

HALF-YEAR REVIEW 2010



31 August 2010

32 Hoche - Paris

BUILDING THE FUTURE IS OUR GREATEST ADVENTURE



French *société anonyme* with share capital of €354,267,911
Registered office: 32 avenue Hoche - 75008 Paris, France - Registration No. 572 015 246 Paris - APE code 7010Z

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BOARD OF DIRECTORS

MEMBERSHIP

Chairman and Chief Executive Officer

Martin Bouygues

Executive Director

Olivier Bouygues

Deputy CEO and standing representative of SCDM, director

Directors

Pierre Barberis

Former Deputy CEO, Oberthur

Patricia Barbizet

CEO and director, Artémis

François Bertière

Chairman and CEO, Bouygues Immobilier

Madame Francis Bouygues

Georges Chodron de Courcel

COO, BNP Paribas

Lucien Douroux

Former Chairman of the Supervisory Board,
Crédit Agricole - Indosuez

Yves Gabriel

Chairman and CEO, Bouygues Construction

Patrick Kron

Chairman and CEO, Alstom

Hervé Le Bouc

Chairman and CEO, Colas

Helman le Pas de Sécheval

Managing Director, Groupama Centre-Atlantique

Colette Lewiner

Deputy Chairwoman, Capgemini

Sandra Nombret

Director representing employee shareholders

Nonce Paolini

Chairman and CEO, TF1

Jean Peyrelevalde

Chairman, Leonardo & Co. SAS

François-Henri Pinault

Chairman and CEO, PPR

Michèle Vilain

Director representing employee shareholders

Non-voting director

Alain Pouyat

BOARD COMMITTEES

Accounts Committee

Helman le Pas de Sécheval (Chairman)

Patricia Barbizet

Georges Chodron de Courcel

Remuneration Committee

Pierre Barberis (Chairman)

Patricia Barbizet

Director Selection Committee

Jean Peyrelevalde (Chairman)

François-Henri Pinault

Ethics and Sponsorship Committee

Lucien Douroux (Chairman)

François-Henri Pinault

HALF-YEAR REVIEW OF OPERATIONS

I – SIGNIFICANT EVENTS IN THE FIRST HALF

The Group reported better-than-expected sales of €14.7 billion in the first half of 2010, down 1% on the first half of 2009 and 2% like-for-like and at constant exchange rates. Operating profit amounted to €698 million (-10%) and net profit to €532 million (-3%). The financial structure is very healthy and net debt is in keeping with the improvement seen at end-December 2009.

Key figures

(€ million)	First-half 2009 restated	First-half 2010	Change	First-half 2009 published
Sales	14,790 ¹	14,655	-1%	14,929
Operating profit	772 ¹	698	-10%	789
Net profit attributable to the Group	547	532	-3%	547
Net debt ²	6,259	4,205	-€2,054m	6,259
Net gearing ²	72%	43%	-29 pts	72%

¹Applying the same accounting policy as in 2010, excluding contributions from Finagestion

²End of period

Business areas

Bouygues Construction had a satisfactory first half. Sales were in line with the full-year target and amounted to €4,530 million, a drop of 5% (down 6% in France and 3% on international markets).

The operating margin was virtually stable at 3.2% in the first half of 2010. Low interest rates continued to impact net profit, down 26% at €89 million.

In the first half of 2010, order intakes reached an all-time high of €6.1 billion, a 38% increase on the first half of 2009 (up 12% in France and 73% internationally). The order book rose to a record €13.9 billion, 16% higher than at end-December 2009. It does not as yet include the Singapore Sports Hub project signed in August 2010 for €770 million.

Bouygues Immobilier did better than expected in the first half of the year. Sales stood at €1,313 million, down 8% overall (up 5% in the residential segment, down 33% in the commercial segment). The operating margin improved one point to 8.3% compared with the first half of 2009 due to the restoration of margins in the residential property business. Net profit fell 7% to €56 million.

In the first half of 2010, business activity remained buoyant in the residential property segment, with reservations rising 39% to €1,175 million. Commercial property reservations remained low in a market which is at a cyclical low. Overall, reservations totalled €1,243 million, 32% higher than at end-June 2009.

The order book was up 3% on 31 March 2010, to €2.2 billion.

First-half 2010 was more difficult for **Colas**. Improved business activity in the second quarter made up for some of the lag accumulated in the first quarter. Sales amounted to €5,002 million, 2% lower than in the first half of 2009 (down 3% in France and 1% on international markets). A deteriorated economic situation in Central Europe and fierce competitive pressure weighed on profitability, with an operating loss of €47 million (including a loss of €57 million in Central Europe) versus operating profit of €75 million at end-June 2009. In the first half of 2010, net loss was €29 million compared with net profit of €58 million at end-June 2009. In this context, Colas is continuing the measures begun in 2009 and is introducing a tougher action plan in Central Europe and France to return to operating margin growth in 2011.

The order book at end-June 2010 stood at €7,198 million, stable compared with end-June 2009, with an increase of 4% in France and a decline of 4% on international markets.

TF1 performed well in the first half of 2010 as its strategy is bearing fruit. Sales rose 14% to €1,285 million, driven by a pick-up in advertising spend. Operating profit tripled to €104 million and net profit rose by 51% to €74 million. The acquisition of TMC and NT1 was finalised on 11 June 2010 and the companies will be fully consolidated in TF1's financial statements from 1 July 2010.

As a result of its commercial performance, **Bouygues Telecom** generated strong organic growth. Overall sales rose by 4% to €2,732 million and sales from network by the same figure to €2,506 million. Stripping out the impact of the cut in voice and SMS termination rates, the growth rate of sales from network would have been 13%. EBITDA amounted to €734 million, up 5%, and net profit to €264 million, down 1%.

Commercial performance remained strong. 351,000 new mobile contract customers joined Bouygues Telecom in the first half of 2010, representing 24% of net market growth¹. Bouygues Telecom had 10,514,000 mobile customers at end-June 2010, 8,277,000 of them on call plans (78.7% of the total customer base, a year-on-year increase of 3.1 points). The fixed-line business continued to grow, with 214,000 net activations in the first half of the year (of which 97,000 in the second quarter) and 525,000 Bbox routers activated² at 30 June 2010. These good results confirm the success of Bouygues Telecom's growth strategy.

Alstom

Alstom contributed €216 million to Group first-half 2010 net profit³, an increase of 19%.

Alstom announced an order book of €42 billion at end-June 2010, or 27 months of sales, and an operating margin target of between 7% and 8% for FY2010/2011 and FY2011/2012. In a challenging short-term commercial environment, Alstom still has solid potential in its three businesses.

Reminder: Bouygues received 4.4 million Alstom shares in return for its 50% stake in the Alstom Hydro Holding joint venture. As a result of the transaction, the Group booked financial income included in net profit for €41 million in the first quarter of 2010.

Financial position

Group net debt at 30 June 2010 came to €4.2 billion, €2.1 billion less than at 30 June 2009. Shareholders' equity increased €1.2 billion to €9.9 billion. Net gearing stood at 43%, an improvement of 29 points. Free cash flow amounted to €590 million, stable compared with the first half of 2009. In July 2010, Standard & Poor's confirmed its rating of A- with a stable outlook.

¹Arcep (French communications regulator) data

²Bbox routers in operation or the number of customers billed

³Contribution calculated on the basis of Alstom's net profit published at 31 March 2010

2010 sales target revised upward to €30.4 billion

The 2010 sales target has been revised upward to €30.4 billion from the €30.1 billion announced in June 2010, as a result of good commercial performance and better-than-expected sales in the first half of the year.

The first half of 2010 confirmed the Group's ability to react and adapt in each of its business areas. With a robust financial structure, Bouygues is well-placed to grasp opportunities for growth in its markets.

SALES BY BUSINESS AREA

(€ million)	2009	2010 target			% change
		Published in March	Published in June	Published in August	
Bouygues Construction	9,546	9,100	9,100	9,100	-5%
Bouygues Immobilier	2,989	2,100	2,150	2,300	-23%
Colas	11,581	11,500	11,500	11,500	-1%
TF1	2,365	2,410	2,460	2,530	+7%
Bouygues Telecom	5,368	5,370	5,420	5,450	+2%
Holding company and other	134	130	130	130	ns
Intra-Group elimination	(630)	(610)	(660)	(610)	ns
TOTAL	31,353	30,000	30,100	30,400	-3%
o/w France	21,678	20,600	20,800	21,100	-3%
o/w international	9,675	9,400	9,300	9,300	-4%

CONDENSED CONSOLIDATED INCOME STATEMENT

(€ million)	First-half		% change	First-half 2009 published
	2009 restated ¹	2010		
Sales	14,790	14,655	-1%	14,929
Operating profit	772	698	-10%	789
Cost of net debt	(170)	(162)	-5%	(171)
Other financial income and expenses	3	36	ns	3
Income tax expense	(203)	(204)	=	(208)
Share of profits and losses from associates	206	237	+15%	206
Net profit from continuing operations	608	605	=	619
Net profit from discontinued and held-for-sale operations	11	0	ns	0
Net profit	619	605	-2%	619
Minority interests	(72)	(73)	+1%	(72)
Net profit attributable to the Group	547	532	-3%	547

¹Finagestion group's income and expenses reclassified to net profit from discontinued and held-for-sale operations

FIRST-QUARTER CONSOLIDATED INCOME STATEMENT

(€ million)	First-quarter		% change	First-quarter 2009 published
	2009 restated	2010		
Sales	6,579 ¹	6,443	-2%	6,655
Operating profit	165 ¹	162	-2%	174
Net profit attributable to the Group	159	181	+14%	159

¹Applying the same accounting policy as in 2010, excluding contributions from Finagestion

SECOND-QUARTER CONSOLIDATED INCOME STATEMENT

(€ million)

	Second-quarter		% change	Second-quarter 2009 published
	2009 restated	2010		
Sales	8,211 ¹	8,212	=	8,274
Operating profit	607 ¹	536	-12%	615
Net profit attributable to the Group	388	351	-10%	388

¹Applying the same accounting policy as in 2010, excluding contributions from Finagestion

SALES BY BUSINESS AREA

(€ million)

	First-half		% change	Change like-for-like and at constant exchange rates
	2009	2010		
Bouygues Construction	4,758	4,530	-5%	-6%
Bouygues Immobilier	1,433	1,313	-8%	-9%
Colas	5,116	5,002	-2%	-3%
TF1	1,130	1,285	+14%	+13%
Bouygues Telecom	2,625	2,732	+4%	+4%
Holding company and other	73 ¹	70	ns	ns
Intra-Group elimination	(345) ¹	(277)	ns	ns
Total	14,790¹	14,655	-1%	-2%
<i>o/w France</i>	<i>10,496</i>	<i>10,369</i>	<i>-1%</i>	<i>-1%</i>
<i>o/w international</i>	<i>4,294¹</i>	<i>4,286</i>	<i>=</i>	<i>-3%</i>

¹Applying the same accounting policy as in 2010, excluding sales from Finagestion (€175 million in Holding company and other, -€36 million in Intra-Group elimination)

CONTRIBUTION OF BUSINESS AREAS TO EBITDA

(€ million)

	First-half		% change
	2009	2010	
Bouygues Construction	304	307	+1%
Bouygues Immobilier	132	91	-31%
Colas	286	142	-50%
TF1	90	123	+37%
Bouygues Telecom	702	734	+5%
Holding company and other	(22) ¹	(19)	ns
TOTAL	1,492¹	1,378	-8%

¹Applying the same accounting policy as in 2010, excluding contribution from Finagestion (€43 million in 2009)

CONTRIBUTION OF BUSINESS AREAS TO OPERATING PROFIT

(€ million)	First-half		% change
	2009	2010	
Bouygues Construction	164	144	-12%
Bouygues Immobilier	104	109	+5%
Colas	75	(47)	ns
TF1	38	104	x2.7
Bouygues Telecom	415	409	-1%
Holding company and other	(24) ¹	(21)	ns
TOTAL	772¹	698	-10%

¹Applying the same accounting policy as in 2010, excluding contribution from Finagestion (€17 million in 2009)

CONTRIBUTION OF BUSINESS AREAS TO NET PROFIT ATTRIBUTABLE TO THE GROUP

(€ million)	First-half		% change
	2009	2010	
Bouygues Construction	121	89	-26%
Bouygues Immobilier	60	56	-7%
Colas	57	(28)	ns
TF1	21	32	+52%
Bouygues Telecom	240	237	-1%
Alstom	182	216	+19%
Holding company and other	(134)	(70)	ns
TOTAL	547	532	-3%

