BOUYGUES 2002

Annual Meeting 25 April 2002

BOUYGUES

CHAIRMAN'S STATEMENT

Bouygues is a diversified industrial group with operations in 80 countries and over 125,000 employees. It has three lines of business. Construction includes building, civil works, oil and gas contracting, roads and property. Utilities management is the speciality of Saur. Telecommunications and media activities are spearheaded by TF1 and Bouygues Telecom. The Bouygues group reported sales of € 20.5 billion in 2001, an increase of 7%, and achieved growth across all its lines of business. EBITDA rose by 14% to € 1.68 billion while net earnings were 60% higher than in 2000 at € 344 million. The Group has stockholders' equity of € 5.5 billion and net debt of € 1.1 billion. The debt-to-equity ratio of 20% reflects the Group's excellent financial structure.

Construction

Bouygues Construction is involved at all stages in the life of a project, including packaged development, financial engineering, design-build and turnkey contracts, management, operation and maintenance. Orders remained high in 2001 at € 6.1 billion, despite an economic downturn in Asia. Sales amounted to over € 6.3 billion. Major projects during the year included the Groene Hart tunnel in the Netherlands, which required the world's largest tunnel boring machine, 14.85 metres in diameter. Bouygues Offshore also recorded a number of world firsts on the Girassol field off Angola, working at a depth of 1350 metres.

Colas confirmed its position as the world's leading road-builder with sales of € 7.33 billion (42% outside France) and over 90,000 projects a year. It is the world's biggest producer of emulsions and binders, with 1.5 million tonnes in 2001, and also owns reserves of aggregates totalling 2.1 billion tonnes, an extremely important industrial asset. Colas again achieved remarkable results in 2001 and has now doubled its consolidated net earnings in two years.

Bouygues Immobilier continued to perform steadily, selling 4,330 housing units and 236,000 sq. m. of office and commercial space. It reported a 48% rise in net earnings and generated a cash surplus.

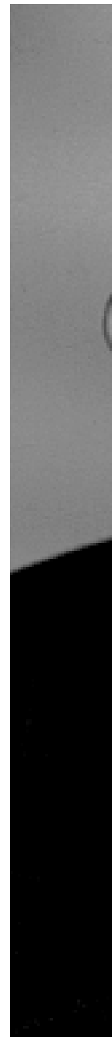
Services

Saur, a utilities management company, operates in three main areas: water and wastewater, accounting for 75% of sales; power generation and distribution; and environmental services through Coved, which provides waste collection, sorting, incineration, storage and disposal services. Saur has operations in 18 countries and 24,000 employees. Sales in 2001 amounted to € 2.49 billion, including 36% outside France, mainly in Africa and Europe.

Telecoms - Media

Bouygues Telecom, France's third mobile phone operator, continued to grow in 2001, reporting a 32% rise in sales to € 2.68 billion. It signed up 1.4 million new subscribers, giving it 6.6 million customers at year-end. Its GSM network covers 98.5% of the population. Now, GPRS technology offers faster access to mobile multimedia at speeds two to three times higher than GSM. Bouygues Telecom will start marketing its offering for the general public towards the end of 2002.

In January 2001, Bouygues Telecom decided not to apply for a UMTS licence in France, considering the conditions to be dissuasive. Since then, the government has eased the terms and invited new bids for 16 May 2002. Bouygues is preparing a bid but will take its final decision solely on the basis of the expected return on investment. Bouygues Telecom is in sound financial health, with relatively low levels of debt. EBITDA has been positive since 2000 and amounted to € 473 million in 2001. In March 2002 Bouygues, which already owned 53.7% of Bouygues Telecom, acquired Telecom Italia's stake in the company for € 750 million and now owns 64.5%.



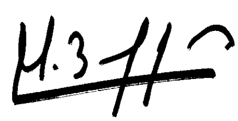
TF1 continues to be France's leading TV channel with an average audience share of 32.7% in 2001 and 35.5% of women under 50, the prime target for advertisers (this figure rose to 38.4% in January 2002). TF1 scored 92 of the top 100 audience ratings in 2001 and generated sales of € 2.28 billion in difficult economic conditions. Net advertising revenue fell by 4.7% in the year but has risen by 10.8% overall in two years. Revenue from diversification activities, which account for 34% of total sales, rose by 21%.

In 2001, TF1 acquired the stake in Eurosport held by Canal + and is now the sole owner of the only pan-European TV channel, broadcast in 18 different languages to 93 million households in 54 countries. TF1 also increased its stake in TPS from 25% to 50%. Considering it essential for a leading channel to secure access to major events, TF1 acquired exclusive TV rights for the 2002 and 2006 Football World Cup for € 160 million.

Projected sales for the Bouygues Group **in 2002** amount to € 22.8 billion, including € 7.7 billion on international markets. The outlook for growth is bright in all our lines of business. Bouygues is concentrating its resources on expansion in the telecommunications sector and providing support for projects at TF1. All the Group's other businesses finance their own growth. The Bouygues group's main advantages are a solid financial structure with very little debt, a unique position as an operator in both telecommunications and television, worldwide expertise in the construction sector and a strong entrepreneurial culture in all its business areas. Our objective remains unchanged: always to seek the trust and satisfaction of our customers, since they are the essential conditions for our Group's existence and growth and the satisfaction of our stockholders.

3 April 2002

Martin Bouygues




BOUYGTEL

Key Figures

1 - Key consolidated figures

(€ million)

	1999	2000	2000 (1)	2001	2001/2000 Variation
Consolidated sales	15,857	19,060	19,060	20,473	+ 7 %
of which International	5,785	7,062	7,062	7,607	+ 8%
EBITDA	974	1 ,474	1,474	1,680	+ 14%
Operating earnings (EBIT)	484	812	812	876	+ 8%
Net earnings attributable to the Group	45	421	215	344	+ 60%
Operating cash flow	676	1,213	1,007	1,135	+ 15%
Stockholders' equity	2,878	5,168	4,961	5,503	+ 6%
Net debt	2,201	967	967	1,124	+ 16%
Market capitalisation	19,327	16,302	16,302	12,715	- 22%
Adjusted net dividend	0.259	0.36	0.36	0.36	=
Employees (number)	111,352	118,892	118,892	125,034	+ 5%

(1) excluding non-recurring effects of Colas stock swap

The Bouygues group again improved its financial performance in 2001. Sales increased by 7%, with both French and international operations contributing to the rise. All the Group's business lines recorded higher sales. Earnings indicators outstripped the rise in sales: EBITDA was up 14% and EBIT 8%. Like-on-like net earnings attributable to the Group were 60% higher than in 2000, rising to € 215 million excluding the Colas stock swap, which generated a non-recurring net gain of € 206 million. The improvement in profitability is attributable to Bouygues Telecom and the Construction division, thanks to Colas.

For its first rating by Standard & Poor's, a particularly healthy financial structure enabled the Bouygues group to obtain an A- long-term and A-2 short-term rating with stable outlook. The rating was confirmed on 24 February 2002 after the announcement of Bouygues' intention to acquire Telecom Italia's indirect stake in Bouygues Telecom for € 750 million.

2 - Key consolidated balance sheet items

(€ million)

	31/12/1999	31/12/2000	31/12/2001	2001/2000 Variation
Stockholders' equity	2,878	5,168	5,503	+ 6%
Provisions	1,856	2,002	1,909	- 5%
Financial liabilities	3,138	3,028	3,081	+ 2%
Long-term capital	7,872	10,198	10,493	+ 3%
Fixed assets	7,222	8,381	9,275	+ 11%
Working capital	650	1,817	1,218	- 33%
Cash and equivalents	937	2,061	1,957	- 5%
Financial liabilities net of cash	2,201	967	1,124	+ 16%
Net debt/Stockholders' equity	76%	19%	20%	

The solidity of the Group's financial structure was maintained in 2001. Stockholders' equity amounted to € 5.5 billion and net debt to € 1.1 billion. The debt-equity ratio of 20%, reflecting the Group's comfortable financial situation, is particularly low for a Group with interests in the telecoms sector. The financial structure is also well-balanced, with € 1.2 billion of working capital and almost € 2 billion in cash. The Group is thus particularly well-placed to increase its profitability and pursue growth.

3 - Sales by business segment

(€ million)

	1999	2000	2001	2001/2000 Variation	2002 (f)	2002(f)/2001 Variation
Telecoms - Media	**2,384**	**3,301**	**3,711**	**+12%**	**5,645**	**+52%**
Telecommunications (1)	578	1,090	1,434		3,075	
(Bouygues Telecom at 100%)	1,276	2,030	2,670	+32%	3,075	+15%
Media	1,806	2,211	2,277	+3%	2,570	+13%
Services – Saur	**2,274**	**2,388**	**2,487**	**+4%**	**2,500**	**+1%**
Construction	**11,171**	**13,346**	**14,248**	**+7%**	**14,650**	**+3%**
Other	**28**	**25**	**27**		**25**	
Total sales	**15,857**	**19,060**	**20,473**	**+7%**	**22,820**	**+11%**
of which International	5,785	7,062	7,607	+8%	7,710	+1%

(1) Consolidated at 34% until 30/06/1999, 54% until 31/12/2001 and 100% in 2002

The Bouygues group continued to expand in 2001, both in France and internationally. Sales increased by 7% on 2000 to € 20.5 billion. Like-on-like at constant exchange rates, the increase was 5%.

Bouygues Telecom recorded strong sales growth (+32%), generated mainly by its talk plan activity and the expansion of services. TF1 was able to report a 3% increase in sales thanks to its diversification activities, despite a 4.7% drop in advertising revenue in a difficult economic climate. Saur achieved a steady 4% increase in both domestic and international sales. Most of the 7% increase in sales in the Construction division was generated by Colas (roads), which reported 13% sales growth to € 7.3 billion.

With full order books in the Construction segment and bright prospects in its Telecoms and Media businesses, the Group expects an 11% increase in sales in 2002 to € 22.8 billion.

Bouygues Telecom is due to be fully consolidated in 2002 following Bouygues' acquisition of Telecom Italia's indirect stake in Bouygues Telecom, having been proportionally consolidated in 2001. TPS, a TF1 affiliate hitherto consolidated by the equity method, is due to be proportionally consolidated at 50% following TF1's acquisition of a further 25% interest in the company.

Like-on-like, sales in 2002 are expected to increase by 4% on the 2001 figure.

4 - Sales by geographic area

(€ million)

	Utilities management	Construction	Other	Total
1999				
Africa	424	1,087	-	1,511
Asia-Pacific	7	755	-	762
USA/Canada	6	1,091	-	1,097
Western Europe	323	1,303	66	1,692
Eastern Europe	41	500	5	546
Rest of the world	2	173	2	177
Total 1999	**803**	**4,909**	**73**	**5,785**
2000				
Africa	442	1,031	-	1,473
Asia-Pacific	5	1,003	22	1,030
USA/Canada	9	1,472	8	1,489
Western Europe	347	1,398	165	1,910
Eastern Europe	45	962	9	1,016
Rest of the world	2	135	7	144
Total 2000	**850**	**6,001**	**211**	**7,062**
2001				
Africa	481	1,087	1	1,569
Asia-Pacific	6	822	19	847
USA/Canada	13	1,744	6	1,763
Western Europe	329	1,700	196	2,225
Eastern Europe	54	978	27	1,059
Rest of the world	-	134	10	144
Total 2001	**883**	**6,465**	**259**	**7,607**
2002 (f)				
Africa	490	1,192	-	1,682
Asia-Pacific	5	504	25	534
USA/Canada	-	1,816	5	1,821
Western Europe	305	1,946	205	2,456
Eastern Europe	30	920	30	980
Rest of the world	-	232	5	237
Total 2002 (f)	**830**	**6,610**	**270**	**7,710**

The Construction and Services divisions generate most of the Bouygues group's international business.

In 2001, the Construction division reported an 18% increase in sales in North America, thanks to Colas, and a 21% increase in its Building & Civil Works and Roads activities in Western Europe. Bouygues Offshore benefited from the Girassol contract in Africa.
There was a slowdown in the Asia-Pacific zone, especially in Hong Kong.

5 - Operating earnings by line of business

(€ million)

	1999	2000	2000 (1)	2001
Operating earnings (EBIT)				
Telecoms	(212)	(105)	(105)	28
Media	292	422	422	375
Public utilities management	107	116	116	85
Construction	326	397	397	413
Holding company and other	(29)	(18)	(18)	(25)
Total Group operating earnings	**484**	**812**	**812**	**876**
Net financial items	(142)	(15)	(134)	(149)
Net exceptional items	(28)	15	43	73
Income tax	(47)	(152)	(267)	(268)
Share in earnings of equity affiliates	(3)	7	7	22
Amortisation of goodwill	(42)	(40)	(40)	(44)
Net earnings before minority interests	**222**	**627**	**421**	**510**
Net earnings attributable to the Group	**45**	**421**	**215**	**344**

(1) excluding non-recurring effects of Colas stock swap

Group earnings again improved in 2001. Operating earnings (EBIT) rose by 8% to € 876 million under the combined influence of Bouygues Telecom, which made an operating profit in 2001, and a fine performance by Colas in the Construction segment. In a difficult advertising market, TF1 limited the decline in its operating earnings to 11%. Over two years, from 1999 to 2001, EBIT has nevertheless risen by 28%.

The Group reported a 60% rise in net earnings to € 344 million (€ 215 million after stripping out the effects of the Colas stock swap, which generated a one-off net profit of € 206 million).

The parent company, Bouygues SA, reported net earnings of € 237 million.

6 - Consolidated earnings per share (adjusted)

	1999	2000	2000 (2)	2001
Earnings before exceptional items, tax, amortisation of goodwill and minority interests				
aggregate (€ million)	**342**	**797**	**678**	**727**
per share (average) (€)	1.25	2.49	2.12	2.18
per share (year end) (€)	1.13	2.39	2.04	2.11
Net earnings before tax, amortisation of goodwill and minority interests				
aggregate (€ million)	**311**	**819**	**728**	**822**
per share (average) (€)	1.13	2.56	2.27	2.47
per share (year end) (€)	1.03	2.46	2.19	2.39
Net earnings before amortisation of goodwill and minority interests				
aggregate (€ million)	**264**	**667**	**461**	**554**
per share (average) (€)	0.96	2.09	1.44	1.66
per share (year end) (€)	0.87	2.00	1.39	1.61
Net earnings attributable to the Group				
aggregate (€ million)	**45**	**421**	**215**	**344**
per share (average) (€)	0.16	1.31	0.67	1.03
per share (year end) (€)	0.14	1.27	0.65	1.0
Group share of earnings after dilution (1)	**45**	**421**	**215**	**344**
per share (year end) (€)	0.14	1.18	0.60	0.95

(1) including stock options and convertible bonds

(2) excluding effects of Colas stock swap

Net earnings per share increased at the same rate as net earnings, rising by 54% from € 0.67 in 2000 to € 1.03 in 2001.

7 - Investment

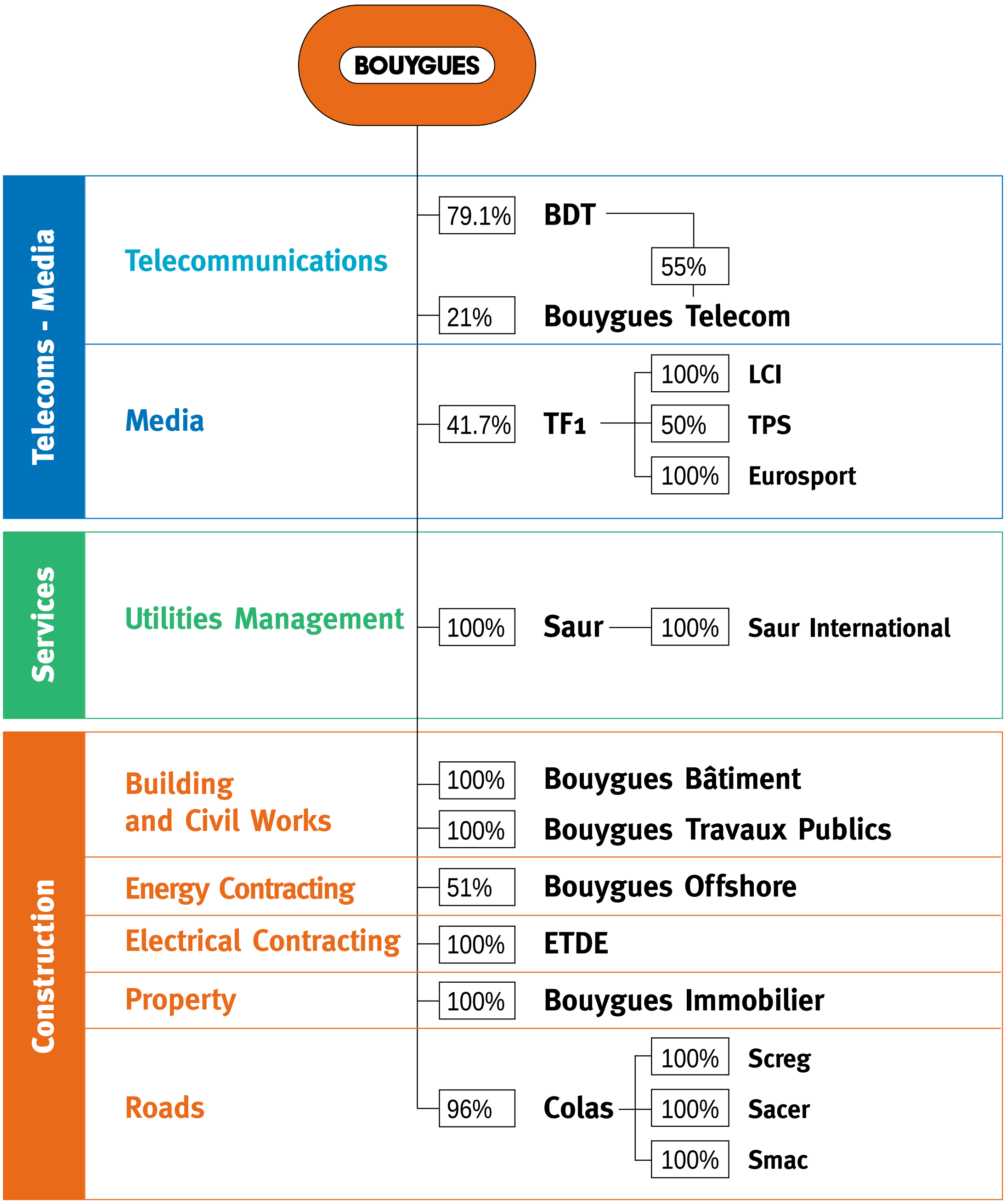
(€ million)

	1999 Total	2000 Total	2001 Operations	2001 Acquisitions	2001 Total
Telecoms - Media	**365**	**790**	**492**	**413**	**905**
Bouygues Telecom	254	576	395	4	399
Media	111	214	97	409	506
Services - Saur	**179**	**216**	**196**	**24**	**220**
Construction	**637**	**777**	**574**	**66**	**640**
Bouygues SA and other	**937**	**867**	**26**	**160**	**186**
Total	**2,118**	**2,650**	**1,288**	**663**	**1,951**

The Group invested almost € 2 billion in 2001. Operating investment amounted to € 1.3 billion, slightly less than the previous year (€ 1.4 billion) due to lower capital expenditure by Bouygues Telecom, whose GSM network is now mature.

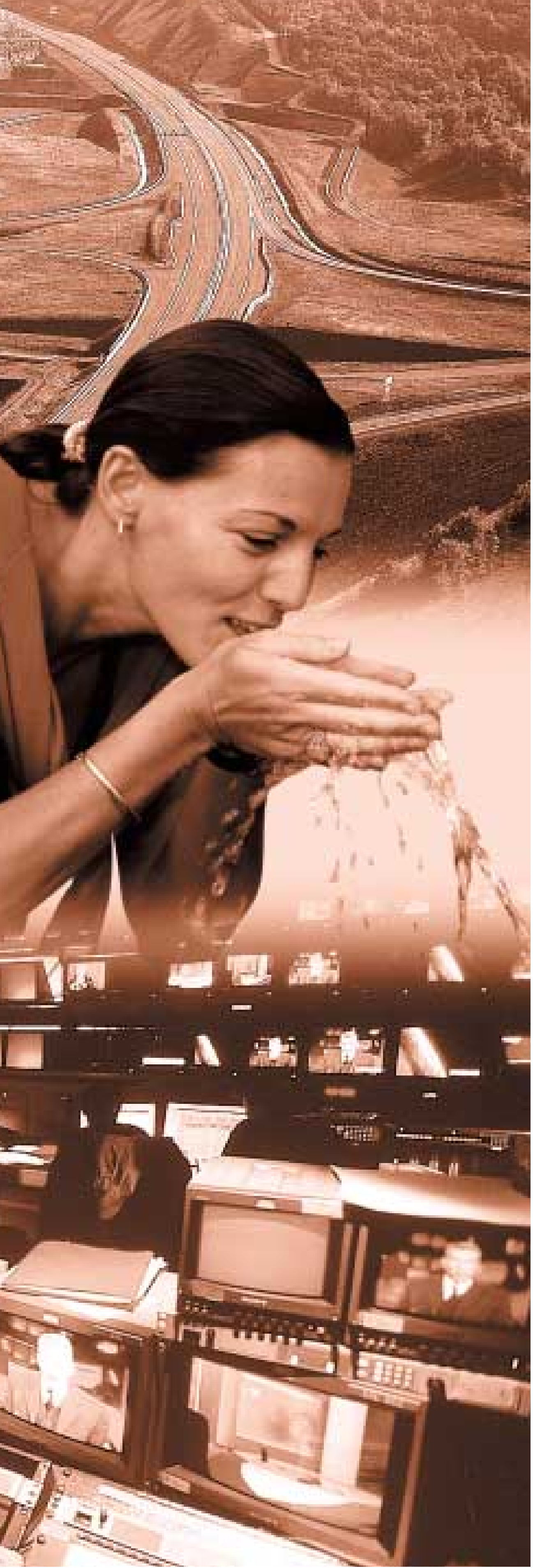
Expenditure on acquisitions also fell back to € 663 million, having jumped to € 1,292 million in 2000 due to the Colas stock swap (€ 840 million). Most of the item in 2001 was attributable to TF1's acquisition of a 50% interest in Eurosport at a cost of € 375 million and an increase in Bouygues' stake in TF1.

8 - Simplified Bouygues group organisational chart (March 2002)



Bouygues, TF1, Colas and Bouygues Offshore are listed on the Paris Stock Exchange.
Bouygues Offshore is listed on the New York Stock Exchange.


BOUYGTEL



Section 1

Business Activities

TELECOMS-MEDIA

Bouygues Telecom

Telecommunications

Bouygues owns 53.725% of the capital and voting rights of Bouygues Telecom either directly or indirectly via BDT, a holding company jointly owned by Bouygues, Telecom Italia and Jean-Claude Decaux. On 13 February 2002, Bouygues undertook to acquire Telecom Italia's stake in BDT for € 750 million. As JC Decaux International has decided not to exercise its proportional right of pre-emption, on conclusion of the transaction Bouygues will directly or indirectly own 64.5% of Bouygues Telecom, thus increasing its current stake by 10.8%.

The French mobile phone market continued to grow strongly in 2001, although at a slower pace than in 2000 (25% compared with 44% in 2000). The overall penetration rate rose to 61.6% of the French population at end-2001, and for the first time the number of mobile phone users exceeded that of fixed phone users.

Bouygues Telecom continued to gain ground in 2001 in a fiercely competitive environment, increasing its market share to 17.9% and signing up a further 1.4 million customers. The company had a subscriber base of 6.6 million by the end of 2001, including 152,000 in the French Caribbean, and a total of 6.1 million active customers. The difference in these figures is due to Bouygues Telecom's decision to remove inactive prepaid customers (Nomad customers who have not recharged their credit or received a call for over three months) from the subscriber base. The effect has been to give a realistic figure for average revenue per user (ARPU) for prepaid customers and to provide reliable information on the true size of Bouygues Telecom's subscriber base.

156 proprietary sales outlets distribute Bouygues Telecom's products and services on an exclusive basis.

Sales policy

In 2001, Bouygues Telecom continued to pursue its aim of becoming the benchmark operator on the personal communications market by providing high-quality, simple and innovative services designed to enrich the customer's everyday life.

The company launched four different talk plans (Mini, Ado, Classic and Pro) and three new SMS plans. It revised prices and validity periods for prepaid Nomad cards in March 2001 and improved access to 6e Sens services for talk plan and Nomad customers via the voice kiosk (888), SMS, WAP (over 200 services) and the www.6sens.com website. Customers can also take advantage of a range of customisation, communication, information and leisure services, including image download, SMS, e-mail, stock prices, etc.

At the end of 2001, Bouygues Telecom had 3.4 million prepaid customers (53%) and 3.2 million talk plan customers (47%).

ARPU fell in 2001 as the mobile phone market reached maturity, though at € 33 it was still satisfactory. Average revenue per user for prepaid customers fell to € 12.7, while increased usage and enhanced services boosted the figure for talk plan customers to € 55.1.

Bouygues Telecom covered 98.5% of the population by the end of 2001.

According to an assessment of the service quality of mobile phone networks in France conducted by the French telecoms regulator (ART) in 2000, Bouygues Telecom has a top-quality network. It achieved excellent scores across all the test criteria, bettering its results in 2000. This success, less than five years after the company's commercial launch, is largely due to its decision to develop a high-capacity DCS 1800 network, combined with the quality of Enhanced Full Rate sound (EFR).

The survey, which measured successful calls of acceptable quality according to a variety of criteria, showed that Bouygues Telecom’s network is indisputably the best at peak times, scoring the top mark for three out of seven criteria. It achieved the highest scores for calls made in cars, coming first or joint first according to two out of three criteria. Bouygues Telecom also stands out for the quality of its network in cities with over 400,000 inhabitants, where it came first or joint first according to five out of six criteria.

