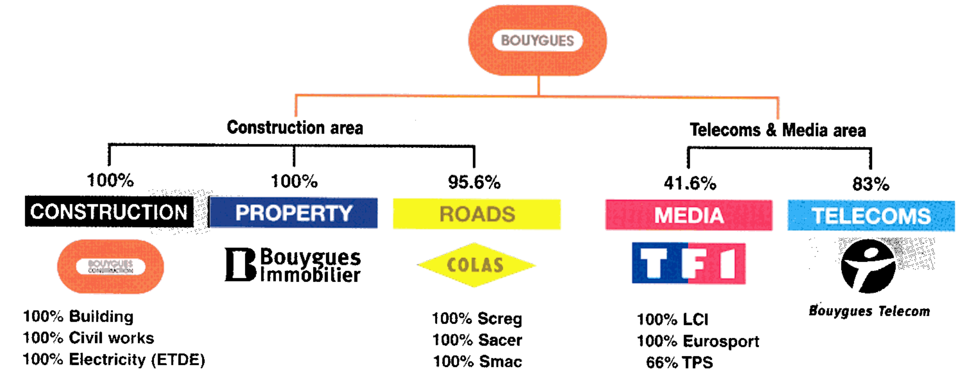
BOUYGUES

In brief 2004

BOUYGUES

March 2005

Group organisation chart at 15 February 2005



BOUYGUES' STRENGTHS

- Strong corporate culture shared by all business areas
- Well-managed activities in buoyant markets
- Substantial free cash flow
- Further sharp decline in debt

2004 HIGHLIGHTS

- Group net earnings: €858m
- Group net earnings excluding Saur capital gain: a record €670m (+49%)
- Construction: excellent sales and profitability
- Bouygues Telecom: over 7 million customers
- OCEANE bonds: conversion and redemption with no dilution for shareholders
- Bond issue: €1,000m
- Saur disposal: €1,031m
- Exceptional payout: €1,700m announced on 23 July 2004, paid on 7 January 2005
- Annual dividend: substantial increase

Group general management

Bouygues parent company

Martin BOUYGUES	Chairman and CEO
Olivier POUPART-LAFARGE	Deputy CEO
Olivier BOUYGUES	Deputy CEO
Philippe MONTAGNER	Executive VP, Telecommunications and New Businesses
Alain POUYAT	Executive VP, Information Systems and New Technologies
Jean-Claude TOSTIVIN	Senior VP, Human Resources and Administration
Lionel VERDOUCK	Senior VP, Cash Management and Finance
Jean-François GUILLEMIN	Corporate Secretary

Heads of the five business areas

Yves GABRIEL	Chairman and CEO, Bouygues Construction
François BERTIÈRE	Chairman and CEO, Bouygues Immobilier
Alain DUPONT	Chairman and CEO, Colas
Patrick LE LAY	Chairman and CEO, TF1
Gilles PÉLISSON	Chairman and CEO, Bouygues Telecom

Share ownership structure at 31 December 2004

	Capital	Voting rights
SCDM*	17%	25%
Groupe Artémis (F. Pinault)*	8%	7%
Bouygues group employees		
Other French shareholders		
Foreign shareholders	27%	21%

* SCDM is a company controlled by Martin and O
SCDM and Groupe Artémis are bound by a share

Exceptional payout

In January 2005, an exceptional payout of €5 per share was made, representing a total of €1.7bn. This operation, financed through surplus cash and credit facilities, does not affect Bouygues' balanced financial position and has no impact on investments in business areas. It rewards the trust and efforts of shareholders, who have been asked to contribute to the Group's investments in the last few years, to the tune of €2bn.

Record earnings in 2004

Earnings were up sharply again in 2004. The Group's net profit was €858 million. Excluding the capital gain on the sale of Saur, net profit has doubled in two years, which reflects the Group's strong competitive position and the relevance of our strategies. Net book cash increased by €1,106 million from 2003 to 2004. Net debt represented 45 percent of equity, after factoring in the impact of the exceptional payout and the proceeds from the sale of Saur. In 2004 I took the important decision to sell Saur for €1,031 million. The sale represented a net gain of €221 million for Bouygues, of which €188 million was booked to the 2004 accounts. The disposal of Saur is part of a strategy aimed at refocusing our investments.

Strong performance in all our construction businesses. Bouygues Construction regained a satisfactory level of profitability. Colas, the world leader in road building, continued its outstanding performance. Bouygues Immobilier posted strong growth in margins and cash.

TF1 strengthened its leading position by further improving its earnings and increasing its advertising revenues. Its theme channels and diversification businesses are developing well.

Bouygues Telecom confirmed its success and its wise technological choices, improving its market share and profitability through innovative service plans and the successful i-mode offering. In high-speed data, we have chosen to deploy EDGE technology and then second-generation UMTS (HSDPA). The choice of EDGE, now used by more than 110 operators, will enable Bouygues Telecom to offer its customers broadband service in 2005 across France and under good economical and technical conditions.

An exceptional payout of €5 per share, or €1.7 billion in total, was made to shareholders on 7 January 2005. In so doing, the Group rewarded shareholders for their considerable efforts. This payout leaves intact Bouygues' capacity to pursue its business strategies and carry out its investment projects.

The ordinary dividend is up 50%. Bouygues' board of directors will propose to pay a dividend of €0.75 per share for 2004, up from €0.50 for 2003.

We have a strong corporate culture founded on respect for others. Our goal, as always, is customer satisfaction. Our culture is expressed in entrepreneurial behaviour that is responsible in its commitments, creative in its proposals and prudent in its choices. These values, shared by employees across all our different businesses, are what make the Bouygues group different and what give it its strength.

1 March 2005

Martin Bouygues
Chairman and Chief Executive Officer

Sales	Operating income	Net profit
€23,402m (up 7%)	€1,547m (up 25%)	€858m (up 91%)
Debt-to-equity ratio	**Cash flow**	**Net dividend per share**
45%	€2,267m (up 9%)	€0.75 (up 50%)

* to be proposed at the AGM on 28 April 2005

Steep rise in profitability

2004 was another excellent year for the Bouygues group. Sales rose by 7%, due to strong organic growth, particularly at Bouygues Telecom and in Construction.

Profitability rose sharply, and all business areas contributed to the Group's very strong performance. Operating income posted another sharp rise of 25%. Bouygues Telecom's EBITDA increased 17% to €1,174m, equal to 35.3% of net sales from network, as a result of growth in sales and a firm grip on costs. Group net earnings hit a new record of €858m. Excluding the capital gain on the Saur disposal, Group net earnings were up 49% at €670m.