NET CASH BY BUSINESS AREA

(€ million)	At end-June		Change €m
	2009	2010	
Bouygues Construction	2,500	2,922	+€422m
Bouygues Immobilier	(138)	58	+€196m
Colas	(919)	(952)	-€33m
TF1	(820)	(120)	+€700m
Bouygues Telecom	(681)	(505)	+€176m
Holding company and other	(6,201)	(5,608)	+€593m
TOTAL	(6,259)	(4,205)	+€2,054m

CONTRIBUTION OF BUSINESS AREAS TO CASH FLOW

(€ million)	First-half		% change
	2009	2010	
Bouygues Construction	242	245	+1%
Bouygues Immobilier	89	97	+9%
Colas	289	164	-43%
TF1	85	132	+55%
Bouygues Telecom	707	715	+1%
Holding company and other	78 ¹	104	ns
TOTAL	1,490¹	1,457	-2%

¹Applying the same accounting policy as in 2010, excluding contribution from Finagestion (€26 million in 2009)

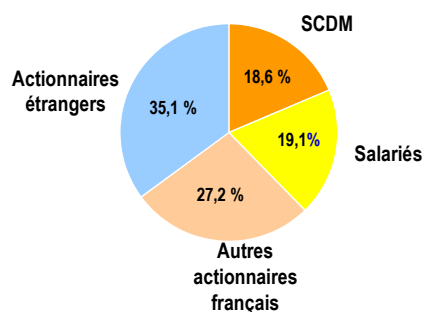
CONTRIBUTION OF BUSINESS AREAS TO NET CAPITAL EXPENDITURE

(€ million)	First-half		% change
	2009	2010	
Bouygues Construction	64	114	+78%
Bouygues Immobilier	2	1	-50%
Colas	136	135	-1%
TF1	45	21	-53%
Bouygues Telecom	285	227	-20%
Holding company and other	7 ¹	3	ns
TOTAL	539¹	501	-7%

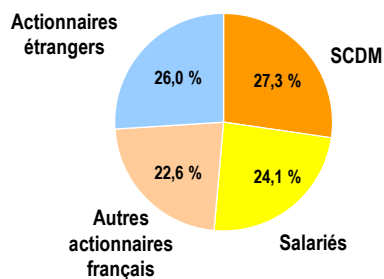
¹Applying the same accounting policy as in 2010, excluding contribution from Finagestion (€32 million in 2009)

Bouygues share ownership structure at 30 June 2010

■ Répartition du capital



■ Répartition des droits de vote



Au 30 juin 2010

- 355 604 191 actions
- 479 913 129 droits de vote

SCDM est une société contrôlée par Martin et Olivier Bouygues.



Bouygues Construction

Bouygues Construction is a world leader in building, civil works and electrical contracting and maintenance. Combining the strength of a large group with the responsiveness of a network of firms, its range of know-how spans project financing, design, construction, operation and maintenance.

Key figures

(€ million)	H1		Change	2009
	2009	2010		
Sales	4,758	4,530	-5%	9,546
<i>France</i>	2,713	2,538	-6%	5,356
<i>International</i>	2,045	1,992	-3%	4,190
Operating profit	164	144	-12%	335
Net profit attributable to the Group	121	89	-26%	240

Half-year highlights

Bouygues Construction took orders worth €6,105 million, €1,666 million more than at end-June 2009, due in particular to the conclusion of five projects worth more than €300 million each. Orders in France rose €300 million to €2,880 million, while international orders rose €1,365 million to €3,225 million. The order intake at end-June included long-term orders (more than five years) for ETDE worth €568 million, compared with €115 million at end-June 2009.

The order book at end-June 2010 amounted to €13.9 billion, a record level. 16% higher than at end-December 2009, it represented 18.5 months of sales.

Sales fell 5% to €4,530 million in the first half of 2010, both in France (down 6% to €2,538 million) and on international markets (down 3% to €1,992 million). Like-for-like and at constant exchange rates, the fall was 6%.

Operating profit, at €144 million, represented 3.2% of sales, while net financial income amounted to €16 million, hit by continuing low rates of interest on the cash surplus. The net margin at end-June 2010 was 2.0%, compared with 2.5% at end-June 2009, giving a net profit of €89 million.

The cash position net of financial debt stood at €2,922 million, lower than at end-December 2009, due in particular to the payment of the dividend on 28 April 2010.

BUILDING AND CIVIL WORKS

The Building and Civil Works activity generated €3,780 million, including €2,045 million in France and €1,735 million on international markets.

- **France**

Bouygues Bâtiment Ile-de-France, the leader on its market, recorded a 7% rise in sales to €997 million in the first half of 2010. Its social housing activity continued to thrive, rising by 10%. It is also involved in a number of major new construction and renovation projects such

as the renovation of the First Tower in La Défense, which has High Environmental Quality (HQE[®]) certification, the rehabilitation of Jussieu University in Paris and the construction of a shopping centre in Parc du Millénaire, a new eco-neighbourhood in Aubervilliers.

The six regional subsidiaries of **Bouygues Entreprises France Europe** operate in both the building and civil works sectors in France. Their sales fell by 19% to €848 million at end-June 2010. They continue to be involved in the construction of public infrastructure for healthcare (Amiens-Picardie hospital, Orléans regional hospital), justice (a prison in Réau, near Lille), education and leisure.

For **Bouygues Travaux Publics** and **DTP Terrassement**, sales in France at end-June 2010 rose by 7% to €152 million and €43 million respectively, sustained by ongoing civil engineering work at the Flamanville EPR nuclear power plant.

- **Europe (except France)**

Sales in Europe (except France) amounted to €806 million in the first half of 2010, 16% less than in the previous year.

Sales in the **United Kingdom** fell by 2% to €213 million. Bouygues UK, which is involved in PFI (Private Finance Initiative) and Design & Build projects in the London area, has continued to do well, sustained by a high level of activity on major projects in progress and orders taken in 2009. Warings, which operates in the south of England, benefits from a diversified portfolio of activities. Bouygues Travaux Publics is continuing to build a new tunnel under the Tyne at Newcastle in the framework of a concession agreement.

In **Switzerland**, year-on-year sales fell by 1% to €284 million at end-June 2010 despite the positive effect of exchange rates over the period. Losinger Construction is continuing to expand in the German-speaking part of the country through its subsidiary Marazzi.

In **Spain**, sales remained low at €52 million in a business climate that is still very challenging.

In **Finland**, Bouygues Travaux Publics is continuing civil engineering work on the Olkiluoto EPR nuclear power plant for Areva.

In **Eastern Europe**, sales by local subsidiaries in Poland and the Czech Republic continued to be hit by the effects of the crisis.

In **Croatia**, Bouygues Travaux Publics in partnership with DTP Terrassement is continuing work to widen the Istria motorway which it had previously built and which is operated by the Concessions division.

- **International (except Europe)**

In **Asia-Pacific** (€526 million, up 27%), Bouygues Construction has strong local operations in Hong Kong, Singapore, Thailand and Turkmenistan. In the first half of 2010, Dragages Hong Kong took two major orders for the construction of the Kai Tak cruise terminal and a section of tunnel for the new high-speed rail link between Hong Kong and Canton. In South Korea, Bouygues Travaux Publics is continuing to build the port of Pusan under a concession agreement.

Bouygues Construction's sales in **Africa** fell by 7% to €246 million in the first half of 2010. In South Africa, in June 2010, just in time for the kick-off of the football World Cup, Bouygues Travaux Publics delivered the Johannesburg International Airport to Sandton section of the

80-km Gautrain railway line that on completion will link the airport with Johannesburg and Pretoria. BBGE is involved in building, roadworks and civil engineering projects in Equatorial Guinea, while in Morocco Bouygues Construction is about to start work on Tanger Med 2, the second container port in Tangiers. In Egypt, Bouygues Travaux Publics is continuing work on Line 3 of the Cairo metro.

In the **Middle East**, sales fell by 37% to €53 million. In partnership with two local firms, Bouygues Bâtiment International has started work on the Barwa Financial District in Doha (Qatar), a vast 700,000-sq.-metre real estate complex. In Abu Dhabi, VSL is building the first stay-cable bridge in the United Arab Emirates, linking Hodariyat Island to Abu Dhabi

In the **Americas/Caribbean** zone (€104 million, up 10%) business is growing rapidly. In Cuba, in the first half of 2010 Bouygues Bâtiment International signed a contract for a major tourist complex around a marina at Varadero. In Canada, after Surrey Hospital, Bouygues Bâtiment International took an order under a PPP⁴ contract to build headquarters for the Royal Canadian Mounted Police. ETDE's local subsidiary has a 25-year contract to operate the building and provide maintenance. In the United States, Bouygues Travaux Publics has started to build a tunnel for the port of Miami under a 35-year PPP contract.

ELECTRICAL CONTRACTING AND MAINTENANCE

ETDE contributed €750 million to Bouygues Construction's consolidated sales, 4% less than in the first half of 2009.

Sales in **France** amounted to €493 million, compared with €549 million at end-June 2009. Utility networks activity was hit by frequent bad weather in the first half of the year. ETDE, in partnership with the group's construction subsidiaries, took orders for several PPP projects, including a medical teaching and research unit for the University of Versailles – St. Quentin en Yvelines and a centre for the University of Paris IV Sorbonne at Clignancourt, north of Paris. Its Exprimm subsidiary will provide maintenance.

International sales at end-June 2010 rose 9% to €257 million, boosted in particular by the rise in the exchange rate of the Swiss franc and pound sterling against the euro. ETDE operates through local subsidiaries that are well-established on their markets in Europe (mainly the UK and Switzerland) and Africa. It is also involved in some major projects, like the construction and renovation for an international oil company of 500 km of power lines and electric substations in the Congo.

Outlook for 2010

In a business climate still affected by the crisis, Bouygues Construction is sticking to its 2010 sales forecast of €9,100 million and can count on:

- **secured sales at end-June for FY 2010** of €8.7 billion, covering 96% of forecast sales and giving a reassuring degree of visibility for the year,
- a **long-term order book** (beyond five years) of €1.6 billion at 30 June 2010,
- a **robust financial structure** with a net cash position of €2.9 billion,
- an **international strategy** offering opportunities in countries in different parts of the world, including Qatar, Morocco, Hong Kong and Canada.

⁴ Public-private partnership

2010 sales target

(€ million)	2009	2010 target	Change
Sales	9,546	9,100	-5%
<i>France</i>	5,356	5,100	-5%
<i>International</i>	4,190	4,000	-5%

Bouygues Immobilier

France's leading property developer in 2009, with 33 branches around the country and four subsidiaries elsewhere in Europe, Bouygues Immobilier develops residential, commercial and retail park projects.

Key figures

(€ million)	H1		Change	2009
	2009	2010		
Sales	1,433	1,313	-8%	2,989
<i>Residential</i>	936	981	+5%	2,084
<i>Commercial</i>	497	332	-33%	905
Current operating profit	104	109	+5%	203
Current operating margin	7.3%	8.3%	+1 pt	6.8%
Net profit attributable to the Group	60	56	-7%	110
Net cash at end of period ⁽¹⁾	-138	58	+ €196m	146

(1) Net cash minus current and non-current financial debt and corresponding financial instruments.

Half-year highlights

Context

Business activity in the first half of 2010 reflected the same trend as in 2009. Government stimulus measures continued to support the residential property market, including a doubling of zero-interest loans and other measures to help first-time buyers, as well as tax incentives for investors in buy-to-rent properties. The housing market also benefited from a further fall in interest rates to historically low levels. However, the commercial property market remained sluggish.

In this context, Bouygues Immobilier recorded a 39% increase by value in residential property reservations.

Commercial property orders remained low.

Sales in the first half of the year amounted to €1,313 million, 8% down on the same period in 2009. The fall, announced at the beginning of the year, reflects the lower level of reservations in 2008 and the completion of a number of major commercial property projects.

The operating margin increased to 8.3% from 6.8% in 2009.

Commercial performance

Reservations

	H1		Change	2009
	2009	2010		
Residential				
Number	5,227	7,320	+40%	11,230
Amount (€m)	844	1,175	+39%	1,803
Commercial				
Surface area (sq. m.)	39,000	28,000	-28%	56,000
Amount (€m)	99	68	-31%	152

Residential property

Bouygues Immobilier took reservations worth €1,175 million for 7,320 housing units in the first half of 2010, 40% more in number than in the first half of 2009. Commercial launches were highly successful, especially in the two eco-neighbourhoods of Ginko in Bordeaux and Fort d'Issy in Issy-les-Moulineaux, near Paris.

Another highlight of the period was the introduction of the BBC-Effinergie energy-efficiency labelling scheme for all new residential programmes, two-and-a-half years before it becomes compulsory.

Bouygues Immobilier increased its sales to both investors and owner-occupiers. The number of first-time buyers rose as a combination of government incentives, low interest rates and competitively priced products adapted to demand enabled low-income households to get onto the housing ladder.

