CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED 30 SEPTEMBER 2012

NOTES

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(FIGURES IN MILLIONS OF EUROS UNLESS OTHERWISE INDICATED)

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Declaration of compliance:

The interim condensed consolidated financial statements of Bouygues and its subsidiaries (the “Group”) for the nine months ended 30 September 2012 have been prepared in accordance with IAS 34, “Interim Financial Reporting”, a standard issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

They have been prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 September 2012. These standards comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee – previously the International Financial Reporting Interpretations Committee (IFRIC), itself the successor body to the Standing Interpretations Committee (SIC). The Group has not early adopted as of 30 September 2012 any standard or interpretation not endorsed by the European Union, except for the amendment to IAS 1 relating to the presentation of the statement of recognised income and expense (which became effective within the European Union on 6 June 2012).

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

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

The comparatives presented are from the consolidated financial statements for the year ended 31 December 2011 and for the nine months ended 30 September 2011.

1.0 SIGNIFICANT EVENTS OF THE PERIOD

1.1. Scope of consolidation as at 30 September 2012

1,116 entities were consolidated at 30 September 2012, compared with 1,132 at 31 December 2011. The net reduction of 16 entities mainly relates to Bouygues Immobilier (deconsolidation of real estate partnerships and property companies on project completion, etc.), and to Colas (first-time consolidation of Servant group companies, mergers, etc.).

	SEPTEMBER 2012	DECEMBER 2011
Fully consolidated	**848**	**865**
Proportionately consolidated	**208**	**206**
Associates (equity method)	**60**	**61**
	1,116	**1,132**

1.2. Significant events of the first nine months of 2012

1.2.1. Significant events

The main acquisitions and corporate actions of 2012 to date are described below:

- On 17 January 2012, Bouygues Telecom was granted, in exchange for €683 million, authorisation to use 10 MHz frequencies in the 800 MHz band in France (excluding overseas territories) to establish and operate a public mobile radio-electric network, with a commitment to open it to Mobile Virtual Network Operators (MVNOs). This authorisation, which will come into service at a future date, was awarded for a period of 20 years.
- On 27 January 2012, Bouygues raised €800 million via a ten-year bond issue bearing interest at 4.5%, with a view to refinancing debt that is approaching maturity. The issue was paid up on 9 February 2012.
- On 18 September 2012, Bouygues raised €700 million via a bond issue maturing in 2023, bearing interest at 3.625%. The issue was paid up on 2 October 2012.
- The reorganisation and adaptation measures initiated by Bouygues Telecom and TF1 had a negative effect of €95 million in the financial statements for the nine months to 30 September 2012 (see under “Other operating expenses” in Note 10).

1.3. Consolidated sales for the first nine months of 2012

Consolidated sales for the first nine months of 2012 were €24,597 million, 3.7% higher than for the comparable period of 2011 (€23,719 million).

1.4. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 30 SEPTEMBER 2012

- On 4 October 2012, Alstom carried out a €350 million capital increase via a private placing with institutional investors. Following this capital increase, Bouygues has an equity interest of 29.40%, compared with the 30.71% interest held as at 30 September 2012. Under IAS 28, this event triggers a dilution loss of €53 million, which will be recognised as an expense in the fourth quarter of 2012.

- The Bouygues Telecom voluntary redundancy plan, announced at the start of July 2012, was launched on 19 October 2012 and affects 556 jobs. No provision has been recognised in the financial statements for the nine months ended 30 September 2012.

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2.0 GROUP ACCOUNTING POLICIES

2.1. BUSINESS AREAS

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

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

a) Construction:

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

b) Media/Telecoms:

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

c) The Bouygues group also holds a 30.71% interest in the Alstom group (Alstom Thermal Power, Alstom Renewable Power, Alstom Transport, Alstom Grid).

2.2. BASIS OF PREPARATION

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

They were adopted by the Board of Directors on 14 November 2012.

The condensed consolidated financial statements for the nine months ended 30 September 2012 were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives as at and for the year ended 31 December 2011 and the nine months ended 30 September 2011.

The Bouygues group applied the same standards, interpretations and accounting policies for the nine months ended 30 September 2012 as applied in its consolidated financial statements for the year ended 31 December 2011, except for new IFRS requirements applicable from 1 January 2012. Consequently, Note 2 to the condensed consolidated financial statements for the nine months ended 30 September 2012 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 2011.