The financial position remained solid. Net bebt debt fell sharply to €1,680m. Taking into account the exceptional payout (€1,664m) and the proceeds of the Saur disposal (€1,031m), restated net debt totalled €2,313m, down 17% with respect to 2003. This gave a debt-to-equity ratio of 45%. All businesses improved their cash positions.

millions of euros

Consolidated income statement

	2003	2004
Sales	**21,822**	**23,402**
Operating income	**1,238**	**1,547**
Net financial items	(219)	(165)
Earnings before tax and exceptional items	**1,019**	**1,382**
Net exceptional items	(14)	209
Income tax	(380)	(519)
Share in earnings of companies accounted for by the equity method	43	42
Amortisation of goodwill	(42)	(55)
Net earnings before minority interests	**626**	**1,059**
Minority interests	(176)	(201)
Consolidated net earnings attributable to the Group	**450**	**858**

Consolidated balance sheet at 31 December

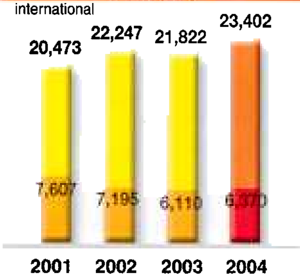
ASSETS	2003	2004
Fixed assets	**11,983**	**10,753**
Inventories, programmes and broadcasting rights	1,874	1,743
Trade and other receivables	8,596	9,113
Current assets	**10,470**	**10,856**
Cash and cash equivalents	2,616	3,256
Total assets	**25,069**	**24,865**
LIABILITIES		
Shareholders' equity (Group share)	5,131	3,983
Minority interests	894	964
Other equity	167	140
Shareholders' equity and other equity	**6,192**	**5,087**
Provisions for liabilities and charges	1,896	1,866
Financial liabilities	5,160	4,686
Long-term capital	**13,248**	**11,639**
Current liabilities	**11,579**	**12,976**
Short-term bank borrowings and overdrafts	242	250
Total liabilities	**25,069**	**24,865**

Consolidated cash flow statement

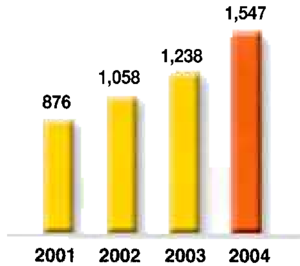
	2003	2004
A - Operating activities		
Cash flow from operations	2,073	2,267
Change in working capital requirement	239	423
Net cash from operating activities	**2,312**	**2,690**
B - Investing activities		
Net investment	(1,573)	(230)
Other investing activities	(80)	(1,012)
Net cash used for investing activities	**(1,653)**	**(1,242)**
C - Financing activities		
Dividends paid during the year	(213)	(258)
Other financing activities	310	(548)
Net cash from financing activities	**97**	**(806)**
D - Impact of exchange rate movements	**(6)**	**(10)**
Change in cash and cash equivalents (A + B + C + D)	**750**	**632**
Cash at beginning of period	1,624	2,374
Cash at end of period	2,374	3,006

Main indicators (€m)

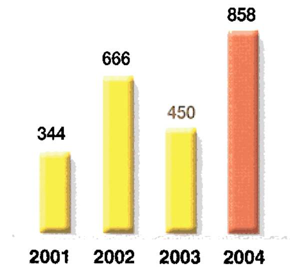
Sales: +7%



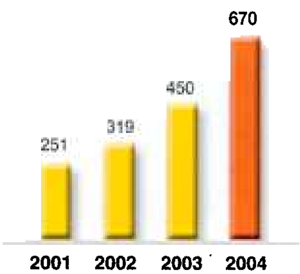
Operating income: +25%



Net earnings: +91%

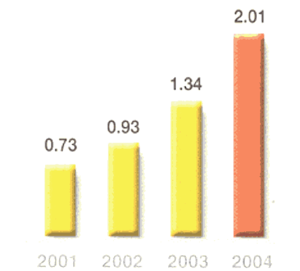


Recurring net earnings*: +49%

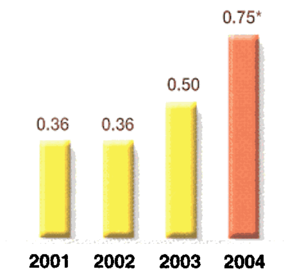


excluding exceptional capital gain

Recurring earnings per share: +50%

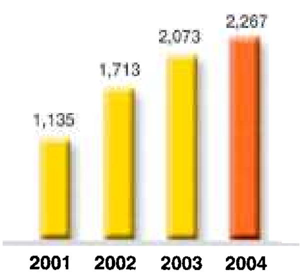


Net dividend per share*: +50%

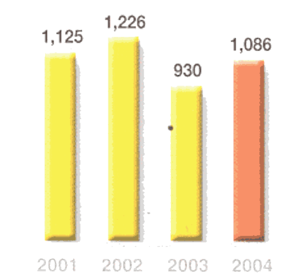


to be proposed at the AGM on 28 April 2005

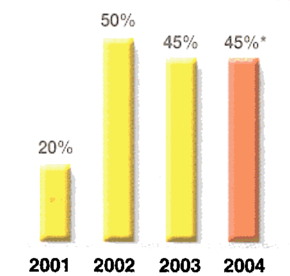
Cash flow: +9%



Net operating investment: +17%

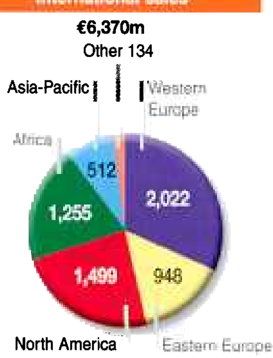


Debt-to-equity ratio

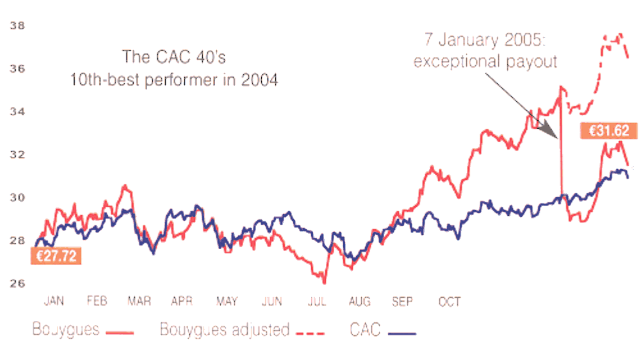


*after exceptional payout and Saur disposal

International sales



Stockmarket performance in 2004



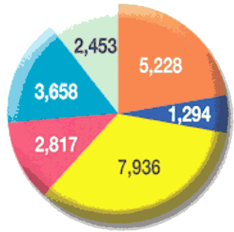
Sales and earnings by business area (in €m)

Bouygues Construction had a busy year, with sales up 10%. The pace of growth was the same in France and abroad. Colas benefited from firm trends in its markets, and sales rose by 7% on 2003, up 10% in France and 4% abroad (6% abroad at constant scope and exchange rates). Bouygues Immobilier's sales increased by 5%, due to very strong business in the housing segment (+22%).

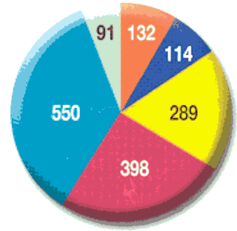
Saur's sales were stable. Excluding the impact of the South East Water disposal in September 2003, sales rose by 5%. Saur was sold to PAI partners (with the exception of the African and Italian businesses) and was deconsolidated as of 31 December 2004.

