION

	2011	2010
Sales of goods	3,090	2,722
Sales of services	12,253	12,176
Construction contracts	17,363	16,327
Sales	**32,706**	**31,225**
Other revenues from operations	139	144
Other revenues from operations	**139**	**144**
Total revenues	**32,845**	**31,369**

There were no material exchanges of goods or services in the year ended 31 December 2011.

Consolidated balance sheet: information about construction contracts

	Bouygues Construction	Colas	Total
Works to be rebilled	427	402	**829**
Warranty retentions	110	98	**208**
Works billed in advance	1,234	(316)	**918**
Advance payments received	848	(104)	**744**

11.2 ANALYSIS BY BUSINESS SEGMENT

	2011 sales				2010 sales			
	France	International	Total	%	France	International	Total	%
Construction	5,185	4,431	9,616	29	4,875	4,127	9,002	29
Property	2,342	122	2,464	7	2,206	203	2,409	8
Roads	7,140	5,155	12,295	38	6,668 (a)	4,924 (a)	11,592	37
Media	2,203	392	2,595	8	2,199	390	2,589	8
Telecoms	5,725		5,725	18	5,621		5,621	18
Bouygues SA & other	6	5	11		7	5	12	
Consolidated sales	**22,601**	**10,105**	**32,706**	**100**	**21,576**	**9,649**	**31,225**	**100**
% change 2011 vs. 2010	**5%**	**5%**	**5%**					

(a) Mayotte is an administrative department of France with effect from 31 March 2011. Sales generated in this territory in 2010, amounting to €70m, have been reclassified from "International" to "France".

11.3 ANALYSIS BY GEOGRAPHICAL AREA

Sales are allocated by the territory in which the sale is generated.

	2011 sales		2010 sales	
	Total	%	Total	%
France	**22,601**	69	21,576 (a)	69
European Union (27 members)	**3,299**	10	3,171	10
Rest of Europe	**1,146**	4	1,105	4
Africa	**1,327**	4	1,281 (a)	4
Middle East	**160**		127	
North America	**2,520**	8	2,301	8
Central and South America	**151**		145	
Asia-Pacific	**1,293**	4	1,368	4
Oceania	**209**	1	149	1
Other			2	
Total	**32,706**	**100**	**31,225**	**100**

(a) Mayotte is an administrative department of France with effect from 31 March 2011. Sales generated in this territory in 2010, amounting to €70m, have been reclassified from "International" to "France".

11.4 SPLIT BY TYPE OF CONTRACT, FRANCE/INTERNATIONAL (%)

	2011			2010		
	France	International	Total	France	International	Total
Public-sector contracts (a)	30	63	**41**	32	54	**39**
Private-sector contracts	70	37	**59**	68	46	**61**

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

NOTE 12 OPERATING PROFIT **1,857**

	2011	2010
Current operating profit		
Sales	**32,706**	31,225
Other revenues from operations	**139**	144
Purchases used in production and external charges	**(22,348)**	(20,977)
Personnel costs	**(6,778)**	(6,504)
Taxes other than income tax	**(653)**	(633)
Net depreciation, amortisation, provisions and impairment		
Depreciation and amortisation *	**(1,411)**	(1,392)
Net charge to provisions and impairment losses *	**(387)**	(549)
Change in production and property development inventories	**(22)**	(116)
Other income from operations	**1,288**	1,250
Reversals of unutilised provisions *	**375**	371
Other miscellaneous income (a)	**913**	879
Other expenses on operations (a)	**(715)**	(688)
Current operating profit	**1,819**	**1,760**
Other operating income (b)	**38**	108
Other operating expenses (c)		**(77)**
Operating profit	**1,857**	**1,791**

(*) Components used in the calculation of EBITDA

See Note 16 for an analysis by business segment

(a) In 2011: includes €67m of net gains on disposals

(b) ***__2011__***

Bouygues Telecom: miscellaneous gains on disposals

__2010__

***Colas**: gain on bargain purchase (negative goodwill) on buyout of minority interests = €6m*

***TF1**: Other operating income of €102m for the year ended 31 December 2010 includes a gain of €95.9m on the remeasurement at fair value of the previously-held equity interests in TMC and NT1.*

(c) ***__2010__***

***Colas**: Fines relating to competition issues and associated claims: -€31m; impairment of goodwill: -€27m*

***TF1**: Other operating expenses include goodwill impairment and other items*

NOTE 13 COST OF NET DEBT (277)

OTHER FINANCIAL INCOME AND EXPENSES (13)

13.1 COMPONENTS OF COST OF NET DEBT

	2011	2010
Financial expenses	**(359)**	(394)
comprisng:		
Interest expense on debt	**(323)**	(346)
Interest expense related to treasury management	**(30)**	(30)
Interest expense on finance leases	**(2)**	(4)
Negative effects of financial instruments	**(4)**	(14)
Financial income	**82**	64
comprising:		
Interest income from cash and cash equivalents	**40**	42
Income from, and gains on disposals of, short-term investments	**42**	21
Negative effects of financial instruments		1
Total cost of net debt	**(277)**	**(330)**

13.2 OTHER FINANCIAL INCOME AND EXPENSES

	2011	2010
Other financial income	55	101
Other financial expenses	**(68)**	(95)
Other financial income/(expenses), net	**(13)**	**6**

"Other financial income and expenses" include gains or losses on disposals of investments in non-consolidated companies, interest paid to investors on calls for funds (commercial property), commitment fees, changes in the fair value of "Other current financial assets" and other items during the period.

The net year-on-year movement of -€19m mainly reflects a reduction in net gains on disposals of investments in non-consolidated companies, mainly due to the Alstom Hydro share exchange (which generated a €42m gain in 2010).