- *Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption for periods beginning on or after 1 January 2012:*

  - **Amendment to IFRS 7***:* Disclosures – Transfers of Financial Assets (mandatorily applicable from 1 January 2012). This amendment does not alter the existing accounting treatment of securitisation transactions, but specifies the disclosure requirements for such transactions.

  - **Amendment to IAS 1**: Presentation of items of Other Comprehensive Income (OCI). Although the amendment to IAS 1 had not been adopted by the European Union as of 31 December 2011, it was early adopted by the Group from 1 January 2011 since it was not in conflict with pronouncements that had already been endorsed. This amendment became effective within the European Union on 6 June 2012 and is mandatorily applicable from 1 January 2013.

- **Amendment to IAS 19**, “Employee Benefits” (published in the Official Journal of the European Union on 6 June 2012, mandatorily applicable from 1 January 2013, early adoption permitted from 1 January 2012). This amendment will be early adopted in the consolidated financial statements for the year ended 31 December 2012. Because the Group already recognises in equity actuarial gains and losses arising on employee benefits under defined-benefit plans, applying this change in accounting policy would have an immaterial impact on net assets and net profit for the year ended 31 December 2011. The €17-million negative impact on equity (net of deferred tax assets) corresponds to the effect of a retirement plan amendment that occurred in 2005, net of the portion already amortised through profit or loss under the existing IAS 19.

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

  The table below shows the principal standards and interpretations that had been issued by the IASB prior to 30 September 2012 but have not yet come into effect:

Standard/Amendment	IASB effective date*	Expected impact on the Bouygues group
Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters [a]	1 July 2011	No impact on the financial statements
Amendment to IAS 12: Deferred Tax – Recovery of Underlying Assets [a]	1 January 2012	No impact on the financial statements
Revised IAS 28: Investments in Associates and Joint Ventures [a]	1 January 2014	Under review
Revised IAS 27: Separate Financial Statements [a]	1 January 2014	No impact on the financial statements
IFRS 10: Consolidated Financial Statements [a]	1 January 2014	Under review
IFRS 11: Joint Arrangements [a]	1 January 2014	Under review
IFRS 12: Disclosure of Interests in Other Entities [a]	1 January 2014	Under review
IFRS 13: Fair Value Measurement [a]	1 January 2013	Under review
IFRS 9: Financial Instruments – Classification and Measurement of Financial Assets	1 January 2015	Not quantifiable at present (project in progress)
***** *Unless otherwise indicated, applicable to accounting periods beginning on or after the date shown in this column*		

(a) On 1 June 2012, the Accounting Regulatory Committee voted in favour of the adoption of these standards by the European Union, and proposed mandatory application to consolidated financial statements effective 1 January 2014 for standards related to IFRS 10,11 and 12, with early adoption permitted from 1 January 2013.

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

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

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

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

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

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

- reflect the economic substance of the underlying transactions;

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

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

2.3. CONSOLIDATION METHODS

- Full consolidation

  Companies over which Bouygues exercises control are consolidated using the full consolidation method.

  Assessment of exclusive control over TF1:

  - As at 30 September 2012, Bouygues held 43.65% of the capital and voting rights of TF1. Exclusive control by Bouygues over TF1 is demonstrated by the following:

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

    - Bouygues has clearly had exclusive power to determine decisions at TF1 general meetings during at least two consecutive financial years.

    Other factors indicating the existence of exclusive control include:

    - the large number of seats on the TF1 Board of Directors allocated to Bouygues;

    - the role of Bouygues in appointing key executives of TF1.

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

- Proportionate consolidation: investments in joint ventures

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

- Investments in associates

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

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

  - Alstom: Bouygues exercises significant influence over Alstom, as demonstrated by its 30.71% interest in the capital and its control of two seats on the Board of Directors.

The interest in Alstom is reported in “Investments in associates” in the balance sheet as of 30 September 2012, and is carried at net acquisition cost (including goodwill) plus Bouygues’ share of Alstom’s net profit since the acquisition date.

Based on the results published by Alstom on 7 November 2012 for the first half of its 2012/2013 financial year, and given the time-lag between the financial year-ends of Alstom (31 March) and of Bouygues (31 December), the amount recognised for Alstom’s contribution to the Bouygues group’s net profit in the third quarter of 2012 is €67 million (versus €40 million in the third quarter of 2011), taking Alstom’s total contribution for the first nine months of 2012 to €181 million (versus €134 million in the first nine months of 2011).