Bouygues Telecom sales grew 12%. Net sales from network came in up 11% at €3,326m. Bouygues Telecom implemented a dynamic and innovative strategy in all market segments. Sales at TF1 rose by 3% (excluding third-party sales in 2004) and by 7% using the same accounting method. Growth in advertising revenues was confirmed, with a rise of 6.6%. Sales from other activities rose by 7% using the same accounting method, driven by TPS and TF1 Vidéo.

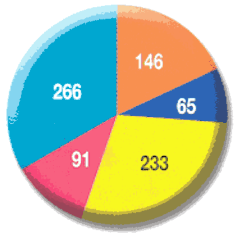
Sales



Operating income



Recurring net earnings excl. Saur*

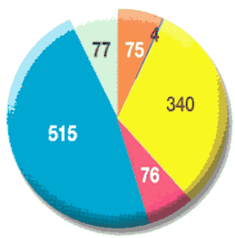


Saur made a net loss of €4m in 2004

Cash flow

▶ Bouygues Construction ▶ TF1
▶ Bouygues Immobilier ▶ Bouygues Telecom
Colas ▶ Saur

Net operating investment



Employee share ownership

At end-2004, the Group's employee mutual funds were Bouygues' second-largest shareholder, with 12% of the capital and 16% of the voting rights. 25,000 staff* have money in these funds. In order to give staff a greater interest in the Group's development, Martin Bouygues set up a company savings plan investing in Bouygues shares in 1990. Staff contributions are topped up by the company, and the plan has been a big success. Over the years, the plan's formula has been constantly improved, particularly by encouraging small contributions in order to increase the number of plan members. Capital increases reserved for Group employees have also strengthened the staff's position.

* *excluding Saur*

2005 Objectives (in millions of euros)

Sales (0)

€22,700m (+7%)*

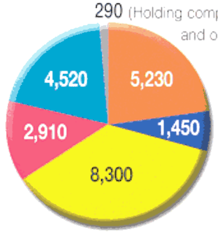
** +4% excluding mobile-to-mobile billing*

of which international

€6,300m (+5%)

Change on 2004 sales under IFRS

Sales by business area (0)



People: our greatest resource

The culture of the Bouygues group puts people first. It is built around the essential values of team spirit, individual responsibility, ethical conduct and respect.

Workforce at end-2004
113,334 (+1%)
of which 61,364 (54%) in France

Compagnons du Minorange: setting an example

The Minorange Guild was founded in 1963 by Francis Bouygues to promote construction trades. The Order focuses on fostering values on worksites, such as respect for safety, dedication to a job well done, fraternity and commitment to the company. Other Bouygues business areas have set up orders based on the same principles, such as Colas' Compagnons de la Route.

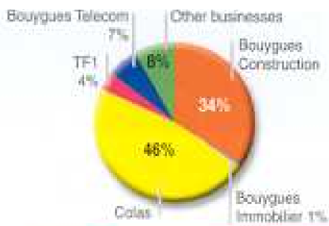
There are 1,678 guild workers in 21 orders, some of which operate outside France.

Respect and performance: an ethical duty

In 2002, Martin Bouygues introduced Bouygues values seminars to raise awareness about ethical issues among more than 300 managers. His aim is to promote respect, which is a powerful collective force for improving performance within teams. In 2005, the Bouygues Management Institute will organise further seminars to debate these subjects and provide training. The aim is to help managers, who are more than ever required to set an example, with these responsibilities.

Workforce by business area

113,334 employees

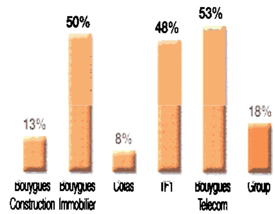


Workforce by geographical zone

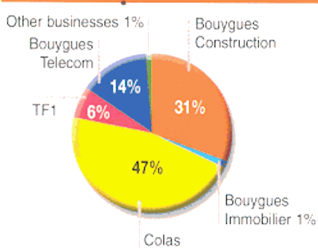
51,970 staff outside France

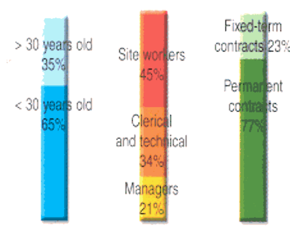
Professional status

Proportion of women by business area

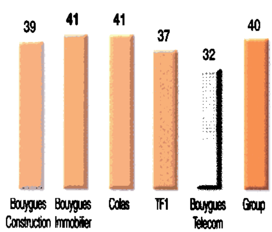


6,930 employees recruited in France in 2004



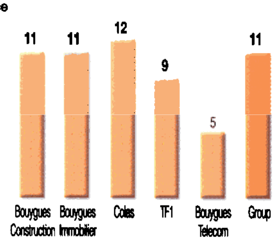


Average age: 40



Average time spent with company: 11 years

in France



** Excluding Saur businesses sold under the agreement of 19 November 2004, which employed 11,958 staff at end-2004. Bouygues has kept Saur's African and Italian subsidiaries, which will be classified under "Other businesses".*

Environment: practical initiatives in 2004

Colas

▶ More than 100 industrial units environmentally certified (ISO 14001) at end-2004

▶ Special industrial scrap collected in workshops in mainland France:
• 115 tonnes of batteries (+20%)
• 97 tonnes of oil filters (-8%)
• 44 tonnes of contaminated solids (-12%)
• 15 tonnes of packaging (+3%)
• 14 tonnes of aerosols (+8%)
The changes are due to reductions at source resulting from ISO 14001 procedures and improved collection rates.

TF1

▶ 22 tonnes of waste paper collected (-12%)

▶ 754 kg of neon lighting recycled (+13%)

▶ 732 kg of flat batteries recycled (-1%)

▶ 39.5 GWh of electricity consumed (+7%), mainly due to the inclusion of new premises and the installation of an additional control room at Eurosport

Bouygues Telecom

▶ 109,000 handsets reconditioned or recycled (+82%)

▶ 27 tonnes of network batteries and 107 of network hardware recycled (-2%)

▶ 732 kg of batteries collected at Bouygues Telecom sites (+76%)

▶ 6,482 IT components collected for recycling (x3.2)

▶ 4.3 MWh of electricity consumed per employee in offices (-12%)

Colas is using Végécol as an alternative to bitumen.

In 2003, to reduce the amount of natural resources used in manufacturing its products, Colas developed a plant-based compound that can be used instead of bitumen. In 2004, this binder proved its performance and durability in five sites in France, representing 16,000 m².

Bouygues Immobilier is developing its "Agir Vert" initiative.

In 2004, Bouygues Immobilier created the "Agir Vert" environmental concept for its residential property programmes. This initiative is in addition to the HQE (high environmental quality) charter, and is intended to control the environmental impact of construction operations by limiting water and energy consumption.
193 apartments at Carrières-sous-Poissy (Paris region) have been marketed under this banner.

Bouygues Construction favours environmentally-friendly materials and techniques.

On the Savannah Park site, Dragages Singapore is using a novel technique involving panels made of gypsum and recycled paper to build partitions in 648 apartments.
In addition, it has used the Deltalok retaining wall system, which makes use of earth and sand in which plants can grow. Another benefit of this system is that it does not require the use of any concrete, formwork or paint.

Bouygues Telecom is taking things further, by encouraging its suppliers to respect its values.