Commercial property

In a market that remains very difficult, commercial property reservations in the first half of 2010 amounted to €68 million. The shopping centre at Guimarães in Portugal was sold.

Order book

(€ million)	End-December 2009	End-June 2010
Order book	2,178	2,156
Residential	1,747	2,026
Commercial	431	130

Bouygues Immobilier's order book is worth €2,156 million, including €2,026 in the residential segment representing 11 months of sales.

Outlook and strategy

In the second half of 2010, Bouygues Immobilier expects the residential property market to remain stable compared with 2009. Activity in the commercial property segment will remain slow, in a market that has shrunk considerably.

Under the circumstances, Bouygues Immobilier intends to continue its strategy of gaining market share in the residential property segment, backed by application of the BBC-Effinergie label for all its programmes, and continuing to expand sales to first-time buyers.

In the commercial property segment, Bouygues Immobilier will concentrate on delivering a number of major projects currently in progress and continuing its strategy of controlling risk by developing projects for clearly identified operators.

Bouygues Immobilier will also continue to pursue the objective of preserving a solid financial structure and keeping debt under control.

2010 sales target

(€ million)	2009	2010 target	Change
Sales	2,989	2,300	-23%
<i>Residential</i>	2,084	1,800	-14%
<i>Commercial</i>	905	500	-45%

Colas

With an international network of 1,400 profit centres in over 40 countries, Colas is a leading player in the roadbuilding and maintenance sectors. Operating in all transport infrastructure markets, the firm offers complementary services including the manufacture and installation of safety and signalling equipment, civil engineering, pipeline and pipe laying, the manufacture and installation of waterproofing membranes, building, and the construction and maintenance of railway infrastructure. Colas also operates infrastructure concessions, especially for motorways.

Key figures

(€ million)	H1		Change	2009
	2009	2010		
Sales	5,116	5,002	-2.2%	11,581
<i>France</i>	3,146	3,060	-2.7%	6,751
<i>International</i>	1,970	1,942	-1.4%	4,830
Operating profit/(loss)	75	(47)	-122	541
Net profit/(loss) attributable to the Group	58	(29)	-87	387
Contribution to Bouygues' consolidated net profit	57	-28	-85	374

Consolidated sales at 30 June 2010 amounted to €5.0 billion compared with €5.1 billion at end-June 2009, a fall of 2.2% (3.3% like-for-like and at comparable exchange rates). Although the lag at the end of the first quarter of the year, linked to harsh winter conditions, was almost entirely made up in the second quarter, considerable variations in the level of activity remain in different parts of the world.

The division made an operating loss of €47 million at 30 June 2010, compared with an operating profit of €75 million at 30 June 2009, and a net loss attributable to the Group of €29 million compared with a profit of €58 million at 30 June 2009, a fall of €87 million. Net debt amounted to €952 million compared with €919 million at the same time in the previous period.

Half-year highlights

- Acquisition of SRD, a bitumen plant in Dunkirk, on 30 June 2010.
- End of stimulus plan measures for transport infrastructure, except in North America.
- An operating loss, reflecting:
 - adverse weather conditions in the first quarter,
 - expected competitive pressure, especially in France,
 - further deterioration of the economic situation in central Europe,
 - a lack of major projects with the cancellation of contracts for the Tram-Train on Reunion Island and the D1 motorway in Slovakia and reduced activity in Madagascar, paralysed by a political crisis.
- Continuation of a strategy to adapt resources to the workload at each subsidiary, control costs and limit capital spending.

France

Sales in France at end-June 2010 amounted to €3.1 billion, 2.7% lower than at end-June 2009.

Sales in **mainland France** in the first half of the year amounted to €2.9 billion, close to the level at the end of June 2009 (-1.5%).

- Sales by roads subsidiaries were slightly lower than at end-June 2009 (-1.6%). The lag in the first quarter caused by harsh winter conditions was mostly made up in a context where sluggish private investment was offset by local authority spending, especially on public transport and urban redevelopment projects, despite the ending of support measures under the 2009 stimulus plan. Disparities are emerging between regions, and between urban and rural areas. Worries about the future more than the reduction in the volume of work since mid-2009 have caused prices to fall, slashing margins.
- Sales at all non-road subsidiaries were close to the level at end-June 2009 (-1.2%), sustained by the railway and pipeline businesses in particular.

In **French overseas departments**, demand for civil engineering work continued to decline in the Antilles and Reunion Island, where the shelving of the Tram-Train project exacerbated the trend. Against this background, sales by works and materials production subsidiaries fell by 20%.

International

International sales amounted to €1.9 billion at 30 June 2010, down 1.4% on 30 June 2009 (-4.2% like-for-like and at constant exchange rates). Trends differed from one region to another.

Sales in **North America** amounted to €675 million, 4.6% up on end-June 2009 (-2.6% like-for-like and at constant exchange rates). In the United States, the first-quarter lag due to adverse weather was not entirely made up. The market continues to be sustained by the federal infrastructure support plan, which began last year and became fully effective in 2010. In Canada, despite a wet spring, sales increased in Quebec and in the west of the country, driven by an upturn in Alberta. The order book confirms the bright outlook for the year as a whole.

Sales in **Europe** (excluding France) amounted to €812 million, a fall of 5.1% (-7.7% at comparable exchange rates). Sales by subsidiaries in northern Europe held up well, increasing by 28%, but the recession in central Europe was even worse than in 2009, especially in Croatia, Romania and Slovakia, where the government has finally decided to cancel the PPP contract for the D1 motorway after 12 months of successive postponements. Sales in central Europe as a whole fell by 33% in comparison with the first half of 2009, which included work on the major M6 motorway project in Hungary, completed in December 2009.

In **Morocco**, subsidiaries reported a 3% drop in sales following the completion of some major non-recurring contracts but activity remained at a high level.

In the **Indian Ocean**, satisfactory progress in traditional business in Mauritius and South Africa was not sufficient to offset the expected contraction in Madagascar. Sales in the region fell by 4%.

In **Asia**, sales rose by 9%, benefiting from an upturn in all the countries where Colas operates.

Production of materials

A significant proportion of Colas' activity, both in France and elsewhere, consists in the production of construction materials, especially aggregates. Sales of materials fell due to lower demand from both within and outside the group. 47.5 million tonnes of aggregates (-4%), 17.4 million tonnes of asphalt mixes (-5%) and 743,000 tonnes of binders and emulsions (+1%) were produced in the six months to 30 June 2010.

Outlook

The order book at end-June 2010 amounted to €7.2 billion, the same level as at end-June 2009. Orders in mainland France amounted to €3.6 billion, 4% higher than at end-June 2009. Orders in French overseas departments and on international markets also amounted to €3.6 billion, a fall of 4%. The level of orders does not show any significant decline in activity despite few signs of recovery in the global economy, except in Asia.

Activity in mainland France could fall slightly.

Markets in French overseas departments are contracting in the absence of any development projects.

In North America, the recovery in the United States is slow but the infrastructure component of the stimulus plan introduced in 2009 has sustained subsidiaries' activity as expected. The market in Canada remains buoyant. As a result, North American subsidiaries should have another good year, comparable to 2009.

Business in northern Europe is likely to pick up slightly, mainly due to secure long-term contracts in the UK and the need to maintain and upgrade infrastructure in Switzerland after years of restrictions.

In central Europe, the deep and probably long recession will cause a further decline in sales, making it essential to restructure subsidiaries there in order to adjust to much lower levels of activity.

In the Indian Ocean, after a spurt of growth, sales will again be dependent on recurring business.

In Asia, there are bright prospects for growth in the production and sale of roadmaking materials.

Although visibility is reduced, the 2010 sales forecast of €11.5 billion set in February has been maintained. A policy of targeted acquisitions will be continued. After the steps taken in 2009, a tougher action plan is being introduced, especially in central Europe and France. These adjustment measures could prefigure a return to profitability in 2011.

2010 sales target

(€ million)	2009	2010 target	Change
Sales	11,581	11,500	-1%
<i>France</i>	6,751	6,800	+1%
<i>International</i>	4,830	4,700	-3%

TF1

The TF1 group's mission is to inform and entertain. While continuing to strengthen its position in its core television business with free and pay channels, it has diversified into the internet, audiovisual rights, production, licences and games.

Key figures

(€ million)	H1		Change	2009
	2009	2010		
Sales	1,130.1	1,284.6	+13.7%	2,365
<i>TF1 channel advertising</i>	686.5	764.6	+11.4%	1,429
<i>Other activities</i>	443.6	520.0	+17.2%	936
Operating profit	37.5	104.4	x 2.7	101
Net profit attributable to the Group	49.1	73.9	+50.5%	115
Contribution to Bouygues' consolidated net profit	21	32	+52%	49

The TF1 group's consolidated sales in the first half of 2010 amounted to €1,285 million, 13.7% higher than at 30 June 2009.

This growth in consolidated sales was due partly to a 17.2% rise in revenue from diversification activities, including the sale of World Cup broadcasting rights for €33 million (stripping out that item, diversification revenue rose by 9.8%), and partly to an 11.4% increase in revenue from advertising on TF1.

Operating profit in the first half of 2010 amounted to €104 million, an increase of €66 million on the first half of 2009. The operating margin increased to 8.1%, from 3.3% in the first half of 2009 and 4.3% for 2009 as a whole.

Half-year highlights

Having obtained the necessary clearances from all the relevant authorities, on 11 June 2010 the AB Group and TF1 finalised the acquisition of TF1's additional stake in TMC and NT1.

On 7 July 2010, Standard & Poor's upgraded TF1's outlook from "stable" to "positive", confirming its BBB / A-2 credit rating.

1. French broadcasting

TF1 core channel

In the first half of the year, the TF1 core channel retained its unique position as the leading TV channel in France and Europe with an audience share of 24.8% among individuals aged four years and over and 28.2% among women under 50 who are purchasing decision-makers.⁵

TF1 was the only established TV channel to increase its prime-time audience ratings in the first half of 2010, attracting an average of 6.6 million viewers (up 200,000 year-on-year) and achieving 49 of the top 50 audience ratings⁵⁻⁶.

⁵ Source: Médiamétrie (January-June 2010).

⁶ Market leadership in TF1 prime-time slots

The 2010 FIFA World Cup was a great success. 15.2 million viewers watched the game between France and Mexico on 17 June 2010, the highest audience since the start of the year.

Net advertising revenue from the TF1 core channel rose by 11% to €765 million in the first half of 2010. Advertisers in almost all sectors upped their advertising spend on TF1, which remains France's leading mass media outlet (it reaches 33 million people a day in France⁵), a particularly valuable position in an increasingly fragmented media landscape.

Other activities

Téléshopping returned to growth in the first half of 2010, increasing its contribution to sales by 7% following the conclusion of new broadcasting contracts and the success of Place des Tendances, an online fashion shopping website.

Theme channel sales rose by 11%, boosted by increased advertising revenue at TMC, which attracted 3.2% of the audience of individuals aged four years and over in June 2010. A general-interest channel and France's leading DTT broadcaster, it is now the sixth most-watched national TV channel.⁵

TF1 Entreprises achieved sales of €16 million, 15% higher than in the first half of 2009, and an operating profit of €0.3 million compared with an operating loss of €2 million at the same time in the previous year. Music sales were particularly strong.

The TF1 group remains the leading television media group on the internet, with 17.6 million unique visitors at end-May 2010. **e-TF1** reported sales of €37.3 million in the first half of 2010, €0.4 million more than at end-June 2009. Despite a new tax on interactive services, costing €1.1 million, e-TF1 broke even in the first half of 2010.

2. Audiovisual rights

Sales of audiovisual rights fell by €9 million compared with the first half of 2009.

The success of cinema releases by **TF1 Droits Audiovisuels** in the first half of 2010 was not enough to offset the fact that there were fewer releases than in the first half of 2009.

In a context of structural price pressures, sales by **TF1 Vidéo** declined due to a limited line-up and a tough comparative as a result of successful releases in 2009.

The impact of lower sales was cushioned by cost reductions, limiting the operating loss to €6 million compared with €15 million at 30 June 2009.

3. International broadcasting

Eurosport International achieved a 23% increase in sales to €181 million. Subscription revenue rose by 19% as a result of several factors, including expansion into new regions, especially South-East Asia and Australia, a new strategy based on the development of complementary channels, and technological innovations like HD. Tight cost controls enabled Eurosport International to generate an operating profit of €27 million.

SPS launched its online gaming and betting operations in France under the EurosportBET and EurosportPoker brands in June 2010.

⁵ Source: Médiamétrie (January-June 2010).

SPS launched its online gaming and betting operations in France under the EurosportBET and EurosportPoker brands in June 2010.

Outlook

After a dynamic first half in terms of both advertising and diversification revenue, and with the consolidation of TMC and NT1 from 1 July 2010, TF1 is revising its full-year sales target upward to €2,530 million, 7% more than the 2009 figure of €2,365 million.