Network rollout

Bouygues Telecom continued to roll out its GSM network in 2001. With 9,100 base stations in commercial operation nationwide, Bouygues Telecom covered 98.5% of the population by the end of 2001.

GPRS technology was installed across the Bouygues Telecom network in 2001, providing faster access to mobile multimedia with a speed two to three times higher than GSM. The GPRS network is now fully operational.

Subsidiaries and affiliates

The creation of a network of proprietary sales outlets, begun in 1998, is a key element of Bouygues Telecom’s distribution strategy. The development of this network was entrusted to a subsidiary, DRB, which at end-2001 owned 156 boutiques in city centres and shopping precincts throughout France. Each boutique operates as an independent company, distributing Bouygues Telecom's products and services on an exclusive basis. DRB's marketing teams also run 280 clubs bringing together non-exclusive distributors of Bouygues Telecom services.

Bouygues Telecom Caraïbe (BTC), a wholly-owned subsidiary, began operations in the French Caribbean on 7 December 2000, intially marketing Bouygues Telecom services. It became a fully-fledged network operator on 19 August 2001, when it was granted a licence to operate mobile phone services in Martinique, Guadeloupe and Guiana, in the same way as its competitor Orange. Network rollout continued in Martinique and Guadeloupe and was extended to French Guiana, where the network was opened on 24 October 2001. BTC had 152,000 customers at 31 December 2001, giving it a market share of over 23%. On 18 December 2001, BTC concluded an € 83 million long-term financing agreement without recourse to Bouygues Telecom.

Téléciel, a wholesale distributor of telecommunications and audiovisual products and services, became Bouygues Telecom's main wholesaler in April 2001. Téléciel has considerably expanded its business over the last two years, posting sales of € 59.9 million in 2001 and reporting a net profit. In June 2001, Bouygues Telecom sold its 22% interest in World Online France to World Online International following the restructuring of the Tiscali - Liberty Surf group.

Regulatory environment - UMTS

On 31 January 2001, Bouygues Telecom decided not to apply for one of the four UMTS licences in France. Bouygues and Bouygues Telecom considered that charging each licence holder a fee amounting to € 5 billion was not only dissuasive but also contrary to French law governing state property and Community competition law.

Network rollout continued in Martinique and Guadeloupe in 2001.

SFR and Orange were awarded licences in July 2001, having agreed to pay the fee. In the autumn, however, the government decided to ease the financial conditions attached to the four licences and to launch a second round for the two remaining licences as soon as possible. The revised terms were made public on 29 December 2001, including an upfront fee of € 619 million and a subsequent variable charge amounting to 1% of sales generated by UMTS business. The closing date for bids is 16 May 2002 and the licences are due to be awarded at the end of October 2002.

After consulting the operators, in June the ART published guidelines relating to the interconnection conditions of mobile operators with significant market power (SMP). Under the terms of a decision of 19 November 2001, Orange and SFR are required to reduce their call termination charges by 40% over three years, with an initial reduction of 15% from 1 March 2002. Bouygues Telecom, a non-SMP operator, is not directly affected by this decision but will have to consider revising its tariffs in the light of the competitive situation.

In a ruling of 6 December 2001, the Court of Justice of the European Communities invalidated the principles used by France to calculate universal service. This decision could result in Bouygues Telecom being reimbursed for excess payments.

Accounting methods

Moving into line with the general practice in the mobile phone sector, in 2001 Bouygues Telecom changed its accounting methods for subscriber acquisition costs. Previously booked as assets and amortised over four years, SACs are now taken as charges in the year in which they are incurred. The change in accounting methods does not have a significant impact on consolidated earnings.

At the beginning of 2001, the net book value of acquisition costs from previous years was charged to the net worth. SACs recorded in 2001 were booked directly as charges in that year.

The company will pursue two major objectives in 2002:

- to improve profitability not only by increasing sales but also by keeping tight control over operating and commercial costs;

- to develop mobile multimedia services using GPRS technology. Business services were introduced at the beginning of 2002 and the general public launch is scheduled for the fourth quarter of 2002.

Bouygues Telecom has set up a team to prepare a UMTS bid in case it decides to apply for a UMTS licence on 16 May 2002.

The "cockpit" monitors Bouygues Telecom's national network.

OUTLOOK

Bouygues Telecom aims to increase sales by 15-20% (excluding the billing of calls between GSM networks).

It will continue to improve network coverage by installing approximately 1,000 additional base stations.

Bouygues Telecom's contribution to Bouygues group results

€ million	1999 pro forma	2000	2001	2002 (f)
Sales (1)	**578**	**1,090**	**1,434**	**3,075**
Sales at 100 %	**1,276**	**2,030**	**2,670**	**3,075**
Operating profit/loss	**- 212**	**- 105**	**28**	**-**
Net profit/loss	**- 89**	**- 149**	**- 37**	-
Investments	**254**	**576**	**399**	**-**
Employees (number)	**5,131**	**6,957**	**7,132**	**-**

(1) Bouygues group 34% until 30 June 1999, 54% until 31 December 2001, 100% thereafter.

Media

Daily viewing figures rose to record levels in 2001: 197 minutes for individuals 4 years and over compared with 193 minutes in 2000. The trend was even more marked among women under 50, with a rise of 8 minutes to 204 minutes (source Médiamétrie).

With an audience share of 32.7% for individuals 4 years and over, and 35.5% for women under 50 (source Médiamétrie), TF1 - in which Bouygues has a 41% stake - is well ahead of its main rival, France 2, and is actually widening the gap between them.

TF1 has again demonstrated its vitality in scoring 92 out of the 100 best audience ratings in 2001 (source Médiamétrie) for individuals 4 years and over (91 in 2000). Drama, news and new entertainment programmes took pride of place in the channel's schedules in 2001.

TF1 scored 46 of the 48 best ratings for drama (source Médiamétrie) with series such as Julie Lescaut, Navarro and Les Cordier, which remain a mainstay of the channel's output. Drama, television films and series accounted for around 37% of TF1's schedule in 2001.

TF1's news bulletins presented by Patrick Poivre d'Arvor, Claire Chazal and Jean-Pierre Pernaut have been consistently successful over the years.

TF1 focused on innovation and renewal in 2001, adding several new entertainment and reality TV features to its schedule. Star Academy, Le Maillon Faible, Attention à la Marche and Koh-Lanta have become cult viewing: Star Academy attracted an audience of 9.6 million for its last programme in 2001 and topped the 11 million mark (source Médiamétrie) at the beginning of 2002. Entertainment and game shows accounted for almost 25% of total viewing time on the channel, compared with 16% in 2000.

Series such as Julie Lescaut and Navarro remain a mainstay.

Renewal was also the order of the day in the drama segment, with the arrival of several promising new characters (Sauveur Giordano with Pierre Arditi and Commissariat Bastille with Smaïn) and prestige dramas (L'ainé des Ferchaux with Jean-Paul Belmondo), and in the news segment, where the Sunday news magazine Sept à Huit attracted an average of 4.91 million viewers (source Médiamétrie).

The advertising market for all media contracted by 1.1% in 2001 (source Secodip) following an exceptional 9.6% surge in 2000. The economic climate was uncongenial: GDP growth slowed from 3.2% in 2000 to 2.1% (source Insee), unemployment started rising in July and advertisers, especially in the telecommunications sector, slashed their budgets.

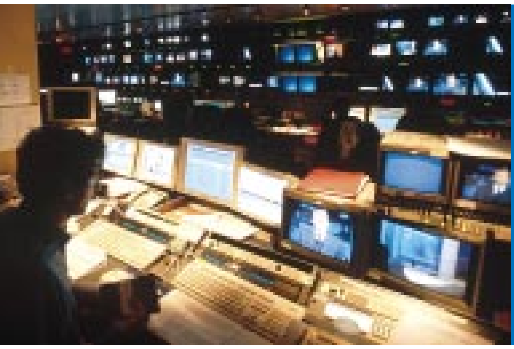
Gross advertising expenditure on domestic television fell by 3.5% (source Secodip) to € 4.4 billion, a decline attributable to the telecommunications sector alone, which includes telephone and Internet operators.

In these adverse circumstances TF1 saw a 4.7% drop in net advertising revenue to € 1,496.9 million in 2001, though over a two-year period it has recorded an overall rise of 10.8%.

The advertising market for complementary channels grew by around 36% (source Secodip and gross figures stated by the channel) in 2001 though it remains highly concentrated, since 10 thematic channels accounted for more than 66% of advertising expenditure. TF1's advertising revenue from thematic channels and the Internet was up 44.2%, due mainly to the change in the scope of consolidation following the Eurosport buyout.

In 2001, the TF1 group reported a 2.4% rise in total operating revenues to € 2,325 million.

Operating revenues from diversification activities amounted to € 828 million, up 18.4% year-on-year, due to the full consolidation of Eurosport and the solid performance of the merchandising and production divisions. Like-on-like (if Eurosport International and TV Sport had been fully consolidated in 2000), diversification revenues would have grown 2.5%. They accounted for 35.6% of TF1's total operating revenues in 2001.



L'ainé des Ferchaux
with Jean-Paul Belmondo,
a prestige drama.

Star Academy attracted an audience of more than 11 million at the beginning of 2002.

Highlights in 2001

- On 31 January, TF1 acquired the stakes in Eurosport held by Canal + and Havas Images to become the sole owner of Eurosport International and Eurosport France. Eurosport recorded an 8.1% increase in sales in 2001 to € 297.4 million. The operating margin improved slightly to 8.6% as a result of tight control over scheduling costs, despite the acquisition of new broadcasting rights for events such as the US Tennis Open. Net earnings in 2001 amounted to € 2.7 million, taking into account interest on loans contracted to acquire minority shareholdings and amortisation of goodwill.

- In December 2001, TF1 announced its intention to acquire the 25% interest in TPS held by France Telecom and France Television. The transaction, which will give TF1 a 50% stake in TPS, will be finalised during the first half of 2002. At 31 December 2001, TPS had attracted 1.09 million direct-to-home subscriber households (1.34 million including subscribers to movie channels). The TPS group increased its sales by 18.8% in 2001 to € 457.3 million and cut its losses by the same percentage to € 99.2 million.

- TF1 acquired exclusive broadcasting rights for all the matches in the 2002 Football World Cup and the 24 best matches in the 2006 World Cup for € 160 million. TF1 considered it essential for a leading channel to secure the rights for these major sporting events.

TF1 continued to watch programme costs closely, restricting the rise to 3.9%, and kept close track of overheads through tight budget controls.

Group EBIT amounted to € 375.9 million, down 11.2%, with an operating margin of 16.2%.

The Group reported a net loss on financial items of € 18 million due to a reduction in cash and equivalents, higher debt from the financing of acquisitions (100% of Eurosport and 50% of Série Club) and capital losses on disposals of short-term investment securities.

Exceptional earnings amounted to € 4.6 million.

The group share of losses of companies consolidated by the equity method fell by 24.5% to € 24.9 million, mainly due to an 18.8% reduction in losses at TPS.

Net earnings attributable to the group fell by 16% to € 210.3 million, giving a net operating margin of 9%.

The Group had long-term capital of € 975.5 million at 31 December 2001, up 8.8%, and a balance sheet total of € 2,491.5 million.

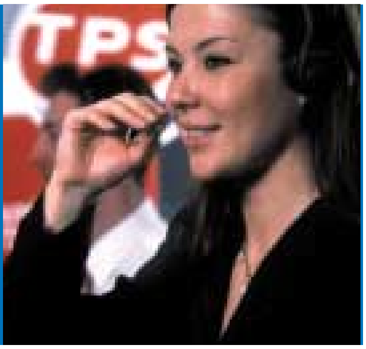
OUTLOOK

In keeping with previous years, the TF1 group is focusing on the publishing, distribution and production of content. This policy was confirmed by its acquisitions in 2001 and early 2002, including the buyout of Eurosport, the acquisition of broadcasting rights for the 2002 and 2006 Football World Cups and the acquisition of a 50% stake in TPS. The Group will pursue the same policy for the rest of 2002.

TF1 now wholly owns Eurosport.

Operating revenues from diversification activities were up in 2001.

Five years after its launch, TPS offers access to 138 channels.



TF1's contribution to Bouygues group results

€ million	1999 pro forma	2000	2001	2002 (f)
Sales	**1,806**	**2,211**	**2,277**	**2,570**
Advertising	1,352	1,571	1,497	1,545
Diversification	454	640	785	1,035
Operating income	**292**	**422**	**375**	**-**
Net income	**64**	**100**	**87**	**-**
Investments	**111**	**214**	**506**	**-**
Employees (number)	**2,507**	**2,829**	**2,977**	**-**

Utilities Management

The Saur group, a wholly-owned subsidiary of Bouygues with over 24,000 employees in 18 countries, is a major player in the utilities management business. It aims to meet the water, energy and waste management needs of its customers while combining economic growth and environmental protection.

Saur achieved sales of € 2.49 billion in 2001, up 3.8% on 2000. Water-cycle activities account for three quarters of its business, and international activities for 36%. The Group reported net earnings of € 35.42 million.

Water and wastewater business generated sales of € 1.32 billion in France, 75% from operations and 25% from works and other activities. This 3.36% rise is due to an increase in the number of customers and in index-linked prices. Unit consumption is very slightly higher. New lines of business are emerging, in particular the management of water treatment facilities for industrial companies which need to use increasingly sophisticated techniques in order to meet the requirements of new European standards.

Stereau, a design and construction subsidiary for wastewater treatment and drinking water production plants, recorded sales of € 79.52 million. The company achieved some notable successes in 2001, including contracts in Le Havre (northern France), Hennebont (western France) and Lyon-Pierre Bénite (eastern France). The Pierre Bénite project will be the largest wastewater treatment site in France outside the Paris region for the next five years.

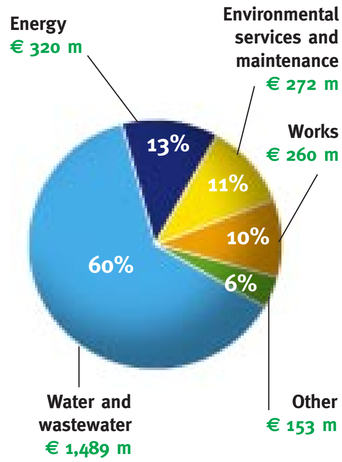
In the environmental sector, Coved reported sales of € 205.3 million, up 3.37% on 2000. Waste collection now accounts for a third of the total. Coved is focusing its business development strategy on segments that generate higher added value such as sorting centres and landfill sites. It currently operates 34 sorting centres and 10 incineration plants.

Saur has a central laboratory in the Paris region.

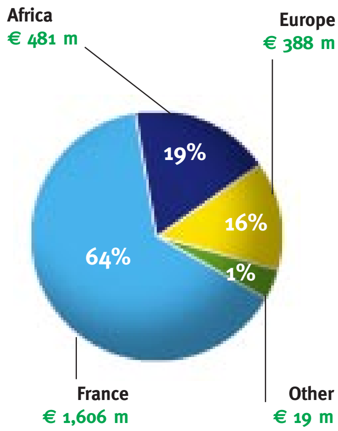
Saur International reported a 3.75% increase in sales to € 884.81 million in 2001.

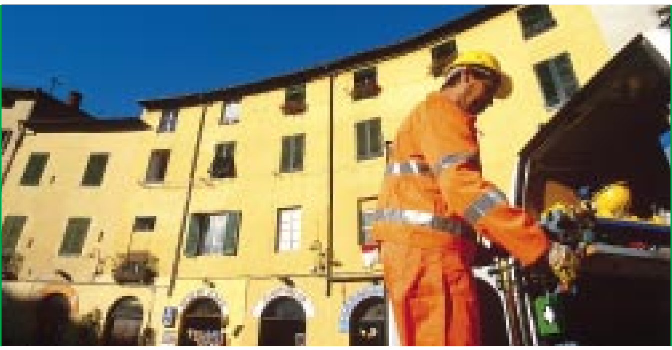
In Europe, Saur UK has come up with a range of innovative solutions for maintaining profitability despite the cut in water prices imposed by Ofwat, the UK water regulator. They include the creation of a call centre, the introduction of e-billing (paying bills via the Internet) and a system that gives remote access to operating information via a GPRS network. Saur UK has focused on its core business areas, having sold its environmental and building maintenance activities. In Spain, Aguas de Valencia, Emalsa, Gestagua and Sercanarias generated sales of € 162.97 million. In Italy, Crea/Sigesa posted sales of € 57.82 million. Sales

Breakdown of sales by business area



Breakdown of sales by geographical zone





International activities accounted for 36% of Saur's sales.

in other European countries (Poland, Russia, Czech Republic) totalled € 80.34 million.

In Africa EDM, a Saur affiliate, won the contract for the comprehensive management of water and power utilities in Mali and posted sales of € 95.78 million in 2001, in line with forecasts. In Côte d'Ivoire, CIE (power generation and distribution), Sodeci (water production and supply), Ciprel (thermal power plant) and Foxtrot (production of offshore gas) reported aggregate sales of € 415.76 million, up 4.84%. In Senegal, SDE produces and supplies water to 5 million people. Sales in 2001 amounted to € 61.19 million. In South Africa, Siza Water manages utilities for the Dolphin Coast community. In Zambia, AHC-MMS manages water, wastewater and solid waste collection services for mining towns. Saur withdrew from water activities in the Central African Republic and Mozambique in 2001. In the works segment, Saur is currently carrying out a major contract in Algeria for the renovation of the drinking water network in Oran.

In Argentina, Saur sold its stakes in Edenor and Edemsa, which supply power respectively to the northern half of Buenos Aires and the north western province of Mendoza, before the recent political and economic turmoil. The Group has taken into account the impact of the devaluation of the Argentine peso from USD1 = ARP1 to USD1 = ARP1.6. However, Saur International still operates in Argentina through its subsidiary OSM, which supplies drinking water to the province of Mendoza. Saur International is strengthening its presence in China: after building and operating the Harbin plant (225,000 cu. m. per day), in early 2001 it concluded a contract to operate the drinking water production plant in Shanghai-Fengxian (100,000 cu. m. per day). Sales from subsidiaries in Asia and America amounted to € 78.36 million.

OUTLOOK

The Saur group expects sales in 2002 to remain stable at € 2.5 billion. The group's reorganisation into four operating subsidiaries (Saur France, Saur International, Coved and Stereau) will be completed in 2002, with Saur transferring its last domestic water and wastewater contracts to Saur France and housing all its works activities in Stereau.

Saur's contribution to Bouygues group results

€ million	1999 pro forma	2000	2001	2002 (f)
Sales	**2,274**	**2,388**	**2,487**	**2,500**
France	1,470	1,538	1,604	1,670
International	804	850	883	830
Operating profit	**107**	**116**	**85**	-
Net earnings	**31**	**22**	**22**	-
Investments	**179**	**216**	**220**	-
Employees (number)	**22,182**	**23,449**	**24,118**	**-**

CONSTRUCTION

Building and Civil Works

Within the construction sector, building and civil works activities are carried out by Bouygues Construction, a wholly-owned subsidiary of Bouygues.

The Building and Civil Works division reported sales of € 4.6 billion in 2001, up 3%. Domestic sales rose by 3.7% to € 2.2 billion and international sales by 2.7% to € 2.4 billion.

France

Building and Civil Works activities are carried out in France through three operational entities: Bouygues Bâtiment in the Paris region, a network of subsidiaries in the other regions, and Bouygues Travaux Publics, which focuses mainly on major infrastructure and specialist works. The construction market levelled off, but nevertheless remained firm. The non-residential building and maintenance and renovation segments performed well.

The Nortel Networks campus in Châteaufort.

In the Paris region, business was sustained by the launch of major projects including housing in the Montsouris urban development zone (€ 51 million), the Carré Sénart shopping centre (€ 48 million), the headquarters of Bouygues Offshore (€ 46 million), office and retail space in Saint-Denis (€ 22 million) and Rueil (€ 35 million), and the renovation of buildings at 24 Boulevard Saint-Michel (€ 24 million). Major completed projects include the Nortel headquarters at Châteaufort (€ 49 million), offices for the Caisse Nationale du Crédit Agricole (€ 31 million), the renovation of offices at 54 Boulevard Haussmann (€ 18 million) and the Dugny barracks (€ 20 million). Bouygues Bâtiment's results were adversely affected by the Cœur Défense project. A tower development, it was completed in 32 months, a record for a large-scale project (182,000 sq. m.) built to such high-quality standards, and achieved despite cramped working conditions.

A number of major contracts were concluded at the end of 2001, including renovation of the Grand Hôtel on rue Scribe (€ 71 million) and restructuring of buildings on rue Pillet Will (€ 59 million) in Paris, construction of offices in Saint-Denis for Innovatis (€ 30 million) and ZB3 (€ 61 million) and in Montrouge for Sofres (€ 20 million), and a housing project in Châtillon (€ 19 million).

Cœur Défense, 182,000 sq. m. of offices in Paris – La Défense.

Extension works on the Monaco port.

The Zenith arena in Rouen, built by Quille.

Regional subsidiaries in France, which operate on both the building and civil works markets, increased their sales in 2001.

Projects currently under way include the construction of offices for NEC in Rennes (€ 26 million) and for Cap Gemini in Gouvieux (€ 31 million), Mathilde Clinic in Rouen (€ 17 million) and the Espace Viarme residential housing complex in Nantes (€ 13 million). Contracts concluded in the past few months include the Pierre Bénite wastewater treatment plant in Lyons (€ 38 million), a prison in Liancourt (€ 37 million) and the Square des Arts mixed development project in Rouen (€ 14 million).

Bouygues Travaux Publics posted sales of € 316 million in 2001, up 28% on 2000. Following a good year in 2000, and despite the lack of large-scale new projects, business in the civil works sector remained buoyant in 2001. Current work in progress includes Line B of the Toulouse metro (€ 43 million), the Valenton wastewater treatment plant (€ 27 million), the Olympiades tunnel project for RATP, the Paris city transport authority (€ 21 million), the Mont Blanc tunnel (€ 21 million), and the RN 286 trunk road (€ 7 million).

Contracts concluded in recent months include the Metz bypass (€ 5 million) and the A28 motorway, which involves a 62-year concession from the commissioning date for a 125 km section of motorway linking Rouen and Alençon, forming part of a motorway link between northern and southern Europe via Calais and Bayonne.

OUTLOOK

Maintenance and renovation projects are likely to sustain building activity in 2002. However, a sluggish economy will affect new construction, particularly industrial construction and institutional building. There are hopes of a recovery in the construction of apartment dwellings. The civil works sector is likely to experience slower growth while remaining firm nevertheless, sustained by urban transport infrastructure projects.

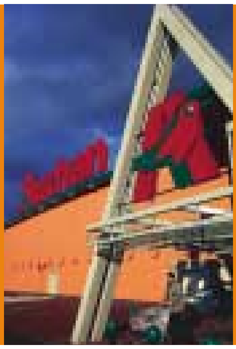
International markets

Building and civil works activities outside France are carried out through local subsidiaries or temporary establishments. Bouygues Construction does most of its international business in the European Union, Central and Eastern Europe, the Far East, Africa and the Asia/Pacific zone.

In western Europe, markets expanded under the combined effect of steady economic growth and factors of a more structural nature, including infrastructure investment in Spain, Portugal and Switzerland, European transport and water policies, and the development of new forms of financing such as Private Finance Initiatives in the UK. The Group had relatively little exposure to depressed markets, notably Germany.

Some local subsidiaries - Losinger in Switzerland, Bouygues UK in Great Britain and Acieroïd in Spain - reported significantly higher sales. The number of major projects reflects their vigorous growth. The Group has 11 contracts worth more than € 15 million each in Switzerland, including construction of the new ST Microelectronics technology centre in Geneva. In the UK, the West Middlesex Hospital project is worth € 86 million, and the Dublin tunnel in Ireland € 133 million.

Levels of activity in central and eastern Europe in 2001 confirmed the expansion of the construction sector in the zone. Major projects currently under way include the Central Bank in Turkmenistan (€ 46 million) and Auchan hypermarkets in Wola (€ 70



Shopping centre in Poland.

million) and Zory (€ 19 million) in Poland. New orders booked at the end of 2001 suggest that business is likely to remain buoyant in 2002. Bouygues Bâtiment was selected by the Hungarian government to build and operate the Budapest sports arena (€ 85 million) for a 20-year term as part of a public private partnership. The Turkmenistan mosque (€ 98 million) will be the largest in the country. Its dome will be 50 m high and the four minarets will reach 80 m.

In the Far East, business declined as a result of fiercer competition and a difficult economic environment. Major projects still under way include the Ladyhill condominium in Singapore (€ 31 million) and the new TVB headquarters in Hong Kong (€ 163 million).

In Africa, business picked up in 2001, boosted by an increase in infrastructure projects such as a pipeline project in Chad, Abuja stadium in Nigeria and Morila mine in Mali. Sales amounted to € 295 million in 2001.

In the Asia/Pacific zone, Bouygues Bâtiment is building a new hospital in Tahiti which will be the island's largest public facility. The design-build contract, worth € 144 million, is for the construction of a 100,000 sq. m. hospital complex equipped with state-of-the-art medical technology.

The Groene Hart (Netherlands) tunnel boring machine is the largest in the world: 14.85 metres in diameter.

The future TVB headquarters in Hong Kong.

The West Middlesex Hospital in the UK.

OUTLOOK

Prospects for international business in 2002 differ from one geographical zone to another. Consequently, shifts in markets have been anticipated.

Two hotel contracts in Cuba.

Oil and Gas Contracting

Bouygues Offshore, of which Bouygues Construction owns 51%, is a leading international contractor providing integrated solutions for the oil and gas industry. From engineering to the commissioning and maintenance of installations, Bouygues Offshore carries out turnkey projects for its customers in the offshore-onshore oil and gas industry and also operates in the liquefied gas, maritime works, chemicals, refining and energy sectors.