Bouygues Telecom has informed more than 200 suppliers of its membership of the United Nations Global Compact. This initiative shows the company's intention to introduce specific requirements in its tenders and contracts regarding compliance with the Global Compact.
Bouygues Telecom is also planning to carry out social audits of its suppliers, to ensure that these values are respected.

All social and environmental issues are dealt with in detail in the 2004 annual report.

Civil society, safety, research and innovation

In terms of its civil society efforts, the Group had a busy year on the corporate sponsorship front.

▶ **January:** Bouygues Telecom gets involved in the "Pièces jaunes" (loose change) operation.

▶ **March:** Bouygues SA and Bouygues Telecom take part in an appeal to raise money for brain research.

Bouygues Telecom resumes its "Téléphone Maison" initiative: providing handsets and call time to children in hospital.

▶ **June:** Structural works completed on the Kabul mother and child hospital. The Group has supported this project since 2003.

▶ **July:** Bouygues Telecom organises the Multiple Sclerosis Challenge, an initiative that allows patients to watch the Tour de France à la Voile sailing race on board a catamaran.

TF1 sponsors an internet portal for charities (jeveuxaider.com).

▶ **August:** TF1 produces free advertising campaigns for Secours Populaire Français.

▶ **November:** Bouygues supports the Paris bid to host the 2012 Olympics.

▶ **December:** Bouygues Immobilier gets involved in the Telethon (TV charity fundraising night).

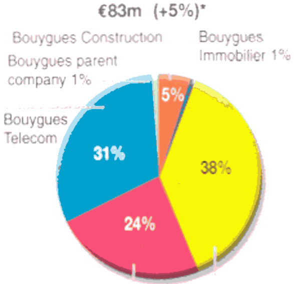
The Group helps victims of the Asian Tsunami. As well as donating more than €1m, the Group has undertaken a number of other actions: a special edition of *Who Wants to be a Millionaire?* on TF1; donations by text message; local initiatives by Colas; reconstruction of a school by Bouygues Thaï; Bouygues Immobilier's involvement in financing the reconstruction of a school in Indonesia.

Research and innovation are fundamental to the Bouygues group's development.

All Bouygues subsidiaries strive to innovate to improve quality of life and the standard of services provided to customers. Research and development plays a major role, through the efforts of our R&D labs and our research into the media, services and organisations.

R&D expenditure in 2004

€83m (+5%)*



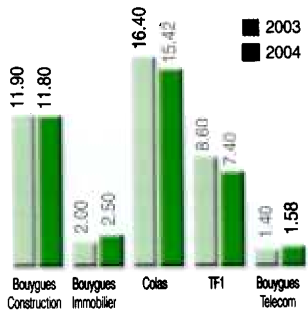
* excluding Saur

Safety at work requires constant discipline.

All business areas maintained their initiatives to limit accidents at work in 2004. These efforts are paying off, enabling Bouygues Construction, Colas and Bouygues Telecom to record results between 2 and 5 times better than their respective industry averages.

Accident frequency rate

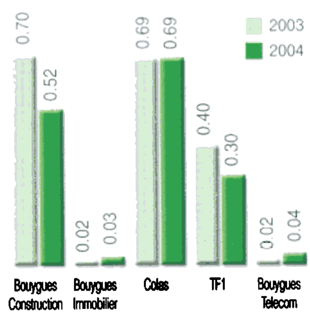
in mainland France



Accident frequency rate: number of industrial accidents resulting in lost work days per million man hours worked.

Severity rate

in mainland France



Severity rate: number of work days lost through injury per million man hours worked.

Full-service contractor

2004 Sales
€5,512m (+10%)
Earnings before tax and exceptionals
€181m (x 2.6)
Net earnings (Group share)
€144m (x 4.5)
Employees
38,500

Sales objective 2005
€5,500m (=)

Bouygues Construction is a world-leading company, operating in building, civil works, electricity and maintenance. It combines the strength of a large group with the responsiveness of a network of smaller contracting businesses. In 2004, it continued to improve its financial performance.

France

In 2004, **residential construction** and new building permits saw a marked increase. The market for non-residential premises remained stable. The decline in office construction bottomed out. Despite adopting a more selective commercial approach, Bouygues Construction's sales rose by 10% in France.

Civil works sales grew by almost 5%, due to major infrastructure projects like the A28 motorway reaching cruising speed.

International

Sales remained stable **in Africa**.

In Asia-Pacific, Bouygues Construction is using its strong position in Hong Kong as a springboard into the entire region (South Korea, Singapore, Thailand).

In Central America and the Caribbean, sales remained strong driven by infrastructure work and hotel construction.

In Western Europe and Central and Eastern Europe, Bouygues Construction carried out major, high-

value-added projects in targeted sectors such as healthcare, public buildings and transport infrastructure.

Electrical contracting and maintenance. ETDE maintained its external growth strategy, aiming to improve geographical coverage and broaden its skills base in electrical and HVAC engineering. The maintenance division grew by providing facilities management services under public-private partnership (PPP) contracts carried out by other Bouygues Construction entities. ETDE's sales rose by 23% due to its acquisition of 9 companies.

Major new contracts

- Exaltis tower, Courbevoie (€52m)
- Public lighting for the city of Lille (€37m over 8 years)
- Mechanical and electrical services for Tahiti hospital (€54m)
- Phase 2 of the M5 motorway in Hungary (€117m)
- Tsing Yi viaduct in Hong Kong (€49m)
- Citylights@Jellicoe apartment blocks in Singapore (€45m)
- Sail@Marina Bay towers in Singapore (€139m)

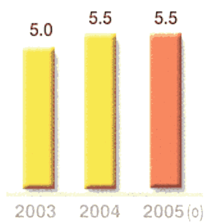
Major projects under construction

- UK Home Office (€325m)
- Quai Branly museum (€29m)
- Nuclear simulation centre in Bordeaux (€135m)
- Port of Tangier (€150m)
- A28 motorway (€636m)
- Exhibition centre in Hong Kong (€225m)
- Barking Schools PFI contract in London (€68m)
- Masan Bay Bridge in South Korea (€87m)

An excellent 2004, confirming the improvement in financial performance

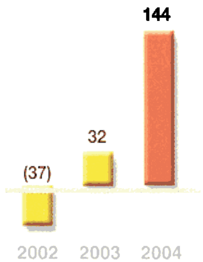
Sales

in billions of euros

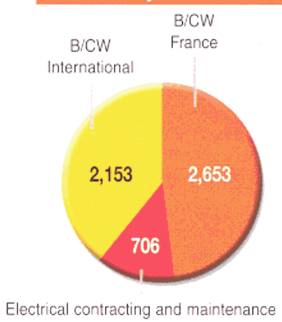


Net earnings

in millions of euros

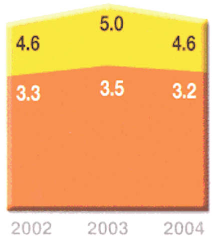


Sales by business



Order book

in billions of euros



Consolidated balance sheet at 31 December

ASSETS (in millions of euros)	2003	2004
FIXED ASSETS	**590**	**562**
Inventories	81	93
Trade and other receivables	1,962	2,091
CURRENT ASSETS	**2,043**	**2,184**
Cash and cash equivalents	1,572	1,770
TOTAL ASSETS	**4,205**	**4,516**
LIABILITIES (in millions of euros)		
Authorised capital and reserves	222	288
Minority interests	6	3
SHAREHOLDERS' EQUITY	**228**	**291**
Other equity	-	-
SHAREHOLDERS' EQUITY AND OTHER EQUITY	**228**	**291**
Provisions for liabilities and charges	542	626
Financial liabilities	149	158
LONG-TERM CAPITAL	**919**	**1,075**
CURRENT LIABILITIES	**3,209**	**3,349**
Short-term bank borrowings and overdrafts	77	92
TOTAL LIABILITIES	**4,205**	**4,516**