NOTE 14 INCOME TAX EXPENSE

(528)

14.1 ANALYSIS OF INCOME TAX EXPENSE

	2011			2010		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(316)	(120)	**(436)**	(326)	(120)	(446)
Change in deferred tax liabilities	7	(3)	**4**	(10)	(9)	(19)
Change in deferred tax assets	(92)	(4)	**(96)**	(24)	7	(17)
Total	**(401)**	**(127)**	**(528)**	**(360)**	**(122)**	**(482)**

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 explained as follows:

	2011	2010
Net profit (100%)	**1,237**	**1,263**
Eliminations:		
Income tax expense	528	482
Net profit of discontinued and held-for-sale operations	N/A	N/A
Share of profits and losses of associates	(198)	(278)
Net pre-tax profit from continuing operations excluding associates	**1,567**	**1,467**
Standard tax rate in France	36.10%	34.43%
Recognition and utilisation of tax loss carry-forwards	3.51%	3.36%
Effect of permanent differences	(4.86%)	(6.22%)
Flat-rate taxes, dividend taxes and tax credits	1.36%	1.11%
Taxes at rates not linked to profits: differential tax rates, long-term capital gains, foreign taxes	(2.44%)	0.17%
Effective tax rate	**33.67%**	**32.85%**

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 €1,070m.

	2011	2010
Net profit from continuing operations (100%)	1,237	1,263
Minority interest in net profit from continuing operations	(167)	(192)
Net profit from continuing operations attributable to the Group	**1,070**	**1,071**

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.

	2011	2010
Net profit from continuing operations attributable to the Group (€m)	**1,070**	1,071
Weighted average number of shares outstanding	**349,686,165**	353,494,819
Basic earnings per share from continuing operations (€)	**3.06**	**3.03**

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

	2011	2010
Net profit from continuing operations used to calculate diluted earnings per share (€m)	**1,070**	1,071
Weighted average number of shares outstanding	**349,686,165**	353,494,819
Adjustment for potentially dilutive effect of stock options	**272,534**	1,518,148
Diluted earnings per share from continuing operations (€m)	**3.06**	**3.02**

15.3 ADJUSTED NET PROFIT FROM CONTINUING OPERATIONS

	2011	2010
Net profit from continuing operations attributable to the Group (€m)	**1,070**	1,071
Number of shares outstanding at 31 December (a)	**314,869,079**	361,042,329
Adjusted basic earnings per share from continuing operations	**3.40**	**2.97**
	+14%	

(a) Calculated on the basis of the number of shares outstanding at 31 December (excluding treasury shares).

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.
2. By geographical area: France (including overseas departments), European Union, Rest of Europe, Africa, Asia-Pacific-Oceania, Americas and Middle East. (Property, plant and equipment is allocated by location of the asset).
Inter-segment sales are generally conducted at an arm's-length basis.

An analysis of sales by geographical area is provided in Note 11.3.

The operating segments used in reporting by business segment are those reviewed by the chief operational decision-maker of the Group, and are not aggregated for segment reporting purposes. This information is used to allocate resources to operating segments, and to monitor their performance.
Operating segment information is compiled using the same accounting policies as used in the preparation of the consolidated financial statements, as described in the notes to the financial statements.

The "Bouygues SA and other" segment includes contributions from corporate holding companies, and from entities dedicated to the centralised financing of the Group.

16.1 ANALYSIS BY BUSINESS SEGMENT – YEAR ENDED 31 DECEMBER 2011

Income statement	Construction Bouygues	Property Bouygues	Roads Colas	Media TF1	Telecoms Bouygues	Bouygues SA and other Bouygues SA	Total 2011
Total sales	9,802	2,465	12,412	2,620	5,741	120	33,160
Inter-segment sales	(186)	(1)	(117)	(25)	(16)	(109)	(454)
Third-party sales	**9,616**	**2,464**	**12,295**	**2,595**	**5,725**	**11**	**32,706**
Net depreciation and amortisation expense	(171)	(4)	(461)	(78)	(692)	(5)	(1,411)
Net charges to provisions and impairment losses	(197)	(12)	(114)	(30)	(44)	10	(387)
Current operating profit	**353**	**201**	**466**	**283**	**561**	**(45)**	**1,819**
Cost of net debt	19	2	(24)	1	(10)	(265)	(277)
Income tax expense	(140)	(53)	(163)	(89)	(211)	128	(528)
Share of profits/(losses) of associates	(13)	(10)	59	(14)	(1)	177 [a]	198
Net profit from continuing operations	**229**	**122**	**341**	**186**	**370**	**(11)**	**1,237**
Net profit of discontinued and held-for-sale operations							
Net profit	**229**	**122**	**341**	**186**	**370**	**(11)**	**1,237**
Net profit attributable to the Group	**226**	**120**	**324**	**80**	**331**	**(11)**	**1,070**
Balance sheet							
Property, plant and equipment	655	17	2,537	231	2,955	147	6,542
Intangible assets	71	5	73	141	916	3	1,209
Goodwill	388		1,069	1,458	2,664	1	5,580
Deferred tax assets and non-current tax receivable	60	21	155	6		14	256
Investments in associates	54		568	1	2	4,460 [b]	5,085
Other non-current assets	333	15	216	168	9	29	770
Cash and cash equivalents	553	54	420	36	35	2,317	3,415
Other assets							12,065
Total assets	**5,356**	**1,391**	**7,246**	**3,212**	**3,329**	**14,388**	**34,922**
Non-current debt	122	3	242	18	328	6,094	6,807
Non-current provisions	797	97	749	42	129	51	1,865
Deferred tax liabilities and non-current tax liabilities	6	1	111	10	72	3	203
Current debt	5	26	48	5	11	121	216
Other liabilities							25,831
Total liabilities	**5,356**	**1,391**	**7,246**	**3,212**	**3,329**	**14,388**	**34,922**
Net debt [c]	**2,869**	**507**	**28**	**(40)**	**(581)**	**(6,645)**	**(3,862)**
Cash flow statement							
Cash flow statement	**546**	**197**	**915**	**346**	**1,288**	**33**	**3,325**
Acquisitions of property, plant and equipment and intangible assets, net of disposals	**268**	**12**	**414**	**108**	**1,087**	**(3)**	**1,886**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**45**	**2**	**82**	**(7)**	**2**	**(10)**	**114**
Other indicators							
EBITDA	**549**	**181**	**934**	**357**	**1,272**	**(51)**	**3,242**
Free cash flow	**157**	**134**	**314**	**150**	**(20)**	**(101)**	**634**

(a) Includes €175m for Alstom

(b) Includes €4,444m 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" column).