Bouygues Offshore reported sales of € 1 billion in 2001, slightly lower than in 2000.

Deep offshore developments are not confined to western Africa, as shown by the Canyon Express project in the Gulf of Mexico. The Saïbos FDS will install rigid pipelines down to a depth of 2,200 metres, a world first.

The award of the Kizomaba project in Angola (€ 115 million) demonstrates Bouygues Offshore's capacity to provide ground-breaking solutions to technical problems. The SLOR concept, an innovative solution for seabed-surface flowlines and subsea injection lines, was developed for this project, where the maximum working depth will reach 1,100 metres.

In the conventional offshore segment, Bouygues Offshore won its first two contracts in Libya, for the development of field B in block 137, confirming its intention to expand in North Africa.

Technical expertise combined with a dynamic sales approach and a strong presence on the ground helped Bouygues Offshore to win a contract with the AIOC consortium to supply offshore structures in the Caspian Sea, a high-potential zone.

The liquefied natural gas sector picked up again in 2001. The € 81 million contract to build an LNG import

The Saïbos FDS is designed for deep offshore projects.

The company generated over 80% of its business outside France, including 40% in sub-Saharan Africa. Offshore and onshore projects for the oil and gas industry accounted for almost 75% of activity, 40% of which was offshore.

Bouygues Offshore won contracts for a number of major new offshore projects in 2001, proving its capacity to innovate and manage large-scale projects.

In the deep offshore sector, Bouygues Offshore completed the construction and installation of the world's largest FPSO (Floating, Production, Storage and Offloading) and its subsea flowlines at the end of 2001. The FPSO is currently operating on the Girassol field in Angola.

The world's largest floating, oil production, storage and offloading unit, in Angola.

terminal in Bilbao, won by Bouygues Offshore in 2000, was the first new LNG project for five years. New orders were also obtained in Spain (€ 28 million Huelva contract), Italy, India (design of Hazira LNG terminal), the USA (implementation of an exclusive agreement between Technigaz and Zachry) and Egypt (€ 56 million Damietta project in partnership with Bouygues Travaux Publics).

Capitalising on its ability to offer customers integrated solutions across the value chain, Bouygues Offshore continued working on the CPC project in Russia and Kazakhstan and the Odidi project in Nigeria, providing maintenance services.

Orders at end-2001 amounted to € 1.1 billion, 12.7% higher than at end-2000.

OUTLOOK

Further growth is expected in offshore, maintenance and engineering activities. Business around the Mediterranean and in Africa is likely to be sustained by oil-related projects. The oil and LPG industries in Russia and the CIS are currently experiencing strong growth.

The CPC contract was followed up by a maintenance contract.

The liquefied natural gas sector picked up in 2001.

Electrical Contracting

ETDE, a wholly-owned subsidiary of Bouygues Construction, reported sales of € 377 million in 2001, down 4.4% on 2000. The difficulties recently experienced by mobile phone operators in France affected Networks and Communications business in 2001, though it is expected to stabilise in 2002. The Energy Networks branch generated sales of € 296 million in France, up 7% on 2000. International sales remained at the same level as in 2000, at € 40 million.

ETDE illuminates historic monuments.

OUTLOOK

ETDE expects domestic sales to continue rising in 2002 as a result of external growth since the end of 2001, notably the acquisition of Gallet Delage and Calloux. International sales are likely to remain stable.

Roads

Colas, in which Bouygues has a 96% stake, is the world leader in road construction and maintenance. From quarries and coating plants to emulsions and binders, of which the Group is the biggest producer worldwide, Colas spans the whole range of upstream industrial activities and operates across the entire roads and transport infrastructure sector. Colas has 1,200 establishments in over 50 countries and employs 55,000 people.

The Colas group is pursuing an unchanged development strategy based on strong and profitable growth in transport infrastructure construction and maintenance (roads, airports, ports, railways) and in the production and sale of construction materials.

In 2001, 90 million tonnes of aggregates were extracted from Colas quarries, which have 20 to 25-year stocks of materials and are constantly being renewed and increased. 1.5 million tonnes of emulsion and binders and 52 million tonnes of asphalt mixes were produced.

The Colas group reported consolidated sales of € 7.5 billion for the year to 31 December 2001 compared with € 6.7 billion in 2000, a rise of 13%. Like-on-like and at comparable exchange rates, sales increased by 7%. The Colas group completed a total of 90,000 projects in 2001, with an average value of € 75,000.

Business outside France (including French overseas departments and territories) generated € 3.3 billion and accounted for 44% of sales. Europe (including France) and North America together accounted for 95% of total sales.

Although signs of a slowdown began to emerge in the second half of 2001, the volume of business increased over the year on all the European and American markets in which Colas operates, a movement which does not reflect the broader economic trend. The rise was due to the high level of orders at the beginning of the year, increased needs for transport infrastructure construction and maintenance, development projects in the human and natural environment, and the trend in the price of raw materials, especially oil products, which levelled off then fell. As a result of all these factors, Colas recorded a substantial rise in sales for the second consecutive year.

There was relatively little change in the geographical breakdown of sales:

- Metropolitan France
  € 4.2 billion, 56% (57% in 2000)
- North America
  € 1.7 billion, 23% (22% in 2000)
- Europe (excluding France)
  € 1 billion, 14% (14% in 2000)
- Africa/Indian Ocean/Asia
  € 0.3 billion, 4% (4% in 2000)
- French overseas departments and territories
  € 0.2 billion, 3% (3% in 2000)

Metropolitan France

Sales in metropolitan France amounted to € 4.2 billion, up 11%. Like-on-like, the rise was 6%.

Business in the roads sector remained buoyant throughout 2001 despite a less favourable economic environment in the second half of the year and fewer calls for tender during the third quarter, partly due to the euro effect and the introduction of the new public procurement code.

Road building was stimulated by local authority spending and private sector investment (property and commercial) and generally favourable weather conditions. Against this background, all the roads subsidiaries posted a rise in sales of around 10%. Colas pursued its strategy of growth in materials production (aggregates), making several acquisitions.

Colas companies carried out some 55,000 projects in France in 2001, with an average value of € 57,000. Meeting a wide range of needs, including silent and porous asphalts, landscaping, lagoons, public transport infrastructure (tramways, bus lanes), cycle paths and paving and coloured asphalt mixes for pedestrian precincts, they help to enhance the everyday living environment.

To give an idea of their variety, projects included resurfacing and changing the layout of the Paul Ricard racetrack in the south of France, repairing the wearing course of a 20 km section of the A1 motorway in northern France, constructing a taxiway at Strasbourg's Entzheim airport, laying surfaces for the second Disneyland Paris cinema theme park, building tramway lines in Bordeaux, repairing surfaces at Ochey air force base and resurfacing a 42 km section of the slow lane of the A83 motorway in western France.

Sales by signs, signals and traffic management subsidiaries increased by almost 14%, due in particular to

Resurfacing and change of layout of Paul Ricard race track in the south of France.

Sales by signs, signals and traffic management subsidiaries increased by almost 14%.

Construction of a 240-acre container storage and loading platform for the port of Los Angeles.

the increased number of motorway sections opened in France and steady sales of variable message displays in the United States (Texas, Arizona) and the UK.

Sales at the pipes and mains division rose by 23%. 206 km of pipelines were laid during the year for Gaz de France, the French gas utility, in eastern France.

Smac Acieroïd and its subsidiaries reported a slight increase in waterproofing activities in 2001 and improved earnings.

As expected, sales at Secorail fell back following completion of work on the TGV Méditerranée high-speed rail link and a lack of new tramway projects. However, the decline was offset to some extent by sustained regional investment by SNCF, the French railways, a surge in demand for railway works in Belgium and an increase in maintenance and upgrading works on the UK rail network.

International markets

Colas generated sales of € 3.3 billion outside France, up 15% on 2000, as a result of sustained activity in North America and Europe.

In North America, the events of 11 September may have amplified the slowdown in the American economy as a whole and in private sector investment in particular, but the programme to modernise and improve transport infrastructure is now in full swing, ensuring that levels of activity will remain high over the next couple of years. The Group's 10 subsidiaries operating in 23 states reported steady sales and solid earnings. Colas extended its US network through the acquisition in February 2001 of Branscome Inc., an east Virginia construction business which also owns gravel pits and coating and concrete plants. Group subsidiaries in Canada posted a sharp increase in sales thanks to strong order books and favourable weather conditions across the continent.

Sales rose in western Europe as a whole, especially in the UK where a 10-year scheme was launched to improve and upgrade transport infrastructure. Business remained strong in central Europe, where the group strengthened its positions with acquisitions in Romania and the Czech Republic.

The Group strengthened its positions in central Europe.

Colas' companies in Morocco are reinforcing almost 600 km of roads a year.

Two 28 and 15 km motorway projects in Morocco augmented the Group's traditional activities there. In West Africa, steady business in Benin, Mali and Burkina Faso helped to cushion the impact of the recession in Côte d'Ivoire.

In the Indian Ocean, civil engineering and building activities were sustained by private sector investment.

In Asia, the uncertain political context and cuts in spending on roads affected emulsion sales by subsidiaries in Thailand. In India and China, the policy of setting up emulsion plants in partnership with other companies has been successful and is continuing.

Major projects carried out on international markets in 2001 include the reconstruction of a 3.5 km section of the A12 Brussels-Antwerp motorway in Belgium, completion of the Rockingham racetrack in the UK, renovation works on the Mo, M1 and M5 motorways in Hungary, reconstruction of a 16.5 km stretch of highway I35 in the Czech Republic; renovation in the US of a 23-mile section of Interstate 75 south of Atlanta and construction of a 240-acre container storage and loading platform for the port of Los Angeles, Colas' largest contract in North America; renovation of a section of highway 49 in Alberta (Canada); upgrading works on the Savalou-Djougou road in Benin; routine maintenance work on the Ouaga-Yako road in Burkina Faso, and the Nouvelle France / Plaine Magnien road project in Mauritius.

OUTLOOK

At the start of 2002, although orders were 11% up on the previous year (high and stable in France and 23% higher on international markets), the worldwide economic slowdown made forecasting more difficult than in previous years. Based on a conservative assessment, however, most Colas companies do not expect any significant decline in business in 2002. In France, the market could well remain close to 2001 levels as a result of local authority investment combined with a more normal pattern of regional development spending, even if there is a slowdown in private sector orders. In Europe and North America, infrastructure support and development schemes should keep the market at least at its current high levels.

Property

Bouygues Immobilier, a wholly-owned subsidiary of Bouygues, is the leading private property developer in France. It is involved in the whole range of property development activities, from apartments, cluster housing, offices, shops and hotels to fully-equipped development sites. New developments are sold exclusively under the Bouygues Immobilier name.

The Group's property business continued to perform well in 2001, with reservation-based sales rising 9% on the previous year.

In the housing sector, prices levelled off and the market stabilised. Reservations were taken for 4,328 housing units, generating sales of € 555 million, up 4% on 2000.

Demand remained high in the corporate and commercial property segment. 236,000 sq. m. of offices, shops, hotels and business premises were reserved, generating sales of € 574 million, a 14% increase on 2000.

Consolidated book sales, which are recorded on completion for sales of individual housing units and according to the percentage of completion method for block sales, remained stable at € 940 million, a 3% increase excluding rental income from office buildings held in portfolio and sold in 2000. International sales accounted for 6.7% of total sales.

The debt level was considerably reduced in 2000, mainly through the disposal of buildings held in portfolio. Bouygues Immobilier had a small cash surplus at the end of 2001 due to the excellent buyer credit conditions obtained for major corporate property projects.

OUTLOOK

Bouygues Immobilier will continue to expand its housing business in 2002 but expects a reduction in reservations in the corporate property segment. Total reservation-based sales are likely to remain stable.

Consolidated book sales are expected to increase by about 20%, reflecting a year of high production. In 2002, sales in all business areas will be booked according to the percentage of completion method.

International sales are expected to double to 13% of total sales due to the expansion of subsidiaries in Spain, Portugal and Germany.

Demand remained high in the corporate and commercial property segment.

Bouygues Construction's contribution to Bouygues group results

€ million	1999 pro forma	2000	2001	2002 (f)
Sales				
Building and civil works	3,770	4,501	4,642	4,430
Oil and gas contracting	975	1,053	1,022	1,200
Electrical contracting	351	394	377	470
Roads	5,251	6,475	7,286	7,400
Property	824	923	921	1,150
Total	**11,171**	**13,346**	**14,248**	**14,650**
Operating income	**326**	**397**	**413**	**-**
Net earnings	**142**	**214**	**265**	**-**
Investments	**637**	**777**	**640**	**-**
Employees (number)	**81,016**	**85,330**	**90,460**	**–**

HUMAN RESOURCES

People and Mindset

Employees

The Bouygues Group had 125,034 employees at 31 December 2001, of whom 18% were managerial, 31% supervisory, technical and clerical, and 51% site workers. The number of employees increased in all its main lines of business. Of the total, 67,932 were located in France and 57,102 outside France.

Number of employees by division

	2000	2001
TELECOMS - MEDIA	**9,786**	**10,109**
Bouygues Telecom	6,957	7,132
TF1	2,829	2,977
SERVICES		
Saur	**23,449**	**24,118**
CONSTRUCTION	**85,330**	**90,460**
Bouygues Construction	36,752	38,681
Colas	47,785	50,945
Bouygues Immobilier	793	834
HOLDING COMPANY AND OTHER	**327**	**347**
TOTAL	**118,892**	**125,034**
of which International	54,216	57,102

Charter

The corporate culture of the Bouygues Group is founded on putting people first, respecting customers, relishing challenges and behaving as a responsible entrepreneur. It is shared by all employees across all the Group's lines of business. A human resources charter was created in 1989 on the initiative of Martin Bouygues. It sets out six keys to the company's interaction with its employees: anticipating, making welcome, recognising, developing, sharing, respecting.

Welcome

Since 1989, Bouygues has organised induction days for all new recruits to managerial positions. These sessions, which are additional to specific procedures within each division, take place several times a year (there were five in 2001). The events provide an opportunity for new managers to get to know the Group through its history, its corporate culture, its lines of business and its organisation. Rounding off the day, Martin Bouygues takes part in a question and answer session. Some 1,500 employees from the entire range of Group companies attended induction days in 2001. Another initiative is a regular lunch, taking place about twice a month, at which twenty or so managers from throughout the Group have an opportunity to talk freely with Martin Bouygues on a wide range of subjects. Over 260 high-potential young managers took part in these discussions in 2001.

Compagnons du Minorange

The Compagnons du Minorange is an institution unique to Bouygues that has thrived for almost forty years. A company guild, it was created by Francis Bouygues in the tradition of master builders to encourage exemplary conduct and pride in good workmanship by distinguishing an elite. From its origins in the Building & Civil Works division, the guild has expanded and adapted to the Group's other lines of business such as roads, with Colas, and utilities management, with Saur. It now has 1,739 members in 23 orders, some of them in other countries, particularly in Africa.

Quality for good management

The introduction of a quality management system has improved the company's performance and encouraged a change in attitudes. A Group Quality Committee was created in 1996 and a quality policy was framed and published in 1998. Bouygues has plainly stated its intention to switch from an approach based on products and procedures to a wider-ranging style of management by total quality. Each company in the Group has defined a quality policy which is both suited to its own structures and consistent with that of the Group. Bouygues has been a member of the European Foundation for Quality Management since March 2001. In addition, all Group entities are committed to harmonising and improving QSE management systems (Quality, Security, Environment).

Recruitment, mobility, pay

Recruitment

The Bouygues group continues to play a leading role on the employment market, having taken on 9,700 employees in France in 2001. The spread of the Internet has encouraged applications and helped human resources departments to process them more quickly. In 1997, Bouygues and the Versailles Chamber of Commerce and Industry set up the Gustave Eiffel Centre, a training centre offering a mixture of theoretical instruction and work experience which enables young people aged 16 to 25 to learn a trade. Over 100 young people have since gained qualifications in four branches, and three quarters of them have gone on to work for the Group.

Expatriates

As the Group expands internationally, the number of employees working outside France has increased. They now account for almost half the total workforce, even though the number of expatriates has remained at more or less the same level. This trend reflects both the Group's expansion on international markets and its concern to integrate local staff into the management.

Mobility

In 1990, Bouygues introduced a system which identifies vacancies in the Group and enables employees to express their preferences. This internal jobs exchange, called Mobilitel and accessible by intranet, Internet and Minitel, carries around 400 vacancy notices on average. Mobility from one structure to another within the Group is encouraged as a principle. Some 1,900 employees changed company within the Group in 2001.

Pay

The Bouygues group has long practised a policy of rewarding individual performance according to the competence, results and potential of each employee. An annual interview enables managers to set benchmark objectives. Bouygues has always pursued a dynamic approach to careers, especially for promising young employees. In addition to performance-related pay, which is becoming increasingly widespread in the Group, over 1,200 staff were awarded stock options in 2001.

Training and information

Training

Each division is responsible for its own training initiatives. Overall, the Bouygues Group spent € 64 million on training in 2001, about the same amount as in the previous year. This represents 3.9% of the total payroll (the statutory minimum in France is 1.5%).

Management

The Bouygues Management Institute was created in 1999 to train experienced managers. Its aim is to foster exchanges between five hundred or so managers from the Group's six divisions and to enhance their vision by giving them greater insight into the experience of others both inside and outside the Group. The programme for 2001 included a day-long workshop on innovation and six working breakfasts on keeping young employees, mobility, labour relations, respecting the environment, decentralisation, and improving product and service quality. In the context of an international cycle, 24 senior managers were asked to draw up operational proposals on subjects defined by the general management.

Information

Each division organises its own meetings to inform and motivate staff. Thirty or so such meetings take place each year, each one attended by several hundred employees. In addition, forums on specific subjects are organised at Challenger. After a major innovation exhibition in April 2001, a technology forum took place in March 2002. Attended by over 5,000 visitors, it described and explained the technologies needed in over seventy projects in all the Group's lines of business. The Group also has more than a hundred intranets to facilitate work, provide access to information and simplify internal administrative procedures.

Staff representation and employee stock ownership

France: corporate life and the Group Council

The employees of the Bouygues Group take part in the corporate life of their company through staff representatives and bodies like works councils. In France, 350 works councils with 2,841 elected representatives are represented on the Group Council, the most senior employee representative body. At meetings, the Chairman and the management team take questions from representatives and set out their vision of the group's future and strategy. In the labour relations field, the harmonisation of provident schemes within the Group was completed in 2001 and new collective agreements were introduced in two major lines of business, telecoms and water distribution.

Europe: Council for Dialogue and Social Charter

A European Council for Dialogue, which complies with European directives, has been set up as an umbrella structure for staff representative bodies. Each European country in which the Group has operations appoints representatives to the Council for Dialogue. In June 2001, Martin Bouygues and representatives of the European Confederation of Trade Unions signed a European Social Charter. Rooted in respect for individuals in their human, professional, community and social dimensions, it lays the foundations for the corporate values shared by all group employees in Europe.

Employee stock ownership

At 31 December 2001, Group employees owned 9.7% of Bouygues stock and 13% of the voting rights. The proportion of Bouygues stock owned by employee stockholders is higher than for any other non-privatised company in the CAC 40 and they have strengthened their position as the company's third largest shareholder group. The policy, introduced in 1970, was given a boost in 1990 with the launch of the Corporate and Group Savings Plans and, actively encouraged by Martin Bouygues, has since gone from strength to strength. In order to give employees an even greater share in the fruits of the group's growth, top-up payments for the Corporate Savings Plan were increased as of 1 January 2002. There are almost 25,000 members of Corporate Savings Plans in the Bouygues group.

Bouygues Confiance

Bouygues Confiance, a leveraged mutual fund launched in France in 1999, was a great success. A new scheme along similar lines was introduced towards the end of 2001. Called Bouygues Confiance 2, it involved a new capital increase for a maximum of € 230 million reserved for employees and was open not only to staff in France but also to expatriates and the local staff of certain foreign subsidiaries. Take-up rates were so high that applications from employees, which exceeded € 45 million, had to be reduced by almost 50%. Some 30,000 employees took part in the scheme, which once again proved their confidence in and attachment to Bouygues.

Over 5,000 visitors attended Bouygues' first technological forum.

RESEARCH AND INNOVATION

All Group business areas carry out extensive research and have set up processes for encouraging, implementing, and protecting innovation.

Bouygues Telecom

Bouygues Telecom's investment in research, development, and training in telecommunications amounted to more than 22 million euros in 2001, in accordance with the specifications of its licence. A number of projects carried out in partnership with industry or public laboratories were approved and funded by the European Union or under arrangements for supporting innovation in France. The topics of research and prospecting by the company are numerous and varied: effects of electromagnetic waves on health, network and computer technologies, multimedia services, ergonomics of applications and sociological behaviour of users.

At the same time, Bouygues Telecom undertook a proactive policy of protection and development of its innovations. Its portfolio of patents doubled in 2001.

Lastly, on 18 June 2001, Bouygues Telecom set up a Scientific Advisory Council to work closely with general management that includes renowned personalities from outside the company. Its task is to inform the company of upcoming changes in the sciences and technologies related to telecommunications, information technology and associated services, and the potential consequences radio frequencies might have on health.

Saur

To optimize the operation of its plants, to offer reliable products, and to adapt to increasingly stringent standards, Saur has developed innovative processes at all stages of the treatment of wastewater and its waste. In addition to its decentralized network, the Group has a research centre and central analytical laboratory with Cofrac EN 45001 accreditation at Maurepas, near Paris.

To more effectively combat pesticides and bacteria in drinking water, Saur has developed membrane-type ultrafiltration and nanofiltration techniques. The Suaux site (Atlantic coast) already uses this technology. For the eastern region of Saur France, in 2001 the Group also developed an original process for absorbing arsenic on activated alumina. For wastewater treatment, Saur focused its research on compact, adaptable, and easy-to-use processes such as Lipolif for treatment of greases or Aqua-RM (installed on the Comines plant in the north of France) for membrane filtration of wastewater. Having this year acquired a thermolysis patent, the Group now has a thorough and innovative offering in the field of sludge treatment. Used on the Voreppe treatment plant (French Alps), thermolysis is a particularly flexible process which is perfectly adapted to the evolutive requirements of both communities and industrial operations. Special solutions for treating the waste of large sewage treatment stations are also being studied. In the field of rainwater, research in progress will soon result in the definition of standard drainage systems and the creation of stormwater retention basins to reduce pollution associated with flooding. At the same time, Saur has been optimizing its operation-support tools for distribution networks and automated control of treatment stations.

Bouygues Construction

With the support of its R&D teams and its staff working on innovation, Bouygues Construction intends to propose solutions that are increasingly appropriate, audacious, and better controlled. Bouygues Construction is constantly focused on innovation, responding to increasingly severe requirements and constraints in terms of the environment, comfort of use, aesthetics, quality, completion times, and safety. Although the innovations developed are often invisible for customers, they make for time savings while improving the quality of the works and working conditions on jobsites.

The public works subsidiary of Bouygues Construction is an international leader on the tunnelling and underground works market, and regularly pushes back technological limits by developing ever-larger tunnel boring machines (with a diameter of 14.87 metres, the Groene Hart TBM is currently the biggest in the world). In addition, TBMs are increasingly versatile and more accurate (the Catsby system is now capable of real-time analysis of the parameters logged by the TBM as it advances and can thus detect changes in the ground so as to predict (and prevent) mechanical failures). The Groene Hart TBM started its drive on 23 November 2001, embarking on a 7 km long technological marathon that will last thirty months. At the end of this time it will have bored a twin-track rail tunnel right in the centre of a part of Holland subject to severe environmental-protection constraints.

The Girassol FPSO developed by Bouygues Offshore is the world's biggest floating oil production, storage, and offloading facility. It has a 50,000-tonne hull supporting 24,000 tonnes of topsides, and has an oil production capacity of 200,000 barrels of oil per day, with a storage capacity of 2,000,000 barrels. It also features the largest desulphation unit in the world, allowing treatment of 400,000 barrels of seawater per day for injection into the oilfield.

The Saïbos FDS (Field Development Ship) also developed by Bouygues Offshore is a concentrate of innovations for deepwater work. The dynamically positioned ship is designed to install the equipment necessary for harnessing gas or oil in waters as much as 3,000 metres deep. It was used successfully to install the two rigid export lines in the Girassol seafloor-surface connection project. With the success of this difficult and highly technical operation, together with successful installation of umbilicals and hoses in 1,350 metres of water on the Girassol field, the Saïbos FDS has demonstrated its versatility and efficacy. After this first wholly successful campaign, the Saïbos FDS will be sent to work for TotalFinaElf on the Canyon Express project in the Gulf of Mexico, where it will install pipelines in waters between 100 m and 2,200 m deep.

The Spider system is a research project carried out jointly by VSL-Intrafor, Bouygues Bâtiment, and a number of European laboratories. It is aimed at developing a system for strengthening new or existing buildings in seismic zones. It is intended to transfer seismic energy reaching buildings into a system of cables and dampers which will absorb a large part of the force; as a result, the building will undergo little deformation. The first conclusions on the research are expected to be known by the end of 2002. This innovation could eventually mitigate the appalling consequences of destruction of buildings during earthquakes.

Colas

Quality, environment, safety: these three objectives are the forces driving research and development at Colas. Innovations lead to products when industrial manufacturing is combined with competitive production costs. Three recent examples are destined for operational development: wide sealing membranes, low-noise asphalt, and safety surfacing.

There is strong demand for Colétanche geomembranes to seal detention basins, roads, or bridges. After several years of research and industrial testing, the range has been extended to include Colétanche CS (Chemical Safety), a new product whose technical performance and dimensions (it is 5.15 m wide) make it unique. It is produced at the Galway plant in Ireland, and should find numerous applications on roads or for industrial facilities, because of its strong resistance to leachates. In 2001, 500,000 sq. m. of this bituminous membrane were laid under the ballast as part of a railway line repair in Nebraska (USA).