Consolidated income statement

(in millions of euros)	2003	2004
SALES	**5,002**	**5,512**
OPERATING INCOME	**37**	**132**
Net financial items	33	49
EARNINGS BEFORE TAX AND EXCEPTIONAL ITEMS	**70**	**181**
Net exceptional items	(12)	23
Income tax	(27)	(62)
NET EARNINGS OF CONSOLIDATED COMPANIES	**31**	**142**
Share in earnings of companies accounted for by the equity method	3	3
Amortisation of goodwill	-	(1)
NET EARNINGS BEFORE MINORITY INTERESTS	**34**	**144**
Minority interests	(2)	-
CONSOLIDATED NET EARNINGS (attributable to the Group)	**32**	**144**

Bouygues Construction intends to maintain its earnings and achieve steady growth in four areas:

- **Electrical contracting and maintenance:** in a buoyant market that is continuing to consolidate, ETDE is planning to pursue an active acquisitions policy.
- **Public-private partnerships:** Bouygues Construction's international experience is helping it to become involved in a number of projects in France, particularly in the schools and hospitals segments.
- **Packaged property development:** with its acknowledged skills in all areas from logistics warehouses to heavy renovation work, the company intends to continue growing in this high-value-added business area.
- **Transport infrastructure concessions:** Bouygues Construction gets involved in projects at the earliest possible stage, in order to offer a full service comprising financing, construction and operation.

Bouygues Immobilier

A leader in property development

2004 Sales
€1,295m (+5%)
Operating income
€114m (+43%)
Net earnings (Group share)
€65m (+48%)
Employees
845

Sales objective 2005
€1,450m (+13%)

With 23 branches in France and 7 units in Europe, Bouygues Immobilier is a developer of residential, office and retail park projects. With its excellent financial position and strong earnings growth (+48%), the company further increased its market share in 2004.

Residential property. The market remained very active, buoyed by low interest rates, strong rental demand and effective tax incentives. Reservations totalling 6,759 units, including 164 in Europe excluding France, showed a steep increase (25%) in both the Paris region and the rest of France. This expansion is being driven by strong growth in demand in the Greater Paris region, as well as in Provence-Alpes-Côte d'Azur and the Atlantic crescent. Residential sales rose strongly, by 22%.

Commercial and corporate property. Once again, rental demand remained weak in 2004, causing rents to fall. Against this background, Bouygues Immobilier marketed 167,000 m² of office, retail and hotel space, including 71,000 m² in Europe excluding France. It bolstered its leading position in the new office market.

Europe outside France. Bouygues Immobilier has operations in Spain, Portugal, Poland, Germany and Belgium. Sales in these countries represent 6.9% of total sales. Residential activities developed in most of these markets now account for 28% of the total sales figure.

Office and retail property

- Sale of the Exaltis building (23,000 m²) in La Défense
- Sale of the Grand Horizon building (16,000 m²) in Marseille
- Delivery of CNAM's head office in Bagnolet and Le Monde's head office in the 13th arrondissement of Paris
- Sale of the Alcala Parque retail park (32,000 m²) in Seville, Spain

Residental property

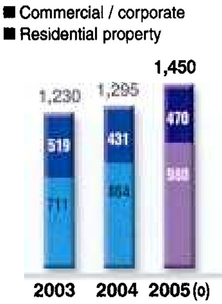
- 6,593 homes delivered in France
- Start of residential property programmes in Spain
- First project delivered in Warsaw, Poland

Expansion

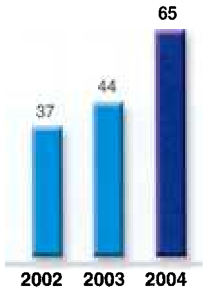
- Acquisition of Société Lyonnaise pour la Construction (SLC)
- Opening of two new branches in Perpignan and La Rochelle
- Start-up of a residential property business in Brussels, Belgium
- Start-up of the Retail Parks business in France

Further growth in residential property
Strong increase in earnings

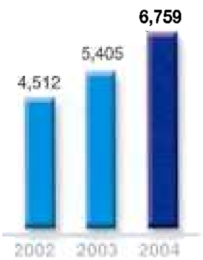
Sales
in millions of euros



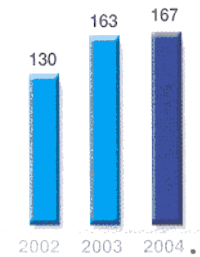
Net earnings
in millions of euros



Residential property
Housing reservations, units



Commercial property
Reservations in thousands of m²



OUTLOOK FOR 2005

Bouygues Immobilier aims to strengthen its leading position in property development in France and to become a major player in Europe. Its key strategic objectives for 2005 are:

- Pursue dynamic but prudent growth by increasing market share in residential property, mainly in the regions. Emphasise risk management in office property and concentrate efforts outside France on Spain, Portugal, Poland and Belgium.
- Maintain high profitability
- Retain a solid financial position.

Sales are expected to grow substantially in 2005, due to high levels of commercial activity in 2004. Bouygues Immobilier is expecting a further increase in residential reservations in a market that is showing signs of stabilising, along with moderate business levels in commercial property.

Consolidated balance sheet at 31 December

ASSETS (in millions of euros)	2003	2004
FIXED ASSETS	**110**	**51**
Inventories	667	648
Trade and other receivables	954	1 111
CURRENT ASSETS	**1,621**	**1,759**
Cash and cash equivalents	133	313
TOTAL ASSETS	**1,864**	**2,123**

LIABILITIES (in millions of euros)		
Authorised capital and reserves	203	239
Minority interests	15	10
SHAREHOLDERS' EQUITY	**218**	**249**
Other equity	-	-
SHAREHOLDERS' EQUITY AND OTHER EQUITY	**218**	**249**
Provisions for liabilities and charges	107	130
Financial liabilities	45	59
LONG-TERM CAPITAL	**370**	**438**
CURRENT LIABILITIES	**1,494**	**1,682**
Short-term bank borrowings and overdrafts	-	3
TOTAL LIABILITIES	**1,864**	**2,123**

Consolidated income statement

(in millions of euros)	2003	2004
SALES	**1,230**	**1,295**
OPERATING INCOME	**80**	**114**
Net financial items	(13)	(7)
EARNINGS BEFORE TAX AND EXCEPTIONAL ITEMS	**67**	**107**
Net exceptional items	(7)	2
Income tax	(12)	(40)
NET EARNINGS OF CONSOLIDATED COMPANIES	**48**	**69**
Share in earnings of companies accounted for by the equity method	-	-
Amortisation of goodwill	-	-
NET EARNINGS BEFORE MINORITY INTERESTS	**48**	**69**
Minority interests	(4)	(4)
CONSOLIDATED NET EARNINGS (attributable to the Group)	**44**	**65**

The world leader in roadworks

2004 Sales
€8,013m (+8%)
Operating income
€289m (+10%)
Net earnings (Group share)
€241m (+18%)
Employees
53,500

Sales objective 2005
€8,400m (+4%)

Colas operates in all segments of transport infrastructure, integrating all upstream industrial activities, from quarries and mixing plants to units producing or manufacturing emulsions and binders. The company has operations in more than forty countries.