Amortisation of fair value remeasurements of Alstom’s identifiable intangible assets and other items had a negative impact of €11 million on the Group’s consolidated income statement for the nine months ended 30 September 2012 (portion attributable to the Bouygues group).

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

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

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

2.4. Business combinations

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

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

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

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

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

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

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

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

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described under “Impairment testing of non-current assets” in Note 2.7.1 below, in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

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

In the event of a change in percentage interest with no effect on control, the difference between the consideration paid or received and the carrying amount of the minority interest is recognised directly in equity attributable to the Group. Consequently, no additional goodwill is recognised. All acquisition-related costs are recognised as an expense in profit or loss for the period.

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

2.5. Foreign currency translation

2.5.1. Transactions denominated in foreign currencies

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

2.5.2. Financial statements of foreign entities with a functional currency other than the euro

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

2.6. Assessment of income taxes

- Income taxes of consolidated entities for interim periods are assessed in accordance with IAS 34: the income taxes of each entity 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 amount and tax base of assets or liabilities, and arises as a result of:
  - Temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
    - items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods; or

- items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes. Such assets are recognised to the extent that is probable that sufficient taxable profits will be available against which to offset the temporary differences, and are reviewed at each balance sheet date.

- Tax losses available for carry-forward (deferred tax assets), where it is probable that these losses will be recovered in future periods.

Deferred taxes are measured using known applicable national tax rates for the relevant country as at the balance sheet date. Deferred taxes are not discounted, and are reported in non-current assets and liabilities.

2.7. NON-CURRENT ASSETS

2.7.1. Impairment testing of non-current assets and investments in associates

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

Impairment testing methods used for TF1, Bouygues Telecom and Colas

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

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

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

- The cash flows used are derived from the three-year business plan prepared by the management of the business segment and approved by the Boards of Directors of the entity and (where appropriate) of Bouygues SA.

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

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

The recoverable amount of the CGU as determined above is then compared with its carrying amount in the consolidated balance sheet. If this carrying amount is greater than the recoverable amount of the CGU, an impairment loss is recognised. Any such losses are allocated in the first instance to any goodwill recognised in the balance sheet, and may not be subsequently reversed.

Impairment testing of the investment in Alstom

Because goodwill included in the carrying amount of investments in associates is not shown separately, it is not tested separately for impairment under IAS 36.

The total carrying amount of the investment in Alstom is tested for impairment by comparing it with the recoverable amount as derived from forecasts prepared by a panel of financial analysts.

Impairment test as of 30 September 2012

No further calculation of the recoverable amount of TF1, Bouygues Telecom, Colas or the investment in Alstom has been performed because there has been no evidence of impairment since the last time they were tested.

Neither the information published by Alstom on 7 November 2012 concerning its financial statements for the first half of the 2012/2013 financial year nor the dilutive effects of the capital increase carried out on 4 October 2012 affect the conclusions of the impairment test performed as of 30 June 2012.

Note 3.4 to the condensed 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 on 28 September 2012. As of that date, there were no material events that might call into question the carrying amounts reported for these companies.

2.8. CASH FLOW STATEMENT

The cash flow statement is presented in accordance with IAS 7 and with CNC Recommendation 2009-R-03 of 2 July 2009, using the indirect method.

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

The Bouygues group defines cash flow as:

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

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

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

2.9. OTHER FINANCIAL INDICATORS

2.9.1. EBITDA

Current operating profit excluding net depreciation and amortisation expense and changes in provisions, and impairment losses (after reversals of utilised and non-utilised provisions and of impairment losses).

2.9.2. Free cash flow

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

2.9.3. Net debt

This represents the aggregate of:

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

2.10. STATEMENT OF RECOGNISED INCOME AND EXPENSE

The 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.

2.11. COMPARABILITY OF THE FINANCIAL STATEMENTS

Changes in the scope of consolidation during the nine months ended 30 September 2012 did not have a material effect on the consolidated financial statements as of that date, and do not impair comparisons with the consolidated financial statements for the nine months ended 30 September 2011.

Sales generated in the first nine months of 2012 by Leadbitter (Bouygues Construction), acquired at the end of March 2011, amounted to €367 million (€255 million in the first nine months of 2011).

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NOTE 3 – NON-CURRENT ASSETS

For an analysis of the carrying amount of property, plant and equipment and intangible assets by business segment see Note 12, "Segment Information".