16.2 ANALYSIS BY BUSINESS SEGMENT – YEAR ENDED 31 DECEMBER 2010

Income statement	Construction Bouygues	Property Bouygues	Roads Colas	Media TF1	Telecoms Bouygues	Bouygues SA and other Bouygues SA	Total 2010 Total
Total sales	9,235	2,418	11,661	2,622	5,636	132	31,704
Inter-segment sales	(233)	(9)	(69)	(33)	(15)	(120)	(479)
Third-party sales	**9,002**	**2,409**	**11,592**	**2,589**	**5,621**	**12**	**31,225**
Net depreciation and amortisation expense	(155)	(4)	(470)	(91)	(664)	(8)	(1,392)
Net charges to provisions and impairment losses	(306)	(13)	(173)	(14)	(41)	(2)	(549)
Current operating profit	**315**	**204**	**365**	**230**	**692**	**(46)**	**1,760**
Cost of net debt	23	(2)	(30)	(18)	(9)	(294)	(330)
Income tax expense	(133)	(67)	(122)	(69)	(232)	141	(482)
Share of profits/(losses) of associates	(10)	(1)	69	6		214 (a)	278
Net profit from continuing operations	**203**	**112**	**223**	**229**	**444**	**52**	**1,263**
Net profit of discontinued and held-for-sale operations							
Net profit	**203**	**112**	**223**	**229**	**444**	**52**	**1,263**
Net profit attributable to the Group	**201**	**108**	**216**	**98**	**397**	**51**	**1,071**
Balance sheet							
Property, plant and equipment	560	13	2,454	186	2,798	148	6,159
Intangible assets	74	3	68	147	695	3	990
Goodwill	347		1,063	1,468	2,651	2	5,531
Deferred tax assets and non-current tax receivable	56	41	138	3	6	17	261
Investments in associates	67		555	14	1	4,383 (b)	5,020
Other non-current assets	257	14	168	181	9	30	659
Cash and cash equivalents	521	61	368	39	20	4,567	5,576
Other assets							11,390
Total assets	**4,949**	**1,298**	**6,643**	**3,184**	**2,891**	**16,621**	**35,586**
Non-current debt	70	43	200	16	331	6,090	6,750
Non-current provisions	782	94	750	46	148	50	1,870
Deferred tax liabilities and non-current tax liabilities	3		96	11		2	112
Current debt	3	5	50	4	31	901	994
Other liabilities							25,860
Total liabilities	**4,949**	**1,298**	**6,643**	**3,184**	**2,891**	**16,621**	**35,586**
Net debt (c)	**2,856**	**376**	**(57)**	**17**	**(170)**	**(5,495)**	**(2,473)**
Cash flow statement							
Cash flow statement	**509**	**195**	**814**	**297**	**1,327**	**102**	**3,244**
Acquisitions of property, plant and equipment and intangible assets, net of disposals	**221**	**4**	**474**	**43**	**680**	**1**	**1,423**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**14**	**8**	**26**	**203 (d)**	**1**	**3**	**255**
Other indicators							
EBITDA	**606**	**184**	**894**	**319**	**1,367**	**(40)**	**3,330**
Free cash flow	**178**	**122**	**188**	**167**	**406**	**(52)**	**1,009**

(a) Includes €218m for Alstom

(b) Includes €4,366m 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" column).

(d) Includes €195m for the TMC/NT1 acquisition

16.3 ANALYSIS BY GEOGRAPHICAL AREA

	France*	European Union	Rest of Europe	Africa	Asia-Pacific	Americas	Middle East	Total
Balance sheet								**31/12/2011**
Property, plant and equipment [(a)]	4,878	327	123	229	231	730	24	6,542
Intangible assets	1,158	24	1	1	1	24		1,209
Cash flow statement								**2011**
Purchase price of property, plant and equipment and intangible assets	1,614	63	34	81	102	149	13	2,056

** Includes French overseas departments*

(a) Includes assets held under finance leases

	France*	European Union	Rest of Europe	Africa	Asia-Pacific	Americas	Middle East	Total
Balance sheet								**31/12/2010**
Property, plant and equipment [(a)]	4,629	381	82	222	171	666	8	6,159
Intangible assets	943	25	1	0	2	19	0	990
Cash flow statement								**2010**
Purchase price of property, plant and equipment and intangible assets	1,095	53	36	90	47	166	20	1,507

** Includes French overseas departments*

(b) Includes assets held under finance leases

16.4 INCOME STATEMENT BY FUNCTION

2011	Construction	Property	Roads	Media	Telecoms	Bouygues SA and other	TOTAL
Consolidated sales	**9,616**	**2,464**	**12,295**	**2,595**	**5,725**	**11**	**32,706**
Cost of sales	(8,263)	(2,035)	(10,740)	(1,903)	(4,380)	(27)	(27,348)
Gross profit	**1,353**	**429**	**1,555**	**692**	**1,345**	**(16)**	**5,358**
Research and development expenses	(15)	(2)	(69)	(7)	(20)	(1)	(114)
Selling expenses	(365)	(158)		(144)	(175)		(842)
Administrative expenses	(618)	(68)	(1,020)	(258)	(589)	(30)	(2,583)
Other income/(expenses)	(2)					2	
Current operating profit	**353**	**201**	**466**	**283**	**561**	**(45)**	**1,819**

2010	Construction	Property	Roads	Media	Telecoms	Bouygues SA and other	TOTAL
Consolidated sales	**9,002**	**2,409**	**11,592**	**2,589**	**5,621**	**12**	**31,225**
Cost of sales	(7,664)	(2,001)	(10,166)	(1,959)	(4,067)	(3)	(25,860)
Gross profit	**1,338**	**408**	**1,426**	**630**	**1,554**	**9**	**5,365**
Research and development expenses	(15)	(2)	(69)	(6)	(16)	(2)	(110)
Selling expenses	(420)	(134)		(116)	(189)		(859)
Administrative expenses	(588)	(68)	(992)	(278)	(657)	(53)	(2,636)
Current operating profit	**315**	**204**	**365**	**230**	**692**	**(46)**	**1,760**