In 2004, Colas achieved a substantial increase in economic revenue (+7.3%), without any significant contribution from acquisitions and despite a further slide in the dollar against the euro. Net earnings also rose sharply, by 18.1%, due to market growth in its main business areas.

In France.

Roadworks subsidiaries saw strong growth, due to investment by local authorities and the private sector. Activity in other businesses (traffic signalling and safety, pipelines and mains, waterproofing and railway work) stabilised at a high level.

International activities.

At constant scope and exchange rates, sales rose by 8.5%. Sales grew strongly - by 26% - in Central Europe (Hungary, Czech Republic, Romania and Slovakia), due to some major motorway projects. Business levels in North America increased in dollar terms. Northern Europe and Asia also saw progress.

Notable projects

- **France:** repairs on 30km of the A31 motorway, construction of the link between the A8 and La Turbie, the Faulquemont diversion (Moselle region), the Yssingeaux bypass (Haute-Loire), work on tram lines in Grenoble and Montpellier, network diversions for the Paris tram line, tracklaying for the TGV Est high-speed rail line, runway repairs at Le Bourget airport, waterproofing work at hospitals in Nantes and Annecy.
- **International:** PFI contract in Portsmouth, UK, renovation of the ring road in Antwerp, Belgium, construction of a section of the underground rail system in Copenhagen, Denmark, construction of motorway sections in Hungary, Romania and the USA.

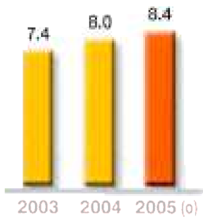
Production of materials

- 96.2 million tonnes of aggregates (20-25 years of reserves), 52.6 million tonnes of asphalt mixes, 1.4 million tonnes of emulsions and binders (world's largest producer), 21 million m² of waterproof membranes.

Strong growth in sales and earnings
Further increase in net cash: +€233m

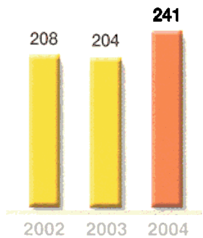
Sales

in billions of euros

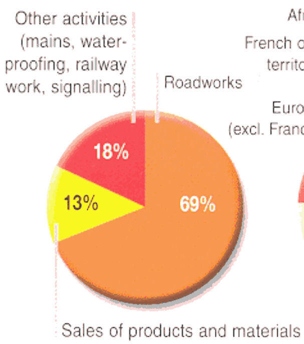


Net earnings

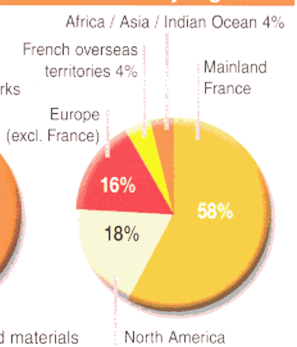
in millions of euros



Sales by segment



Sales by region



Consolidated balance sheet at 31 December

ASSETS (in millions of euros)	2003	2004
FIXED ASSETS	**1,682**	**1,866**
Inventories	196	221
Trade and other receivables	2,050	2,217
CURRENT ASSETS	**2,246**	**2,438**
Cash and cash equivalents	385	635
TOTAL ASSETS	**4,313**	**4,939**
LIABILITIES (in millions of euros)		
Authorised capital and reserves	1,041	1,182
Minority interests	17	25
SHAREHOLDERS' EQUITY	**1,058**	**1,207**
Other equity	-	-
SHAREHOLDERS' EQUITY AND OTHER EQUITY	**1,058**	**1,207**
Provisions for liabilities and charges	489	541
Financial liabilities	61	73
LONG-TERM CAPITAL	**1,608**	**1,821**
CURRENT LIABILITIES	**2,636**	**3,044**
Short-term bank borrowings and overdrafts	69	74
TOTAL LIABILITIES	**4,313**	**4,939**

OUTLOOK FOR 2005

The order book was up 21% at end-January 2005, offering good prospects for the first quarter. In France, large numbers of public transport, urban development, network maintenance and private investment projects have been identified. The road, rail, waterproofing and traffic signalling/safety markets are likely to remain robust. In Central Europe and the Indian Ocean region, Colas' strong local units should benefit from major modernisation work.

Acquisitions made in late 2004 will contribute sales of around €200m in 2005. Other acquisitions being considered in Europe and North America may be completed in early 2005.

Depending on acquisitions and economic conditions, Colas should again be able to make substantial progress in 2005, based on its key strengths: a network of profitable companies, 53,500 staff, a growing proportion of industrial activities, sufficient technical skills and financial resources to support the development of new forms of contracts (public-private partnerships), and a solid financial position.

Consolidated income statement

(in millions of euros)	2003	2004
SALES	**7,426**	**8,013**
OPERATING INCOME	**262**	**289**
Net financial items	(1)	1
EARNINGS BEFORE TAX AND EXCEPTIONAL ITEMS	**261**	**290**
Net exceptional items	2	22
Income tax	(85)	(96)
NET EARNINGS OF CONSOLIDATED COMPANIES	**178**	**216**
Share in earnings of companies accounted for by the equity method	38	45
Amortisation of goodwill	(12)	(18)
NET EARNINGS BEFORE MINORITY INTERESTS	**204**	**243**
Minority interests	0	(2)
CONSOLIDATED NET EARNINGS (attributable to the Group)	**204**	**241**

Number one television group in France

2004 Sales
€2,835m (+3%)
Operating income
€399m (+19%)
Net earnings (Group share)
€220m (+15%)
Employees
4,000

Sales objective 2005
€2,930m (+3%)

- TF1's audience share rose by 0.3 points overall, and by 1.1 points among women under 50.
- TF1 broadcast eight of the most important **Euro 2004** matches live on air. The Switzerland-France game achieved the largest audience of the year, with an audience share of 59.9%.
- On 22 June, **LCI** celebrated its tenth anniversary. Since 1994, LCI has established itself as France's leading 24-hour news channel.
- **Eurosport** provided complete, live coverage of the Athens Olympics.
- On 20 December, **TF1** won the exclusive rights to broadcast the next Rugby World Cup, which will take place in France in 2007.
- In December, **TPS** signed up 66,588 new subscribers. In 2004, TPS exceeded its subscriber growth targets, attracting 209,000 new subscribers to its satellite service and almost 50,000 to TPS L.