The strategy defined a little over two years ago has been implemented, as demonstrated by the takeover of TMC and NT1 on 11 June, the success of the 2010 FIFA World Cup across all the group's media channels, the conclusion of partnerships to protect some of the group's businesses (film production, online gaming and betting), the distribution of TF1 content by telecom operators and ongoing adaptation of the business model, as illustrated by results in the first half of the year.

The medium-term objective of raising profitability to the average achieved by leading European TV channels remains in place, though changes in economic conditions in the entire sector between 2008 and 2010 mean that the EBITDA / sales ratio of 20% set in 2008 is no longer realistic.

The strategy should have the added benefits of stabilising programming costs and giving a more balanced revenue mix between the TF1 core channel and the group's other businesses.

Bouygues Telecom

Bouygues Telecom is France's third mobile and fixed phone, TV and internet operator.

Key figures

(€ million)	H1		Change	2009
	2009	2010		
Sales	2,625	2,732	4%	5,368
Sales from network	2,407	2,506	4%	4,863
EBITDA	702	734	5%	1,344
<i>EBITDA / sales from network</i>	<i>29.2%</i>	<i>29.3%</i>	<i>+0.1pt</i>	<i>27.6%</i>
Operating profit	415	409	-1%	730
<i>Operating margin</i>	<i>15.8%</i>	<i>15.0%</i>	<i>-0.8 pt</i>	<i>13.6%</i>
Net profit attributable to the Group	268	264	-1%	471
Contribution to Bouygues' consolidated net profit	240	237	-1%	422

The strong growth recorded in 2009 continued in the first half of 2010. Overall sales rose by 4% to €2,732 million. Stripping out the effect of cuts in termination rates, organic growth in sales from network would have been 13%.

EBITDA increased by 5% due to a good commercial performance and controlled operating costs.

The operating margin fell slightly because of the rise in depreciation expenses following development of the fixed line business and substantial investment in the mobile phone business in previous years with the accelerated rollout of 3G HSPA coverage.

For information, Bbox router costs are capitalised, as are service access expenses paid to France Telecom. They are depreciated over three years.

The number of contract customers rose to 351,000 in the first half of 2010, representing 24% of net market growth. Bouygues Telecom achieved its best ever second-quarter performance on call plan sales. The company had 10,514,000 mobile phone customers at 30 June 2010 and, in the fixed line segment, 525,000 activated Bbox routers, confirming Bouygues Telecom's success on the ADSL market.

Half-year highlights

Consumer commercial policy

Bouygues Telecom continued to roll out its marketing innovation strategy, with three new milestones:

- on 25 May, the launch of ideo 24/24, the first quadruple play offer with unlimited mobile calls to all operators, 24/7;
- a new range of 3G USB keys with both unlimited mobile internet plans and prepaid services;
- money-saving versions of the Classic and Evasio call plans, offering a lower rate to customers who choose a package without a handset.

Handsets:

- Bouygues Telecom is continuing to expand its range of Android handsets, offering a choice of nine models at 30 June 2010;
- the iPhone 4 has gone on sale.

Bouygues Telecom's businesses and SMEs activity is continuing to grow rapidly. Sales were 21% higher than in the first half of 2009, driven by the success of the Neo range, extended on 15 March with new unlimited offerings (Neo Pro 24/24 and Neo Entreprises 24/7) at even more advantageous rates.

Customer relations continue to be a priority for Bouygues Telecom, which for the fourth year running came top of the TNS - Sofres BearingPoint customer relations league table for the mobile phone sector.

Networks

Bouygues Telecom's 3G HSPA network covered over 82% of the French population at end-June 2010 (under the terms of its licence it must cover 75% of the population by the end of 2010). It covers all the major towns and cities in France and a majority of towns with over 5,000 inhabitants.

Under the aegis of ARCEP, the telecommunications regulator, on 11 February Orange, SFR and Bouygues Telecom concluded a framework agreement on sharing 3G HSPA mobile phone network installations, which means that the whole of France will be covered by the end of 2013. In accordance with the Modernisation of the Economy Act of 4 August 2008, the agreement will facilitate and accelerate the rollout of 3G HSPA coverage in about 3,600 municipalities.

As there is no need for additional capacity, Bouygues Telecom decided not to submit a bid for the residual mobile phone frequencies to be awarded in the 2.1 GHz band.

Regulatory context

On 1 February 2010, the SMS termination rate was cut by 38% to €0.217. After the 29% cut in the voice termination rate on 1 July 2009, a further 43% cut will be made on 1 July 2010.

Radiofrequencies and health

The Interphone report (an international study on the effects of radio waves on health and the risk of glioma), published in May 2010, concluded that the data examined did not show an increased health risk linked to intensive mobile phone use but that more work on the subject needed to be done.

Financial structure

(€ million)	H1		Change
	2009	2010	
Shareholders' equity	2,164	2,231	+3%
Net debt	681	505	-26%
<i>Net gearing</i>	<i>31%</i>	<i>23%</i>	<i>-8 pts</i>
Cash flow	707	715	+1%
- Cost of net debt	-5	-5	=
- Income tax	-141	-138	-2%
- Net capital expenditure	-285	-227	-20%
Free cash flow	276	345	25%

Free cash flow rose by €67 million due to:

- lower capital expenditure in comparison with the first half of 2009, a period marked by accelerated investment in 3G,
- a slight increase in cash flow despite the effect of new taxes (UMTS fee, audiovisual tax), thanks to robust organic growth.

A €405 million dividend was paid in May 2010.

Outlook

The 43.3% cut in voice call termination rates from 1 July 2010 will reduce incoming interconnection revenue by an equivalent amount.

However, strong organic growth means that sales are likely to rise by 2% over the year as a whole.

The cut in the voice and SMS termination rate differential will have a negative impact on EBITDA over the rest of 2010. The effect over the year as whole is estimated at around €100 million on EBITDA and €450 million on sales.

Bouygues Telecom will launch a Very High Speed fixed-line service in the second half of 2010, giving access to 3.3 million connection points at speeds of up to 100 Mbps.

2010 sales target

(€ million)	2009	2010 target	Change
Total sales	5,368	5,450	+2%
Sales from network	4,863	4,960	+2%

Alstom

Alstom, in which Bouygues has a 30.8% stake, is the world leader in turnkey power plants, equipment and services for the production of electricity and air quality control systems. Alstom has solutions for all energy sources (coal, gas, nuclear, fuel-oil, hydropower, wind) and is a leader in innovative technologies for the protection of the environment (reduction of CO₂ emissions, elimination of pollutant emissions). It is providing the conventional island for the future Flamanville nuclear power plant in France, equipped with a new-generation reactor. The Group is also developing CO₂ capture processes and has integrated the technology in pilot plants in Germany and the USA.

Alstom completed a decisive stage in its development with the acquisition of Areva T&D's transmission business on 7 June 2010, creating a new sector, Alstom Grid, to supplement its existing power generation and rail transport divisions, Alstom Power and Alstom Transport. Priced at €2.3 billion, the acquisition has given a new dimension to the Alstom group which, with its three business areas, has sales of over €23 billion and employs more than 96,000 people in over 70 countries around the world.

Excellent operating results in a challenging commercial environment

Alstom published its financial statements for the year ended 31 March 2010 on 4 May 2010. During FY 2009/10, driven by the quality of its order book, Alstom recorded sales of €19.7 billion and an operating profit of €1.8 billion, up 5% and 16% respectively on the previous year. The operating margin reached 9.1% and net profit rose 10% to €1.2 billion.

Alstom's business in 2009/10 was hit by the global economic slowdown as the recession caused a sharp drop in orders: from a particularly high level in the previous year, they fell by 39% to €14.9 billion.

The order book stood at €42.6 billion at 31 March 2010, equivalent to 26 months of sales.

On the operational front, Alstom continued to focus on smooth project management and strict cost controls, enabling it to improve both its sales and its operating margin, a remarkable achievement in difficult conditions.

A high-quality order book enabled Alstom to generate a high level of sales and operating profit. Sales rose by 5% on a current and organic basis to €19.7 billion. Operating profit increased 16% to €1,779 million and the operating margin rose from 8.2% to 9.1%. This performance was driven mainly by the quality of the group's orders and the care taken in project execution.

Specific measures were also taken to cut costs and ensure the flexibility of the industrial base.

In FY 2009/10, net profit attributable to the Group rose 10% to €1,217 million. Free cash flow fell to €185 million but remained positive, since the operational performance more than offset the deterioration of the working capital requirement linked to the low level of orders received.

At the Annual General Meeting on 22 June 2010, Alstom's shareholders approved the payment of a dividend of €1.24 per share, an 11% increase on the previous year.

Recent events

Alstom published its sales figures for the first quarter of FY 2010/11 (1 April to 30 June 2010) on 20 July 2010. At €4.7 billion, sales were slightly lower than in the same period of the previous year. Orders, at €3.1 billion, were impacted by a lack of large projects.

Alstom Power took orders worth €2.0 billion during the first quarter. The lack of large projects was partly offset by the resilience of small and medium-sized contracts, particularly in service and retrofit. Alstom Transport took orders worth €1.1 billion, including a major commercial success in Russia.

Sales grew by 9% in Transport but fell by 6% in Power in comparison with the first quarter of 2009/10 as a result of the decline in orders over the year.

The order book remained stable at €42 billion at 30 June 2010, benefiting from a €3.1 billion currency effect. It represents 27 months of sales.

Outlook

The Power division will concentrate on expanding in high-growth areas, retaining its lead in clean power and leveraging opportunities in the installed base. The Transport division aims to strengthen its positioning in mature markets while targeting emerging markets with suitable solutions. As well as integrating its new transmission activity into the Group, Alstom is seeking to boost its growth through selective acquisitions.

Alstom's operational priorities are geared towards leveraging its competitive advantages to win profitable orders as well as adapting to the workload while maintaining flexibility. It is also continuing to focus on quality, project execution and strict cost control.

In the current context, Alstom expects its operating margin to run at between 7 and 8% over the next two years, assuming the smooth execution of projects and a gradual upturn in demand.

II – MAIN RISKS AND UNCERTAINTIES IN H2 2010

This report contains forward-looking statements. Those statements, which express targets based on current assessments and estimates, are subject to the risks and uncertainties described below.

The main risks and uncertainties that the group could face in the second half of 2010 are similar to those described in the 2009 Registration Document (pages 106-119).

III – RELATED-PARTY TRANSACTIONS

No related-party transactions liable to materially affect Bouygues' financial situation or results were concluded in the first half of 2010. Likewise, no change to related-party transactions liable to materially affect Bouygues' financial situation or results occurred during that period. Under the terms of agreements approved by the Board of Directors and the Shareholders' Meeting, Bouygues provided services to its sub-groups, mainly in the areas of management, human resources, information systems and finance.

More detailed information about related-party transactions is given in Note 16 of the notes to the condensed consolidated first-half financial statements.

IV – RECENT EVENTS

A number of significant events occurred in July and August 2010.

Bouygues Construction has been chosen to reconfigure the Stade Vélodrome sports stadium in Marseille, a PPP project worth more than €300 million (Group share). In August, Bouygues Construction concluded a contract for the Singapore Sports Hub worth €770 million.

Alstom has won contracts worth around €450 million to build two units for a power plant in India and has signed a Memorandum of Understanding with the Iraqi government to develop electricity production capacity in Iraq.