NOTE 17 FINANCIAL INSTRUMENTS

The tables below show aggregate notional amounts at 31 December 2011 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 31/12/2011				Notional amounts
	2012	2013 to 2016	After 2016	Total	31/12/2010
Interest rate swaps					
• on financial assets	351	2		**353** [a]	1,713
• on financial liabilities	100	570	727	**1,397** [b]	1,030
Caps / floors					
• on financial assets					
• on financial liabilities		150		**150**	150

(a) Of which pay fixed rate: €353m

(b) Of which pay fixed rate: €1,397m

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA and other	Total 31/12/2011	Total 31/12/2010
Interest rate swaps								
• on financial assets						353	**353**	1,713
• on financial liabilities	20		237		640	500 [a]	**1,397**	1,030
Caps / floors								
• on financial assets								
• on financial liabilities		150					**150**	150

(a) 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

	31 December 2011 (equivalent value in €m)					Total
	US dollar	Pound sterling	Swiss franc	Other currencies	Total	31/12/2010
Forward purchases/sales						
• forward purchases	171	1	4	114	**290**	348
• forward sales	304	28	32	217	**581**	395
Currency swaps	228	42	158	232	**660**	526
Currency options						
• call options						
• put options						

Analysis by business segment

	Construction	Property	Roads	Media	Telecoms	Bouygues SA and other	Total 31/12/2011	Total 31/12/2010
Forward purchases/sales								
• forward purchases	105	67	10	100	8		**290**	348
• forward sales	464		100	17			**581**	395
Currency swaps	22			20		618	**660**	526
Currency options								
• call options								
• put options								

17.3 MARKET VALUE OF HEDGING INSTRUMENTS

At 31 December 2011, the market value (net present value) of the hedging instruments portfolio was -€80m. 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: -€19m
- cash flow hedges: -€61m

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of -€15m; in the event of a -1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of -€147m.

In the event of a 1% depreciation in the euro against each foreign currency, the hedging instruments portfolio would have a market value of -€94m.

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.
(See also Notes 3, 4 and 8)

18.1 GUARANTEE COMMITMENTS

	31/12/2011	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity: Less than 1 year	Maturity: 1 to 5 years	Maturity: Over 5 years	31/12/2010
Pledges, mortgages and collateral	**110**	6		104				13	49	48	115
Guarantees and endorsements given	**115**	28	9	74	4			60	47	8	252
Total guarantee commitments given	**225**	**34**	**9**	**178**	**4**			**73**	**96**	**56**	**367**
Guarantees and endorsements received	**10**		8		2			6	4		11
Total guarantee commitments received	**10**		**8**		**2**			**6**	**4**		**11**
Balance	**215**	**34**	**1**	**178**	**2**			**67**	**92**	**56**	**356**

In connection with its ordinary activities, the Bouygues group grants multi-year guarantees (such as 10-year building guarantees), which are usually covered by statistically-based provisions on the liabilities side of the balance sheet. Contract guarantees provided by banks to Group customers represent off balance sheet commitments for those banks; where such guarantees are liable to result in payments being made, a provision is recognised by Bouygues in the consolidated balance sheet.

18.2 SUNDRY CONTRACTUAL COMMITMENTS

	31/12/2011	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity: Less than 1 year	Maturity: 1 to 5 years	Maturity: Over 5 years	31/12/2010
Image transmission	**154**				154			40	103	11	119
Network maintenance	**69**					69		54	15		133
Lump-sum retirement benefit obligations	**35**	11	2	20			2	3	11	21	41
Other commitments	**463**		3		197 (a)	260	3	437	24	2	488
Total sundry contractual commitments given	**721**	**11**	**5**	**20**	**351**	**329**	**5**	**534**	**153**	**34**	**781**
Image transmission	**154**				154			40	103	11	119
Network maintenance	**69**					69		54	15		133
Lump-sum retirement benefit obligations	**35**	11	2	20			2	3	11	21	41
Other commitments	**457**				197	260		431	24	2	457
Total sundry contractual commitments received	**715**	**11**	**2**	**20**	**351**	**329**	**2**	**528**	**153**	**34**	**750**
Balance	**6**		**3**				**3**	**6**			**31**

(a) *Includes firm or optional commitments to deliver or receive securities, including the agreement signed with Groupe AB (put option): €155m in both 2011 and 2010.*

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

18.3 OPERATING LEASES

	31/12/2011	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity: Less than 1 year	Maturity: 1 to 5 years	Maturity: Over 5 years	31/12/2010
Operating lease commitments											
Commitments given	**1,338**	40	42	182	115	959		243	799	296	**1,442**
Commitments received	**1,338**	40	42	182	115	959		243	799	296	**1,442**
Operating lease commitments, net											

These figures show the 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 network site rentals of €554m, property and other rentals of €166m, rentals for the Sequana and Technopôle buildings of €228m, and miscellaneous commitments of €11m.

18.4 FINANCE LEASES (RECOGNISED AS LIABILITIES IN THE BALANCE SHEET)

	31/12/2011	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity: Less than 1 year	Maturity: 1 to 5 years	Maturity: Over 5 years	31/12/2010
Finance leases	55	1		33	15	6		20	32	3	70

18.5 OTHER COMMITMENTS

BOUYGUES TELECOM

Use of frequencies in the 2,600 MHz band

The licence to use frequencies in the 2,600 MHz band awarded to Bouygues Telecom in October 2011 for a period of 20 years is subject to an obligation to open the frequencies to mobile virtual network operators (MVNOs), and to an obligation to roll out coverage of the French population progressively (25% in 4 years, 60% in 8 years, 75% in 12 years).