3.1 PROPERTY, PLANT AND EQUIPMENT

CARRYING AMOUNT	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
30 September 2012	**1,456**	**3,806**	**885**	**399**	**6,546**
of which finance leases	13	42	9		64
31 December 2011	**1,384**	**3,791**	**916**	**451**	**6,542**
of which finance leases	14	42	4		60

3.2 INTANGIBLE ASSETS

CARRYING AMOUNT	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
30 September 2012	**44**	**696**	**1,160** (a)	**1,900**
31 December 2011	**48**	**714**	**447**	**1,209**

a) Includes €943m of 4G frequency licences in intangible assets in progress (Telecoms segment), which in turn includes €32m of capitalised interest (€10m of which is recognised in the books of Bouygues Telecom).

3.3 GOODWILL

3.3.1. Movement in the carrying amount of goodwill during the period

(excluding goodwill on associates → see Note 3.5)

	Gross value	Impairment	Carrying amount
31 December 2011	**5,645**	**(65)**	**5,580**
Changes in scope of consolidation	64		64
Other movements (including translation adjustments)	7		7
Net impairment losses recognised in the period		(8)	(8)
30 September 2012	**5,716**	**(73)**	**5,643**

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

Segment	30 September 2012		31 December 2011	
	Total	% Bouygues	Total	% Bouygues
Bouygues Construction (subsidiaries) (a)	422	99.97%	388	99.97%
Colas (b)	1,094	96.55%	1,069	96.55%
TF1 (b)	1,458	43.65%	1,458	43.59%
Bouygues Telecom (b)	2,668	89.55%	2,664	89.55%
Other	1		1	
Total	**5,643**		**5,580**	

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

3.4 CONSOLIDATED CARRYING AMOUNT OF LISTED SHARES (€)

	Consolidated carrying amount per share at 30 September 2012	Closing market price per share at 28 September 2012
TF1 (b)	13.52	6.48 (a)
Colas	96.19	101.80
Alstom (b)	51.87	27.29

(a) €7.45 after adjustment to reflect a control premium
(b) See Note 2.7

3.5 INVESTMENTS IN ASSOCIATES

	Carrying amount
31 December 2011	**5,085**
Translation adjustments	14
Changes in scope of consolidation	159 (b)
Share of net profit/(loss) for the period	210
Payment of dividends	(128)
Other movements	(65)
30 September 2012	**5,275** (a)

(a) Includes €4,479m for Alstom (goodwill: €2,595m) and €481m for Cofiroute (Colas).
(b) Includes €161m relating to TF1: the call option held by Claude Berda over the TF1 Group's 33.5% equity interest in Groupe AB (recognised in "Other non-current financial assets" as of 31 December 2011) has expired without having been exercised. The expiry of the option has re-established the significant influence formerly exercised by TF1 over Groupe AB, as a result of which this interest is now accounted for as an associate by the equity method, at a value of €161m.

NOTE 4 – CURRENT ASSETS

INVENTORIES

	30 September 2012			31 December 2011
	Gross value	Impairment	Carrying amount	Carrying amount
Property development inventories	1,424	(121)	1,303	1,176
Raw materials and finished goods	1,127	(39)	1,088	915
Programmes and broadcasting rights (TF1)	777	(151)	626	636
Total	**3,328**	**(311)**	**3,017**	**2,727**

NOTE 5 – CONSOLIDATED SHAREHOLDERS' EQUITY

SHARE CAPITAL OF BOUYGUES SA (€)

As of 30 September 2012, the share capital of Bouygues SA consisted of 314,869,079 shares with a par value of €1. There have been no changes in share capital since 31 December 2011.

NOTE 6 – NON-CURRENT AND CURRENT PROVISIONS

6.1 NON-CURRENT PROVISIONS

	Long-term employee benefits (a)	Litigation and claims (b)	Guarantees given (c)	Other non-current provisions (d)	TOTAL
31 December 2011	**480**	**360**	**382**	**643**	**1,865**
Translation adjustments	2		1	4	7
Changes in scope of consolidation		(1)	1	6	6
Charges to provisions in the period	49	42	52	90	233
Reversals (utilised and unutilised) (e)	(12)	(58)	(41)	(64)	(175)
Actuarial gains and losses recognised in equity	71 (f)				71
Transfers & other movements	(1)	2	(5)	26	22
30 September 2012	**589**	**345**	**390**	**705**	**2,029**