With its Colsoft, Miniphone, and Microville low-noise surfacings, Colas is developing a range of silent asphalts to meet the increasing demand of both road users and people living near roads. The mix design of Colsoft includes rubber crumb from old tyres. With these compounds, vehicle rolling noise is reduced by 5 to 7 decibels on average, enhancing environmental protection.

To combat the dangers of the road, the Group has developed a range of products (Colgrip, Sacergrip, Spraygrip, etc.) which, by improving skid resistance, reduce braking distances by 30 to 50%. The mix consists of a bituminous binder and aggregates that are both hard and rough. These safety surfacings are very effective for emergency braking, and are used in large numbers of pedestrian crossings in the UK. They are also ideally suited for reducing danger at notorious "black spots" and hazardous bends. In 2001 they were chosen for the emergency lanes of a Formula 1 racetrack.

MANAGEMENT OF THE SOCIETAL AND ENVIRONMENTAL IMPACT OF THE GROUP'S ACTIVITIES SUSTAINABLE DEVELOPMENT - RISK FACTORS

The Group aims for its customers to be satisfied with the products, services and projects that they acquire from the Group's various companies.

Since employees are the Group's most precious assets, their health and safety are paramount.

Lastly, the Group has certain obligations to society. For instance, it must comply with societal and environmental laws and regulations.

Environmental protection lies at the heart of a sustainable development-based approach, which is designed to ensure that future generations inherit the best possible environment and to reconcile short-term profitability targets with long-term goals.

Against this backdrop, each Group unit is encouraged to harmonize and improve its Quality, Safety and Environment management systems.

The guidelines adopted by the Group

In 2001, the Group introduced a new Quality, Safety and Environment policy in line with the principles of excellence underpinning international management standards.

Quality

All the Group's employees work within a quality assurance system to limit the risk of defects in the products and services they provide. 94% of the Group's units have had their quality system accredited by third-party organisations.

Safety in the workplace

The safety of the men and women working at all the sites is a major concern for the Group. In addition to regulatory requirements, the Group's units are gradually rolling out a safety management system based on continuous improvement. The OHSAS 18,001 standard is used in most cases. 6% of the Group's units have already introduced a system based on this standard that has been accredited by a third-party organisation.

Environment

In addition to compliance with the regulations, management of the environment is an area in which an increasing number of the Group's units are active. 44% of them have introduced an environment management system and 22% have achieved ISO 14,001 certification.

Excellence

Bouygues is a member of EFQM (European Foundation for Quality Management). The EFQM model is used to drive continuous improvement at each of the Group's units. 91% have implemented an improvement plan overseen by senior management. 15% of the Group's units use self-assessment with the assistance of specific software.

Implementation

Bouygues Telecom

In response to the growing concern among the public and the authorities about environmental issues, Bouygues Telecom has taken numerous initiatives:

Location of radio masts

In accordance with the French national charter of environmental recommendations signed in July 1999 by the three mobile operators and the French Ministry for Regional Development and the Environment and the Ministry for Culture, Bouygues Telecom has taken a raft of measures to preserve and protect living environments and heritage of the French regions when it installs its radio masts.

For buildings and protected areas, it has forged a genuine partnership with architects working in the departmental architecture and heritage units and with the general management of cultural affairs units. In other urban areas,

Bouygues Telecom prefers to install radio masts at pre-existing sites (e.g. those used by TDF or other operators) or on existing buildings, with a preference for so-called "bat" masts along facades. In the outskirts of towns and cities, Bouygues Telecom prioritises new developments, such as roundabouts, for the location of its masts. In rural areas, Bouygues Telecom works with regional units of the Environment ministry to decide where to locate its masts. Generally speaking, the choice of materials, service providers and level of finishing applied helps to minimise the visual impact of the radio masts.

Recycling of used phone batteries

Bouygues Telecom's after-sales service has set up a collection system for used phone batteries to prevent the nickel, cadmium, lithium and lead they contain from contaminating the environment. Around 2,200 collection points have been set up, with users handing over five tonnes of battery cells.

Health impact of radio waves

2001 saw a major increase in public awareness and in media attention concerning the potential health impact of mobile phone transmissions.

Bouygues Telecom has undertaken to monitor the situation closely for its customers and for the general public. Bouygues Telecom has participated actively for several years in various scientific research programmes in conjunction with the Ecole Supérieure d'Electricité and the Centre national d'études des télécommunications (FT/R&D, ex-CNET). It is also involved in the Communications Mobiles et Biologie (Comobio) project under the aegis of the French Ministry of Research and the Ministry of Industry. Since 1999, Bouygues Telecom has participated in the financing of medical research into the effects of electromagnetic waves and has taken part in conferences organised by the World Health Organization, the Bioelectromagnetic Society of the US (BEMS) and the International Commission on Non-Ionizing Radiation Protection (ICNIRP). Lastly, Bouygues Telecom belongs to two standards organisation, namely the Union technique de l'électricité (UTE) and the European Committee for Electrotechnical Standardization (CENELEC).

Even though more than 400 research projects have been listed by the WHO, there is no proof as yet that mobile phone transmissions have any harmful effects. Nor is there any proof of the contrary. Although the risks appear to be minimal, Bouygues Telecom is continuing its research and adopting a cautious, safety-first approach.

Bouygues Telecom also endeavours to inform the public and its customers. A special section on Bouygues Telecom's website (www.bouygtel.com/sante) is devoted to progress on the research front and to an overview of current knowledge concerning the issue. Bouygues Telecom has also published an information booklet in French entitled "A guide to radio frequencies and your health", which is available to the public upon request (20,000 copies have been sent out). In addition, Bouygues Telecom has revised all the mobile phone user guides in conjunction with manufacturers to state the precautions that need to be taken, for instance, by users fitted with pacemakers or with medical devices in their home. Bouygues Telecom will also generalise the publication of exposure levels for the handsets that it sells. This information, which has already been made available online (www.bouygtel.com/sante), is now included in customer information booklets.

Bouygues Telecom measures electromagnetic fields

Lastly, Bouygues Telecom has taken preventive and precautionary measures. It has chained off buffer zones around masts and all areas where people may come close to the masts in order to mark the exposure limits laid down in the European guidelines of 12 July 1999 and to enable technical staff to comply with these guidelines. Whenever necessary, for instance when work or maintenance is carried out, relay station transmissions are switched off as a safety measure. Bouygues Telecom calls on the services of the independent laboratory at the Ecole Supérieure d'Electricité (Supelec) to ensure that its handsets comply with the Specific Absorption Rate standards laid down in the European guidelines of 12 July 1999. This is one of the conditions that handsets have to satisfy before Bouygues Telecom markets them. In response to public demand for more extensive information about levels of exposure to which they are subject, Bouygues Telecom has offered to commission a test by an independent agency for anyone concerned (individuals or elected officials) living close to a relay station to examine the various components of the electromagnetic field at their place of residence. In addition, to make handsets more comfortable to use for its customers, the operator has decided to introduce earphones gradually into all the handset packages that it sells. By the end of the first quarter of 2002, all the handset packages that it sells will be equipped. In addition, this initiative satisfies the recommendations formulated in the Zmirou report.

These initiatives represent the logical extension of Bouygues Telecom's commitment to provide transparent information to the public as far as the possible effects of the radio transmissions by its mast sites and mobile handsets are concerned.

Saur

Throughout 2001, the Saur group continued to take concrete steps to protect the environment. By adhering to the principles of sustainable development, senior management has built environmental, economic and social factors into the Group's growth strategy. This has resulted in the implementation of an ISO 14,001-compliant environment management system at large operating sites. To date, Saur has 14 accredited sites, with over 20 more units currently seeking certification in France and abroad. Saur's ISO 14,001-accredited sites (especially the wastewater treatment plants at Marseille, Annonay, Orléans and Nemours and the drinking water production plants at Bringall, Haute Rive and Bas Chirat) have also earned ISO 9,001 certification for their quality management system.

Aside from this certification-based approach, the Saur group has factored the environment into its strategic and technological decisions. For instance, the new processes developed by Saur's research centre take into account the equilibrium of ecosystems, the activities of treatment plants now include environmental data and Saur is involved in remedial efforts to restore polluted areas to their previous condition. Saur is also bringing into service vehicles running on biofuels.

Lastly, in the broader field of sustainable development, the Saur group has put in place methodology for exhaustively listing and analysing its major risks in order to help prevent the occurrence of exceptional events and to curb their impact. A quality-safety-environment department now oversees and assists the business units with the prevention of risks related to these three fields.

Saur is bringing into service vehicles running on biofuels

Programmes to raise public awareness have also been introduced at sites, including the provision of educational tools for schools and the organisation of regular meetings with associations. At the same time, Saur has pursued its policy of supporting social (anti-AIDS programme in the Côte d'Ivoire) and environmental causes (preservation of ecosystems at Arlington in the UK).

Bouygues Construction

Protecting the environment and promoting sustainable development are two priorities at Bouygues Construction. All employees of Bouygues Construction and its subsidiaries, in every region and across all lines of business, have demonstrated the importance of this commitment through their actions and innovations.

Starting with the design phase, we reflect on the entire life cycle of a project, i.e its operation, maintenance and even dismantling. On our construction sites, the role of quality managers has been extended to encompass environmental protection, including blending structures into their natural surroundings, reducing noise pollution and waste management.

Protecting the environment lies at the heart of the sustainable development policy of Bouygues Construction. Three significant, concrete examples of this policy are the Brennilis, Geïtar and Groene Hart projects.

To meet the Group's demands for sustainable development, Bouygues Travaux Publics created its site clean-up and dismantling division. On behalf of CEA and EDF, this division is responsible for dismantling the Brennilis nuclear power plant in Finistère, France, including the management of all wastes, soil clean-up, the installation and monitoring of instruments within the power plant and selective sorting.

To win the Geita mine operating contract, Bouygues Travaux Publics voluntarily applied for 14,001 and 18,001 certification (for its environment and safety management systems, respectively). Daily challenges include managing the waste generated by plant maintenance, reducing dust pollution during the operating phase and preparing for emergency interventions if accidental spills risk polluting the water table. The key is to respect the existing environment and to preserve the fauna and flora, as well as the health of site employees.

Another example is the construction of the Groene Hart (Green Heart) tunnel for the future TGV high-speed line between Rotterdam and Amsterdam. Bouygues Travaux Publics was confronted with major environmental obstacles, including the presence of a bird sanctuary on the natural site. A tunnel over 7-km long will be built under the water table, crossing through soil consisting of mostly of sand and silt, without damaging the polder. Bouygues Construction first won Safety and Environmental certification, which had been stipulated as a precondition for the contract.

Preventing accidents on the job and protecting the health of our employees and site workers has always been a major challenge and top priority for Bouygues Construction. A hundred and ten specialists work full-time on these issues. Policies, procedures and specific training measures have been developed for each line of business. Each year, a special convention brings together 250 managers to discuss health and safety matters. There is also a 12-member standing committee, including the top executives of Bouygues Construction, that meets every two months. Thanks to these measures, Bouygues Construction has achieved an injury ratio per million man-hours of only 10.6 (France and International, all types of injury combined), compared to an industry average of 58.6 in France. Moreover, Bouygues Construction is constantly striving to improve this exemplary performance.

Colas

For many years, the research division and activities of the Colas group have integrated measures to protect and enhance the environment along several different lines:

Aesthetics: coloured paving, using hot or cold mixes like Colasmac, is used to enhance town centres, sports centres and bike paths; Scintiflex incorporates glass waste and serves as a reflective surface for headlights at night, combining visual and safety effects; Neoclean and Colnet are binders that can be used to deliver clean worksites.

Noise: pavement designed to reduce car rolling noise; Somaphone walls to reduce noise pollution. Colas has also purchased equipment to measure noise and determine the characteristics of different materials in order to pursue this issue further.

Sustainable development:

- Recycling: Colas was one of the pioneers in this field. Some of its achievements include the Novacol and Thermocol technical processes (cold or hot recycling of existing roadways), waste disposal and recycling sites, and the development of construction materials with a company in

Scintiflex incorporates glass waste and combines visual and safety effects at night

Alsace as of 1990 using slag from the metallurgical industry, rubber powder derived from recycled tyres in silent asphalt mixes and clinker from household waste incineration. In many countries, part of existing mixes is also recycled.

- The formulation of innovative technical solutions such as chemical-resistant asphalt coverings (acids, caustic derivatives, kerosene, gasoline, fuel and oil) without adding toxins, or Coletanche, a bituminous membrane now applied across a maximum width that also is resistant to chemical products.

- Selective recycling and processing of special industrial waste generated by garages in France, according to a protocol agreement signed with waste collection and management companies in September 1998. In 2001, the group recovered 2,400 batteries, 7.5 tonnes of degreasing agents and paint thinners, 70 tonnes of oil filters and 5 tonnes of liquid coolant.

Environmental concerns are also expressed through our quality policy. At year-end 2001, virtually all of the group's units in Europe, Asia and Canada had obtained ISO 9,001 or 9,002 certification. The environmental certification ISO 14,001 was launched in 1998 and will gradually be applied to all industrial sites in France. This standard imposes a three-pronged management system based on compliance with regulations, the prevention of on-site pollution risks, and ongoing improvements in the system. Two subsidiaries and eight industrial sites were certified at the end of 2000, four new production sites were certified last year and 22 subsidiaries or sites are in the midst of the certification process. Seventy environmental specialists were trained to set up and follow through with certification procedures, to monitor environmental protection efforts and to promote waste recycling.

For the past ten years, safety has been an ongoing priority at Colas, and the group has organised training programmes and regular, systematic awareness campaigns. In France (excluding the overseas territories), the injury ratio has dropped form 47 in 1990 to 19.8 in 2001. The Group's ambitious target is to lower this ratio to 10, a performance that has already been achieved by several group subsidiaries in France and abroad. The Group has won numerous awards attesting to the quality of its performances around the world. Each year, the Hygiene, Safety & Environment department (HSE) organises an international meeting. In 2001, a meeting in Lewes, UK brought together 32 group representatives from 9 countries and three different continents. Communication between prevention managers was reinforced by the creation of a new HSE intranet site. Subsidiaries and agencies organise in-house competitions and awards along with full-day and 15-minute safety campaigns, training sessions and other programmes try to build and stimulate the general awareness, a vital condition for improving safety.

Bouygues Immobilier

Bouygues Immobilier attained ISO 9,001 certification in 1999 and is now in the process of integrating recent changes in the standard into its quality procedures. Bouygues Immobilier develops partnerships with its contractors to promote the quality of its programmes, including labels such as Qualitels (acoustic performance and comfort) and Vivrelec (electrical heating comfort), which are applied depending on the type of operation. These measures go far beyond simple compliance with regulations. As of the design phase, a project's location is assessed with regard to its neighbours and the local environment. Since regulations are becoming increasingly strict with regard to soil pollution and the presence of lead or asbestos, Bouygues Immobilier has also become very demanding on its suppliers and contractors. An independent safety body is systematically assigned to each project once a building permit has been applied for, in order to guide projects toward reducing risks.

Risk factors

Market risks

With locations in Argentina, Saur took into account the impact of the devaluation of the Argentina peso by using a parity of ARP1.6 instead of ARP1 to the dollar.

Legal risks

In the normal course of their business, Group companies have filed various lawsuits and legal claims. The risks involved were evaluated on the basis of past experience and the analysis of the group's legal services and consultants. Lawsuits are reviewed regularly, especially whenever new events arise. The Group is applying all of the legal resources necessary to defend its legitimate interests. Sufficient provisions have been made with regard to the risk assessments conducted by the Group and its advisors. To the best of the company's knowledge, there are no exceptional events or lawsuits outstanding that are likely to affect substantially the business, assets, results or financial situation of the Group or the company.

Environmental risks

The Group carefully monitors any changes in environmental protection regulations and laws, and has implemented the prevention policies described above. To the best of the company's knowledge, no environmental claims are likely to have a significant impact on the Group's financial statements.

Insurance – risk coverage

The Group has adequate insurance coverage based on the assessment of risks, its own resources and the terms of the insurance market. These risks are covered by personal, property and liability insurance. Each line of business has appropriate coverage for the nature of its business as well as for any specific risks. All claims known to date that have been reported to the insurers are not likely to affect the financial equilibrium of a division or the Group.


BOUYGTEL

Section 2

Financial and Legal Information

BOARD OF DIRECTORS - MANAGEMENT - AUDITORS

1 - Board of Directors

The Board of Directors normally holds four ordinary meetings a year, in March, July, September and December. At the March meeting, the Board closes the accounts for the previous financial year. At the July meeting, it reviews the company's performance during the first half of the year and considers the strategic options for each line of business and for the Group as a whole. In September, the Board considers the half-year accounts, and in December it reviews the company's performance and estimated results for the past year and the outlook for the year to come. Other Board meetings are held as the Group's business requires. The Board met seven times in 2001.

The Board currently comprises 20 directors and one non-voting supervisor.

- 18 directors are appointed by the Annual Meeting from among the stockholders for a six-year term.
- 2 directors are appointed by the Annual Meeting for a two-year term from among the members of the Supervisory Boards of the Group's Profit-Sharing, Investment and Corporate Savings Plan mutual funds, as representatives of employee stockholders.

Board of Directors at 28 February 2002

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Martin Bouygues

Appointed 21 January 1982.
Term of office renewed in 2000, runs until 2006.
Other significant appointments: director of TF1, Sodeci, CIE, Actiby, Chairman & CEO of SCDM.

EXECUTIVE DIRECTORS

Michel Derbesse
Deputy Chief Executive Officer

Appointed 5 June 1984.
Term of office renewed in 1996, runs until 2002.
Other significant appointments: director of Bouygues Construction, Bouygues Immobilier, Bouygues Offshore, Colas, TF1, BDT, SCDM and FNTP and standing representative of Bouygues on the Board of Directors of Saur.

Olivier Bouygues
Deputy Chief Executive Officer, Utilities Management

Standing representative of SCDM, appointed 22 October 1991.
Term of office renewed in 2001, runs until 2007.
Other significant appointments: Chairman and CEO of Saur and CENCI, Executive Vice-President of SCDM, director of Bouygues Telecom, Bouygues Offshore, Colas, Esso France, Saur France, Stereau, Sodeci, Coved, CIE, Sénégalaise des Eaux, Saur International and Actiby.

Philippe Montagner
Deputy Chief Executive Officer, Telecommunications

Appointed 17 October 1985.
Term of office renewed in 1997, runs until 2003.
Other significant appointments: Chairman and CEO of Bouygues Telecom and Infomobile, director of Saur, TF1 and ETDE and standing representative of Bouygues on the Board of Directors of BDT.

DIRECTORS

Pierre Barberis
Chairman and Chief Executive Officer of VEV

Appointed 24 June 1997, term runs until 2003.
Other significant appointments: Chairman of Wilson Gestion and SGQ, director of Alliance Internationale, Boostworks, Vendome Rome, Lainiere Holding, Wyde Inc. and Rodier Corporation.

Patricia Barbizet
Managing Director of Artémis

Standing representative of Artémis, appointed 22 December 1998, term runs until 2002.
Other significant appointments: Chairman of Théâtre Marigny, member of the Supervisory Board of Gucci, Chairman of the Supervisory Board of Pinault-Printemps-Redoute and Yves Saint-Laurent Parfums, director of Fnac, Christies and TF1.

Madame Francis Bouygues

Appointed 19 October 1993
Term of office renewed in 2000, runs until 2006.

Georges Chodron de Courcel
Member of the Executive Committee of BNP Paribas

Appointed 30 January 1996.
Term of office renewed in 2000, runs until 2006.
Other significant appointments: member of the Supervisory Board of Lagardère, director of Scor and Nexans.

Jean-Pierre Combot
Chairman and Chief Executive Officer of Bouygues Construction

Appointed 18 April 1985.
Term of office renewed in 1998, runs until 2004.
Other significant appointments: Chairman & CEO of Bouygues Bâtiment, director of Bouygues Offshore, Bouygues Immobilier, Bouygues Travaux Publics, ETDE and FNTP.

Lucien Douroux
Chairman of the Board of Directors of Banque de Gestion Privée

Appointed 30 March 1999.
Term of office renewed in 2001, runs until 2007.
Other significant appointments: Chairman of the Supervisory Board of Fonds de Garantie des Dépôts, Vice-Chairman of the Board of Directors of Wafabank, director of Suez and Euris.

Alain Dupont
Chairman and Chief Executive Officer of Colas

Appointed 7 October 1997, term runs until 2002.
Other significant appointments: Chairman & CEO of SPEIG, director of Sacer, Screg and Perrier.

Patrick Le Lay
Chairman and Chief Executive Officer of TF1

Appointed 24 April 1986.
Term of office renewed in 1996, runs until 2002.
Other significant appointments: Chairman of TF1 Publicité, Chairman & CEO of TV Breizh, director of TF1 International and Colas.

Jean Peyrelevade
Chairman of the Board of Directors of Crédit Lyonnais

Appointed 25 January 1994.
Term of office renewed in 2001, runs until 2007.
Other significant appointments: director of AGF, Club Méditerranée, LVMH, Suez Lyonnaise des Eaux, Power Corporation of Canada and MK2, standing representative of Crédit Lyonnais on the Board of Directors of Lagardère Groupe.

François-Henri Pinault
Member of the Supervisory Board of Pinault-Printemps-Redoute

Standing representative of Société Financière Pinault, appointed 22 December 1998, term runs until 2004.
Other significant appointments: executive director of Artémis, director of Fnac, TV Breizh and Soft Computing, manager of Financière Pinault, member of the Management Board of Château Latour.

Olivier Poupart-Lafarge
Chief Financial Officer, Bouygues

Appointed 17 October 1985.
Term of office renewed in 1997, runs until 2003.
Other significant appointments: director of Bouygues Telecom, Colas, Saur, TF1 and Bic.

Alain Pouyat
Executive Vice-President, Information Systems and New Technologies, Bouygues

Appointed 21 September 1999, term runs until 2004.
Other significant appointments: director of TF1, ETDE, C2S and SPEIG.

Michel Rouger
Former President of Paris Commercial Court

Appointed 30 January 1996.
Term of office renewed in 1999, runs until 2005.
Other significant appointments: Chairman of Angelynvest, member of the Supervisory Board of Lagardère Groupe and De Boeck University, manager of Michel Rouger Conseil.

Serge Weinberg
Chairman of Pinault-Printemps-Redoute

Standing representative of Tennessee, appointed 22 December 1998. Term of office renewed in 2000, runs until 2006.
Other significant appointments: Chairman of the Supervisory Board of Conforama Holding, France Printemps and Guilbert, member of the Supervisory Board of Gucci, Yves-Saint-Laurent Parfums and Boucheron Holding, director of Fnac and Rexel.

REPRESENTATIVES OF EMPLOYEE MUTUAL FUNDS

Daniel Devillebichot
Representative of Bouygues employee stockholders

Appointed 24 June 1997.
Term of office renewed in 2001, runs until 2003.

Carmelina Formond
Representative of Bouygues employee stockholders

Appointed 24 June 1997.
Term of office renewed in 2001, runs until 2003.

SUPERVISOR (NON-VOTING MEMBER)

A supervisor attends Board meetings.

Jacques-Henri Gougenheim

Appointed 17 October 1985.
Term of office renewed in 1998, runs until 2004.

Other significant appointments: director of Logement Français.

Renewal of terms of office

The Annual Meeting on 25 April 2002 will be asked to renew the terms of office of Artémis, Michel Derbesse, Alain Dupont and Patrick Le Lay for a six-year period.

Corporate governance

The Board of Directors has set up four committees.

- The Accounts Committee, created in 1995, reviews the half-year and annual accounts before they are put to the Board, ensures that the accounting methods used to draw up the accounts are both relevant and consistent, and verifies the internal reporting procedures that provide the information on which the accounts are based. The Accounts Committee, chaired by Michel Rouger, met twice in 2001.

- Each year the Remuneration Committee, created in 1996, sets the remuneration of corporate officers. Chaired by Pierre Barberis, it met once in 2001.

- The Selection Committee was created in July 1997. Chaired by Jean Peyrelevade, it met once in 2001.

- The Ethics and Sponsorship Committee, created in March 2001, monitors compliance with the Group's values and rules of good conduct and issues opinions on corporate sponsorship projects. Chaired by Lucien Douroux, it met three times in 2001.

Membership of the committees may change during the year.

2 - Management

Bouygues Group

Martin Bouygues
Chairman and Chief Executive Officer

Michel Derbesse
Chief Operating Officer

Olivier Poupart-Lafarge
Chief Financial Officer

Alain Pouyat
Executive Vice-President, Information Systems and New Technologies

Michel Maître
Executive Vice-President, Human Resources

Line divisions

Philippe Montagner
Executive Vice-President, Telecommunications

Patrick Le Lay
Executive Vice-President, Media

Olivier Bouygues
Executive Vice-President, Utilities Management

Jean-Pierre Combot
Executive Vice-President, Building & Civil Works

Alain Dupont
Executive Vice-President, Roads

François Bertière
Executive Vice-President, Property

Support divisions

Lionel Verdouck
Senior Vice-President and Treasurer

Jean-François Guillemin
Company Secretary

Jean-Claude Tostivin
Senior Vice-President and Comptroller

Jacques Bernard
Director, Strategy and Business Development

Michel Buxeraud
Director, Consolidation

Blandine Delafon
Director, Corporate Communications

Ariel Dubois de Montreynaud
Director, Internal Communication

Jean-Pierre Rousseau
Director, Labour Relations

Gérard Bucourt
Director, Human Resources

The company has not concluded any agreements with directors or senior executives other than those relating to the day-to-day business of the company (see Auditors' Report on regulated agreements). No significant new agreements have been concluded since 1 January 2002.