Licence to operate a 3G network

The Order of 3 December 2002 under which Bouygues Telecom obtained a licence to establish and operate a 3G network was subject to a number of obligations, in particular regarding the rollout and coverage timetable.

At the end of 2011, Bouygues Telecom was providing 3G coverage to 93% of the population, thereby exceeding the final coverage requirement under the terms of the licence (75% of the population as at 12 December 2010).

Blind spots

The agreement signed in 2003 by the three operators, the French government, the French regional authorities and Arcep (the French electronic communications and postal service regulator) stipulated that coverage be provided in blind spots in some 3,000 communities. As of the end of 2011, Bouygues Telecom regards the initial blind spot coverage programme as having been completed. Only a few sites are still without coverage; this is due to blocking action by the local authorities in question, which means there is no visibility. The operators 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 the end of 2011, over half of the sites in this additional programme where Bouygues Telecom is the lead operator had been opened to coverage.

3G mobile network site-sharing agreement

In February 2010, Bouygues Telecom, Orange and SFR signed an agreement under the auspices of Arcep on the sharing of 3G network sites in the less dense zones of France. This agreement, which was amended in July 2010 in anticipation of the future Free Mobile rollout, deals with coverage for some 3,600 communities, including all those covered by the 2G blind spots programme; by end 2013, it will enable approximately 99.8% of the population to enjoy 3G coverage on a par with 2G coverage, over and above the 3G coverage obligations entered into by the operators.

NOTE 19 HEADCOUNT, EMPLOYEE BENEFIT OBLIGATIONS AND EMPLOYEE SHARE OWNERSHIP

19.1 AVERAGE HEADCOUNT

	2011	2010
Managerial staff	**22,832**	22,201
Supervisory, technical and clerical staff	**22,145**	21,761
Site workers	**31,371**	32,241
Sub-total: France	**76,348**	**76,203**
Expatriates and local contract staff	**58,447**	61,205
Total average headcount	**134,795**	**137,408**

19.2 EMPLOYEE BENEFIT OBLIGATIONS

	31 December 2010	Movements during 2011	31 December 2011
Lump-sum retirement benefits	**318**	(10)	**308**
Long-service awards	**124**	(2)	**122**
Other post-employment benefits (pensions)	**56**	(6)	**50**
Total	**498**	**(18)**	**480**

19.3 POST-EMPLOYMENT BENEFITS OTHER THAN LONG-SERVICE AWARDS

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

19.3.1 Defined-contribution plans

	2011	2010
Amount recognised as an expense	**(1,697)**	(1,651)

This defined-contribution expense consists of 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 (*)	
	2011	**2010**	**2011**	**2010**
Current service cost	**4**	(12)	**(1)**	(3)
Interest expense on obligation	**13**	13	**12**	12
Expected return on plan assets			**(12)**	(12)
Past service cost	**3**	3	**(2)**	(16)
Net expense/(gain) recognised in profit or loss	**20**	**4**	**(3)**	**(19)**

Sign convention:

- *Net expense: plus sign*
- *Net gain: minus sign*

Amounts recognised in the balance sheet

	Lump-sum retirement benefits		Pensions (*)		Total	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Present value of obligation	**349**	364	**340**	324	**689**	688
Fair value of plan assets		1	**(292)**	(270)	**(292)**	(269)
Unrecognised past service cost	**(37)**	(42)	**2**	2	**(35)**	(40)
Other items	**(4)**	(5) (a)			**(4)**	(5)
Net obligation recognised (provision)	**308**	**318**	**50**	**56**	**358**	**374**
Ratio: plan assets/present value of obligation			86%	83%		

(a) Residual TF1 fund covering a fraction of the obligation

Movement in balance sheet items (non-current provisions)

	Lump-sum retirement benefits		Pensions (*)	
	2011	**2010**	**2011**	**2010**
Position at 1 January	**318**	**311**	**56**	**40**
Expense recognised	**20**	4	**(3)**	(19)
Changes in scope of consolidation		5	**1**	16
Transfers and other movements	**(1)**	7	**(6)**	(1)
Actuarial gains and losses recognised in equity	**(29)**	(9)	**2**	20
Position at 31 December	**308**	**318**	**50**	**56**

(*) Relates primarily to independently-managed Colas group pension funds located in the United Kingdom

Analysis by business segment: year ended 31 December 2011

	Construction	Property	Roads	Media	Telecoms	Bouygues SA and other	Total
Net lump-sum retirement benefit expense (a)	5	1	8	2	4		**20**
Non-current provisions (balance sheet):							
• lump-sum retirement benefits	100	8	135	21	31	13	**308**
• pensions			50				**50**

(a) Pension expense for 2011 was not material.

Analysis by geographical area: year ended 31 December 2011

	France	European Union	Rest of Europe	Africa	Americas	Asia-Pacific	Middle East	Total
Net lump-sum retirement benefit expense (a)	19			1				**20**
Non-current provisions (balance sheet):								
• lump-sum retirement benefits	299		1	5	2	1		**308**
• pensions	13	23		1	13			**50**

(a) Pension expense for 2011 was not material.

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

	2011	2010
Discount rate (b)	**5.46% (Iboxx A10)**	4.62% (Iboxx A10)
Mortality table	**INSEE**	INSEE
Retirement age (depending on business segment)		
• Managerial staff	**63/65 years**	63/65 years
• Technical, supervisory and clerical staff, and site workers	**62/63 years**	62/63 years
Salary inflation rate (depending on business segment) (a)	**1.9% to 4%**	2% to 4%

(a) Includes general inflation

(b) A reduction of 50 basis points in the discount rate would increase the obligation by €21m as at 31 December 2011. Under Group accounting policies, any such actuarial losses would be recognised directly in equity.