CONDENSED CONSOLIDATED FIRST-HALF FINANCIAL STATEMENTS

BOUYGUES GROUP - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2010

€ million

ASSETS	30/06/10 Net	31/12/09 Net	30/06/09 Net
<i>Property, plant and equipment</i>	5,945	5,927	6,008
<i>Intangible assets</i>	988	988	1,015
<i>Goodwill</i> ⁽¹⁾	5,197	5,156	5,159
<i>Investments in associates</i> ⁽²⁾	5,234	4,957	4,801
<i>Other non-current financial assets</i>	773	399	452
<i>Deferred tax assets and non-current tax receivable</i>	273	273	239
NON-CURRENT ASSETS	18,410	17,700	17,674
<i>Inventories, programmes and broadcasting rights</i>	2,686	2,680	2,986
<i>Advances and down-payments on orders</i>	430	400	472
<i>Trade receivables</i>	7,173	6,132	7,814
<i>Tax asset (receivable)</i>	82	71	107
<i>Other current receivables and prepaid expenses</i>	2,231	2,017	2,276
<i>Cash and equivalents</i>	4,144	4,713	2,006
<i>Financial instruments</i> ⁽³⁾	19	21	27
<i>Other current financial assets</i>	44	201	931
CURRENT ASSETS	16,809	16,235	16,619
TOTAL ASSETS	35,219	33,935	34,293
LIABILITIES AND SHAREHOLDERS' EQUITY	30/06/10	31/12/09	30/06/09
<i>Shareholders' equity</i>			
- Share capital	356	354	344
- Share premium and reserves	7,785	6,919	6,672
- Translation reserve	62	(56)	(67)
- Treasury shares	(45)		(13)
- Consolidated net profit for the period	532	1,319	547
Shareholders' equity attributable to the Group	8,690	8,536	7,483
<i>Minority interests</i>	1,163	1,190	1,159
SHAREHOLDERS' EQUITY	9,853	9,726	8,642
<i>Non-current debt</i>	6,295	6,434	7,171
<i>Non-current provisions</i>	1,816	1,727	1,723
<i>Deferred tax liabilities and non-current tax liabilities</i>	92	89	88
NON-CURRENT LIABILITIES	8,203	8,250	8,982
<i>Advances and down-payments received</i>	1,415	1,276	1,243
<i>Current debt</i>	1,538	726	509
<i>Current taxes payable</i>	118	132	98
<i>Trade payables</i>	6,479	6,479	7,008
<i>Current provisions</i>	873	831	643
<i>Other current liabilities</i>	6,156	6,219	6,527
<i>Overdrafts and short-term bank borrowings</i>	504	258	578
<i>Financial instruments</i> ⁽³⁾	31	20	34
<i>Other current financial liabilities</i>	49	18	29
CURRENT LIABILITIES	17,163	15,959	16,669
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	35,219	33,935	34,293
NET DEBT	(4,205)	(2,704)	(6,259)

⁽¹⁾ Goodwill of consolidated entities

⁽²⁾ Associates (including goodwill on associates)

⁽³⁾ Hedging of financial liabilities at fair value

BOUYGUES GROUP - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

€ million

	First-half 2010	2009	Second-quarter 2010	2009	Full-year 2009
SALES ⁽¹⁾	14,655	14,790	8,212	8,211	31,353
<i>Other revenues from operations</i>	76	72	47	27	139
<i>Purchases used in production</i>	(6,313)	(6,480)	(3,610)	(3,596)	(13,784)
<i>Personnel costs</i>	(3,274)	(3,270)	(1,706)	(1,678)	(6,474)
<i>External charges</i>	(3,371)	(3,337)	(1,801)	(1,730)	(6,897)
<i>Taxes other than income tax</i>	(303)	(349)	(147)	(173)	(706)
<i>Net depreciation and amortisation expense</i>	(653)	(631)	(348)	(336)	(1,361)
<i>Net charges to provisions and impairment losses</i>	(185)	(193)	(121)	(132)	(657)
<i>Changes in production and property development inventories</i>	(166)	(90)	(111)	(101)	(286)
<i>Other income from operations ⁽²⁾</i>	576	564	296	256	1,119
<i>Other expenses on operations</i>	(344)	(304)	(175)	(141)	(591)
CURRENT OPERATING PROFIT	698	772	536	607	1,855
<i>Other operating income</i>	0	0	0	0	0
<i>Other operating expenses</i>	0	0	0	0	0
OPERATING PROFIT	698	772	536	607	1,855
<i>Financial income</i>	34	50	21	22	81
<i>Financial expenses</i>	(196)	(220)	(101)	(107)	(425)
COST OF NET DEBT	(162)	(170)	(80)	(85)	(344)
<i>Other financial income</i>	92	45	30	24	117
<i>Other financial expenses</i>	(56)	(42)	(27)	(20)	(92)
<i>Income tax expense</i>	(204)	(203)	(180)	(192)	(487)
<i>Share of profits and losses of associates</i>	237	206	116	100	393
NET PROFIT FROM CONTINUING OPERATIONS	605	608	395	434	1,442
<i>Net profit from discontinued and held-for-sale operations ⁽³⁾</i>	0	11	0	6	14
NET PROFIT	605	619	395	440	1,456
Net profit attributable to the Group	532	547	351	388	1,319
Net profit attributable to minority interests	73	72	44	52	137
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (in €)	1.50	1.58	0.99	1.12	3.78
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (in €)	1.49	1.58	0.98	1.12	3.77
⁽¹⁾ Of which sales generated abroad	4,286	4,294	2,545	2,498	9,675
⁽²⁾ Of which reversals of provisions and impairment no longer required/other items	158	104	61	57	257
⁽³⁾ 2009: net gain on disposal of Finagestion					

BOUYGUES GROUP - CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF RECOGNISED INCOME AND EXPENSE

€ million

	First-half		Full-year
	2010	2009	2009
Net profit for the period	605	619	1,456
Change in cumulative translation adjustment of controlled entities	92	(2)	6
Remeasurement of derivative instruments used for hedging purposes	(11)	(18)	(23)
Remeasurement of available-for-sale financial assets	(1)	(11)	7
Actuarial gains/(losses) on employee benefits (amendment to IAS 19)	(15)		41
Share of income and expense recognised directly in equity by associates ⁽¹⁾	47	(79)	(100)
Net tax effect of items recognised directly in equity	7	8	24
Income and expense recognised directly in equity	119	(102)	(45)
Total recognised income and expense	724	517	1,411
Attributable to the Group	640	445	1,272
Attributable to minority interests	84	72	139

⁽¹⁾ Relates primarily to Alstom (accounted for by the equity method)

BOUYGUES GROUP - CONSOLIDATED FINANCIAL STATEMENTS
CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY - SIX MONTHS ENDED 30 JUNE 2010

€ million

ATTRIBUTABLE TO THE GROUP	Share capital & share premium	Reserves related to capital/ retained earnings	Consolidated reserves and profit for the period	Translation reserve	Treasury shares	Items recognised directly in equity	TOTAL ATTRIBUTABLE TO THE GROUP	Minority interests	TOTAL
POSITION AT 1 JANUARY 2009	2,204	1,485	4,004	(54)	(3)	(82)	7,554	1,211	8,765
MOVEMENTS IN THE FIRST HALF OF 2009									
<i>Capital and reserves transactions, net</i>	29	337	(332)				34	3	37
<i>Acquisitions of treasury shares</i>					(10)	(8)	(18)		(18)
<i>Dividend paid</i>			(545)				(545)	(130)	(675)
<i>Other transactions with shareholders</i>			13				13		13
<i>Net profit for the period</i>			547				547	72	619
<i>Other recognised income and expense</i>				(13)		(89)	(102)		(102)
Total recognised income and expense	0	0	547	(13)	0	(89)	445	72	517
<i>Changes in scope of consolidation</i>							0	3	3
POSITION AT 30 JUNE 2009	2,233	1,822	3,687	(67)	(13)	(179)	7,483	1,159	8,642
MOVEMENTS IN THE SECOND HALF OF 2009									
<i>Capital and reserves transactions, net</i>	190	1	5		33		229		229
<i>Acquisitions of treasury shares</i>					(20)	(4)	(24)		(24)
<i>Dividend paid</i>							0	4	4
<i>Other transactions with shareholders</i>			21				21	1	22
<i>Net profit for the period</i>			772				772	65	837
<i>Other recognised income and expense</i>				11		44	55	2	57
Total recognised income and expense	0	0	772	11	0	44	827	67	894
<i>Changes in scope of consolidation</i>							0	(41)	(41)
POSITION AT 31 DECEMBER 2009	2,423	1,823	4,485	(56)	0	(139)	8,536	1,190	9,726
MOVEMENTS IN THE FIRST HALF OF 2010									
<i>Capital and reserves transactions, net</i>	27	451	(451)				27		27
<i>Acquisitions/disposals of treasury shares</i>					(45)	83	38		38
<i>Acquisitions/disposals without loss of control</i>						1	1		1
<i>Dividend paid</i>			(566)				(566)	(108)	(674)
<i>Other transactions with shareholders</i>	1	(1)	14				14	1	15
<i>Net profit for the period</i>			532				532	73	605
<i>Other recognised income and expense</i>				118 ^(a)		(10)	108	11	119
Total recognised income and expense	0	0	532	118	0	(10)	640	84	724
<i>Changes in scope of consolidation</i>							0	(4)	(4)
POSITION AT 30 JUNE 2010	2,451	2,273	4,014	62	(45)	(65)	8,690	1,163	9,853

See the statement of recognised income and expense:

	H1 2010	H1 2009	FY 2009
Attributable to the Group	108	(102)	(47)
Attributable to minority interests	11	0	2
	119	(102)	(45)

^(a) Translation reserve

	Attributable to:		
	Group	Minority interests	Total
Controlled entities	84	8	92
Associates	34		34
	118	8	126

BOUYGUES GROUP - CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED CASH FLOW STATEMENT

€ million

	First-half 2010	2009	Full-year 2009
		(a)	(a)
I - CASH FLOW FROM CONTINUING OPERATIONS			
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES			
<i>Cash flow:</i>			
Net profit from continuing operations	605	608	1,442
Share of profits effectively reverting to associates	(110)	(98)	(255)
Elimination of dividends (non-consolidated companies)	(4)	(3)	(8)
Charges to/(write-backs of) depreciation, amortisation, impairment & non-current provisions	657	684	1,508
Gains and losses on asset disposals	(56)	(58)	(63)
Miscellaneous non-cash charges	(1)	(16)	(25)
sub-total	1,091	1,117	2,599
Cost of net debt ⁽¹⁾	162	170	344
Income tax expense for the period	204	203	487
Cash flow	1,457	1,490	3,430
Income taxes paid during the period	(244)	(260)	(490)
Changes in working capital related to operating activities ⁽²⁾	(1,163)	(1,146)	459
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	50	84	3,399
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES			
Purchase price of property, plant and equipment and intangible assets	(532)	(601)	(1,365)
Proceeds from disposals of property, plant and equipment and intangible assets	31	62	95
Net liabilities related to property, plant and equipment and intangible assets	(154)	(228)	(78)
Purchase price of non-consolidated companies and other investments	(214)	(8)	(18)
Proceeds from disposals of non-consolidated companies and other investments	218 ⁽³⁾	6	756
Net liabilities related to non-consolidated companies and other investments	5		4
<i>Effects of changes in scope of consolidation</i>			
Purchase price of investments in consolidated activities	(254) ⁽³⁾	(28)	(44)
Proceeds from disposals of investments in consolidated activities	4	32	53
Net liabilities related to consolidated activities		(1)	(3)
Other cash effects of changes in scope of consolidation	(25)	(58)	(85)
Other cash flows related to investing activities (changes in loans, dividends received from non-consolidated companies)	12	145	156
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	(909)	(679)	(529)
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES			
Capital increases paid, movements in treasury shares and other transactions with shareholders	(15)	22	225
<i>Dividends paid during the period:</i>			
Dividends paid to shareholders of the parent company	(566)	(545)	(545)
Dividends paid to minority shareholders of consolidated companies	(108)	(124)	(126)
Change in debt ⁽⁴⁾	690	(639)	(1,071)
Cost of net debt	(162)	(170)	(344)
Other cash flows related to financing activities	84	(5)	(16)
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	(77)	(1,461)	(1,877)
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	121	38	35
CHANGE IN NET CASH POSITION (A + B + C + D)	(815)	(2,018)	1,028
Net cash position at 1 January	4,455	3,427	3,427
Net cash flows during the period	(815)	(2,018)	1,028
Other non-monetary flows		6	
Net cash position at end of period	3,640	1,415	4,455
II - CASH FLOWS FROM DISCONTINUED AND HELD-FOR-SALE OPERATIONS (FINAGESTION)			
Net cash position at 1 January		20	20
Net cash flows during the period		(7)	(20)
Net cash position at end of period		13	

⁽¹⁾ Eliminated from operating cash flows, and reported instead as a component of financing cash flows

⁽²⁾ **Definition of change in working capital related to operating activities:** Current assets - current liabilities (excluding income taxes paid, which are reported separately)

⁽³⁾ Includes the Alstom Hydro/Alstom exchange option → acquisition/disposal: €217m

⁽⁴⁾ Non-current debt + current debt

^(a) Cash flows generated by Finagestion have been reclassified to section II, "Cash flows from discontinued and held-for-sale operations"



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

August 31, 2010

NOTES

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(Figures in millions of euros unless otherwise indicated)

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Declaration of compliance:

The Bouygues group condensed consolidated financial statements for the six months ended 30 June 2010 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 30 June 2010. The Bouygues group has not early adopted as of 30 June 2010 any standard or interpretation not endorsed by the European Union.

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

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

The comparatives presented are from the consolidated financial statements for the year ended 31 December 2009 and for the six months ended 30 June 2009.

1. 1. SCOPE OF CONSOLIDATION AS AT 30 JUNE 2010

1,170 entities were consolidated at 30 June 2010, against 1,236 at 31 December 2009. The net reduction mainly relates to Bouygues Construction (construction project joint ventures in particular) and to Bouygues Immobilier (deconsolidation of real estate partnerships and property companies on project completion, etc).