Pay - Remuneration policy

Senior executives' pay is determined with reference to remuneration practice in comparable groups and is performance-related, since it includes a variable component linked to the performance of the business area for which the executive is responsible.

The corporate officers received the following emoluments and benefits in kind in 2002.

1- Chairman and Chief Executive Officer

In 2001, the company paid Martin Bouygues, Chairman and Chief Executive Officer, a gross fixed salary of € 977,601 including benefits in kind but excluding performance-related pay.

The performance-related part of his remuneration was calculated on the basis of the following criteria:

a) difference between the Bouygues share price and the Paris Bourse CAC 40 index;

b) consolidated net earnings attributable to the Group.

It amounted to € 654,000 and will be paid in 2002.

The total emoluments awarded in respect of 2001 correspond on a pro forma basis to an effective remuneration of approx. € 685,272 (see footnote 1).

Martin Bouygues was also paid directors' fees amounting to € 69,619 in 2001 in respect of his directorships of Bouygues, TF1, Sodeci and CIE (see footnote 2).

No other remuneration was paid to Martin Bouygues in any form whatsoever by Group companies.

2 - Chief Operating Officer

In 2001, the company paid Michel Derbesse, Chief Operating Officer, a gross fixed salary of € 974,201 including benefits in kind but excluding performance-related pay.

The performance-related part of his remuneration was calculated on the basis of the following criteria:

a) difference between the Bouygues share price and the Paris Bourse CAC 40 index;

b) consolidated net earnings attributable to the Group;

c) several qualitative objectives.

It amounted to € 959,200 and will be paid in 2002.

The total emoluments awarded in respect of 2001 correspond on a pro forma basis to an effective remuneration of approx. € 812 028 (see footnote 1).

Michel Derbesse was also paid directors' fees of € 67,357 in 2001 in respect of his directorships of Bouygues, TF1, Colas and Bouygues Offshore (see footnote 2).

No other remuneration was paid to Michel Derbesse in any form whatsoever by Group companies.

3 - Executive Vice-President, Telecommunications

In 2001, the company paid Philippe Montagner, Executive Vice-President, Telecommunications, a gross fixed salary of € 876,066 including benefits in kind but excluding performance-related pay.

The performance-related part of his remuneration was calculated on the basis of the following criteria:

a) difference between the Bouygues share price and the Paris Bourse CAC 40 index;

b) Bouygues Telecom's EBITDA;

c) Bouygues Telecom's EBIT;

d) several qualitative objectives.

It amounted to € 549,365 and will be paid in 2002.

The total emoluments awarded in respect of 2001 correspond on a pro forma basis to an effective remuneration of approx. € 598,681 (see footnote 1).

Philippe Montagner was also paid directors' fees of € 50,308 in 2001 in respect of his directorships of Bouygues, TF1 and Bouygues Telecom (see footnote 2).

No other remuneration was paid to Philippe Montagner in any form whatsoever by Group companies (see footnote 3).

4 - Executive Vice-President, Utilities Management

In 2001, the company paid Olivier Bouygues, Executive Vice-President, Utilities Management, a gross fixed salary of € 933,065 including benefits in kind but excluding performance-related pay.

(1) Gross remuneration minus 58% (mandatory contributions plus income tax) on a pro forma basis.

(2) Group companies within the meaning of Article L. 233-16 of the Commercial Code.

(3) Some of the remuneration paid by Bouygues is reinvoiced to the subsidiaries of which the director concerned is a corporate officer.

The performance-related part of his remuneration was calculated on the basis of the following criteria:

a) difference between the Bouygues share price and the Paris Bourse CAC 40 index;

b) the Group share of Saur's consolidated net earnings;

c) several qualitative objectives.

It amounted to € 610,406 and will be paid in 2002.

The total emoluments awarded in respect of 2001 correspond on a pro forma basis to an effective remuneration of approx. € 648,258 (see footnote 1).

Olivier Bouygues was also paid directors' fees of € 72,947 in respect of his directorships of Bouygues, Bouygues Offshore, Bouygues Telecom, Colas, Sodeci, CIE and Sénégalaise des Eaux (see footnote 2).

No other remuneration was paid to Olivier Bouygues in any form whatsoever by Group companies (see footnote 3).

5 - Directors

Total emoluments paid to the members of the Board of Directors of Bouygues in 2001 amounted to € 637,236.82.

- The Chairman was paid € 48,783.68.
- Each director was paid € 24,391.84.
- Directors who are also members of a committee set up by the Board of Directors were paid an additional € 6,097.96.

Some directors were paid directors' fees by Group companies (see footnote 2) in respect of their directorships of those companies. TF1 paid Patricia Barbizet € 13,270; Bouygues Offshore paid Jean-Pierre Combot € 14,000; TF1 and Colas paid Patrick Le Lay a total of € 30,485; Bouygues Telecom, TF1, Colas and Bouygues Offshore paid Olivier Poupart-Lafarge a total of € 55,161; TF1 paid Alain Pouyat € 15,245.

Bouygues and its subsidiaries paid a total of € 260,231 in directors' fees to the Chairman & CEO and three Executive Vice-Presidents and € 699,054 to the other directors. The total amount of directors' fees was therefore € 959,285.

(1) Gross remuneration minus 58% (mandatory contributions plus income tax) on a pro forma basis.
(2) Group companies within the meaning of Article L. 233-16 of the Commercial Code.
(3) Some of the remuneration paid by Bouygues is reinvoiced to the subsidiaries of which the director concerned is a corporate officer.

3 - Auditors

Statutory auditors

- Mazars & Guérard, Le Vinci, 4 allée de l'Arche, 92075 Paris La Défense, represented by Jacques Villary and Michel Rosse, appointed at the Annual Meeting on 10 June 1998 for a six-year term.

- Salustro Fournet & Associés, 8 avenue Delcassé, 75008 Paris, represented by François Fournet, appointed at the Annual Meeting on 24 June 1997 for a six-year term.

Alternate auditors

- Thierry Colin, appointed at the Annual Meeting on 25 May 2000 for the same term of office as Mazars et Guérard.

- Michel Savioz, appointed at the Annual Meeting on 25 May 2000 for the same term of office as Salustro Fournet & Associés.

STOCKHOLDERS

1 - Major stockholders

The main stockholders known to the company at 15 March 2002 were as follows:

	Interest %	Number of shares	Voting rights %	Number of voting rights
SCDM	15.15	52,146,192	22.06	91,670,518
Artemis	10.06	34,606,518	10.13	42,096,738
Bouygues Group employees	9.65	33,210,557	13.14	54,582,397
Groupe Arnault (1)	5.76	19,815,940	4.77	19,815,940
Caisse Nationale de Crédit Agricole	1.30	4,489,661	1.08	4,489,661
Mme Francis Bouygues	1.54	5,290,034	2.55	10,580,068
BNP Paribas	1.21	4,154,330	1.54	6,412,600
Crédit Lyonnais	0.23	776,230	0.19	776,230
Bouygues (2)	1.94	6,673,858	-	-
Public	53.16	182,934,989	44.54	185,115,610
TOTAL	**100**	**344,098,309**	**100**	**415,539,762**

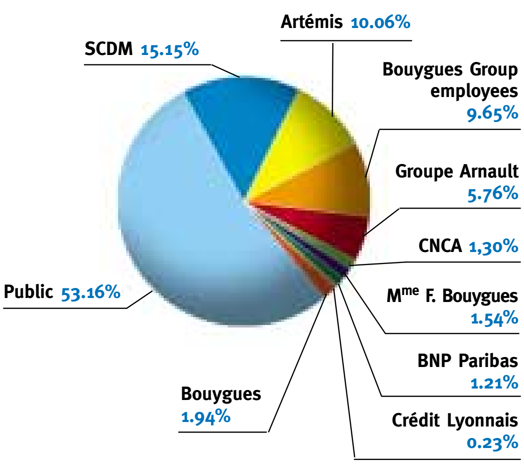
(1) Figures given in the threshold notification published by the Conseil des Marchés Financiers on 12 March 2002.

(2) Bouygues holds 4,010,548 of its own shares representing 1.17% of the share capital, acquired in January 2002 under the buy-back programme authorised by the Annual Meeting on 31 May 2001. 2,663,310 shares are held as treasury stock.

SCDM is a holding company controlled by Martin and Olivier Bouygues.
Artémis is a Pinault group company that controls Tennessee and Amark, the direct stockholders of Bouygues.

To the best of the company's knowledge, there are no stockholders other than those mentioned above that directly or indirectly hold 5% or more of the capital and voting rights.

Stock ownership structure at 15/03/02



Changes in Bouygues stock ownership over the last three years

The main changes in Bouygues stock ownership over the last three years (from March 1999 to March 2002) are as follows:

- increase in employee stock ownership, rising from 6% to 9.7% of the share capital,
- reduction in the shareholding of Artémis from 15.2% to 10.1%,
- increase and subsequent reduction in the shareholding of the Arnault group, which rose from 6.3% to over 10% in 2000 before falling back to 5.8% in March 2002.

2 - Stockholder agreements

Bouygues

The terms of the stockholder agreement between SCDM and Artémis relating to their holdings in Bouygues were published by the Conseil des Marchés Financiers (financial markets regulator) in a notice of 9 December 1998.

In accordance with the regulations, the parties acting in concert stated their intentions to the Conseil des Marchés Financiers in the following terms:

- "Concerted policy within the Company: under the terms of a stockholder agreement concluded on 4 December 1998 for a three-year period, they intend to conduct a concerted business policy for the Company and consult each other before taking any decisions that might cause a significant and lasting change in the strategy, legal structure or financial resources of the Company or its major subsidiaries. To this end, Artemis will have three seats on the Board of Directors. The parties have undertaken to approve all the resolutions put by the Board of Directors to Annual Meetings.

- Shareholdings: they [the parties] do not rule out buying and selling shares but have agreed to limit their shareholdings such that they do not exceed 17.5% for SCDM and 15.5% for Artémis and such that the total number of shares or voting rights held by the parties, acting in concert, does not exceed one third of the share capital or voting rights.

The parties have agreed to restrict their option of selling their shares for two years and have granted each other a reciprocal right of pre-emption."

On 12 September 2001, Artémis and SCDM concluded a supplementary agreement extending the stockholder agreement of 4 December 1998 until 4 December 2004. The Conseil des Marchés Financiers gave public notice of the supplementary agreement in a decision of 13 September 2001, stating in particular that:

"The non-transferability clause in the initial agreement, which expired on 4 December 2000, has not been renewed.

The agreement now states that each group may freely transfer any shares it holds in excess of 10% of the capital of Bouygues, including any shares they may acquire by allocation of bonus shares, by exercising a right of pre-emption or following a capital increase.

The right of pre-emption does not apply to transfers of shares in this free quota, though the seller must inform the other party, at most five trading days after the transaction, of the number of shares involved and the identity of the buyer, if known."

Bouygues Telecom - BDT

A stockholder agreement exists between Bouygues and Jean-Claude Decaux International, the two stockholders of BDT, which owns 55% of Bouygues Telecom. A stockholder agreement also exists between Bouygues, BDT, E-On Telecom and BNP Paribas, the stockholders of Bouygues Telecom.

3 - Investor Information

Michel Madesclaire
Financial Director

Tel: +33 1 30 60 35 72 - Fax: +33 1 30 60 31 40
E-mail: mmd@dgtfg-bouygues.com

Investors can find information about the company, its business and its financial situation on the Bouygues Group website at www.bouygues.com

Financial information is due to be published as follows:

25 April 2002	Annual Meeting
3 May 2002	Payment of dividends
6 May 2002	First quarter sales figures
7 August 2002	Second quarter sales figures
10 September 2002	Board of Directors meeting half-year results
11 September 2002	Presentation of half-year financial statements to analysts and the press
6 November 2002	Third quarter sales figures
Early February 2003	Fourth quarter sales figures
25 February 2003	Board of Directors meeting: closing of 2002 accounts
26 February 2003	Presentation of 2002 financial statements to analysts and the press

CAPITAL

1 - General information

Amount of share capital

A capital increase in the amount of € 230,001,856.20 was carried out in 2001. Reserved for employees, it involved the issue of 10,034,985 new shares at a price of € 22.92 per share. The capital increase was subscribed by a leveraged mutual fund, Bouygues Confiance 2, belonging to the Group savings plan.

The share capital was also increased in 2001 following the exercise of share options awarded to Group employees and by the conversion of Océane bonds issued in 1999.

Consequently, Bouygues had share capital of € 343,751,379 at 31 December 2001, divided into 343,751,379 shares of € 1 par. 593,008 shares were divided into the same number of investment certificates and voting certificates. There were 419,754,165 voting rights at 31 December 2001.

Bouygues had share capital of € 344,098,309 at 15 March 2002, divided into 344,098,309 shares including 588,330 shares divided into the same number of investment certificates and voting certificates. There were 415,539,762 voting rights at 15 March 2002.

There are no founder's shares.

Five-year changes in the share capital

All the figures in the following table are expressed in euros.

Capital increases in the last 5 years		Amount of changes in share capital		Amount of share capital	Aggregate number of shares and investment certificates
		Par	Premiums and incorporation of reserves		
1997	• Exercise of options for 579,820 shares	4,419,649	29,314,464	188,874,286	24,778,682
	• Subscription by the Corporate Savings Plan of 308,211 shares	2,349,323	17,237,646	191,223,609	25,086,893
	• Payment of dividend in shares: 579,308 shares	4,415,747	34,796,084	195,639,356	25,666,201
1998	• Exercise of options for 369,675 shares	2,817,830	22,844,070	198,457,186	26,035,876
	• Subscription by the Corporate Savings Plan of 194,014 shares	1,478,862	19,933,830	199,936,048	26,229,890
1999	• Exercise of options for 592,359 shares	4,515,227	41,632,375	204,451,275	26,822,249
	• Subscription by the Corporate Savings Plan of 961,513 shares	7,329,086	228,898,200	211,780,361	27,783,762
	• Océane conversion: 150,492 shares	1,147,118	37,834,653	212,927,479	27,934,254
	• July capital increase: 2,406,218 shares	18,341,278	525,174,329	231,268,757	30,340,472
2000	• Exercise of options for 47,914 shares	365,222	3,233,661	231,633,979	30,388 386
to	• Océane conversion: 14,500 shares	110,526	3,637,693	231,744,505	30,402,886
25 May	• April capital increase: 2,026,186 shares	15,444,503	1,491,824,192	247,189,008	32,429,072
25 May	• Conversion of the capital into euros by conversion of the par value of shares. The par value was rounded up to 8 euros and then increased from 8 to 10 euros.			324,290,720	32,429,072
25 May to	• Exercise of options for 8,251 shares	82,510	530,617	324,373,230	32,437,323
3 July	• Océane conversion: 80,966 shares	809,660	20,059,914	325,182,890	32,518,289
3 July	• Reduction of the par value of shares from 10 euros to 1 euro			325,182,890	325,182,890

Five-year changes in the share capital (contd.)

Capital increases in the last 5 years		Amount of changes in share capital		Amount of share capital	Aggregate number of shares and investment certificates
		Par	Premiums and incorporation of reserves		
2000	• Exercise of options for 159,700 shares	159,700	1,151,374	325,342,590	325,342,590
3 July to 31 December	• Océane conversion: 367,466 shares	367,466	9,104,300	325,710,056	325,710,056
	• September capital increase (Colas stock swap): 6,984,632 shares	6,984,632	483,685,766	332,694,688	332,694,688
2001	• Exercise of options for 1,009,490 shares	1,009,490	6,499,867	333,704,178	333,704,178
	• Subscription by the Corporate Savings Plan of 10,034,985 shares	10,034,985	219,966,871	343,739,163	343,739,163
	• Océane conversion: 12,216 shares	12,216	302,664	343,751,379	343,751,379

Authorisations relating to capital increases and securities issues

The table below lists the securities issues that the company may undertake pursuant to the authorisations given at the Annual Meeting on 31 May 2001 or at annual meetings in previous years.

	Maximum nominal amount (€million)	AGM	Term
1. Shares reserved for employees, without preferential subscription rights.		31/05/2001	Until the meeting to approve the accounts for 2001
2. Shares, investment certificates and all other transferable securities, during a tender offer for the company's securities, with or without preferential subscription rights.	150	31/05/2001	Until the meeting to approve the accounts for 2001
3. Shares, investment certificates and all other transferable securities (including share and investment certificate warrants), without preferential subscription rights.	150 4,000 (debt securities)	25/05/2000	26 months
4. Shares, investment certificates and all other transferable securities (including share and investment certificate warrants), without preferential subscription rights.	150 4,000 (debt securities)	25/05/2000	26 months
5. New shares to remunerate securities tendered in an exchange offer.	150	25/05/2000	26 months
6. Shares to be issued under stock option plans, without preferential subscription rights.		25/05/2000	5 years
7. Bond issues.	4,000	25/05/2000	5 years
8. Purchase by the company of its own shares or investment certificates.	600	31/05/2001	18 months

The Annual Meeting on 25 April 2002 will be asked to renew authorisations 1, 2, 3, 4, 5, 7 and 8 without any change to the authorised maximum amount.

2 - Employee stock ownership

At 15 March 2002, Group employees held 9.65% of Bouygues' capital and 13.14% of voting rights, through a number of mutual funds.

- The Employee Mutual Fund, created in 1968, invests in Bouygues shares bought on the market. The Fund has received € 12.1 million in contributions in the last five years. At 15 March 2002, the Fund held 2.30% of Bouygues' capital and 3.80% of voting rights.

- The Corporate Savings Plan mutual fund invests employees' voluntary savings and top-up payments from the company in Bouygues shares bought directly on the market. At 15 March 2002, it held 1.90% of Bouygues' capital and 2.88% of voting rights. A total of € 172 million has been paid into the Corporate Savings Plan in the last five years, including € 111 million in employee contributions and € 61 million in company top-up payments.

- Following the capital increase in December 1999 and January 2000, at 15 March 2002 Bouygues Confiance, a leveraged mutual fund, held 2.29% of the capital and 3.80% of voting rights.

- Following the capital increase in 2001, at 15 March 2002 a new leveraged mutual fund called Bouygues Confiance 2 held 2.91% of the capital and 2.41% of voting rights.

3 - Stock options

Currently valid options to subscribe shares (stock options) granted under the terms of authorisations given at Extraordinary Annual Meetings, if they were exercised, would represent a maximum of 10,588,940 new shares.

(for convenience, all of the following figures take the stock split into account)

Stock options by category of beneficiary

	Number of beneficiaries	Number of options granted	Number of currently valid options
Senior executives	14	6,152,968	5,257,820
Other beneficiaries	1,120	6,258,206	5,331,120
Total	**1,134**	**12,411,174**	**10,588,940**

Number of options per plan

Plan	AGM authorising the plan	Number of options granted per plan (1)	Exercise price (1) €	Exercise price (1) Discount	Number of beneficiaries	Number of options exercised per plan	Number of currently valid options per plan at 31/12/01	Options exercised during the year	Maturity
1995	22/06/93	679,831	7.41	5 %	130	650,986	35,740	1,202,400	24/01/02
1996	-	-	-	-	-	-	-	3,100,570	-
1997	27/06/95	3,001,701	7.44	5 %	96	1,354,776	1,924,370	5,798,200	28/01/04
1998	-	-	-	-	-	-	-	3,696,750	-
1999	27/06/95	3,474,742	from 21.59 to 29.64	5 %	212	7,130	3,448,430	5,923,590	from 20/04/06 to 04/11/06
2000	25/05/00	1,239,800	69.13	5 %	627	-	1,225,300	721,350	05/07/07
2001	25/05/00	4,015,100	from 39.40 to 33.75	5 %	1,065	-	3,955,100	-	from 27/01/08 to 18/09/08
TOTAL		**12,411,174**					**10,588,940**		

(1) after adjustment

4 - Bonds convertible into new shares and/or exchangeable for existing shares

1,905,490 Océane bonds with a par value of € 262.4 at 1.7% per annum have been issued, bearing interest from 4 February 1999. They are redeemable in full on 1 January 2006 and, at any time after 4 February 1999, may be converted into new shares or exchanged for existing shares at a rate of one Bouygues share for one bond, subject to subsequent adjustment. The bonds are redeemable at Bouygues' discretion from 1 January 2003.

Following the capital increases with preferential subscription right carried out in July 1999 and April 2000, the conversion and/or exchange parity of the Océane bonds was revised from 1 Bouygues share to 1.013 Bouygues shares, then from 1.013 to 1.018 Bouygues shares. Following the stock split in 2000, this parity was set at 10.18 Bouygues shares.

279,679 Océane bonds had been converted by 31 December 2001, entailing the creation of 2,839,262 new shares (this figure takes account of the stock split). 1,625,811 Océane bonds remained in issue at the same date.

If all the Océane bonds were converted, 16,550,756 new shares would be created.

5 - Buy-back of Bouygues stock

The Annual Meeting on 31 May 2001 authorised a programme for the company to buy back its shares. A memorandum relating to the buy-back, certified by the COB (01-437), was published on 2 May 2001.

Using the authorisation, in January 2002 the company acquired 4,010,548 shares, representing 1.17% of the capital at 15 March 2002.

The Board of Directors also decided, pursuant to the authorisation given by the Annual Meeting on 25 May 2000, to launch a programme for the company to buy back its own stock, up to a maximum number of 201,000 shares, so as to be able to provide Bouygues shares to those Colas employees with stock options who wished to exercise them. No Bouygues shares had been purchased under the programme at 15 March 2002.

STOCK MARKET PERFORMANCE

1 - Bouygues on the stock market 2001

Stock

Bouygues is listed on the first market (Deferred Settlement Market, SRD) of Euronext Paris SA.

There were 343,751,379 shares and investment certificates in issue at 31 December 2001.

11,056,691 shares and investment certificates were created in 2001, including:

- 1,009,490 shares as a result of stock options;
- 10,034,985 shares as a result of the Bouygues Confiance 2 capital increase;
- 12,216 shares by the conversion of Océane bonds.

An average of 333,323,882 shares and investment certificates were in issue in 2001.

The market in Bouygues stock was very lively in 2001 with an average of over 1,460,000 shares traded daily, 31% more than in 2000, representing an average monthly turnover in capital ownership of almost 9%.

Now regarded as a telecommunications stock, the Bouygues share price has been affected since March 2001 by the general downturn in telecom stocks and the weakness of stock markets as a whole, while remaining considerably higher than in 1999.

The share price fell by 24% in 2001, comparable to the 22% decline in the CAC 40 index. It reached a high of € 57.94 on 22 January 2001 and a low of € 25.11 on 20 September 2001 after the tragic events of 11 September. It closed the year at € 36.99.

Five-year trends in the number of shares bearing dividend, dividends and yields are as follows:

(for convenience, the number of shares indicated in the table below takes account of the stock split in 2000)

Year	**Number of shares**	**Dividend** (in €)			**Market price** (in €)			**Dividend yield based on last price (%)**
		Net	Tax credit	Total	Highest	Lowest	Last	
1997	255,731,080	0.259	0.13	0.389	11.01	7.29	10.49	3.7
1998	261,671,780	0.259	0.13	0.389	19.15	10.38	17.56	2.2
1999	302,783,920	0.259	0.13	0.389	67.50	17.53	63.70	0.6
2000	332,074,968	0.360	0.18	0.540	97.90	45.60	49.00	1.1
2001	343,158,371	0.360	0.18	0.540	57.95	25.11	36.99	1.5

The market price of the share at 15 March 2002 was € 36.

Investment certificates

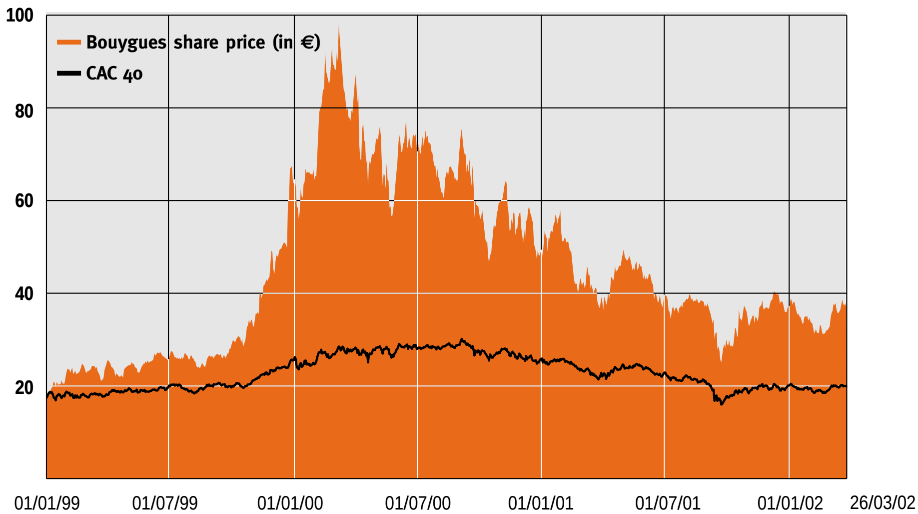
Bouygues investment certificates are listed on the first market of Euronext Paris. Five-year trends in the number of investment certificates (a form of non-voting preference stock first issued in 1986), dividends and yields are as follows:

(for convenience, all the figures in the table below take account of the stock split in 2000)

Year	Number of investment certificates bearing dividend	Dividend (in €)			Market price (in €)			Dividend yield based on last price (%)
		Net	Tax credit	Total	Highest	Lowest	Last	
1997	930,930	0.259	0.13	0.389	9.15	6.92	8.57	4.5
1998	627,120	0.259	0.13	0.389	16.16	9.16	15.55	2.5
1999	620,800	0.259	0.13	0.389	24.11	14.52	24.10	1.6
2000	619,720	0.360	0.18	0.540	54.20	26.10	45.20	1.2
2001	593,008	0.360	0.18	0.540	47.47	29.16	37.60	1.4

The market price of investment certificates at 11 March 2002 was € 34.