19.4 EMPLOYEE SHARE OWNERSHIP

19.4.1 Stock options

Total number of effectively exercisable options: 0

Quoted share price on 31 December 2011: €24.345

Plan grant date	Outstanding options at 31/12/2011	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price (€) (a)	Number of effectively exercisable options
21/06/2005	2,744,973	21/06/2009	21/06/2006	30.94	-
05/09/2006	3,514,341	05/09/2010	05/09/2007	39.49	-
05/06/2007	4,205,899	05/06/2011	05/06/2008	62.63	-
31/03/2008	4,228,371	31/03/2012	31/03/2009	42.68	-
01/04/2009	4,564,926	01/04/2013	01/04/2010	25.62	-
30/06/2010	4,138,961	01/07/2014	01/07/2011	34.08	-
14/06/2011	2,974,497	14/06/2015	14/06/2012	31.43	-
Total					**0**

Stock options are effectively exercisable if they meet both of the following conditions:

1) They must be legally exercisable as at 31 December 2011, either by normal exercise (4 years after the plan grant date) or by partial exercise ahead of the normal exercise date under the terms of the company savings scheme.
2) They must be in the money at 31 December 2011, in other words the exercise price must be less than the closing share price on 31 December 2011 (€24.345).

(a) The exercise price takes account of the share repurchase tender offer.

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

20.1 RELATED-PARTY DISCLOSURES

Transactions	Expenses		Income		Receivables		Liabilities	
	2011	2010	2011	2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Parties with an ownership interest	**5**	5	**1**	1		2		
Joint ventures	**26**	25	**188**	156	**283**	236	**90**	113
Associates	**18**	7	**131**	101	**67**	64	**21**	10
Other related parties	**28**	34	**129**	17	**89**	66	**62**	45
Total	**77**	**71**	**449**	**275**	**439**	**368**	**173**	**168**
Maturity								
less than 1 year					**350**	295	**136**	165
1 to 5 years					**19**	30	**37**	3
more than 5 years					**70**	43		
of which impairment of doubtful receivables (mainly non-consolidated companies)					**84**	**77**		

Identity of related parties:

• Parties with an ownership interest: SCDM (company controlled by Martin and Olivier Bouygues);

• Joint ventures: primarily quarry companies, project joint ventures and property development companies

• Associates: includes in particular transactions with concession companies and Alstom

• Other related parties: mainly 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 2011.

Direct remuneration: €17,329,177, comprising basic remuneration of €7,546,733; variable remuneration of €9,764,744 paid in 2012 on the basis of 2011 performance; and €474,337 of directors' fees.

Directors' fees paid to non-executive directors and non-voting directors amounted to €403,000.

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 €2,000,000 in 2011.

Long-term benefits: none.

Termination benefits: these comprise lump-sum retirement benefits of €640,248.

Share-based payment: A total of 649,000 stock options were awarded to members of the Management Committee on 14 June 2011 at an exercise price of €31.43. The earliest exercise date is 14 June 2015, and the expense recognised for these options in the year ended 31 December 2011 was €121,324.

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.

Continuing operations

Acquired/divested subsidiaries	Construction	Property	Roads	Media	Telecoms	Bouygues SA and other	Total 2011
Cash and cash equivalents	(25)	5	(2)	3	(6)	1	**(24)**
Inventories	1	(4)	(1)	2			**(2)**
Trade and other receivables	(68)	(1)	(2)	(10)	(4)	1	**(84)**
Non-current assets other than goodwill	(2)	(2)	(49)	1	-	(1)	**(53)**
Goodwill	(39)		(3)	7	(12)	1	**(46)**
Traded payables and other current liabilities	94	3	28	7	22	12	**166**
Non-current liabilities	(1)	(2)	(5)	(4)	(3)		**(15)**
Non-current provisions	2	(1)		5	2	(2)	**6**
Non-current taxes			(2)	1			**(1)**
Net acquisition/divestment cost	**(38)**	**(2)**	**(36)**	**12**	**(1)**	**12**	**(53)**
Cash acquired or divested	25	(5)	2	(3)	6	(1)	**24**
Net debt on long-term investments						(1)	**(1)**
Net cash inflow/(outflow) resulting from acquisitions and divestments of subsidiaries	**(13)**	**(7)**	**(34)**	**9**	**5**	**10**	**(30)**

Discontinued operations: N/A

NOTE 22 AUDITORS' FEES (in €'000)

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 2011.

(Amounts shown are exclusive of VAT)	Mazars network				Ernst & Young network				Other firms [a]				Total expense	
	Amount		%		Amount		%		Amount		%			
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
A - Audit														
Audit of consolidated and individual company financial statements [b]	(6,227)	(6,341)	96%	96%	(4,472)	(4,226)	96%	94%	(7,121)	(7,445)	84%	91%	(17,820)	(18,012)
• Bouygues SA	(221)	(218)			(222)	(219)			0	0			(443)	(437)
• Consolidated companies	(6,006)	(6,123)			(4,250)	(4,007)			(7,121)	(7,445)			(17,377)	(17,575)
Related engagements [c]	(118)	(148)	2%	2%	(175)	(287)	4%	6%	(786)	(203)	9%	2%	(1,079)	(638)
• Bouygues SA	0	(30)			(71)	(21)			0	0			(71)	(51)
• Consolidated companies	(118)	(118)			(104)	(266)			(786)	(203)			(1,008)	(587)
Sub-total 1	**(6,345)**	**(6,489)**	**98%**	**98%**	**(4,647)**	**(4,513)**	**100%**	**100%**	**(7,907)**	**(7,648)**	**93%**	**93%**	**(18,899)**	**(18,650)**
B - Other services [d]														
Legal, tax, employment law	(62)	(84)	1%	1%	0	0	0%	0%	(461)	(413)	5%	5%	(523)	(497)
Other	(55)	(40)	1%	1%	0	0	0%	0%	(167)	(114)	2%	2%	(222)	(154)
Sub-total 2	**(117)**	**(124)**	**2%**	**2%**	**0**	**0**	**0%**	**0%**	**(628)**	**(527)**	**7%**	**7%**	**(745)**	**(651)**
Total fee expense	**(6,462)**	**(6,613)**	**100%**	**100%**	**(4,647)**	**(4,513)**	**100%**	**100%**	**(8,535)**	**(8,175)**	**100%**	**100%**	**(19,644)**	**(19,301)**

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

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

(c) 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.