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

- Alstom:

A) 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.

The transaction was approved by the European Commission on 13 January 2010 and completed on 12 March 2010, once final clearance had been obtained from the competition authorities in some of the countries where Alstom Hydro Holding has operations.

This exchange deal raised the percentage interest held in Alstom to 30.8%. In accounting terms, the additional acquisition of Alstom shares, valued at €217.5m (based on the average quoted price of Alstom shares on the date of the capital increase), generated additional goodwill of €128m, plus a net gain of €41m recognised in "Other financial income".

B) As of 30 June 2010, Alstom is still 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. Alstom's estimated net profit contribution recognised by the Bouygues group for the first half of 2010 was €216m.

Amortisation of fair value remeasurements of identifiable intangible assets and other items had a negative impact of €8m on the Bouygues group consolidated income statement in the period (share attributable to the Bouygues group).

The investment in Alstom is reported under "Investments in associates" in the balance sheet, at a carrying amount of €4,425m (including goodwill of €2,592m).

- ACQUISITION OF CONTROL OVER THE TMC AND NT1 CHANNELS

On 11 June 2010, TF1 and Groupe AB finalised the implementation of the agreement signed on 10 June 2009, as a result of which TF1 acquired from the other Groupe AB shareholders, for a total of €198m (including a contingent purchase consideration of €6m currently under review), their remaining 66.5% stake:

- in Groupe AB's 40% interest in the capital of TMC, raising TF1's overall interest in TMC to 80%;
- in the capital of NT1, raising TF1's interest to 100%.

TF1 has retained the same interest in the other activities of Groupe AB (33.5%) as it held prior to this transaction. The Groupe AB management team has been granted a call option over this interest, exercisable at any time during a two-year period starting 11 June 2010 at a price of €155m.

Given the proximity of the closing date to the balance sheet date (30 June 2010), the TF1 group was unable to complete the customary due diligence on the financial statements of the acquired entities required for them to be incorporated into the consolidated financial statements as at June 30, 2010, even on a provisional basis.

The purchase price determination and allocation process (and in particular the calculation of goodwill and the remeasurement of the previously-held equity interests) are expected to have been finalised by the time the financial statements as at 30 September 2010 are prepared. TMC and NT1 will be consolidated from 1 July 2010.

Consequently, these acquisitions are reported on a provisional basis as of 30 June 2010, as described below:

The carrying amount of TF1's equity interest in Groupe AB, which stood at €264m prior to completion of the additional acquisition in June 2010, has been split into two components:

1. The TF1 Group's retained interest in the activities of Groupe AB other than TMC and NT1 is accounted for by the equity method and reported in "Investments in associates" in the balance sheet at a value of €155m.
2. The balance of €109m plus the €198m purchase price paid on closing of the transaction, i.e. a total of €307m, is reported in "Non-current financial assets". This represents the total investment made to acquire 40% of the capital of TMC and 100% of the capital of NT1.

- ACQUISITION OF SRD:

On 30 June 2010, Colas acquired SRD, a bitumen production facility at Dunkirk (France), for €20.5m. Only the balance sheet prepared as of the acquisition date has been included in the Bouygues group consolidated financial statements for the six months ended 30 June 2010.

- SPS: ACQUISITION BY TF1 OF THE INTEREST HELD BY SERENDIPITY.

In March 2010, TF1 completed the buyout of the 50% interest in SPS held by the Serendipity investment fund for a total of €6.4m. Following this transaction, TF1 holds 100% of the capital of SPS; this entity, previously proportionately consolidated by the Bouygues group at 75%, is fully consolidated as at 30 June 2010.

In accordance with the revised IFRS 3, the existing equity interest held by the Bouygues group prior to the acquisition of control was remeasured, with the impact of this remeasurement (which was not material) recognised in profit or loss for the period.

1. 2. FEBRUARY 2010 BOND ISSUE

In February 2010, Bouygues carried out a €500m bond issue with an issue price of 99.651%, an interest rate of 4% and a maturity of 8 years.

This issue is redeemable in full at par on 12 February 2018.

1. 3. CONSOLIDATED SALES FOR THE SIX MONTHS ENDED 30 JUNE 2010

Consolidated sales for the six months ended 30 June 2010 were €14,655m, down 0.9% on the first six months of 2009 on a like-for-like basis (2009 first-half sales €14,790m, after elimination of sales from the divested Finagestion business).

1. 4. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 30 JUNE 2010

None

2.1. BUSINESS AREAS

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

a) Construction:

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

b) Telecoms/Media:

- TF1 (television)
- Bouygues Telecom (mobile/fixed-line telephony, TV, Internet)

c) As at 30 June 2010, the Bouygues group also held a 30.8% interest in Alstom (Power and Transport).

2.2. BASIS OF PREPARATION

The consolidated financial statements of the Bouygues group include the financial statements of Bouygues and its subsidiaries, and investments in associates. They are presented in millions of euros, the currency in which the majority of the Group's transactions are denominated, and take account of the recommendations on presentation (Recommendation 2009-R-03) issued on 2 July 2009 by the French national accounting standard-setter, the CNC (now known as the ANC).

The consolidated financial statements were adopted by the Board of Directors on 31 August 2010.

The condensed consolidated financial statements for the six months ended 30 June 2010 have been prepared in accordance with IAS 34, "Interim Financial Reporting", using the historical cost convention (except for certain financial assets and liabilities measured at fair value). They include comparatives as at and for the periods ended 30 June 2009 and 31 December 2009.

The Bouygues group has applied the same standards, interpretations and accounting policies for the six months ended 30 June 2010 as those disclosed in its consolidated financial statements for the year ended 31 December 2009, except for new IFRS requirements applicable from 1 January 2010 (see below). Consequently, Note 2 to the consolidated financial statements for the six months ended 30 June 2010 does not include detailed disclosures of these accounting policies, and these financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2009.

- *Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable to periods beginning on or after 1 January 2010:*

- **Revised IFRS 3 and IAS 27, “Business Combinations”:** Significant revisions that affect the accounting treatment of acquisitions and disposals of entities.
- **IFRIC 12, “Service Concession Arrangements”:** The Bouygues group already applied IFRIC 12 within the Colas group to the Portsmouth PFI contract, which is accounted for as a receivable (financial asset) since this treatment most closely reflects the underlying financial and economic reality of the contract; and within Cofiroute (accounted for by the equity method as an associate).

Within the Bouygues Construction group, Private Finance Initiative (“PFI”) contracts are entered into with local and governmental authorities by entities in which the Bouygues group generally holds an interest of less than 20%. These entities are not consolidated, given the effective limitations on the Group’s role in them. Concession companies are mainly accounted for by the equity method as associates, or otherwise are not consolidated.

- **IFRIC 15, “Agreements for the Construction of Real Estate”:** This interpretation does not materially change the profit recognition policies currently used for the Bouygues group’s property development activities.
- Application of these new standards, amendments and interpretations has not had a material impact on the balance sheet of the Bouygues group as at 30 June 2010, or on its income statement for the six months then ended.

- Bouygues has not early adopted any standards, amendments and interpretations as of 30 June 2010.

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

- **Revised IAS 24**, “Related Party Disclosures” (1 January 2011);
- **IFRIC 19**, “Extinguishing Financial Liabilities with Equity Instruments” (1 July 2010).

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

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

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

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

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

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

- reflect the economic substance of the underlying transactions;
- are neutral, prudent, and complete in all material respects.

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

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

- **Change of accounting policy**

Bouygues has made no changes in accounting policy during 2010 to date apart from those arising from IFRS changes mandatorily applicable from 1 January 2010, as indicated earlier in note 2.2.

2.3. CONSOLIDATION METHODS

- Full consolidation

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

Bouygues holds 43.02% of the capital and voting rights of TF1. The exercise of exclusive control over TF1 by Bouygues is demonstrated by the following:

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

Bouygues has clearly had exclusive power to determine decisions at TF1 shareholders' meetings for at least two consecutive financial years.

Other factors indicating the existence of exclusive control include:

- the large number of seats on the TF1 Board of Directors allocated to Bouygues;
- the role of Bouygues in appointing key executives of TF1.

All these factors clearly establish that Bouygues exercises exclusive control over TF1.

- Proportionate consolidation: investments in joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control. Bouygues consolidates the assets, liabilities, income and expenses of such entities using the proportionate consolidation method based on the percentage of control exercised. This applies in particular to Bouygues Construction and Colas construction project companies.

- Investments in associates:

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

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

- Alstom: Bouygues exercises significant influence over Alstom, as demonstrated by (i) its 30.8% interest in the capital and (ii) its control of two seats on the Board of Directors. The carrying amount of the interest in Alstom (inclusive of goodwill) is reported under “Investments in associates” in the balance sheet.
- In accordance with IAS 39, equity investments in non-consolidated entities are recognised at fair value and are subject to impairment testing.
- **Changes in scope of consolidation:**

	JUNE 2010	DECEMBER 2009
Fully consolidated	890	903
Proportionately consolidated	217	272
Equity method	63	61
	1,170	1,236

- The main changes during the period are described in the “Significant Events” section.

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.

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

Goodwill recognised prior to 1 January 2004 continues to be measured using the partial fair value method. This method involves restricting the fair value remeasurement of identifiable items to the percentage interest acquired. Subsequent to this date, minority interests in these items have been measured under IFRS at the carrying amount of consolidated assets and liabilities as shown in the balance sheet of the acquired entity. 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.

Fair value is the amount for which an asset or cash generating unit (CGU) could be sold between knowledgeable, willing parties in an arm’s length transaction. Goodwill represents the excess of acquisition cost over the acquirer’s interest in the fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities that can be reliably measured at the acquisition date; it is allocated to the CGU (which within the Bouygues group equates to the business segment) benefiting from the business combination.

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

Negative goodwill is taken to the income statement in the period in which the acquisition is made.

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described under “Impairment testing of non-current assets” in section 2.4.1. below, in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

2. 4. 1. Impairment testing of non-current assets

Impairment tests on the carrying amount of non-current assets are carried out at least once a year at the end of the financial year (and more frequently if there is evidence of impairment), in accordance with the accounting policies applied by the Bouygues group; the carrying amount of indefinite-lived intangible assets and goodwill is compared to their recoverable amount.

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).

As regards the recoverable amount of Alstom, a sensitivity analysis was conducted at end June 2010 on the basis of forecasts prepared by a panel of financial analysts; this analysis did not indicate any scenario in which the recoverable amount of the Alstom assets tested would be less than their carrying amount (and hence would require an impairment loss to be recognised).

The discount rates (weighted average cost of capital) and growth rate used for Alstom as at 30 June 2010 were:

Discount rate		Growth rate
Scenario 1 ^(a)	Scenario 2 ^(a)	
9.40%	8.43%	2%

^(a) Depending on the capital structure:
Scenario 1 = 1/3 debt, 2/3 equity
Scenario 2 = 2/3 debt, 1/3 equity

Note 3.5 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 30 June 2010. As of that date, there were no material events that might call into question the carrying amount of these shares.

2. 5. FOREIGN CURRENCY TRANSLATION

2. 5. 1. Transactions denominated in foreign currencies

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

2. 5. 2. Financial statements of foreign entities

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

2. 6. ASSESSMENT OF INCOME TAXES

- Income tax expense recognised by consolidated companies for the six months ended 30 June 2010 is assessed in accordance with IAS 34: income taxes for interim periods are recognised on the basis of the best estimate of the average annual effective income tax rate for the financial year (except in the case of holding companies, which recognise income taxes on the basis of the actual tax position at the end of the period).
- Deferred taxation is recognised on differences between the carrying amounts and tax bases of assets and liabilities, and arises as a result of:
 - Temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
 - . items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods; or
 - . items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes.
 - Tax losses available for carry-forward (deferred tax assets), provided that there is a genuine probability of recovery in future periods.

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

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

2. 7. CASH FLOW STATEMENT

The cash flow statement is presented in accordance with IAS 7 and with Recommendation 2009-R-03 issued on 2 July 2009 by the French national accounting standard-setter, the CNC (now known as the ANC).

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.

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

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

2. 8. FINANCIAL INDICATORS

Definitions of the principal financial indicators:

2. 8. 1. Cash flow

Consolidated net profit before: net depreciation and amortisation expense, net changes in provisions, gains and losses on asset disposals, cost of net debt, and net income tax expense for the period.

2. 8. 2. 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. 8. 3. Free cash flow

Net cash flow (i.e. cash flow as defined above, minus cost of net debt and net income tax expense), minus net capital expenditure for the period.