Bouygues stock market performance



2 - Stock price and number of shares traded

Bouygues stock price in the last 18 months

(for convenience, the figures in the table below take account of the stock split in 2000)

Year	Highest (in €)	Lowest (in €)	Number of shares traded	Capital (€ million)
2000				
July	76.5	64.1	19,279,374	1,429
August	73.6	59.7	20,201,869	1,312
September	76.6	55.7	19,897,371	1,291
October	61.3	44.8	28,554,208	1,491
November	65.0	48.6	19,778,475	1,125
December	59.7	47.0	19,428,964	1,029
2001				
January	59.5	46.2	37,463,922	2,002
February	53.7	39.8	30,710,362	1,403
March	46.5	35.0	49,457,378	1,990
April	48.9	36.8	33,823,723	1,462
May	49.8	43.0	31,307,599	1,448
June	44.2	36.0	24,793,629	1,004
July	40.4	34.5	26,058,367	964
August	40.1	36.7	23,731,139	909
September	38.0	23.0	34,438,566	1,057
October	37.9	26.9	35,314,925	1,162
November	39.2	31.7	32,781,978	1,179
December	40.8	35.8	18,969,030	717
2002				
January	38.8	33.0	25,168,181	898
February	34.1	31.1	19,951,460	650

Price of investment certificates

	Highest (in €)	Lowest (in €)	Number of investment certificates traded
4th quarter 2000	54.20	43.80	10,735
1st half 2001	47.47	33.93	18,894
2nd half 2001	45.98	29.16	11,580

Price of convertible and/or exchangeable bonds

	Highest (in €)	Lowest (in €)	Number of bonds traded
1st quarter 2001	610	390	49,077
2nd quarter 2001	520	390	33,360
3rd quarter 2001	440	305	46,810
4th quarter 2001	439	330	83,979

LEGAL INFORMATION

1 - General information

Company name:	BOUYGUES
Registered office:	90, avenue des Champs-Elysées 75008 Paris
Registration number:	572 015 246 Paris
APE code:	452 B
Form:	Société Anonyme (joint stock corporation)
Creation date:	15 October 1956
Expiry date:	14 October 2089
Financial year:	1 January to 31 December
Governing law:	French

2 - History

Bouygues was founded by Francis Bouygues in 1952 as a building contractor working in the Paris region. The company gradually expanded its activities to include property development and civil works, both in France and in other countries, and has since branched out into new, strongly growing lines of business.

Milestones in the Group's development since Bouygues was floated on the Paris stock market in 1970 are listed below.

1974
- Establishment of Bouygues Offshore (oil-related and maritime works).

1984
- Acquisition of Saur (water supply) and ETDE (electrical contracting).

1986
- Acquisition of Screg, a roadworks group and owner of Colas.

1987
- Bouygues named as operator and principal stockholder of TF1, France's leading TV channel, following privatisation.

1989
- Martin Bouygues appointed as Group Chairman and Chief Executive Officer.

1991
- Extension of Saur's activities to include power distribution.

1994
- Bouygues named as operator of the third French mobile phone network.

1995
- Colas strengthens its presence in Europe.
- Strategic alliance between Saipem (Italy) and Bouygues Offshore.

1996
- Creation and launch of TPS, a digital satellite TV service.
- Launch of Bouygues Telecom.
- Reorganisation of the roads division.
- Flotation of 40% of the share capital of Bouygues Offshore on the Paris and New York stock markets.

1997
- Acquisition of Cise, a company specialising in utilities management, and merger of Cise with Saur.
- Reorganisation of Bouygues' share ownership structure.

1998
- Bouygues Telecom completes nationwide coverage and passes the one million subscriber mark.
- Colas strengthens its presence in the United States.

1999
- The Group spins off its building and civil works activities.
- Bouygues raises its stake in Bouygues Telecom from 34% to 54%.

2000
- Bouygues raises its stake in Colas from 56% to 96% in a stock swap.
- Bouygues Telecom passes the five million subscriber mark.

2001
- Bouygues and Bouygues Telecom decide not to bid for a UMTS licence.
- TF1 acquires 100% of Eurosport and raises its stake in TPS to 50% (the latter transaction is due to be finalised in 2002).

3 - By-laws

The Annual Meeting on 25 April 2002 will be asked to amend the company by-laws in accordance with the provisions of the Act of 15 May 2001 on new economic regulations. The amendments would allow the Board of Directors to choose between two options for the exercise of senior executive authority, by the chairman of the Board or by a single chief executive. The provisions of the Act relating to the duties of the Board of Directors, the information to be provided to directors and the identification of stockholders would be incorporated in the by-laws. The by-laws would authorise the Board of Directors to appoint a maximum of five Deputy CEOs.

Purpose

The company has as its purpose in all countries:

- the acquisition, directly or indirectly, of interests in all French or foreign companies or groupings, whatever their purpose or business, and the management and disposal as appropriate of such interests,
- the creation, acquisition, operation and disposal as appropriate of all French or foreign undertakings, in any field of business, whether industrial, commercial or financial, including in particular in the construction sector (building, civil works, roads, property) and the service sector (utilities management, media, telecommunications),
- and in general all industrial, commercial, financial, mining and agricultural operations or transactions and all operations or transactions involving movable or real property relating directly or indirectly to the purpose set forth above or to all similar or related purposes that may enable or facilitate the achievement or pursuit thereof.

Appropriation of earnings

At least 5% of net earnings for the year, minus prior losses if any, are retained in order to constitute the legal reserve. This requirement ceases to be mandatory when the legal reserve equals one tenth of the share capital.

The sum necessary to pay the holders of shares and investment certificates a first dividend equal to 5% of the paid-up share capital is retained from distributable earnings. After appropriations to other reserves and to retained earnings decided by the Annual Meeting, the balance of distributable earnings is divided between the holders of shares and investment certificates.

Annual meetings

Annual meetings of stockholders are called in accordance with the formalities required by law. They consist of all holders of shares and voting certificates, whatever the number of shares or certificates they hold. Special meetings of holders of investment certificates and of bonds issued by the company may be called in the cases provided for by the prevailing laws and regulations.

All documents required in order to vote at annual meetings must reach the company at the latest on the third day before the date of the meeting.

Double voting rights

Double voting rights are allocated to all fully paid-up shares that are proved to have been registered for at least two years in the name of the same holder.
In the event of a capital increase by incorporation of reserves, profits or premiums, double voting rights are conferred as of issue on registered shares allocated as a bonus to shareholders in respect of existing shares conferring such entitlement. Double voting rights attached to registered shares will be lost if such shares are converted into bearer shares or if title to them is transferred, except in cases where the law provides otherwise.

Thresholds

Persons holding directly or indirectly at least 1% of the capital or voting rights are required to inform the company of the total number of shares or voting certificates they own. Notification must be made by registered letter with acknowledgment of receipt sent to the registered office within fifteen days of conclusion of the transaction, on or off the stock market, irrespective of delivery of the securities.
Further disclosures must be made under the same conditions each time the 1% threshold is crossed in either direction.
If disclosures are not made under the conditions set forth above, the voting rights attached to shares or voting certificates exceeding the fraction that should have been disclosed are suspended under the conditions provided by law if a request to that effect is made at the Annual Meeting by one or more stockholders holding at least 5% of the share capital or voting rights.
Under the terms of Article 8.2 of its by-laws, the company is authorised to use all legal means regarding the identification of holders of securities conferring an immediate or future right to vote at stockholders' meetings.

4 - Places where legal documents may be consulted

Legal documents may be consulted at the company's registered office at 90, avenue des Champs-Elysées, 75008 Paris, and at Challenger, 1 avenue Eugène Freyssinet, 78280 Guyancourt.

RESULTS OF BOUYGUES SA (parent company)

1 - Dividend

Appropriation and distribution of the earnings of Bouygues (parent company)

The Annual Meeting, having acquainted itself with the Board of Directors' report on operations and having noted that earnings for 2001 amounted to € 236,941,211.51, is asked to approve the following appropriation and distribution:

- Appropriation to the legal reserve ______ € 1,105,669.10
- Distribution of a first net dividend (5% of par) of € 0.05 ______ € 17,187,568.95
- Distribution of an additional net dividend of € 0.31 per share or investment certificate of € 1 par ______ € 106,562,927.49

Subject to approval by the Annual Meeting, the dividend of € 0.36 net per share or per investment certificate plus a tax credit of € 0.18 (assuming a 50% rate) will be paid in cash from 3 May 2002.

- Allocation of the balance to other reserves ______ € 112,085,045.97

The company is required by law to state the dividends distributed in the last three years and the related tax credits. They were as follows:

	1998	1999	2000
Number of shares (ten-for-one split in 2000)	26,229,890	30,340,472	332,694,688
Dividend	2.59	2.59	0.36
Tax credit	1.30	1.30	0.18
Total dividend per share	3.89	3.89	0.54
Total dividend amount	**67,978,256.20**	**77,579,811.79**	**119,770,087.68**

2001 dividends paid in cash in 2002 will be available to stockholders from 3 May 2002.

Dividends not claimed within five years are paid to the government.

2 - Summary of last five years' results

	1997 in FRF	1998 in FRF	1999 in FRF	2000 in €	2001 in €
CAPITAL AT YEAR-END					
Share capital	1,283,310,050	1,311,494,500	1,517,023,600	332,694,688	343,751,379
Number of ordinary shares in issue (1)	25,573,108	26,167,178	30,278,392	332,074,968	343,158,371
Number of investment certificates (1) (without voting rights)	93,093	62,712	62,080	619,720	593,008
Maximum number of shares to be created in the future (1) :					
• *by conversion of investment certificates and voting certificates into shares*	*93,093*	*62,712*	*62,080*	*619,720*	*593,008*
• *by exercise of stock options*	*1,348,675*	*959,250*	*7,660,890*	*7,660,890*	*10,588,944*
• *by conversion and/or exchange of convertible bonds*			*1,779,769*	*16,562,972*	*16,550,756*
OPERATIONS AND RESULTS FOR THE YEAR					
Sales excluding taxes	7,893,263,907	7,908,833,549	609,376,532	64,302,455	73,416,040
Earnings before tax, depreciation (amortisation and provisions)	685,497,923	(2) 56,261,718	1,954,474,631	421,701,258	230,010,624
Income tax	73,216,517	94,982,685	(55,595,013)	3,988,987	22,310,429
Employee profit sharing	-	-	-	-	-
Earnings after tax, depreciation, (amortisation and provisions)	219,450,058	453,475,301	1,216,192,071	478,057,461	236,941,212
Distributed earnings	436,325,417	445,908,130	515,788,024	119,770,088	123,750,496
Withholding	2,409,293	1,034,425	-	-	-
EARNINGS PER SHARE					
Earnings after tax but before depreciation, (amortisation and provisions)	29.56	5.77	62.59	1.28	0.73
Earnings after tax, depreciation, (amortisation and provisions)	8.55	17.29	40.08	1.44	0.69
Gross dividend allocated to each share	25.50	25.50	25.50	0.54	0.54
PERSONNEL					
Average number of employees during the year	5,448	5,329	306	249	261
Payroll	1,598,760,291	1,611,885,468	251,080,696	32,117,774	38,521,514
Amounts paid in respect of benefits (social security, company benefits, etc.)	779,267,921	774,487,734	125,592,983	14,837,450	15,062,453

(1) A ten-for-one stock split was carried out in 2000

(2) Excluding effect of restructuring the Building & Civil Works division and sale of GMP: FRF 666 million


BOUYGTEL

Section 3

Accounts

CONSOLIDATED ACCOUNTS

Consolidated balance sheet at 31 December

Assets (€ million)

	2001	2000	1999	
			pro forma	
	Net	Net	Net	Net
Intangible fixed assets	3,408	2,937	2,269	2,269
Goodwill	366	337	254	254
Tangible fixed assets	4,669	4,203	3,921	3,349
Long-term investments (a)	832	904	778	811
Non-consolidated subsidiaries and affiliates	*154*	*196*	*175*	*174*
Equity method subsidiaries and affiliates	*458*	*419*	*245*	*245*
Other	*220*	*289*	*358*	*392*
FIXED ASSETS	**9,275**	**8,381**	**7,222**	**6,683**
Inventories and work in progress	1,087	1,002	998	998
Programmes and broadcasting rights	594	491	462	462
Advances and payments on account	317	243	242	242
Trade receivables (b)	6,445	6,123	4,824	4,824
Other receivables, prepaid expenses and similar items (b)	2,595	2,712	2,323	2,375
Short-term investment securities	1,565	1,626	538	538
Cash and equivalents	633	605	522	521
CURRENT ASSETS	**13,236**	**12,802**	**9,909**	**9,960**
TOTAL ASSETS	**22,511**	**21,183**	**17,131**	**16,643**
(a) of which due in less than one year	13	9	25	25
(b) of which due in more than one year	707	768	706	706

Liabilities and Stockholders' Equity (€ million)

	2001	2000	1999	
			pro forma	
Authorised capital	344	333	231	231
Premiums and reserves and consolidated earnings(c)	4,296	4,094	1,812	1,913
Translation reserve	100	73	50	50
Treasury stock	-	-	(16)	(16)
STOCKHOLDERS' EQUITY (attributable to Group)	**4,740**	**4,500**	**2,077**	**2,178**
Minority interests	741	668	801	858
TOTAL STOCKHOLDERS' EQUITY	**5,481**	**5,168**	**2,878**	**3,036**
Other equity	22	-	-	-
TOTAL STOCKHOLDERS' EQUITY AND OTHER EQUITY	**5,503**	**5,168**	**2,878**	**3,036**
PROVISIONS FOR LIABILITIES AND CHARGES	**1,909**	**2,002**	**1,856**	**1,709**
FINANCIAL LIABILITIES (d)	**3,081**	**3,028**	**3,138**	**2,641**
PROGRESS PAYMENTS RECEIVED	**531**	**438**	**360**	**359**
Trade payables	5,236	5,052	4,063	4,063
Other non-financial liabilities, accrued income and similar items	6,010	5,325	4,713	4,712
NON-FINANCIAL LIABILITIES (e)	**11,246**	**10,377**	**8,776**	**8,775**
Short-term bank borrowings	241	170	123	123
TOTAL LIABILITIES AND EQUITY	**22,511**	**21,183**	**17,131**	**16,643**
(c) of which net earnings for the year (attributable to Group)	344	421	45	62
(d) of which due in less than one year	369	169	188	188
(e) of which due in more than one year	151	132	124	124

Consolidated income statement (€ million)

	Exercise 2001	Exercise 2000	Exercise 1999 pro forma	Exercise 1999
SALES (1)	**20,473**	**19,060**	**15,857**	**15,857**
Other operating revenue	1,138	1,544	944	944
Purchases and changes in inventories	(4,505)	(4,210)	(3,373)	(3,373)
Taxes other than income tax	(438)	(377)	(344)	(344)
Personnel costs	(4,475)	(4,119)	(3,625)	(3,625)
External charges and other operating expenses	(10,563)	(10,125)	(8,184)	(8,241)
Net depreciation, amortisation and provisions	(814)	(1,019)	(840)	(793)
Share in earnings of unincorporated joint ventures	60	58	49	49
OPERATING INCOME (2) (3)	**876**	**812**	**484**	**474**
Net financial items	(149)	(15)	(142)	(113)
EARNINGS BEFORE TAX AND EXCEPTIONAL ITEMS	**727**	**797**	**342**	**361**
Net exceptional items	73	15	(28)	(26)
Income tax	(268)	(152)	(47)	(46)
NET EARNINGS OF CONSOLIDATED COMPANIES	**532**	**660**	**267**	**289**
Share in earnings of companies accounted for by the equity method	22	7	(3)	(3)
NET EARNINGS BEFORE MINORITY INTERESTS AND AMORTISATION OF GOODWILL	**554**	**667**	**264**	**286**
Amortisation of goodwill	(44)	(40)	(42)	(42)
NET EARNINGS BEFORE MINORITY INTERESTS	**510**	**627**	**222**	**244**
Share of earnings acquired from minority interests in Colas	-	(25)	-	-
Minority interests	(166)	(181)	(177)	(182)
NET EARNINGS (attributable to Group)	**344**	**421**	**45**	**62**
EARNINGS PER SHARE (€)	**1.03**	**1.31**	**0.16**	**0.23**
DILUTED EARNINGS PER SHARE (€)	**0.98**	**1.23**	**0.15**	**0.21**
(1) of which sales generated outside France	7,607	7,062	5,785	5,785
(2) of which income relating to previous years	-	-	1	1
(3) of which expenses relating to previous years	-	-	(2)	(2)

Consolidated cash flow statement (€ million)

	Exercise 2001	Exercise 2000	Exercise 1999 pro forma	Exercise 1999
A - OPERATING ACTIVITIES				
Cash flow from operations	**1,135**	**1,213**	**676**	**648**
Net earnings of consolidated companies (1)	512	617	205	226
Depreciation and amortisation	882	989	764	732
Net change in long-term provisions	(128)	(54)	(33)	(49)
Expenses to be amortised over several periods	(7)	(269)	(278)	(278)
Net gains (losses) on disposals of assets and other items	(124)	(70)	18	17
Change in working capital requirement	**326**	**169**	**53**	**56**
Current assets, prepaid expenses, deferred charges, accrued income and similar items	(6)	(1,230)	(984)	(981)
Net progress payments received, non-financial liabilities and other items	332	1,399	1,037	1,037
NET CASH FROM OPERATING ACTIVITIES	**1,461**	**1,382**	**729**	**704**
B - INVESTING ACTIVITIES				
Increase in fixed assets	**(1,951)**	**(2,650)**	**(2,114)**	**(2,119)**
Acquisitions of intangible and tangible fixed assets	(1,288)	(1,358)	(917)	(922)
Acquisitions of participating interests	(663)	(1,292)	(1,197)	(1,197)
Decrease in fixed assets	**429**	**577**	**115**	**115**
Disposals of intangible and tangible fixed assets	163	464	78	78
Disposals of participating interests	266	113	37	37
Net investment	**(1,522)**	**(2,073)**	**(1,999)**	**(2,004)**
Net change in other long-term investments	(13)	84	19	17
Net change in liabilities relating to fixed assets	(58)	37	43	43
Impact of changes in Group structure on cash position	10	22	94	94
NET CASH USED FOR INVESTING ACTIVITIES	**(1,583)**	**(1,930)**	**(1,843)**	**(1,850)**
C - FINANCING ACTIVITIES				
Increase in stockholders' equity	245	2,076	823	823
Dividends paid during the year	(229)	(256)	(145)	(145)
Net change in financial liabilities	2	(143)	427	459
NET CASH FROM (USED FOR) FINANCING ACTIVITIES	**18**	**1,677**	**1,105**	**1,137**
D - NET IMPACT OF EXCHANGE RATE MOVEMENTS	**2**	**(1)**	**31**	**31**
CHANGE IN CASH AND EQUIVALENTS (A + B + C + D)	**(102)**	**1,128**	**22**	**22**
Cash and equivalents at 1 January (2)	2,060	936	933	933
Net flows during the year	(102)	1,128	22	22
Other non-cash movements (3)	(1)	(3)	(19)	(19)
CASH AND EQUIVALENTS AT 31 DECEMBER (2)	**1,957**	**2,060**	**937**	**936**

(1) Net earnings of consolidated companies after amortisation of goodwill, including dividends received from companies accounted for by the equity method.
(2) Cash plus marketable securities less short-term bank borrowings.
(3) Transfers between line items.

Notes to the Consolidated Financial Statements

CONTENTS

Amounts expressed in millions of euros, unless otherwise indicated.

Note 1

SIGNIFICANT EVENTS IN 2001

1.1 Acquisitions

- Bouygues acquired an additional 1.8% of the shares of TF1 for € 143 million, raising its equity interest to 41.7%. The resulting € 126 million valuation difference was allocated to intangible assets (market share).

- Following its acquisition during 2001 of the remaining shares of Eurosport for € 346 million, TF1 now owns all of the shares of that Group. € 250 million of the resulting € 333 million valuation difference was allocated to intangible assets (paid subscriber base), and the remaining € 83 million was booked as goodwill to be amortised over 20 years.

- In January 2001 Bouygues acquired the 14.2% equity interest in Saur held by EDF International for € 183 million. These shares, like those acquired in March 2000, are destined to be sold in the near term. They have been booked as short-term investment securities. This interest is not being consolidated, and the earnings and proportionate share of equity associated with it are being attributed to minority interests.

1.2 Disposals

Saur sold to EDF International the equity interests that it held in various electric companies in Argentina, generating a net after-tax gain of € 41 million.

1.3 Exchange of securities of SAS Tanagra (Cœur Défense)

In late December 2001 Bouygues transferred its equity interest (10% of the share capital) in SAS Tanagra, the vehicle for the Cœur Défense property development, to Unibail in exchange for 927,191 Unibail shares and a future cash payment.

This transaction generated a net after-tax gain of € 54 million.

1.4 Colas

Definitive allocation of first-consolidation difference on Colas shares acquired in 2000 exchange offer.

The definitive allocation of the € 649 million valuation difference was not significantly modified from that used at 31 December 2000:

	€ million
• Intangible assets (market shares)	460
• Quarries (depreciated over 20 years)	43
• Other tangible assets	20
• Equity-method affiliate (Cofiroute)	124
• Long-term investments	11
• Deferred taxes and other	(9)
	649

1.5 "Bouygues Confiance 2" investment fund

In late 2001 Bouygues carried out a capital increase of € 230 million in connection with the Bouygues Confiance 2 investment fund.

After this operation, at 31 December 2001, Group employees held 9.6% of the shares and 13.1% of the voting rights.

1.6 Telecommunications

On 30 January 2001, the board of directors of Bouygues Telecom decided not to bid for a UMTS licence on the terms and conditions required by the ART, France's telecommunications regulatory body.

At 31 December 2001, Bouygues Telecom had 6.5 million customers.

1.7 Devaluation of the Argentine peso

The Bouygues group is present in Argentina through a 32.1%-owned affiliate of Saur.

The impact of the devaluation of the Argentine peso has been accounted for in accordance with the CNC note dated 17 January 2002, using an average exchange rate of 1.6011. Provisions have accordingly been booked for a total of € 36.1 million.

As calculated, the provisions reflect a 37.5% impairment in the value of Argentine assets.

The Group's exposure to Argentina at 31 December 2001 can be summarised as follows:

	€ million
• Receivables and participating interests	81
• Provisions	(36)
Net exposure	45

In addition, the Group is liable for a € 16 million performance bond issued by a bank to guarantee that the operating affiliate fulfils its contractual obligations.

1.8 Changes in Group structure

The scope of consolidation of the Bouygues group underwent no significant modification in 2001.

Following the increase in TF1's equity interest in Eurosport in 2001, Eurosport is now fully consolidated. It was proportionally consolidated at 50% in 2000.

1.9 Subsequent events

TPS

Under the terms of a protocol signed in late 2001, TF1 will acquire the 25% equity interest in TPS held by France Télévision Entreprises, raising TF1's stake in TPS to 50%.

Bouygues Telecom

In February 2002 Bouygues made an irrevocable commitment to acquire the 19.6% equity interest held by Telecom Italia in BDT, the holding company that owns 55% of Bouygues Telecom, for € 750 million, provided the administrative authorities approve and provided J.C. Decaux International does not exercise its right of first refusal.

After this transaction, Bouygues Telecom will be fully consolidated by Bouygues in 2002.

Note 2

ACCOUNTING POLICIES

The consolidated financial statements of the Bouygues group are presented in accordance with the rules set forth in Regulation 99-02 of France's accounting regulatory body, the Comité de la Réglementation Comptable (CRC).

The Bouygues group applies all the methods deemed preferable:

- The percentage of completion method of accounting for long-term contracts.
- Recognition on the income statement of translation gains and losses on monetary assets and liabilities denominated in foreign currencies.
- Amortisation of issuance expenses and redemption premiums over the life of debt securities issued.
- Recognition on the balance sheet of costs of post-employment benefits (projected benefit obligation determined by the retrospective method, based on forecast retirement date and final salary).
- For finance leases, recognition of a tangible asset and a corresponding financial liability on the balance sheet and recognition of imputed depreciation and financial charges on the income statement.

2.1 Change in method of accounting for customer acquisition costs at Bouygues Telecom

In order to account for customer acquisition costs in the same way as other operators, a change of accounting method was introduced during the period. Beginning 1 January 2001, customer acquisition costs are booked as expenses of the period in which customers are acquired.

The impact of this change in accounting method was booked to stockholders' equity at the beginning of 2001 as a charge of € 237 million net of deferred taxes (Bouygues group's proportionate share).

The impact of the change on operating income was € (12.0) million. The impact on net earnings taking into account the portion of the deferred tax asset accruing to the Bouygues group (53.7%) was € (7.8) million.

The impacts on the balance sheet and income statement are detailed below in section 2.3.

2.1.1 Criteria and scope of consolidation

Companies over which Bouygues exercises sole control, directly or indirectly, de jure or de facto, are fully consolidated.

Companies controlled jointly by several stockholders are proportionally consolidated on the basis of Bouygues' percentage of control.

Companies over which Bouygues has only a significant influence (i.e., it holds an interest between 20% and 50% but does not exercise sole control) are accounted for by the equity method. Similarly, companies in which Bouygues holds a 20% to 50% interest and whose business is accessory to a construction contract are accounted for by the equity method if Bouygues expects to divest its interest in them in the short term.

All Group companies with own-account sales of € 2 million or more are included in the scope of consolidation. Companies that hold equity interests in other companies are included regardless of the amount of their sales.

Changes in Group structure

	12/01	12/00
Full consolidation	836	791
Proportional method	220	224
Equity method	38	45
	1,094	**1,060**

The main consolidated companies are listed in note 17.

2.1.2 Financial year and inclusion in the consolidation

The financial year for consolidated companies generally ends on 31 December.

Companies with a financial year ending on a different date are included on the basis of audited interim accounts, unless their accounts were closed less than three months before 31 December.