(a) Long-term employee benefits		**589**
• Lump-sum retirement benefits and long-service awards	529	
• Other long-term employee benefits (mainly comprises pension funds of Colas subsidiaries in English-speaking countries)	60	
(b) Litigation and claims		**345**
• Provisions for customer disputes	171	
• Provisions for subcontractor claims	31	
• Other litigation and claims (including employee disputes)	143	
(c) Guarantees given		**390**
• Provisions for warranties	293	
• Provisions for additional building, civil engineering and civil works guarantees	97	
(d) Other non-current provisions		**705**
• Provisions for risks relating to official inspections and to subsidiaries and other equity investees	241	
• Provisions for site rehabilitation costs	237	
• Other non-current provisions	227	

(e) Of which reversals of unutilised provisions: (€71m)

(f) Impact (recognised as of 30 June 2012, and unchanged as of 30 September 2012) of a change in the discount rate (essentially the Iboxx A10+ rate) used to measure the retirement obligation (lump-sum retirement benefits and pensions) projected forward to the retirement date.

6.2 CURRENT PROVISIONS

Provisions related to the operating cycle

	Provisions for customer warranties	Provisions for project risks and project completion	Proivisions for expected losses to completion (a)	Other current provisions (b)	TOTAL
31 December 2011	**56**	**289**	**205**	**281**	**831**
Translation adjustments		2		(1)	1
Changes in scope of consolidation				(1)	(1)
Charges to provisions in the period	15	80	47	68	210
Reversals (utilised and unutilised) (c)	(17)	(109)	(78)	(86)	(290)
Transfers & other movements	4	(7)	(2)	7	2
30 September 2012	**58**	**255**	**172**	**268**	**753**

(a) Provisions for expected losses to completion relate to construction activities (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, the current portion of site rehabilitation costs, rent guarantees (Bouygues Immobilier), film co-financing (TF1), customer claims and vendor’s liability guarantees (TF1), and the business customer loyalty programme provision (Bouygues Telecom).

(c) Of which reversals of unutilised provisions: (€95m)

NOTE 7 – NON-CURRENT AND CURRENT DEBT

7.1 BREAKDOWN OF DEBT BY MATURITY

	Current debt		Non-current debt	
	Total 30/09/2012	Total 31/12/2011	Total 30/09/2012	Total 31/12/2011
Bond issues	**889** (a)	121	**6,179** (a)	6,094
Bank borrowings	**62**	58	**700**	589
Finance lease obligations	**16**	20	**29**	35
Other debt	**15**	17	**83**	89
Total debt	**982**	**216**	**6,991**	**6,807**

(a) Relates to Bouygues SA: €800m bond issue carried out in February 2012 (maturing February 2022 and classified as non-current debt), and reclassification as current debt of the bond issue maturing May 2013 (impact: €709m).

7.2 COVENANTS AND TRIGGER EVENTS

The bond issues maturing in 2013, 2015, 2016, 2018, 2019, 2022 and 2026 contain a change of control clause relating to Bouygues SA.

The bank loans contracted by Bouygues are not subject to any financial covenants or trigger events. The same applies to the credit facilities used by the subsidiaries of Bouygues SA.

NOTE 8 – MAIN COMPONENTS OF CHANGE IN NET DEBT

	31 December 2011	Movements in the period	30 September 2012
Cash and cash equivalents	3,415	(800)	2,615
Overdrafts and short-term bank borrowings	(239)	(218)	(457)
Net cash and cash equivalents	**3,176**	**(1,018)** (a)	**2,158**
Non-current debt	(6,807)	(184)	(6,991)
Current debt	(216)	(766)	(982)
Financial instruments, net	(15)	(2)	(17)
Total debt	**(7,038)**	**(952)**	**(7,990)**
Net debt	**(3,862)**	**(1,970)**	**(5,832)**

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

(b)

NOTE 9 – ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

9.1 ANALYSIS BY ACCOUNTING CLASSIFICATION

	First 9 months	
	2012	2011
Sales of goods	2,556	2,238
Sales of services	8,636	8,746
Construction contracts	13,405	12,735
Sales	**24,597**	**23,719**
Other revenues from operations	71	93
Total	**24,668**	**23,812**