2. 8. 4. 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. 9. 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. 10. COMPARABILITY OF THE FINANCIAL STATEMENTS

Changes in the scope of consolidation during the year to date had no material impact on the financial statements for the six months ended 30 June 2010 as presented, and do not impair comparability with the first half of the previous year (Finagestion was divested at the end of 2009, but the effects of the divestment were reflected in the financial statements for the six months ended 30 June 2009).

3.1. ACQUISITIONS OF NON-CURRENT ASSETS DURING THE PERIOD, NET OF DISPOSALS**747**

	Period ended:	30 June 2010	30 June 2009
Acquisitions of property, plant and equipment		471	534
Acquisitions of intangible assets		61	67
Capital expenditure		532	601
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies, other long-term investments)		468	36
Acquisitions of non-current assets		1 000	637
Disposals of non-current assets		(253)	(100)
Acquisitions of non-current assets, net of disposals		747	537

3.2. PROPERTY, PLANT AND EQUIPMENT**5 945**

Carrying amount	Land and buildings (a)	Industrial plant and equipment	Other property, plant and equipment	Property, plant & equipment under construction and advance payments	Total
30 June 2010	1 278	3 504	775	388	5 945
of which finance leases	15	49	7		71
31 December 2009	1 239	3 562	756	370	5 927
of which finance leases	15	42	11		68

(a) Includes land and quarries: €715m, versus €681m at 31 December 2009

Analyses by business segment of the carrying amount of property, plant and equipment, and of acquisitions of property, plant and equipment and intangible assets (net of disposals), are provided in note 15, "Segment Information".

3.3. INTANGIBLE ASSETS**988**

Carrying amount	Concessions, patents and similar rights (a)	Other intangible assets (b)	Total
30 June 2010	693	295	988
31 December 2009	716	272	988

(a) This item mainly relates to software and licences held by Bouygues Telecom.

(b) Includes €136m for Bouygues Telecom (of which leasehold rights: €85m), and €103m for TF1, vs. €112m at 31 December 2009 (mainly audiovisual rights)

3.4. GOODWILL**5 197****3.4.1. Movement in the carrying amount of goodwill during the period**

(excluding goodwill on associates: see note 3.6)

	Gross value	Impairment	Carrying amount
31 December 2009	5 190	(34)	5 156
Acquisitions and remeasurements	13	3	16
Translation effects	26	(1)	25
30 June 2010	5 229	(32)	5 197

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

Segment (excludes associates)	30 June 2010		31 December 2009	
	Total	% Bouygues	Total	% Bouygues
Bouygues Construction (subsidiaries)	341	99,97%	326	99,97%
Colas ^(a)	1 101	96,55%	1 086	96,62%
TF1 ^(a)	1 102	43,07%	1 091	43,02%
Bouygues Telecom	2 651	89,55%	2 651	89,55%
Other	2		2	
TOTAL	5 197^(b)		5 156	

^(a)Includes goodwill generated by the segment on acquisitions of subsidiaries.

^(b)See Note 2 for a description of impairment testing methods.

3.5. CONSOLIDATED CARRYING AMOUNT OF LISTED SHARES (€)

	Consolidated carrying amount per share at 30 June 2010	Closing market price per share at 30 June 2010
TF1	12,73	12,39 ^(*)
Colas	87,37	189,74 ^(*)
Alstom	49,37	37,48

^(*)Includes an estimated control premium

Sensitivity analyses conducted in accordance with the principles described in note 2 did not indicate that the recoverable amount had fallen below the carrying amount of the assets tested.

3.6. INVESTMENTS IN ASSOCIATES

5 234

	Carrying amount
31 December 2009	4 957
Translation effects	34
New equity investments and capital increases	217 ^(a)
Share of net profit/(loss) for the period	237 ^(b)
Payment of dividends	(127)
Other movements	(84)
30 June 2010	5 234^(c)

^(a)Including €217m for acquisitions of Alstom shares in exchange for Alstom Hydro Holding shares (see note 1)

^(b)Including €208m (net) for Alstom and €24m for Cofiroute

^(c)Including €4,425m for Alstom (goodwill: €2,592m) and €485m for Cofiroute (Colas)

3.7. OTHER NON-CURRENT ASSETS / DEFERRED TAX ASSETS

773 / 273

Carrying amount	Investments in non-consolidated companies	Other non-current assets	Total	Non-current tax assets ^(a)
30 June 2010	474	299	773	273
31 December 2009	141	258	399	273

^(a)See note 7 for details.

NOTE 4 - CURRENT ASSETS

16 809

4.1. TRADE RECEIVABLES, TAX ASSETS AND OTHER RECEIVABLES

9 486

	Gross value	30 June 2010 Impairment	Carrying amount	31 December 2009 Carrying amount
Trade receivables	7 582	(409)	7 173	6 132
Current tax assets receivable	84	(2)	82	71
Other receivables and prepaid expenses	2 379	(148)	2 231 ^(a)	2 017
Total	10 045	(559)^(b)	9 486	8 220

^(a)Includes €1,229m receivable from governmental and other public authorities (versus €1,204m at 31 December 2009)

^(b)Includes €35m for reversals of unused impairment provisions

4.2. CASH AND EQUIVALENTS

4 144

	Gross value	30 June 2010 Impairment	Carrying amount	31 December 2009 Carrying amount
Cash	1 477		1 477	1 690
Cash equivalents	2 674	(7)	2 667	3 023
Total	4 151	(7)	4 144	4 713

4.3. OTHER CURRENT FINANCIAL ASSETS

63

	30 June 2010	31 December 2009
Financial instruments used to hedge financial liabilities	19	21
Other financial assets (financial assets due within < 1 year, financial instruments related to working capital items, etc)	44 ^(a)	201
Total	63	222

^(a)2010: reduction mainly due to the exchange of the interest in Alstom Hydro Holding: -€175m

NOTE 5 CONSOLIDATED EQUITY

5.1. Share capital of Bouygues SA (€)

€355,604,191

As at 30 June 2010, the share capital of Bouygues SA consisted of 355,604,191 shares with a par value of €1. Movements during the period were as follows:

	31 December 2009	Movements during the period Reductions	Increases	30 June 2010
Shares	354 267 911		1 336 280 ^(a)	355 604 191
Number of shares	354 267 911		1 336 280	355 604 191
Par value	€1			€1
Share capital (€)	354 267 911		1 336 280	355 604 191

^(a)Capital increases arising from the exercise of stock options during the first half of 2010

5.2. Equity attributable to the Group and to minority interests as at 30 June 2010

	Share capital	Share premium	Reserves related to capital	Other reserves and profit for the period	Total 30 June 2010
Attributable to the Group	356	2 095	2 273	3 966	8 690
Minority interests				1 163	1 163
Total equity	356	2 095	2 273	5 129	9 853

5.3. Analysis of recognised income and expense

	1 January 2010	Movements in the period ^(a)	30 June 2010
Total attributable to the Group		(150)	(42)
Other income and expenses attributable to minority interests	(4)	11	7
Total attributable to the Group + minority interests (a)		(154)	(35)

^(a)See the statement of recognised income and expense included in the financial statements.

5.3.1. - Translation reserve (portion attributable to the Group)

62

Principal translation differences arising during the period on Group companies reporting in:

	1 January 2010	Movements in the period	30 June 2010
US dollar	(34)	45	11
Canadian dollar	7	43	50
Pound sterling	(13)	6	(7)
South African rand	(17)	(24)	(41)
Other currencies	1	48 ^(b)	49
Total	(56)	118	62^(a)

^(a)Includes €34m of translation differences on associates

^(b)Includes cumulative translation differences of €23m on associates

NOTE 6 - NON-CURRENT AND CURRENT PROVISIONS

6.1. NON-CURRENT PROVISIONS

1 816

	Long-term employee benefits (a)	Litigation and claims (b)	Guarantees given (c)	Other non-current provisions (d)	Total
1 January 2010	455	343	368	561	1 727
Translation adjustments	3		4	4	11
Changes in scope of consolidation	18	(1)		25	42
Charges to provisions	21	44	38	40	143
Reversals of provisions (used and unused)	(13)	(36)	(35)	(45)	(129)
Actuarial gains and losses	15				15
Transfers between items & other movements	1	1		5	7
30 June 2010	500	351	375	590	1 816

(a) Long-term employee benefits

- Lump-sum retirement benefits and long-service awards
- Other long-term employee benefits

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

500

435

65

(b) Litigation and claims

- Provisions for customer disputes
- Provisions for subcontractor claims
- Other litigation and claims

351

189

33

129

(c) Guarantees given

- Provisions for customer warranties
- Provisions for additional building and civil works guarantees

375

269

106

(d) Other non-current provisions

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

590

179

200

211

6.2. CURRENT PROVISIONS

873

- Provisions related to the operating cycle

	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for expected losses to completion (a)	Other current provisions (b)	Total
1 January 2010	59	253	234	285	831
Translation adjustments	1	8	12	11	32
Changes in scope of consolidation	(1)	(4)	2	(1)	(4)
Charges to provisions	10	64	91	61	226
Reversals of provisions (used and unused)	(12)	(56)	(68)	(77)	(213)
Transfers between items & other movements		(1)		2	1
30 June 2010	57	264	271	281	873

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

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

Analysis by segment:

	31 December 2009	Movements in the period	30 June 2010
Deferred tax assets	273	0	273
Bouygues Construction	90	(13)	77
Bouygues Immobilier	42	0	42
Colas	102	27	129
TF1	12	(3)	9
Bouygues Telecom	19	(10)	9
Bouygues SA and other activities	8	(1)	7
Other non-current tax assets	0	0	0
Total non-current tax assets	273	0	273

. Deferred tax assets generated mainly by:

- temporary differences (provisions temporarily not allowable for tax purposes, etc);
- tax losses with a genuine probability of recovery.

8.1. BREAKDOWN OF DEBT BY MATURITY

	Current debt (less than 1 year)				Non-current debt							Total non-current debt 31 Dec. 2009
	Accrued interest	1 to 3 mths	4 to 12 mths	Total	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 years or more	Total 30 June 2010	
Bond issues	193		1 249	1 442		1 148		993	598	3 075	5 814	6 065
Bank borrowings		14	26	40	43	55	12	144	13	120	387	284
Finance leases		4	24	28	20	10	7	4		2	43	40
Other debt		3	25	28	14	11	2	3	2	19	51	45
Total debt: 30 June 2010	193	21	1 324	1 538	77	1 224	21	1 144	613	3 216	6 295	6 434
Total debt: 31 December 2009	143	13	570	726	848	93	1 171	1 009	1 008	2 305		6 434

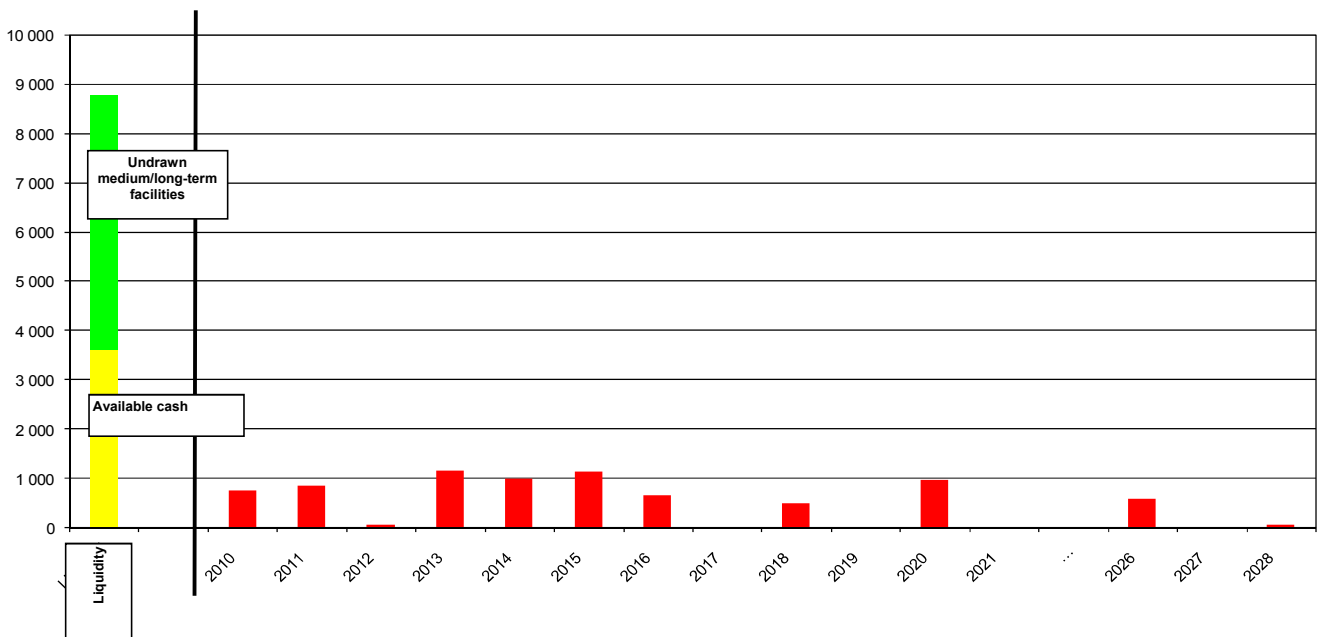
8.2. COVENANTS AND TRIGGER EVENTS

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

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

8.3. LIQUIDITY AS AT 30 JUNE 2010

As at 30 June 2010, available cash stood at €3,628m (including -€12m of financial instruments contracted to hedge net debt). The Group also had €5,140m of undrawn confirmed medium/long-term credit facilities as at the same date.