(d) 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

		Closing rate		Annual average rate	
Country	Currency unit	31/12/2011	31/12/2010	2011	2010
EUROPE					
Denmark	Danish krone	**0.134513**	0.134165	**0.134235**	0.134269
United Kingdom	Pound sterling	**1.197175**	1.161778	**1.147776**	1.168215
Hungary	Hungarian forint	**0.003179**	0.003598	**0.003563**	0.003617
Poland	Polish zloty	**0.224316**	0.251572	**0.241664**	0.249695
Czech Republic	Czech koruna	**0.038779**	0.039903	**0.040651**	0.039583
Romania	Romanian leu	**0.231305**	0.234632	**0.235852**	0.237141
Switzerland	Swiss franc	**0.822639**	0.799744	**0.811804**	0.729949
NORTH AMERICA					
United States	US dollar	**0.772857**	0.748391	**0.714277**	0.757189
Canada	Canadian dollar	**0.756716**	0.750638	**0.724366**	0.732055
REST OF THE WORLD					
Morocco	Moroccan dirham	**0.090013**	0.089497	**0.088806**	0.089724
Thailand	Thai baht	**0.024396**	0.024894	**0.023380**	0.023913
Hong Kong	Hong Kong dollar	**0.099493**	0.096287	**0.091777**	0.097455
African Financial Community	CFA franc	**0.001524**	0.001524	**0.001524**	0.001524
South Africa	South African rand	**0.095393**	0.112835	**0.098585**	0.103544

NOTE 24 : LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT 31 DECEMBER 2011

Company	City/Country	% interest 2011	% interest 2010	% direct and indirect control [a] 2011	% direct and indirect control [a] 2010
FRANCE					
FULL CONSOLIDATION					
CONSTRUCTION					
Bouygues Construction SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment Ile-de-France SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment International SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues TP SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Axione	Malakoff	99.97	99.97		
Bati-Rénov SA	Orly	99.32	99.32		
Brézillon SA	Noyon	99.32	99.32		
Challenger SNC	Paris	99.97	99.97		
DTP Terrassement SA	Saint-Quentin-en-Yvelines	99.97	99.97		
DV Construction SA	Mérignac	99.97	99.97		
ETDE SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Exprimm IT	Villebon sur Yvette	Merged	99.97		
Exprimm SA	Saint-Quentin-en-Yvelines	99.97	99.97		
GFC Construction SA	Caluire et Cuire	99.97	99.97		
Quille Construction SA (formerly GTB)	Nantes	99.97	99.97		
Mainguy SAS	Vertou	Merged	99.97		
Norpac SA	Villeneuve d'Ascq	99.97	99.97		
Pertuy Construction SA	Maxéville	99.97	99.97		
Quille SA	Rouen	99.97	99.97		
Serma SAS	Champforgueil	99.97	99.97		
Sodéarif SA	Saint-Quentin-en-Yvelines	99.96	99.96		
PROPERTY					
Bouygues Immobilier	Issy-les-Moulineaux	100.00	100.00		
SLC	Lyon	100.00	100.00		
SNC Bouygues Immobilier Entreprises Ile-de-France	Issy-les-Moulineaux	100.00	100.00		
SNC Bouygues Immobilier Paris	Issy-les-Moulineaux	100.00	100.00		

(a) Where percentage control differs from percentage interest

Company	City/Country	% interest 2011	% interest 2010	% direct and indirect control [a] 2011	% direct and indirect control [a] 2010
ROADS					
Colas SA and its regional subsidiaries *(Colas, Screg and Sacer)*	Boulogne-Billancourt	96.55	96.62		
Aximum	Chatou	96.54	96.61	100.00	100.00
Colas Guadeloupe	Baie-Mahault (Guadeloupe)	96.54	96.61	100.00	100.00
Colas Martinique	Le Lamentin (Martinique)	96.54	96.61	100.00	100.00
Colas Rail	Maisons-Laffitte	96.54	96.61	100.00	100.00
Grands Travaux Océan Indien *(GTOI)* SA	Le Port (La Réunion)	96.54	96.61	99.99	99.99
Smac and its subsidiaries	Boulogne-Billancourt	96.54	96.61	100.00	100.00
Société de la Raffinerie de Dunkerque	Dunkirk	96.54	96.61	100.00	100.00
Spac and its subsidiaries	Clichy	96.54	96.61	100.00	100.00
MEDIA					
Télévision Française 1 SA	Boulogne-Billancourt	43.59	43.09		
Dujardin and its subsidiaries	Cestas	43.59	43.09	100.00	100.00
E-TF1	Boulogne-Billancourt	43.59	43.09	100.00	100.00
Eurosport SA and its subsidiaries	Issy-les-Moulineaux	43.59	43.09	100.00	100.00
La Chaîne Info	Boulogne-Billancourt	43.59	43.09	100.00	100.00
NT1	Boulogne-Billancourt	43.59	43.09	100.00	100.00
Télé Monte Carlo	Monaco	34.87	34.47	80.00	80.00
Téléshopping	Boulogne-Billancourt	43.59	43.09	100.00	100.00
TF1 Droits Audiovisuels	Boulogne-Billancourt	43.59	43.09	100.00	100.00
TF1 Entreprises	Boulogne-Billancourt	43.59	43.09	100.00	100.00
TF1 Publicité	Boulogne-Billancourt	43.59	43.09	100.00	100.00
TF1 Vidéo	Boulogne-Billancourt	43.59	43.09	100.00	100.00
TV Breizh	Lorient	43.59	43.09	100.00	100.00
Une Musique	Boulogne-Billancourt	43.59	43.09	100.00	100.00
Métro France Publications	Paris	43.59	(b)	100.00	-
TÉLÉCOMS					
Bouygues Telecom SA and its subsidiaries	Paris	89.55	89.55		
OTHER SUBSIDIARIES					
Bouygues Relais SNC	Paris	100.00	100.00		
GIE 32 Hoche	Paris	90.00	90.00		
Société Française de Participation & Gestion *(SFPG)* SA and its subsidiaries	Paris	99.76	99.76		
Serendipity and its subsidiaries	Paris	100.00	(c)		