Newly acquired companies are included in the consolidation from the date of acquisition.

2.1.3 Goodwill

When an equity interest is acquired in a company that will be consolidated, any positive difference on first consolidation (i.e. any excess of purchase price over book value of net assets acquired) that is attributable to identifiable assets is allocated to the appropriate items on the consolidated balance sheet, in accordance with the fair value principles set forth in CRC Regulation 99-02.

Any remaining balance is booked to 'Goodwill' if positive or to 'Provisions for liabilities and charges' if negative. In the latter case, the remaining balance is released to income over a period not exceeding five years.

Valuation differences recognised on first consolidation may be allocated to non-amortisable intangible assets such as market share, customers and brands when the value of such assets can be determined with sufficient accuracy and objectivity by a valuation method based on a range of criteria (sales, profitability, and, for TF1, audience share, share of the advertising market, and advertising income). Valuations are reviewed annually using the same criteria, and appropriate provisions are constituted when necessary.
The main allocations of first-consolidation differences do not become definitive until one year from the acquisition date.

The Bouygues group continues to use the partial method of allocating valuation differences, in accordance with Article 230 of Regulation 99-02:

"Enterprises that have hitherto been using the method of partial re-estimation may continue to do so. In such case, the cost of each additional acquisition of securities shall be allocated between those items on the consolidated balance sheet for which the allocation of such costs is justified and shall be amortised over the remaining life of those items."

Goodwill is amortised over a period not exceeding 20 years according to a schedule specific to each acquisition, taking into account the economic sector of the activity and the future prospects and profitability of the business. Exceptional write-downs or impairment provisions may be booked if warranted.

2.1.4 Translation of foreign companies' financial statements

Balance sheet items are translated using the exchange rate at year-end. Translation gains or losses, calculated against net assets at the beginning of the year, are booked to stockholders' equity in the 'Translation reserve' item.

Income statement items are translated using the average exchange rate for the year. As an exception to the foregoing, the financial statements of companies in high-inflation countries (Romania, Russia) are translated

- at the historical exchange rate, for fixed assets and other non-monetary assets, thereby maintaining the investment cost in euros at the acquisition date,
- at the year-end exchange rate, for monetary items on the balance sheet.

Earnings for the year, determined in the same way as for companies in other countries, are recalculated at the year-end exchange rate.

Translation gains or losses resulting from the different rates used are recognised on the income statement.

2.1.5 Foreign currency translation

Receivables and payables in foreign currencies on the year-end balance sheet are translated at the exchange rate on the balance sheet date.

Revenues, expenses and cash flows are translated at the exchange rate prevailing on the date they were booked.

Translation gains or losses on receivables and payables denominated in foreign currencies are recognised on the income statement.

2.1.6 Deferred taxes

Consolidated deferred tax assets and liabilities are determined according to the accrual method and the so-called 'extended concept'. They result from

- timing differences between book income and tax income (mainly in the form of provisions for non-deductible losses to completion) and timing differences generated by consolidation restatements (provisions on subsidiaries, excess tax depreciation, etc.);

- tax loss carryforwards, when there is a real likelihood of recovery in future years.

For France, the impact of changes in the corporate income tax rate is recognised in accrued earnings for the year, at the standard rate or the reduced rate for long-term capital gains, depending the estimated due date.

Provisions have been recorded for estimated non-recoverable tax on dividends payable by French or foreign subsidiaries in 2002.

After deduction of deferred tax liabilities of the corresponding companies, the residual net amount of deferred taxes is recorded as an asset on the balance sheet under 'Prepaid expenses and similar items', to the extent that there is reasonable assurance of recovery in future years.

2.2 Accounting policies

2.2.1 Assets

a) Fixed assets

Fixed assets are valued at historical cost.

Intangible fixed assets

- Preliminary expenses and research and development costs: expensed in full in the year in which incurred.

- Commercial goodwill (fonds commerciaux) and leasehold rights: Commercial goodwill that is recorded in individual company accounts is not amortised if it does not enjoy legal protection. It is written down if its market value falls below book value.

- Concessions, patents and similar rights: For Bouygues Telecom, these items includes:

  - the cost of taking part in operations to free up radio frequencies, amortised over 12 years;
  - costs of software, especially network operating software, amortised over 3 to 8 years depending on the type of software.

Other intangible assets

Other intangible assets include:

- Valuation differences on first consolidation of acquired entities relating to recognised intangibles such as customer base, business value, market share, etc.

  Commercial goodwill of acquired subsidiaries is estimated using objective indicators and a consistent methodology based on criteria of profitability, volume of business and market value. If need be, impairment provisions are booked.

- Films and audiovisual rights capitalised by TF1 as part of its film production business (co-productions, music rights, audiovisual distribution and trading rights).

  Depending on the activity, films and audiovisual rights are amortised either straight-line over 3 to 5 years or against actual revenue. Music rights are amortised over two years (75% in the first year). An impairment provision is recorded when forecast future revenues do not cover net book value.

- Sums paid by Saur to local authorities for operating rights, which are amortised over the remaining term of the contract.

Tangible fixed assets

Tangible fixed assets are valued at acquisition cost.

Saur group

Saur and its water distribution subsidiaries operate public utility systems under contract and are responsible for managing facilities that belong to the government or local authorities. Such facilities do not appear as assets on Saur's balance sheet, but expenditures to maintain and renew them are booked as charges.

However, facilities managed under concession contracts, if financed by the Group, are recorded on the balance sheet as tangible fixed assets and depreciated over the term of the contract.

In the UK, the water companies own the facilities, which are carried on the balance sheet at cost and are not considered depreciable assets. Maintenance costs are booked as charges for the year, in accordance with UK accounting rules.

Finance leases

If significant, properties obtained under finance leases are recorded on the balance sheet as fixed assets, and the corresponding financial obligations are recorded as liabilities.

Depreciation and provisions for impairment

Industry-specific depreciation schedules used in individual company accounts are not restated upon consolidation. Depreciation is charged on a straight-line basis.

Excess tax depreciation appearing as a liability on the balance sheets of individual companies (mainly roadworks companies, TF1 and Bouygues Telecom) is restated, in accordance with accepted principles for drawing up consolidated financial statements.

- First-consolidation differences allocated to non-depreciable tangible assets are written down when economic circumstances so warrant.
- First-consolidation differences allocated to depreciable tangible assets are depreciated over the remaining useful life of the asset.

Long-term investments

Other non-consolidated participating interests

Other non-consolidated participating interests are carried at acquisition cost, less any impairment provisions deemed necessary to reflect their value in use to the Group.

Affiliated companies accounted for by the equity method

Affiliated companies accounted for by the equity method are carried on the balance sheet at a value equal to the share of net assets attributable to the Group, including the proportionate fraction of earnings for the year. If that value is negative, it is charged first as a provision for impairment of current accounts receivable, with any remaining balance booked to provisions for liabilities.

b) Current assets

Inventories and work in progress (property development)

Inventories are valued at cost or at market value, whichever is lower. Work in progress includes the book value of property development projects that will involve single-unit sales, revenue from which is recognised when the unit is delivered. When the realisable value of inventories or work in progress is less than cost, provisions for impairment or provisions for losses to completion are booked, as appropriate.

Programmes and broadcast rights (TF1)

This item includes programmes produced in-house by TF1 and not yet broadcast, acquired broadcast rights to programmes produced by third parties, and co-productions. Programmes and broadcast rights are valued at total cost of production (including a portion of indirect costs) or at acquisition cost for co-productions.

Useful lives for depreciation purpose

	Telecoms	Media	Utilities Management	Construction
Buildings not used in operations	-	20 years	20 years	20 to 30 years
Industrial buildings	20 years	-	10 to 20 years	10 to 20 years
Industrial plant and equipment	8 to 10 years	3 to 5 years	4 to 8 years	3 to 8 years (1)
Other tangible fixed assets (vehicles, office equipment)	2 to 10 years	2 to 10 years	4 to 10 years	3 to 10 years (1)

(1) depending on the type of equipment

The amortisation method depends on the nature of the programme and the likely number of broadcasts. Most are written off in full after the first broadcast or whenever it becomes apparent that a given programme will not be broadcast.

Trade receivables

Trade receivables are carried on the balance sheet at face value, less any impairment provisions deemed necessary to reflect the likelihood of recovery.

Under the percentage-of-completion method of accounting for long-term contracts, this line item includes:

- amounts receivable on progress reports issued in respect of work in progress and accepted by the client,
- amounts receivable on invoices to be issued, corresponding to work that has been completed but, because of timing differences, has not yet been billed to or accepted by the client.

Other receivables – Deferred charges and similar

Other receivables

Other receivables are carried on the balance sheet at face value, less any impairment provisions deemed necessary to reflect the likelihood of recovery.

Deferred charges and similar

Deferred charges and similar items concern mainly Bouygues Telecom. They include:

- Pre-operating costs incurred before the beginning of commercial activity on 29 May 1996. These costs have been booked as deferred charges and are being amortised over a period of five years from that date.
- Direct costs incurred in acquiring new customers are now booked as expenses of the period, as explained in section 2.1 above. Unamortised deferred charges remaining as of 1/1/2001, less corresponding deferred tax assets, have been charged to consolidated stockholders' equity in accordance with CNC Opinion 97-06 on changes in accounting method.
- Syndication costs in connection with the credit facility agreement dated 23 October 1997. These costs have been booked as deferred charges and are being amortised over the ten-year term of the credit facility.
- Recoverable deferred tax assets.

Short-term investment securities

Short-term investment securities are stated at acquisition cost. Provisions are booked for unrealised capital losses at year-end.

2.2.2 Liabilities and equity

a) Stockholders' equity

The translation reserve consists mainly of the cumulative impact of changes in exchange rates on the net worth of foreign subsidiaries whose accounts are kept in foreign currencies.

For loss-making subsidiaries whose net worth is negative and whose minority stockholders' liability is limited to their equity investment, the entirety of the losses is assumed by the Group.

Treasury stock held by TF1 and Bouygues Offshore is offset against stockholders' equity (Group share or minority interests).

Stock options do not give rise to an accounting entry in this line item when granted. When stock options are exercised, however, the shares issued are recorded as a capital increase on the basis of the payments received from the beneficiaries.

Other equity corresponds to rights of the owner of facilities under a contract to have a public utility system operated by a Group company.

b) Provisions for liabilities and charges

These provisions are intended to cover liabilities and charges likely to arise as a result of events that have occurred or are ongoing. They include:

- Provisions to cover the uninsured portion of two-year and ten-year construction warranties.

  These provisions are booked by the companies concerned as revenue is recorded, based on statistical data derived from experience over a long period.
- Provisions for losses to completion on contracts. These provisions concern contracts in progress and take into account claims accepted by clients. They are evaluated project by project and are not offset against each other.
- Provisions for renewal of public utility facilities (Saur), booked when the Group, under the terms of its management contracts, is required to renew water supply and treatment facilities in order to keep them in good working order.

These provisions are based on the estimated replacement cost at year-end and the theoretical useful life of the facilities. They are booked item by item whenever the probable useful life of the facilities is shorter than the remaining term of the contract, in accordance with current provisions of tax law.

- Provisions for deferred taxes.

- Provisions for notified additional tax assessments.

- Provisions to cover litigation, disputes and other foreseeable risks of the Group's activities, especially outside France, such as cancellation of contracts, major repairs and sundry liabilities and charges.

- Provisions for post-employment benefits payable to employees at retirement and not covered by insurance policies.

  The projected benefit obligation at the retirement date is determined by the retrospective method, based on final salary and plan benefits. The valuation is based on the pension plan for each occupation and takes into account:

  – rank, age and length of service by staff category;

  – turnover rate, calculated from average departures by occupation, age range and staff category;

  – average pay and benefits, increased by a coefficient reflecting the current rate of employer social insurance contributions;

  – final salary adjustment ratio (by occupation);

  – annual discount rate for present value calculations;

  – life expectancy, as determined from actuarial tables.

- CRC Regulation 00-06 on accounting for liabilities has not been applied in advance of its effective date.

c) Advances and payments on account

This item includes advances and down-payments from clients on construction contracts.

2.2.3 Income statement

Definition of consolidated sales

Consolidated sales is equal to aggregate revenue from work performed, products and properties sold and services rendered. This item comprises the sales of fully consolidated companies and the Group's proportionate share of the sales of companies consolidated by the proportional method, whether managed by the Group or not, after elimination of intra-group transactions.

Accounting for long-term contracts

Construction activities

All activities relating to long-term contracts are accounted for using the percentage-of-completion method, based on the ratio of actual spending to date to projected total spending on the contract.

Property development

The following rules are applied:

- Single-unit transactions: revenue and earnings are recognised upon delivery of the property.

- Long-term block transactions: in order to give a fair picture of activity during the year, sales and profit are recognised on a percentage-of-completion basis once a final building permit has been issued, a binding sales agreement has been executed, a contract has been signed with the builder, and the order to proceed with the work has been given.

Provisions for the cost of completing property development programmes on this type of contract are made based on the stage of completion.

Interest charges on ongoing and completed property developments are expensed in full in the year in which they are incurred.

Share in earnings of unincorporated joint ventures

This item corresponds to the Group's share in earnings of non-consolidated companies engaged in the manufacture of asphalt mixes and similar materials. As such, these earnings are included in operating income.

Transition to the euro

Costs relating to the switch-over to the euro are booked as expenses in the year incurred. They are recorded in the line item appropriate to the nature of the expense and are not identified or tracked separately.

Exceptional items

Exceptional income and expense items result from events or transactions that are clearly distinct from the ordinary activities of the business and not expected to recur on a frequent or regular basis.

2.2.4 Hedging instruments

Certain Group companies use hedging instruments in order to limit the income-statement impact of movements in exchange rates and interest rates. Group policy for using hedging instruments is as described below.

Nature of the Group's risk exposure

Exchange rate risk

Broadly speaking, the Group has little exposure to exchange rate risk in its ordinary business operations. As far as possible, the Group seeks to ensure that when contracts are invoiced in foreign currencies, the corresponding outlays are made in the same currency. This is the case for most contracts outside France, where the proportion of expenditure on sub-contractors and suppliers in local currency is much greater than the proportion of expenditure in euros. The Group is also especially attentive to the risks associated with assets in non-convertible currencies and, more generally, to 'country risk'.

Interest rate risk

The Group's financial result is relatively insensitive to interest rate movements. Most of the Group's debt is effectively fixed-rate, in the form of fixed-rate bonds and a portfolio of hedging instruments that transform floating-rate debt into fixed-rate debt.

On average over the year, variable-rate bank debt on the balance sheet is less than cash and equivalents invested in variable-rate instruments.

The Group's income statement would not be greatly affected by a change in European interest rates or by a divergence between euro interest rates and interest rates in leading foreign currencies.

Groupwide policies regarding hedging instruments

The instruments used by the Group are limited to the following: for exchange rate hedges, forward purchases and sales, currency swaps and currency options; for interest rate hedges, interest rate swaps, forward rate agreements (FRAs), caps and floors.

In addition, these instruments:

- are used only for hedging purposes,
- are contracted only with leading French and foreign banks,
- present no risk of illiquidity in the event of a downturn.

The management and supervisory bodies of the companies that engage in hedging are especially vigilant about the utilisation of these instruments and the choice of counterparties.

Hedging rules

Exchange rate risk

The principle applied within the Group is to systematically cover any residual exchange rate risk arising from commercial transactions. When cash flows are certain, exchange rate risk is covered by forward purchases and sales or by currency swaps. For some major contracts, a hedge using currency options may be put in place before the deal is definitively concluded. Foreign companies' participating interests are generally covered by debt of a comparable amount in the same currency issued by the companies holding the interests in question.

For purposes of rationalisation, the foreign exchange positions of some Group entities may be managed centrally so that symmetrical positions can be offset against each other.

Devaluation of the Argentine peso

The Group's exposure to risks related to the devaluation of the Argentine peso is presented in Note 1.7.

Interest rate risk

The principle is to hedge, at the level of each sub-group, all or part of the financial assets and liabilities that are foreseeable and recurring. In practice, the entities that hedge interest rate risk are those whose business is by nature capital-intensive (public utilities management, concession projects, telecommunications). These entities secure their future financial position by fixing the cost of their debt with swaps and FRAs or by limiting it with caps for a period of time linked to the maturity of the financial liabilities being hedged.

As with exchange rate risk, and likewise for purposes of rationalisation, the interest rate positions of some Group entities may be managed centrally and partially offset against each other.

Accounting method

Gains and losses realised during the year on transactions of this kind, together with provisions for unrealised losses at 31 December 2001, are included on the income statement in ‘Net financial items’.

2.2.5 Cash flow statement

The Group's net cash position, the changes in which are given in the cash flow statement, is the net balance of the following balance sheet items:

- net cash and short-term investment securities,
- short-term bank borrowings.

Cash flow from operations excludes changes in provisions for current assets and changes in deferred tax assets and liabilities. It includes the net earnings of fully consolidated companies, dividends received from companies accounted for by the equity method, and changes during the year in expenses to be amortised over several periods (on a gross basis).

2.2.6 EBITDA

EBITDA is equal to operating income plus net charges for depreciation, amortisation and provisions on tangible and intangible fixed assets.

2.3 Other information

Comparability of financial statements

Changes in the scope of consolidation during 2001 did not have a significant impact on the consolidated financial statements.

The accounting methods used in 2001 are the same as those used in 2000, except for the change in method of accounting for customer acquisition costs at Bouygues Telecom.

The main impacts of that change in accounting method, stated in terms of the Group’s proportionate share (53.7%) of Bouygues Telecom, are as follows:

Balance sheet at 1/1/2001	
Other receivables, prepaid expenses and similar items	(361)
Consolidated stockholders’ equity (net)	(237)
Deferred tax asset	124
2001 Income statement	
Operating income	(12)
Net earnings (after deferred tax impact)	(8)

Note 3

FIXED ASSETS

9,275

1 . Consolidated capital expenditure

	2001	2000
Intangible fixed assets	200	138
Plant and equipment	1,088	1,220
Long-term investments Consolidated subsidiaries and affiliates and other long-term securities	(2) 663	(1) 1,292
CONSOLIDATED CAPITAL EXPENDITURE 2001	**1,951**	**2,650**
DISPOSALS OF FIXED ASSETS	**(429)**	**(577)**
NET CAPITAL EXPENDITURE (cf. cash flow statement)	**1,522**	**2,073**

(1) Of which € 849 million for acquisition of an additional 40.7% interest in Colas (exchange offer of July-August 2000).

(2) Of which € 143 million for acquisition of an additional 1.8% of TF1 and € 346 million for investment by TF1 in Eurosport and TV Sport.

2 . Movements 2001

3,408

A) Intangible fixed assets

	1 January 2001	Changes in Group structure and translation adjustments	Additions and other increases	Disposals and other réductions	Net depreciation amortisation and provisions	Transfers and other movements	31 December 2001
Gross	3,646	433	200	(14)	-	(12)	4,253
Depreciation, amortisation and provisions	(709)	-	-	8	(141)	(3)	(845)
NET	**2,937**	**433**	**200**	**(6)**	**(141)**	**(15)**	**3,408**

Main items

- Net valuation differences allocated to intangible elements of participating interests

Bouygues Telecom	927
TF1 and subsidiaries	760
Saur and subsidiaries	550
Colas and subsidiaries	577

The allocations above relate essentially to market shares of the entities concerned.

• TF1 audiovisual rights (net)	79
• Other intangible fixed assets and sundry valuation differences	25
	2,918

B) Goodwill **366**

	1 January 2001	Changes in Group structure and translation adjustments	Additions and other increases	Disposals and other reductions	Net depreciation amortisation and provisions	Transfers and other movements	31 December 2001
Gross	778	113	-	(3)	-	(35)	853
Depreciation, amortisation and provisions	(441)	4	-	-	(75)	25	(487)
NET	**337**	**117**	**-**	**(3)**	**(75)**	**(10)**	(1) **366**

(1) Of which acquisition goodwill on Colas and subsidiaries, € 93 million; on Saur subsidiaries, € 113 million; TF1 and subsidiaries, € 124 million.

C) Tangible fixed assets **4,669**

	1 January 2001	Changes in Group structure and translation adjustments	Additions and other increases	Disposals and other reductions	Net depreciation amortisation and provisions	Transfers and other movements	31 December 2001
Land (1)	518	11	25	(14)	-	19	559
Buildings (1)	991	69	48	(42)	-	11	1,077
Industrial plant and equipment	4,226	165	578	(259)	-	290	5,000
Other tangible fixed assets	1,285	27	197	(118)	-	20	1,411
Tangible fixed assets under construction, advances and payments on account	412	17	240	(4)	-	(340)	325
Gross	7,432	289	1,088	(437)	-	-	8,372
Depreciation, amortisation and provisions	(3,229)	(91)	-	282	(677)	12	(3,703)
NET	**4,203**	**198**	(3) **1,088**	**(155)**	**(677)**	**12**	(2) **4,669**

	2001 Gross	2001 Net	2000 Gross	2000 Net
(1) Of which buildings intended to be kept in the portfolio of the Bouygues Immobilier sub-group	109	100	113	102

(2) Of which assets financed by finance leases € 232 million (mainly lands and buildings)

(3) Of which

Bouygues Telecom	:	310
Colas	:	285
Bouygues Construction	:	244
Saur	:	191

A breakdown of net intangible and tangible fixed assets by segment and geographic area is given in Note 13.

D) Long-term investments **832**

	1 January 2001	Changes in Group structure and translation adjustments	Additions and other increases	Disposals and other reductions	Net depreciation amortisation and provisions	Transfers and other movements	31 December 2001
Non-consolidated subsidiaries and affiliates	413	(24)	38	(17)		(5)	405
Equity method affiliates	419	7	30	8		(6)	458
Other long-term investments	303	17	69	(142)		(4)	243
Gross	1,135	0	137	(151)		(15)	1,106
Depreciation, amortisation and provisions	(231)	(7)		7	(43)	0	(274)
NET	**904**	**(7)**	**137**	**(144)**	**(43)**	**(15)**	**832**

• Non consolidated subsidiaries and affiliates (net) **154**

	12/01				12/00
Main participating interests	**Gross**	**Provisions**	**Net**	**% interest**	**Net**
French companies					
Fiduciné and subsidiaries (1)	84	84	-	99.9	14
9 Telecom	26	26	-	6.0	3
Secorail (Colas)	-	-	-	100.0	23
CATC	23	14	9	99.7	9
Périphérique Lyon	9	8	1	39.0	2
EMGP	5	-	5	1.7	5
Colas asphalt and paving subsidiaries	51	12	39	-	43
Other French subsidiaries and affiliates	72	38	34	-	63
Sub-total	**270**	**182**	**88**	**-**	**162**
Foreign companies					
Socoprim (Côte d'Ivoire)	13	-	13	66	14
Shanghaï Fengxian (Saur)(China)	10	-	10	50	-
Harbin JV (China)	8	2	6	50	7
Bouygues Management UK Ltd	-	-	-	100	-
CCIB (Romania)	6	6	-	22	-
VSL Corporation (USA)	22	22	-	100	-
Other foreign subsidiaries and affiliates	76	39	37	-	13
Sub-total	**135**	**69**	**66**	**-**	**34**
TOTAL	**405**	**251**	**154**	**-**	**196**

(1) Company consolidated in 2001.

• Equity method affiliates 458

Equity method companies	At 01/01/2001	Net movements 2001 (1)	At 31/12/2001	Group share in 2001 earnings (2)
SERVICES				
Obras Sanit Mendoza (Argentina)	27	3	30	2
Aguas de Valencia	18	2	20	2
BRLE	12	(1)	11	0
Other affiliates	7	(1)	6	(2)
CONSTRUCTION				
Cofiroute	251	15	266	33
Tipco Asphalt (Thailand)	7	4	11	1
AKA RT (Hungary)	38	9	47	0
Other affiliates holding concessions	29	6	35	1
Other affiliates	30	2	32	8
TOTAL	**419**	**39**	**458**	**45**

(1) Including share in the year's earnings, acquisitions, changes in Group structure, currency translation adjustments, dividends distributed and capital increases.
(2) The (€ 23m) share in negative 2001 earnings of TPS (TF1) is booked on the balance sheet in provisions for other receivables and provisions for liabilities and charges.

• Other long-term investments (net) 220

Advances to subsidiaries and affiliates	64
Capitalised loans and advances	59
Other long-term investments	97
Detail of other long-term investments:	
Security deposits	60
Other long-term investment securities	37
	97
Principal holdings included in Other long-term investment securities above (€ 37 million):	
BRL (Saur)	2
PVE (Bouygues Telecom)	2
Visiowave (TF1)	8
Titus Interactive (TF1)	8
Sofinova (Bouygues SA)	3
Bymages (Bouygues SA)	9

The € 5 million remaining balance includes no line item greater than € 2 million.
The holding in Tanagra was disposed of in 2001.

Note 4

CURRENT ASSETS, PREPAID EXPENSES AND SIMILAR ITEMS

Inventories and work in progress (1)	12/2001 Gross	12/2001 Provisions	12/2001 Net	12/2000 Net
Work in progress (2)	717	(39)	678	620
Inventories of raw materials, supplies and finished goods	461	(52)	409	382
Total inventories and work in progress	**1,178**	**(91)**	**1,087**	**1,002**

(1) Excluding € 594 million in TF1 programmes and broadcast rights.
(2) Mainly relating to property developments sold by the unit.

Other receivables	12/2001 Gross	12/2001 Provisions	12/2001 Net	12/2000 Net
Other operating receivables (government, local authorities, employees, social security and other)	1,112	(34)	1,078	1,037
Sundry receivables (tax credits, amounts due on fixed asset disposals stockholders' advances and other receivables	721	(78)	643	621
Prepaid expenses and similar items	958	(84)	(3) 874	1,054
Total other receivables, prepaid expenses and similar	**2,791**	**(196)**	**2,595**	**2,712**

(3) of which € (361 million) in expenses to be amortised upon change of accounting method by Bouygues Telecom (see Note 2). See detail below.