TF1 is France's leading general-interest TV channel, and is successfully developing other businesses i.e. the production and distribution of spin-off products, internet activities and interactive services, theme channels and the international expansion of the Eurosport channel, the sale of audiovisual rights and pay-TV via TPS.

Broadcasting. TF1 had an audience share of 31.8% in 2004, and had 89 of the year's top 100 audience ratings. Major football competitions generated exceptionally large audiences in 2004. TF1 series and TV films accounted for half of the year's largest audiences, and are maintaining their excellent performance year after year. The summer drama series *Zodiaque* beat all records for the genre, with 10.8 million viewers per episode on average. The 1pm news programme achieved an average audience share of 52% and the 8pm programme 40%. The other highlights on TF1 were its films, particularly *Monsieur Batignole* (12.3 million viewers), and entertainment programmes.

Advertising. Net advertising revenue from the core channel increased by 6.6% against a slightly improving economic background.
TF1 bolstered its leading position, increasing its share of the TV advertising market slightly to 54.8%.

Diversification. The company's diversification activities posted top-line growth of 6.6% (before the change in presentation resulting from the changeover to IFRS standards).
TPS had almost 1.675 million subscribers at 31 December 2004, including 1.355 million satellite and ADSL subscribers and 320,000 cable subscribers.
Teleshopping, the distance shopping business saw strong growth in sales across all media (TV programmes, catalogues and internet).
TF1 Vidéo was boosted by a strong line-up of new releases, particularly part three of the *Lord of the Rings trilogy*, *Kill Bill Volume 1* and comedies starring Bigard and Dany Boon.
The range of **theme channels** was extended. In particular, TF1 acquired the *Histoire channel.*

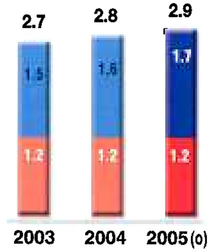
Improving margins

Audience share unrivalled in Europe

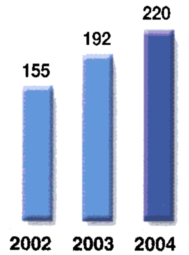
Sales / Net earnings

Sales in billions of euros

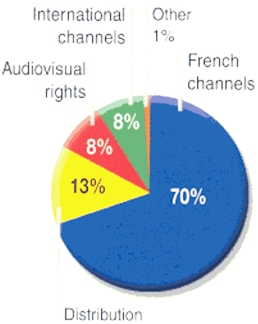
- Advertising revenue (core channel)
- Other activities



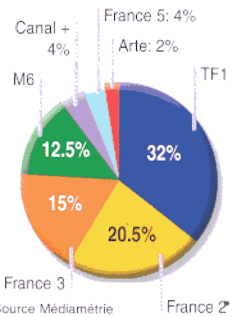
Net earnings in millions of euros



Sales by business / Audience share



Individuals aged 4 and over



Source Médiamétrie

OUTLOOK FOR 2005

Although the advertising market is hard to predict, the core channel's advertising revenues should grow in line with the market in 2005, at between 3% and 4%, while consolidated sales could rise by 3-5%. Programming cost growth should be less than 4%.

The TF1 group is maintaining the strategy it has pursued for several years, i.e.

- ▶ remaining France's leading programme producer
- ▶ continuing to develop programme and service distribution
- ▶ bolstering Eurosport's status as the leading pan-European channel
- ▶ developing other businesses: video sales, distance shopping and the sale of audiovisual rights, which should have another year of profitable growth in 2005.

Consolidated balance sheet at 31 December

ASSETS (in millions of euros)	2003	2004
FIXED ASSETS	**1,220**	**1,231**
Inventories, programmes and broadcasting rights	704	551
Trade and other receivables	1,104	1,285
CURRENT ASSETS	**1,808**	**1,836**
Cash and cash equivalents	185	161
TOTAL ASSETS	**3,213**	**3,228**
LIABILITIES (in millions of euros)		
Authorised capital and reserves	866	952
Minority interests	-	(1)
SHAREHOLDERS' EQUITY	**866**	**951**
Other equity	-	
SHAREHOLDERS' EQUITY AND OTHER EQUITY	**866**	**951**
Provisions for liabilities and charges	103	88
Financial liabilities	627	556
LONG-TERM CAPITAL	**1,658**	**1,595**
CURRENT LIABILITIES	**1,554**	**1,616**
Short-term bank borrowings and overdrafts	1	17
TOTAL LIABILITIES	**3,213**	**3,228**

Consolidated income statement

(in millions of euros)	2003	2004
SALES	**2,743**	**2,835**
OPERATING INCOME	**334**	**399**
Net financial items	(14)	(19)
EARNINGS BEFORE TAX AND EXCEPTIONAL ITEMS	**320**	**380**
Net exceptional items	(8)	(1)
Income tax	(115)	(136)
NET EARNINGS OF CONSOLIDATED COMPANIES	**197**	**243**
Share in earnings of companies accounted for by the equity method	-	(5)
Amortisation of goodwill	(12)	(19)
NET EARNINGS BEFORE MINORITY INTERESTS	**185**	**219**
Minority interests	7	1
CONSOLIDATED NET EARNINGS (attributable to the Group)	**192**	**220**

Bouygues Telecom

Mobile communication services

2004 Sales
€3,674m (+12%)
Ebitda/Sales from network
35.3% (vs 33.4%)
Net earnings (Group share)
€321m (+60%)
Employees
7,400

Total sales objective 2005
€4,540m (+24%*)

* +5% excluding mobile-to-mobile billing

Net sales from network obj. 2005
€4,240m (+27 %*)

* +7% excluding mobile-to-mobile billing

- April: launch of a **new range of SMS contract** plans starting from 7.1 euro cents per SMS
- May: introduction of **video services on i-mode™**
- June: publication of **white paper** "Healthy competition for the benefit of consumers"
- August: link-up with Universal Music for the launch of **Universal Mobile** contract plans
- September: new brand campaign **"A new world. Your world."**; launch of Liberté contract plans
- October: customer numbers break the **7 million** threshold
- November: introduction of new i-mode, **Digitalvideo and Digitalsound** services
- December: one million i-mode™ users

After eight years, Bouygues Telecom's customer numbers broke through the 7 million barrier in 2004. The company introduced an innovative policy in all its product lines. More than 66% of its customers are on contract plans, and Bouygues Telecom is continuing to increase its market share.

Shaking up the market.

In 2004, Bouygues Telecom continued to offer innovative services, in line with customer expectations and usage habits. Its aim is to become "the preferred brand of mobile communication services".

- Bouygues Telecom is continually introducing more attractive contract plans, such as the Liberté range, which offers 10 hours of extra call time to all operators.
- More than 1 million customers now use i-mode™. The enriched service is a gateway to 300 official sites, 5,000 independent sites, more than 200 games and 50 Java™ applications.
- For prepay customers, Bouygues Telecom offers a range of handsets allowing them to send MMS messages and take photos.
- The WiFi contract plan and Instant Call, the first "Push to talk" service on a GPRS network, were introduced for business users.

Broadband.