(a) Where percentage control differs from percentage interest

(b) Equity method in 2010 (c) Proportionate consolidation in 2010

Company	City/Country	% interest		% direct and indirect control [a]	
		2011	2010	2011	2010
PROPORTIONATE CONSOLIDATION					
CONSTRUCTION					
Evesa SAS	Paris	32.99	-		
Chrysalis Developpement SAS	Paris	64.98	-		
ROADS					
Carrières Roy	Saint-Varent	48.26	48.29	49.98	49.98
ASSOCIATES (EQUITY METHOD)					
CONSTRUCTION					
Adelac SAS	Beaumont	46.09 (b)	46.09		
Autoroute de liaison Seine-Sarthe SA	Bourg-Achard	33.16	33.16		
Axione Infrastructures SAS and its subsidiaries	Saint-Quentin-en-Yvelines	15.00	15.00		
Consortium Stade de France SA	Saint-Denis	33.32	33.32		
ROADS					
Cofiroute	Sèvres	16.09	16.11	16.67	16.67
OTHER SUBSIDIARIES					
Alstom	Levallois-Perret	30.75	30.77		
Finagestion and its subsidiaries (Africa)	Saint-Quentin-en-Yvelines	20.00	21.50		

(a) Where percentage control differs from percentage interest

(b) 39.19% Bouygues Construction, 6.90% Colas

Company	City/Country	% interest 2011	% interest 2010	% direct and indirect control [(a)] 2011	% direct and indirect control [(a)] 2010
INTERNATIONAL					
FULL CONSOLIDATION					
CONSTRUCTION					
Acieroïd SA	Barcelona/Spain	99.97	99.97		
Bouygues Thaï Ltd	Bangkok/Thailand	48.99	48.99		
Bouygues UK Ltd	London/United Kingdom	99.97	99.97		
Bymaro	Casablanca/Morocco	99.96	99.96		
David Webster Lighting and its subsidiaries	Harlow/United Kingdom	99.97	99.97		
Dragages et TP (Hong-Kong) Ltd	Hong Kong/China	99.97	99.97		
DTP Singapour Pte Ltd	Singapore	99.97	99.97		
Ecovert FM	London/United Kingdom	99.97	99.97		
ETDE Contracting Ltd	Derbyshire/United Kingdom	99.97	99.97		
ETDE Gabon	Libreville/Gabon	84.39	84.39		
ETDE Hungary	Gyor/Hungary	99.97	99.97		
Gounkoto Mining Services	Bamako/Mali	99.97	-		
Icel Maidstone Ltd and its subsidiaries	London/United Kingdom	99.97	99.97		
Karmar SA	Warsaw/Poland	99.97	99.97		
Kohler Investment SA	Luxembourg	99.97	99.97		
Leadbitter Bouygues Holding Ltd and its subsidiaries	Abingdon/United Kingdom	50.98	-		
Losinger Marazzi AG (ex Construction AG)	Köniz/Switzerland	99.97	99.97		
Losinger Holding AG (ex Marazzi Holding)	Köniz/Switzerland	99.97	99.97		
Prader Losinger SA	Sion/Switzerland	99.64	99.64		
VCES Holding s.r.o. and its subsidiaries	Pardubice/Czech Republic	99.97	99.97		
VSL International Ltd	Berne/Switzerland	99.87	99.87		
Warings Construction Group Holding Ltd and its subsidiaries	Portsmouth/United Kingdom	99.97	99.97		
Westminster Local Education Partnership Ltd	London/United Kingdom	89.97	79.98		
PROPERTY					
Bouygues Immobilier Polska Sarl	Warsaw/Poland	100.00	100.00		
Bouygues Inmobiliaria SA	Madrid/Spain	100.00	100.00		
Parque Empresarial Cristalia SL	Madrid/Spain	100.00	100.00		

(a) Where percentage control differs from percentage interest

Company	City/Country	% interest 2011	% interest 2010	% direct and indirect control [a] 2011	% direct and indirect control [a] 2010
ROADS					
Colas Belgium and its subsidiaries	Brussels/Belgium	96.54	96.61	100.00	100.00
Colas Canada Inc.	Montreal, Quebec/Canada	96.55	96.62	100.00	100.00
Colas Cz	Prague/Czech Republic	96.55	96.62	100.00	100.00
Colas Danmark A/S	Virum/Denmark	96.55	96.62	100.00	100.00
Colas Gabon	Libreville/Gabon	86.80	86.86	89.90	89.90
Colas Hungaria and its subsidiaries	Budapest/Hungary	96.55	96.62	100.00	100.00
Colas Inc. and its subsidiaries	Morristown, New Jersey/USA	96.55	96.62	100.00	100.00
Colas Ltd and its subsidiaries	Rowfant/United Kingdom	96.55	96.62	100.00	100.00
Colas du Maroc and its subsidiaries	Casablanca/Morocco	96.54	96.61	100.00	100.00
Colas Polska	Sroda-Wielkopol/Poland	96.55	96.62	100.00	100.00
Colas SA and its subsidiaries	Lausanne/Switzerland	95.80	95.87	99.22	99.22
OTHER SUBSIDIARIES					
Challenger Réassurance	Luxembourg	99.99	99.99		
Uniservice	Geneva/Switzerland	99.99	99.99		
PROPORTIONATE CONSOLIDATION					
CONSTRUCTION					
Bombela Civils Jv Ltd	Johannesburg/South Africa	44.99	44.99		
ROADS					
Gamma Materials	Beau Bassin/Mauritius	48.22	-	50.00	-
ASSOCIATES (EQUITY METHOD)					
CONSTRUCTION					
Bina Fincom	Zagreb/Croatia	44.99	44.99		
Hermes Airports Ltd	Nicosia/Cyprus	21.99	21.99		

(a) Where percentage control differs from percentage interest