9.2 CONTRIBUTION OF BUSINESS SEGMENTS TO CONSOLIDATED SALES

BUSINESS SEGMENT	First 9 months of 2012				First 9 months of 2011			
	France	International	Total	%	France	International	Total	%
Construction	3,987	3,600	7,587	31%	3,769	3,219	6,988	29%
Property	1,546	85	1,631	7%	1,480	67	1,547	7%
Roads	5,396	4,213	9,609	39%	5,321	3,758	9,079	38%
Media	1,496	328	1,824	7%	1,543	281	1,824	8%
Telecoms	3,939		3,939	16%	4,274		4,274	18%
Bouygues SA & other	3	4	7	0%	4	3	7	0%
Consolidated sales	**16,367**	**8,230**	**24,597**	**100%**	**16,391**	**7,328**	**23,719**	**100%**

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	TOTAL 9m 2012	TOTAL 9m 2011
Total sales	7,748	1,631	9,670	1,853	3,951	94	24,947	24,016
Inter-segment sales	(161)		(61)	(29)	(12)	(87)	(350)	(297)
Third-party sales	**7,587**	**1,631**	**9,609**	**1,824**	**3,939**	**7**	**24,597**	**23,719**

NOTE 10 – OPERATING PROFIT

	First 9 months	
	2012	2011
Current operating profit	**954**	**1,338**
Other operating income		38 (b)
Other operating expenses	(95) (a)	
Operating profit	**859**	**1,376**

Notes:

(a) TF1: Non-recurring costs associated with the optimisation plan (€25m); Bouygues Telecom: costs incurred on reorganisation of distribution channels to adapt to new market conditions (€70m)

(b) Bouygues Telecom: miscellaneous gains on disposals

NOTE 11 – INCOME TAX EXPENSE

	First 9 months	
	2012	2011
Tax payable to the tax authorities	(172)	(339)
Deferred taxes, net	(60)	(56)
Income tax expense	**(232)**	**(395)**

NOTE 12 – SEGMENT INFORMATION

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

ANALYSIS BY BUSINESS SEGMENT

	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	TOTAL	TOTAL
INCOME STATEMENT							9m 2012	9m 2011
Current operating profit	260	123	236	154	206	(25)	954	1,338
Other operating income								38
Other operating expenses				(25)	(70)		(95)	
Operating profit	260	123	236	129	136	(25)	859	1,376
Net profit attributable to the Group	174	75	172	38	68	37 [(a)]	564	794
(a) Includes the €170m profit contribution from Alstom: see Note 2.3								
BALANCE SHEET							30/09/2012	31/12/2011
Intangible assets and property, plant and equipment	702	28	2,567	346	4,633	170	8,446	7,751
Net debt	2,700	168	(786)	(18)	(1,475)	(6,421)	(5,832)	(3,862)
OTHER FINANCIAL INDICATORS							9m 2012	9m 2011
Acquisitions of property, plant & equipment and intangible assets, net of disposals	117	10	223	18	1,279 [(b)]	26 [(b)]	1,673	997
EBITDA	432	117	538	201	807	(24)	2,071	2,314
Cash flow	419	121	621	169	723	62	2,115	2,483
Free cash flow	203	72	296	109	(609)	(73)	(2)	886

(b) Includes the €715m 4G investment (Telecoms)

NOTE 13 – PRINCIPAL EXCHANGE RATES

Convention: 1 local currency unit = X euros

		Closing euro exchange rate (a)		Average rate for period (b)	
Country	**Currency unit**	**30/09/2012**	**31/12/2011**	**First 9 months of 2012**	**Full year 2011**
EUROPE					
Denmark	Danish krone	0.134140	0.134513	0.134406	0.134235
United Kingdom	Pound sterling	1.249734	1.197175	1.230867	1.147776
Hungary	Hungarian forint	0.003516	0.003179	0.003461	0.003563
Poland	Polish zloty	0.240125	0.224316	0.238380	0.241664
Czech Republic	Czech koruna	0.040154	0.038779	0.039830	0.040651
Romania	Romanian leu	0.221592	0.231305	0.225213	0.235852
Switzerland	Swiss franc	0.827267	0.822639	0.830925	0.811804
NORTH AMERICA					
United States	US dollar	0.771962	0.772857	0.775655	0.714277
Canada	Canadian dollar	0.788768	0.756716	0.777061	0.724366
REST OF THE WORLD					
Morocco	Moroccan dirham	0.090149	0.090013	0.090153	0.088806
Thailand	Thai baht	0.024985	0.024396	0.024944	0.023380
Hong Kong	Hong Kong dollar	0.099577	0.099493	0.099987	0.091777
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.092541	0.095393	0.096629	0.098585

(a) Translation of balance sheet items
(b) Translation of income statement items