9.1. CHANGE IN NET DEBT

	31 December 2009	Movement during the period	30 June 2010
Cash and equivalents	4 713	(569)	4 144
Overdrafts and short-term bank borrowings	(258)	(246)	(504)
Net cash and equivalents	4 455	(815)^(a)	3 640
Non-current debt	(6 434)	139 ^(b)	(6 295)
Current debt	(726)	(812) ^(c)	(1 538)
Financial instruments, net	1	(13)	(12)
Total debt	(7 159)	(686)	(7 845)
Net debt	(2 704)	(1 501)	(4 205)

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

^(b)Bouygues SA: includes -€500m for the new bond issue, and +€750m for reclassification of the bond issue maturing 2011 to current debt

^(c)Includes -€750m for reclassification of the Bouygues SA bond issue maturing 2011

9.2. NET DEBT: PRINCIPAL TRANSACTIONS DURING THE PERIOD

Consolidated net debt at 31 December 2009	(2 704)
Bouygues SA capital increase and acquisitions/disposals of treasury shares	65
Dividends paid	(674)
Dividends received from Alstom ^(a)	112
Acquisitions of financial assets, net of disposals ^(b)	(246)
Other financial transactions	(15)
Changes in working capital at business segment level and other items	(743)
Consolidated net debt at 30 June 2010	(4 205)

^(a)Dividends received from fully consolidated companies have no effect on the Group's consolidated net cash position.

^(b)TMC/NT1, Société de Raffinerie de Dunkerque

Analysis of current liabilities:

	30 June 2010	31 December 2009
Advances and down-payments received	1 415	1 276
Current debt ^(a)	1 538	726
Current tax liabilities	118	132
Trade payables	6 479	6 479
Current provisions ^(b)	873	831
Other current liabilities		
Other operating payables (employees, social security, government)	2 587	2 457
Deferred income	1 879	1 934
Other non-financial liabilities	1 690	1 828
Overdrafts and short-term bank borrowings	504	258
Financial instruments	31	20
Other current financial liabilities	49	18
Total	17 163	15 959

^(a)See analysis in note 8, "Non-current and current debt".

^(b)See analysis in note 6.2.

NOTE 11 - ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

11.1. ANALYSIS BY ACCOUNTING CLASSIFICATION

	First-half	
	2010	2009
Sales of goods	1 136	1 192
Sales of services	6 098	5 987
Construction contracts	7 421	7 611
Sales	14 655	14 790
Other revenues from operations	76	72
Total	14 731	14 862

11.2. CONTRIBUTION OF BUSINESS SEGMENTS TO CONSOLIDATED SALES

BUSINESS SEGMENT	2010 first-half sales				2009 first-half sales			
	France	International	Total	%	France	International	Total	%
Construction	2 387	1 990	4 377	30	2 505	2 042	4 547	31
Property	1 164	141	1 305	9	1 331	89	1 420	10
Roads	3 006	1 965	4 971	34	3 078	2 001	5 079	34
Media	1 082	188	1 270	9	960	160	1 120	7
Telecoms	2 725		2 725	18	2 616		2 616	18
Bouygues SA & other activities	5	2	7		6	2	8	
Consolidated sales	10 369	4 286	14 655	100	10 496	4 294	14 790	100
% year-on-year change	-1%	0%	-1%					

11.3. ANALYSIS OF SALES BY GEOGRAPHICAL AREA

GEOGRAPHICAL AREA	2010 first-half sales		2009 first-half sales	
	Total	%	Total	%
France	10 368	71	10 496	71
European Union	1 555	11	1 713	12
Other European countries	528	4	477	3
Africa	670	4	698	5
Middle East	64		96	1
United States and Canada	704	5	656	4
Central and South America	83	1	103	1
Asia-Pacific	608	4	488	3
Oceania	75		63	
Total	14 655	100	14 790	100

See note 15 for an analysis of operating profit by business segment.

	First-half		
	2010	2009	
Sales	14 655	14 790	See analysis in note 10
Other revenue from operations	76	72	
Purchases used in production and external charges	(9 684)	(9 817)	
Personnel costs	(3 274)	(3 270)	
Taxes other than income tax	(303)	(349)	
Net depreciation, amortisation, provisions and impairment losses	(838)	(824)	
- Depreciation and amortisation expense	* (653)	(631)	
- Net charges to provisions and impairment losses	* (185) ^(a)	(193)	
Changes in production and property development inventories	(166)	(90)	
Other income from operations	576	564	
- Reversals of unused provisions and other items	* 158 ^(b)	104	
- Other miscellaneous income	418	460	
Other expenses on operations	(344)	(304)	
Current operating profit	* 698	772	(10)%
Other operating income and expenses		None	
Operating profit	698	772	

* Components included in determining Ebitda
See note 15 for an analysis by business segment.

^(a)Includes -€152m for Bouygues Construction, and -€26m for Colas.

^(b)Includes +€9m for the remeasurement (under the revised IFRS 3) of the previously-held equity interest in SPS (75% held by the Bouygues group) following the obtaining of control over SPS

	Firs-thalf	
	2010	2009
Other financial income	92 ^(a)	45
Other financial expenses	(56)	(42)
Financial income/(expense), net	36	3

^(a)Includes a €42m gain on the exchange of Alstom Hydro Holding shares (see note 1 for details).

Other financial income and expenses include interest paid to investors on calls for funds (commercial property), commitment fees, and fair value remeasurements of other current financial assets and other items.

ANALYSIS OF INCOME TAX EXPENSE

	First-half of 2010			First-half of 2009		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(161)	(24)	(185)	(165)	(25)	(190)
Change in deferred tax liabilities	4	1	5	2	1	3
Change in deferred tax assets	(25)	1	(24)	(16)		(16)
Total	(182)	(22)	(204)	(179)	(24)	(203)
Effective tax rate	36%			33%		

NOTE 15 - SEGMENT INFORMATION

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

ANALYSIS BY BUSINESS SEGMENT: SIX MONTHS ENDED 30 JUNE 2010

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other activities	TOTAL	TOTAL
							1st half 2010	1st half 2009
INCOME STATEMENT								
Total sales	4 530	1 313	5 002	1 285	2 732	70	14 932	15 135
Inter-segment sales	(153)	(8)	(31)	(15)	(7)	(63)	(277)	(345)
Third-party sales	4 377	1 305	4 971	1 270	2 725	7	14 655	14 790
Operating profit/(loss)	144	109	(47)	104	409	(21)	698	772
Cost of net debt	10	(2)	(14)	(10)	(5)	(141)	(162)	(170)
Income tax expense	(68)	(35)		(30)	(138)	67	(204)	(203)
Share of profits/(losses) of associates	(2)		29	7		203^(a)	237	206
Net profit attributable to the Group	89	56	(28)	32	237	146	532	547
BALANCE SHEET							30/06/2010	31/12/2009
Property, plant and equipment ^(b)	425	14	2 381	190	2 669	266	5 945	5 927
Intangible assets	77	3	66	129	711	2	988	988
Goodwill ^(c)	341		1 101	1 102	2 651	2	5 197	5 156
Investments in associates	67		551	173	1	4 442 ^(d)	5 234	4 957
Trade receivables	2 121	166	3 448	690	744	4	7 173	6 132
Cash and equivalents	613	41	272	133	15	3 070	4 144	4 713
Non-current debt	59	51	349	10	7	5 819	6 295	6 434
Non-current provisions	768	88	731	48	151	30	1 816	1 727
Current debt	5	12	45	525	22	929	1 538	726
Trade payables	2 282	359	2 153	721	952	12	6 479	6 479
CASH FLOW STATEMENT							1st half 2010	1st half 2009
Acquisitions of property, plant & equipment and intangible assets, net of disposals	(114)	(1)	(135)	(21)	(227)	(3)	(501)	(539)
Acquisitions of investments in consolidated companies and other investments, net of disposals	(8)	(8)	(31)	(198)		(1)	(246)	2
OTHER FINANCIAL INDICATORS							30/06/2010	31/12/2009
Ebitda	307	91	142	123	734	(19)	1 378	1 492

^(a)Includes Alstom's net profit contribution to Bouygues: €208m.

^(b)See note 3 for a breakdown by type of asset.

^(c)Goodwill arising on acquisitions made by Bouygues SA is allocated to the acquired business (see note 3.4.).

^(d)Includes €4,425m for Alstom, see note 3.6.

NOTE 16 - RELATED-PARTY INFORMATION

	Expenses		Income		Receivables		Liabilities	
	1 st half 2010		1 st half 2010		30 June 2010		30 June 2010	
Parties with an ownership interest (SCDM)	0		3				1	
Joint ventures	15		72		205		105	
Associates	2		42		49		20	
Other related parties	22		6		69		57	
Total	39		123		323		183	
Maturity								
less than 1 year					275		183	
1 to 5 years					31			
more than 5 years					17			
of which impairment of doubtful receivables (primarily non-consolidated entities and Bouygues Construction associates)					77			

NOTE 17 - PRINCIPAL EXCHANGE RATES

Convention: 1 local currency unit = x euros

Country	Currency	Closing euro exchange rate ⁽¹⁾		Average rate for the period ⁽²⁾	
		30 June 2010	31 December 2009	1 st half 2010	Full year 2009
EUROPE					
Denmark	Danish krone	0,134250	0,134376	0,134341	0,134299
United Kingdom	Pound sterling	1,223316	1,125999	1,157088	1,123622
Hungary	Hungarian forint	0,003497	0,003698	0,003669	0,003553
Poland	Polish zloty	0,241138	0,243635	0,249732	0,230048
Czech Republic	Czech koruna	0,038924	0,037774	0,038871	0,037742
Romania	Romanian leu	0,228833	0,236055	0,239976	0,235754
Switzerland	Swiss franc	0,752842	0,674036	0,702329	0,663291
NORTH AMERICA					
United States	US dollar	0,814930	0,694155	0,760379	0,716174
Canada	Canadian dollar	0,775795	0,661026	0,730567	0,632161
REST OF THE WORLD					
Morocco	Moroccan dirham	0,090942	0,088464	0,089814	0,088884
Thailand	Thai baht	0,025146	0,020839	0,023281	0,020901
Hong Kong	Hong Kong dollar	0,104658	0,089518	0,097835	0,092393
African Financial Community	CFA franc	0,001524	0,001524	0,001524	0,001524
South Africa	South African rand	0,106601	0,093756	0,100728	0,086801

⁽¹⁾Translation of balance sheet items

⁽²⁾Translation of income statement items

CERTIFICATE OF RESPONSIBILITY

I certify that to the best of my knowledge the condensed consolidated first-half financial statements for the past half-year have been prepared in accordance with the relevant accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of affiliated undertakings and that the attached half-year review provides an accurate representation of significant events in the first six months of the year and of their impact on the first-half financial statements, of the main related-party transactions and of the main risks and uncertainties for the remaining six months.

Done at Paris,
31 August 2010

Chairman and CEO

Martin BOUYGUES

**STATUTORY AUDITOR'S REVIEW REPORT ON THE FIRST HALF-YEARLY
FINANCIAL INFORMATION FOR 2010
Period from January 1 to June, 30, 2010**

To the Shareholders,

In compliance with the assignment entrusted to us by Shareholders meeting and in accordance with article L.451-1-2 III of the French monetary and financial code (Code Monétaire et Financier), we hereby report to you on:

- our review of the accompanying (condensed) half-yearly consolidated financial statements of Bouygues, for the period from January 1 to June, 30, 2010, and
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

Without modifying the conclusion expressed above, we draw your attention to note 2.2 which sets out non material impact resulting from the implementation of new standards that are mandatory starting January 1, 2010.

2. Specific verification

We have also verified the information provided in the interim management report in respect of the half-yearly financial statements that were the object of our review.

We have no matters to report on the fairness and consistency of this information with the condensed half-yearly financial statements.

Courbevoie and Paris-La Défense, August 31st, 2010

The statutory auditors
French original signed by

Mazars
Gilles Rainaut

ERNST & YOUNG Audit
Jean Bouquot