Bouygues Telecom has chosen EDGE as its first broadband technology. After successful trials, EDGE is being rolled out, and national coverage will be attained in 2005. Trials of second-generation UMTS technology (HSDPA) have begun. These technological choices are complementary and pragmatic in terms of investment. They will enable the company to adapt its offering to customers' changing usage of data services.

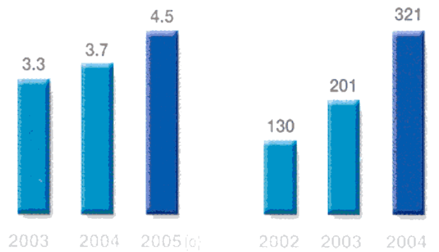
Listening to customers.

In 2004, Bouygues Telecom continued to develop its own distribution network, and to harmonise the 450 Bouygues Telecom Clubs. Through personal attention to customer requirements, the company undertakes to help its customers at all times, including in emergencies.
It has more than 2,700 advisers, each with their own customer portfolio.

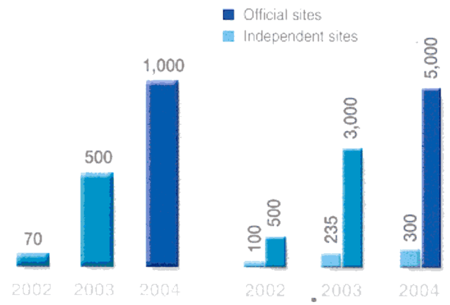
60% profitability growth

1 million i-mode™ customers

Sales — in billions of euros | **Net earnings** — in millions of euros



Number of i-mode customers — in thousands | **Number of i-mode sites** — in thousands



OUTLOOK FOR 2005

In a maturing market, Bouygues Telecom intends to increase profitability in 2005. It is aiming to increase net sales from network by 7% (excluding mobile-to-mobile billing), on the back of new services and innovative offers. In addition, Bouygues Telecom will keep a firm grip on commercial costs.

In 2005, Bouygues Telecom has set three major objectives:

▶ supplying both individual and business customers with a service that is increasingly tailored to their needs, in line with the Bouygues Telecom brand promise

▶ continuing to devise novel and generous offers for all customers and to develop i-mode usage

▶ making the EDGE launch a success and preparing to implement second-generation UMTS.

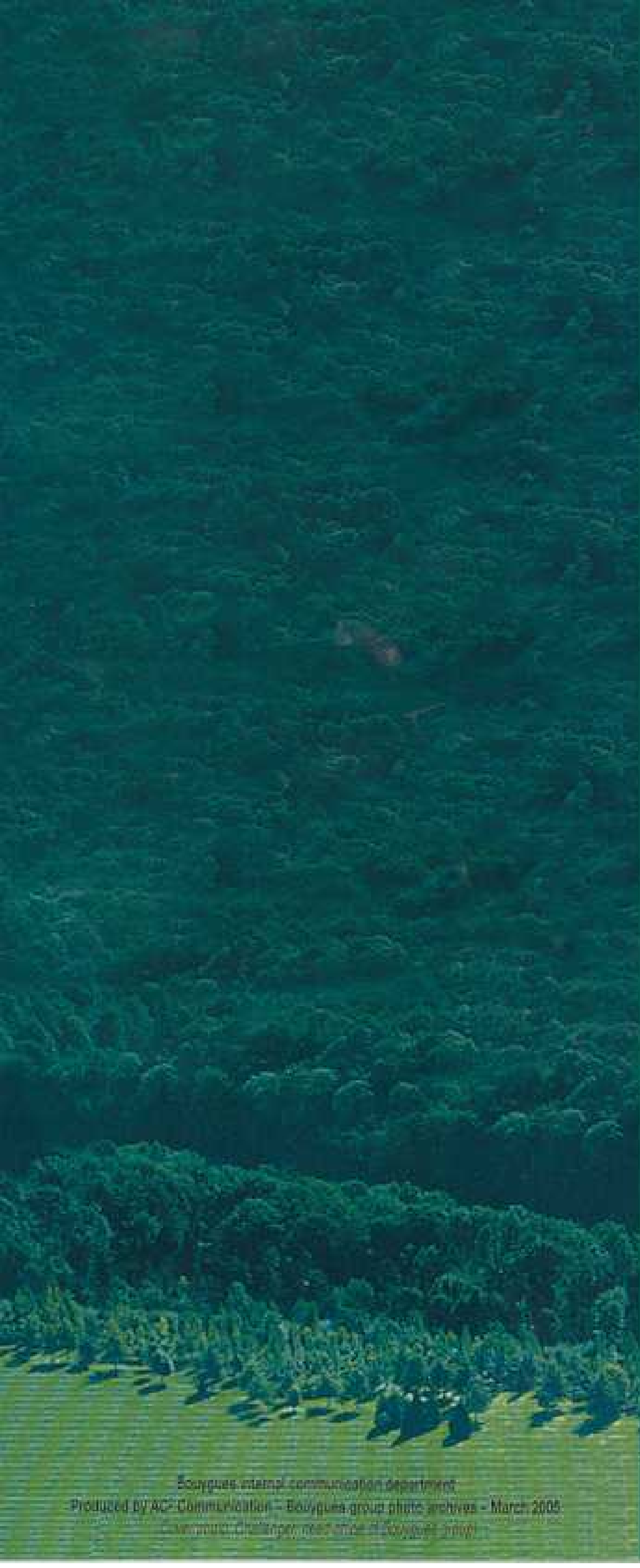
Consolidated balance sheet at 31 December

ASSETS (in millions of euros)	2003	2004
FIXED ASSETS	**3,199**	**3,129**
Inventories and work in progress	96	88
Trade and other receivables	1,283	1,157
CURRENT ASSETS	**1,379**	**1,245**
Cash and cash equivalents	303	15
TOTAL ASSETS	**4,881**	**4,389**

LIABILITIES (in millions of euros)		
Authorised capital and reserves	1,553	1,787
Minority interests	-	-
SHAREHOLDERS' EQUITY	**1,553**	**1,787**
Other equity	767	614
SHAREHOLDERS' EQUITY AND OTHER EQUITY	**2,320**	**2,401**
Provisions for liabilities and charges	36	175
Financial liabilities	1,232	597
LONG-TERM CAPITAL	**3,588**	**3,173**
CURRENT LIABILITIES	**1,191**	**1,216**
Short-term bank borrowings and overdrafts	102	0
TOTAL LIABILITIES	**4,881**	**4,389**

Consolidated income statement

(in millions of euros)	2003	2004
SALES	**3,283**	**3,674**
OPERATING INCOME	**461**	**549**
Net financial items	(144)	(70)
EARNINGS BEFORE TAX AND EXCEPTIONAL ITEMS	**317**	**479**
Net exceptional items	47	34
Income tax	(166)	(191)
NET EARNINGS OF CONSOLIDATED COMPANIES	**198**	**322**
Share in earnings of companies accounted for by the equity method	-	-
Amortisation of goodwill	-	(1)
NET EARNINGS BEFORE MINORITY INTERESTS	**198**	**321**
Minority interests	3	-
CONSOLIDATED NET EARNINGS (attributable to the Group)	**201**	**321**



Bouygues internal communication department
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