• Securitisation of receivables by Saur

As part of its cash management operations, Saur has continued to sell trade receivables to a credit institution on a non-recourse basis. In 2001, the consolidated amount of such disposals was € 113 million.

As a consequence, Saur's debt at 31 December 2001 was reduced by € 101 million, and a subordinated deposit of € 12 million as security for these operations has been booked to sundry receivables.

Prepaid expenses and similar items

					2001	2000
Prepaid expenses					**282**	**208**
Expenses to be amortised over several periods (net)					**50**	**435**
of which Bouygues Telecom deferred charges	2001		2000			
(in € million)	Gross	Net	Gross	Net		
- Customer acquisition costs	0	0	556	361		
- Other	65	18	60	21		
	65	**18**	**616**	**382**		
Deferred tax asset					(1) **540**	**407**
Currency translation adjustment					**2**	**4**
Total					**874**	**1 054**

(1) of which: Bouygues Telecom € 415 million deemed recoverable based on the latest business plans provided to the Board of Directors.
Bouygues SA: € 83 million arising from the inclusion of Colas in the tax consolidation group and in the parent company financial statements.

• Short-term investment securities

The realisable value of short-term investment securities at 31 December 2001 was slightly greater than the book value of € 1,565 million.

• Counterparties

The Group's short-term cash investments are placed with first-rank French and foreign banks.

Note 5

STOCKHOLDERS'EQUITY

• Movements during the year

Group share	Bouygues SA authorised share capital	Consolidated premiums reserves and	Impact of changes in accounting method (at 01/01/01)	Net earnings 2001	Total Group share
At 31 December 1999	**231**	**1,885**		**62**	**2,178**
Movements in 2000					
• Capital increases	102	1,920			2,022
• Translation reserve		23			23
• Appropriation of prior-year earnings		(16)		(62)	(78)
Net earnings 2000				421	421
• Changes in accounting method		(99)			(99)
• Other movements		33			33
At 31 December 2000	**333**	**3,746**		**421**	**4,500**
Movements in 2001					
• Capital increases	11	226			237
• Translation reserve		27			27
• Appropriation of prior-year earnings		301		(421)	(120)
Net earnings 2001				344	344
• Changes in accounting method			(237)		(237)
• Other movements		(11)			(3) (11)
At 31 December 2001	**344**	(1) **4,289**	(2) **(237)**	**344**	**4,740**

Minority interests	Share of equity	Share of earnings	Total minority interests
At 31 December 1999	**676**	**182**	**858**
Movements in 2000			
• Capital increases	22		22
• Translation reserve and changes in scope of consolidation	(180)		(180)
• Appropriation of prior-year earnings	3	(182)	(179)
Net earnings 2000		181	181
• Changes in accounting method	(34)		(34)
At 31 December 2000	**487**	**181**	**668**
Movements in 2001			
• Translation reserve and changes in scope of consolidation	(2)		(2)
• Capital increases	28		28
• Appropriation of prior-year earnings	72	(181)	(109)
Net earnings 2001		166	166
• Other movements	(10)		(10)
At 31 December 2001	**575**	**166**	(4) **741**

(1) Of which translation reserve of € 100 million
(2) Change in method of accounting for Bouygues Telecom customer acquisition costs (see in Note 2, Accounting policies).
(3) Essentially own shares held in treasury by TF1 and Bouygues Offshore.
(4) Minority interests include the 27% equity interest in Saur, which is not consolidated and is carried in Short-term investment securities at € 119 million (see Note 1).

- **Bouygues SA share capital** **€ 343,751,379**

The authorised share capital of Bouygues at 31 December 2001 comprised 343,158,371 shares and 593,008 investment certificates, making a total of 343,751,379 equity securities of par value € 1 each. The main movements relating to capital increases are mentioned in Note 1.

- **Translation reserve:** **€ 100 m**

Unrealised foreign exchange gains and losses at 31 December 2001 for foreign companies whose financial statements are expressed in:

- Pound sterling = 42
- US dollar = 57
- Euro zone currencies (lira/peseta) = (7) amount frozen at 31/12/1998.

- **Consolidated net earnings per share (undiluted and diluted)**

Undiluted (basic) earnings per share

They are calculated as net earnings attributable to Group shareholders divided by the average number of shares outstanding in 2001, which was determined to be 333,323,882 shares.

Diluted earnings per share

They are calculated by adding the number of shares that would result from conversion of convertible bonds and exercise of stock options to the denominator, raising it to 351,834,748.

These earnings per share figures are presented at the bottom of the consolidated income statement. Earnings per share figures for 1999 should be divided by 10 to make them comparable to those for 2000 and 2001.

- **Convertible securities and stock options**

Instrument	Number outstanding at 31/12/01	Conversion ratio	Potential number of new shares	Capital increase per share €	Issue premium per share €	Expiry and remarks
Convertible bonds*	1,625,811	10.18	16,550,756	10.18	252.22	01/01/2006 unless called by issuer for early redemption on or after 01/01/2003
Stock options						
1995 plan	35,740	1	35,740	1	6.41	24/01/2002, exercisable at any time
1997 plan	1,924,370	1	1,924,370	1	6.44	28/01/2004, exercisable at any time
1999 plan 1	2,174,040	1	2,174,044	1	20.59	20/04/2006, exercisable on or after 20/04/2004
1999 plan 2	969,630	1	969,630	1	23.72	06/07/2006, exercisable on or after 06/07/2004
1999 plan 3	304,760	1	304,760	1	28.64	04/11/2006, exercisable on or after 04/11/2004
2000 plan	1,225,300	1	1,225,300	1	68.13	05/07/2007, exercisable on or after 05/07/2005
2001 plan 1	1,955,100	1	1,955,100	1	38.40	27/01/2008, exercisable on or after 27/03/2005
2001 plan 2	1,500,000	1	1,500,000	1	37.92	03/07/2008, exercisable on or after 03/07/2005
2001 plan 3	500,000	1	500,000	1	32.75	18/09/2008, exercisable on or after 18/09/2005
TOTAL			**10,588,944**			

* Exchangeable for new or existing shares (Océane)

Note 6

PROVISIONS FOR LIABILITIES AND CHARGES

• Detailed provision by type

	1 January 2001	Changes in accounting methods and translation adjustments	Transfers between line items	Charges for the year	Written back during the year	31 December 2001
Liabilities						
• Customer warranties (after-sales service)	182	-	5	83	(77)	193
• Litigation, disputes and contract claims	272	3	25	82	(179)	203
• Completed contracts	148	(6)	(19)	33	(80)	76
• Risks on long-term investments	110	5	12	6	(21)	112
• Sundry penalties and other risks (2)	441	14	(5)	173	(182)	441
Sub-total liabilities	**1,153**	**16**	**18**	**377**	**(539)**	**1,025**
Charges						
• Renewal of plant and equipment (Saur)	189	-	-	42	(33)	198
• Major repairs	53	1	-	13	(35)	32
• Deferred tax liability	81	1	17	19	(12)	106
• Final contract settlement/ site clean-up costs	165	5	(5)	89	(89)	165
• Losses to completion on contracts	64	-	13	47	(50)	74
• Post-employment benefits	171	4	(20)	41	(17)	179
• Other charges	126	11	7	65	(79)	130
Sub-total charges	**849**	**22**	**12**	**316**	**(315)**	**884**
TOTAL	**2,002**	**38**	**30**	**693**	**(854)**	(1) **1,909**

(1) A breakdown of provisions for liabilities and charges by business segment is provided in Note 13.

(2) Provisions for sundry penalties and other liabilities comprise mainly the following:

	€ billion
- Risks of non-payment by certain customers, notably international customers	0.1
- Risks associated with various administrative audits	0.1
- Technical risks on work sites and reinsurance	0.1
- Other	0.1
	0.4

Note 7

FINANCIAL LIABILITIES

• Financial liabilities by maturity

	Less than one year	1 to 4 years	5 years and more	Total 12/2001
Bond issues	33	1,240	16	1,289
Bank loans	73	177	1,426	1,676
Other financial liabilities	15	22	79	116
TOTAL	**121**	**1,439**	**1,521**	(1) (2) **3,081**
Situation at 31/12/2000				
Total financial liabilities	108	1,428	1,492	3,028

(1) A breakdown of financial liabilities by business segment is given in Note 13.

(2) Includes € 75 million relating to capitalised lease obligations.

• Financial liabilities by type of interest rate

Breakdown of financial liabilities including all outstanding interest rate hedges at year-end.

	12/01	12/00
• Fixed rate (1)	88%	79%
• Floating rate	12%	21%

(1) Fixed rate debt due in more than one year.

• Security interests granted as collateral for financial liabilities

	12/01	12/00
• Mortgages of land and buildings, pledges of equipment	66	67
• Pledges of securities (1)	1,949	1,977
• Assignments of claims and other security interests	264	242
TOTAL SECURITY INTERESTS (1)	**2,279**	**2,286**

(1) Relating primarily to the pledge of Bouygues Telecom stock and participating loans held by Bouygues SA and BDT under the terms of the Bouygues Telecom credit facility agreement.

• Financial liabilities by currency

	Euro	Pound sterling	US dollar	CFA franc	Other	**Total**
2001	2,751	80	85	106	59	**3,081**

Note 8

OTHER NON-FINANCIAL LIABILITIES AND ACCRUED INCOME

	12/01	12/00
• Tax and employee-related liabilities	1,883	1,680
• Sundry liabilities Income tax payable, amounts payable to suppliers of fixed assets, advances from subsidiaries, non-consolidated affiliates and other partners	2,073	2,124
• Prepaid income and similar including € 2,047 million of prepaid income	2,054	1,521
TOTAL	**6,010**	**5,325**

Note 9

NET FINANCIAL ITEMS

	2001	2000
• Income from non-consolidated affiliates (paving materials companies and others)	14	16
• Net interest and similar expenses (mainly relating to property development and services activities)	(191)	(188)
• Net foreign exchange gains or losses	5	(13)
• Net charge to or write-back of provisions against financial items	(17)	(50)
• Transfers of financial income on long-term contracts (treated as operating income) and transfers of financial charges	1	(3)
• Net gain or loss on disposals of short-term investment securities and income from other marketable securities and long-term loans	43	228
• Write-off of stockholder advances to non-consolidated affiliates and others	(4)	(5)
NET FINANCIAL ITEMS	**(149)**	**(15)**

The change in net financial items from 2000 to 2001 is due primarily to the € 131 million gain on disposal of Bouygues shares in 2000 (Colas exchange offer and other disposals).

Note 10

HEDGING INSTRUMENTS

For information, the following tables show the notional amounts outstanding at 31 December 2001 for each type of instrument used, broken down by residual maturity for interest rate hedges and by currency for exchange rate hedges.

Consolidated companies

• Interest rate hedges

Maturity	Outstanding at 31 December 2001				Outstanding at 12/00
	2002	2003 to 2006	Beyond	Total	
Interest rate swaps					
- on financial assets	416	-	-	416	56
- on financial liabilities	178	1,349	33	1,560	1,791
Forward Rate Agreements					
- on financial assets	-	-	-	-	-
- on financial liabilities	-	-	-	-	49
Caps / Floors					
- on financial assets	-	-	-	-	-
- on financial liabilities	393	111	-	504	633

For renewable interest rate hedges, amounts are shown in the column corresponding to the farthest maturity.

• Exchange rate hedges

Currency	Outstanding at 31 December 2001 (equivalent in € million)							Outstanding at 12/00
	CHF	GBP	USD	HKD	MYR	Others	Total	
Forward purchases and sales								
- Forward purchases	3	-	44	7	-	2	56	97
- Forward sales	4	178	272	(1) 34	(2) 12	16	516	734
Currency swaps	88	55	125	29	-	10	307	286

(1) of which € 15 million HKD against USD.
(2) of which € 12 million MYR against USD.

At 31 December 2001, the market value of the portfolio of hedging instruments was € (50 million). Market values of the instruments in the portfolio were calculated by the Group or obtained from the bank counterparties to the contracts.

• Transactions in options

Bouygues has written "down and in" barrier put options on TF1 shares. At 31 December 2001, 79,400 such puts were outstanding at strike prices between € 37.00 and € 47.80.

Note 11

EXCEPTIONAL ITEMS

	2001	2000
• **Net gains on disposals of long-term investments**	(1) **105**	**63**
Sundry disposals net of recoveries		
• **Net charges to exceptional provisions**	**22**	**(50)**

	Charges		Recoveries	
	2001	**2000**	**2001**	**2000**
- Additional provisions on goodwill	(28)	(7)		
- Other exceptional provisions and sundry items	(106)	(106)	156	63
	(134)	**(113)**	**156**	**63**

	2001	2000
• **Net exceptional income or expense on management operations**		
- Exceptional income from recovery of bad debts, insurance claims paid and sundry	29	42
- Exceptional charges for litigation, taxes and duties, uninsured losses, fines, bad debts and restructuring	(84)	(44)
• **Sundry exceptional items**	**1**	**4**
NET EXCEPTIONAL ITEMS	**73**	**15**

(1) 2001 net exceptional items arose primarily from the following:
- Disposal of A.T.I.: Edenor, Sodem (holdings in Argentina) 56 (before tax) - Provision against devaluation of the Argentine peso (36) - Disposal of Tanagra shares 63.

Note 12

INCOME TAX

• Breakdown of net tax charge

	2001			2000
	France	**Other countries**	**Total**	**Total**
• Tax payable	(167)	(80)	(247)	(299)
• Net deferred tax liability	(7)	0	(7)	9
• Net deferred tax asset	(8)	1	(7)	152
• Tax on proposed 2001 dividend distribution	(3)	(4)	(7)	(14)
TOTAL	**(185)**	**(83)**	**(268)**	**(152)**

The € 117 million increase in the Group's tax expense in 2001 is explained primarily by the following:

• Parent company deferred tax asset: Change in deferred tax debit reported in 2000/2001	(147)
• Bouygues Telecom deferred tax asset:	(23)
• TF1:	30
• Other:	23
	(117)

• Reconciliation of theoretical tax charge with total tax charge on the income statement

The difference between the current statutory tax rate in France and the effective tax rate computed from the income statement for the period can be broken down as follows.

• Statutory tax rate in France	(1) 36.43%
• Utilisation/creation of loss carryforwards	+ 1.03%
• Effect of permanent differences	+ 0.01%
• Taxes other than on income, tax consolidation, differences in rates	- 3.01%
Effective tax rate	**34.46%**

(1) Tax rate applicable to parent company.

• Deferred tax assets not booked (recovery uncertain)

Deferred tax assets not booked because recovery was deemed unlikely amount to € 162 million. Of this amount, € 160 million is attributable to the construction, roadworks and property divisions (on tax losses and temporary consolidation differences).

• Breakdown of deferred tax assets and liabilities by category

	Asset	Liability	Net
• Arising from tax losses carried forward	444		444
• Arising from temporary differences	96	(106)	(10)
Net deferred taxes booked	**540**	**(106)**	**434**

Note 13

INFORMATION BY BUSINESS SEGMENT

A) BREAKDOWN OF CONSOLIDATED SALES BY SEGMENT AND GEOGRAPHIC AREA

Sales from production of fully consolidated companies includes book revenue from contracts and sales of goods and services.

	2001				2000	
	France	International	Total 2001	%	Total	%
Telecoms - Media	3,461	250	3,711	18	3,301	17
• Bouygues Telecom	1,434	0	1,434		1,090	
• TF1	2,027	250	2,277		2,211	
Utilities						
• Saur	1,604	883	2,487	12	2,388	13
Construction	7,783	6,465	14,248	70	13,346	70
• Bouygues Construction	2,711	3,330	6,041		5,948	
• Colas	4,213	3,073	7,286		6,475	
• Bouygues Immobilier	859	62	921		923	
Other (1)	18	9	27		25	
CONSOLIDATED SALES	**12,866**	**7,607**	**20,473**	**100**	**19,060**	**100**
	63%	37%			o/w international sales: 7,062	

(1) Bouygues parent company and various subsidiaries (Infomobile and others).

• Geographic area

	2001	%	2000	%
France	12,866	62.8	11,998	63.0
Western Europe	2,225	10.9	1,910	10.0
Eastern Europe	1,059	5.2	1,016	5.3
Africa	1,569	7.7	1,473	7.7
Middle East	32	0.2	92	0.5
USA and Canada	1,763	8.6	1,489	7.8
Central and South America	112	0.5	53	0.3
Asia-Pacific	847	4.1	1,029	5.4
TOTAL	**20,473**	**100**	**19,060**	**100**

• Percentage breakdown of consolidated sales, by type of contract, France vs. International

	2001			2000		
	France	International	Combined	France	International	Combined
Public sector (1)	30	41	34	33	35	34
Private sector	70	59	66	67	65	66

(1) Sales invoiced directly to government agencies and local authorities (mainly works and maintenance contracts) in France and elsewhere.

B) BREAKDOWN OF NET INTANGIBLE AND TANGIBLE FIXED ASSETS BY SEGMENT AND GEOGRAPHIC AREA

(€ million)

	Bouygues Telecom	TF1	Sub-total Telecoms-Media	Utilities Saur	Bouygues Construction
France and overseas departments	2,430	1,088	3,518	796	208
Other Europe	-	-	-	746	195
Africa	-	-	-	354	199
Asia-Pacific	-	-	-	-	18
Americas	-	-	-	-	4
TOTAL	**2,430**	**1,088**	**3,518**	**1,896**	**624**
% of total	30.1	13.4	43.5	23.5	7.7

C) OTHER INFORMATION BY SEGMENT

(€ million)

	Bouygues Telecom	TF1	Sub-total Telecoms-Media	Utilities Saur	Bouygues Construction
Balance sheet:					
Fixed assets (net)	2,434	1,239	3,673	2,179	826
Provisions for liabilities and charges	52	154	206	489	536
Financial liabilities	1,156	81	1,237	310	82
Income statement:					
Operating income (2)	28	375	403	85	69
Depreciation and amortisation	223	100	323	113	136
Provisions	112	74	186	155	299
Earnings before tax and exceptional items	(59)	357	298	31	102
Share in earnings of equity affiliates	-	(25)	(25)	5	6
Income tax (3)	21	(123)	(102)	(18)	(55)
Cash flow statement:					
Operating cash flow	142	343	485	120	34
Operating investment (gross) (4)	395	97	492	196	254
Financial investment (gross) (4)	4	409	413	24	21
EBITDA	**234**	**475**	**709**	**198**	**205**

(1) Other activities: various subsidiaries of Bouygues SA.
(2) An itemised breakdown of operating results is given in section D below.
(3) Net current and deferred tax expense.
(4) By segment of origin of investments made.

Note: The distribution of net financial items is shown in section D.

Colas	Bouygues Immobilier	Sub-total Construction	Bouygues SA	Other	Total 12/01	Total 12/00
1,120	110	1,438	9	76	5,837	5,303
195	-	390	-	36	1,172	979
30	-	229	-	-	583	344
8	-	26	-	-	26	114
455	-	459	-	-	459	400
1,808	**110**	**2,542**	**9**	**112**	**8,077**	**7,140**
22.4	1.4	31.5	0.1	1.4	100.0	

Colas	Bouygues Immobilier	Sub-total Construction	Bouygues SA and other (1)	Total 12/01	Total 12/00
2,320	122	3,268	155	9,275	8,381
461	76	1,073	141	1,909	2,002
197	58	337	1,197	3,081	3,028
299	45	413	(25)	876	812
234	5	375	11	822	710
161	29	489	6	836	612
272	37	411	(13)	727	797
36	-	42	-	22	7
(74)	(6)	(135)	(13)	(268)	(152)
420	41	495	35	1,135	1,213
311	9	574	26	1,288	1,358
34	11	66	160	663	1,292
530	**51**	**786**	**(13)**	**1,680**	**1,474**

D) INCOME STATEMENT ITEMS BY DESTINATION SEGMENT

As a supplement to the consolidated income statement, a breakdown showing intermediate balances by segment is given below.

(€ million)

	Bouygues Telecom	TF1	Sub-total Telecoms-Media	Utilities Saur
Consolidated sales	**1,434**	**2,277**	**3,711**	**2,487**
Cost of goods sold	(1,044)	(1,600)	(2,644)	(2,055)
Gross profit	**390**	**677**	**1,067**	**432**
	27.2%	29.7%	28.8%	17.4%
Research and development costs	(119)	(2)	(121)	(5)
Sales expenses	(79)	(109)	(188)	(28)
Administrative expenses	(164)	(191)	(355)	(314)
Operating income	**28**	**375**	**403**	**85**
Net financial items	**(87)**	**(18)**	**(105)**	**(54)**
Earnings before tax and exceptional items	**(59)**	**357**	**298**	**31**

(1) After reclassification of 2000 employee profit-sharing as an operating expense.

REMARKS:

- Cost of research and development: This item comprises mainly the cost of laboratories, research departments and the science division (excluding contract pricing costs).

- Sales expenses: This item includes the cost of the sales and marketing divisions and contract estimating costs. In the roadworks segment, contract estimating costs are included in cost of sales or in administrative expenses and are not separately identified.

Note 14

BOUYGUES TELECOM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2001

A) CONSOLIDATED BALANCE SHEET (100%)

ASSETS (net)			**12/01**	**12/00**
Intangible fixed assets			*413*	*292*
Tangible fixed assets			*2,390*	*2,247*
Long-term investments			*5*	*3*
Fixed assets			**2,808**	**2,542**
Current assets, prepaid expenses and similar items			**1,892**	**2,842**
of which:	*2001*	*2000*		
Deferred tax asset	*773*	*502*		
Expenses to be amortised over several periods and other	*77*	*783*		
Total Assets			**4,700**	**5,384**

LIABILITIES AND EQUITY	**12/01**	**12/00**
Capital and reserves	*646*	*1,363*
Earnings for the year	*(61)*	*(277)*
Participating loans	*755*	*713*
Stockholders' equity	**1,340**	**1,799**
Provisions for liabilities and charges	**97**	**151**
Financial liabilities	**2,153**	**2,152**
Non-financial liabilities, accrued income and similar items	**1,110**	**1,282**
Total liabilities and equity	**4,700**	**5,384**

Bouygues Construction	Colas	Bouygues Immoblier	Sub-total Construction	Bouygues SA and other	Total 12/01	Total 12/00
6,041	**7,286**	**921**	**14,248**	**27**	**20,473**	**19,060**
(5,306)	(6,270)	(800)	(12,376)	(20)	(17,095)	(16,007)
735	**1,016**	**121**	**1,872**	**7**	**3,378**	**3,053**
12.2%	14.0%	13.1%	13.1%		16.5%	16.0%
(25)	(33)	(7)	(65)	(1)	(192)	(117)
(276)	0	(42)	(318)	(1)	(535)	(485)
(365)	(684)	(27)	(1,076)	(30)	(1,775)	(1,639)
69	**299**	**45**	**413**	**(25)**	**876**	(1) **812**
					4.3%	4.3%
33	**(27)**	**(8)**	**(2)**	**12**	**(149)**	**(15)**
102	**272**	**37**	**411**	**(13)**	**727**	**797**

B) CONSOLIDATED INCOME STATEMENT

	Bouygues Telecom 100%		Bouygues Group share (53.7%) (1)	
	2001	**2000**	**2001**	**2000**
Sales	2,681	2,037	1,440	1,094
Other operating income	942	1,637	506	880
Operating expenses	(3,570)	(3,869)	(1,918)	(2,079)
Operating income (loss)	53	(195)	28	(105)
Net financial income (expense)	(155)	(152)	(83)	(81)
Earnings before tax and exceptional items	(102)	(347)	(55)	(186)
Net exceptional items	3	(11)	2	(6)
Income tax	39	(IDA) 81	21	44
Amortisation of goodwill	(1)	-	(1)	-
Other	-	-	1	-
Consolidated net earnings (attributable to BouyguesTelecom shareholders)	**(61)**	**(277)**	**(32)**	**(148)**

(1) Before elimination of intra-group transactions at Bouygues SA level.

Note 15

OFF-BALANCE SHEET

A) COMMITMENTS GIVEN

	2001	2000
Commitments given by consolidated companies		
• Programmes and broadcasting rights, including broadcasting rights for sporting events (TF1)	(3) 1,454	885
• Commitments given to credit institutions by equity method construction undertakings	22	24
• Other guarantees (1) (2)	487	419
Total commitments given	**1,963**	**1,328**
NB: secured debt (see Note 7)	2,279	2,286

B) COMMITMENTS RECEIVED

	2001	2000
• Guarantees and other commitments received by consolidated companies	155	94
• Commitments received by equity method construction undertakings	1,451	(4) 885
• Other commitments received	22	24
Total commitments given	**1,628**	**1,003**

(1) Includes commitments given in favour of non-consolidated affiliated companies (mainly in roadworks activities).
(2) In the normal course of business, the Group gives ten-year warranties and performance guarantees. No quantitative value is estimated for these obligations unless it appears that they might give rise to payments by the Group, in which case a liability provision is booked.
(3) Includes impact of retransmission rights for sporting events: € 777 million, an increase of € 331 million.
(4) 2000 commitments received after recognition by TF1 of € 880 million in reciprocal programme purchase commitments.

Retirement benefits and finance lease obligations are now shown on the balance sheet, and movements in them are taken to the consolidated income statement

Note 16

STAFFING AND REMUNERATION OF SENIOR EXECUTIVES AND DIRECTORS

• **Average number of employees during the year**

	2001	2000
France		
Managerial	16,198	14,668
Supervisory, technical and clerical	23,474	22,082
Site workers	27,622	25,919
Sub-total	67,294	62,669
Expatriates and local labour	59,266	55,976
Total	**126,560**	**118,645**

• **Remuneration of senior executives and directors**

Senior executives (chairman and chief executive officer and three deputy chief executive officers) received a total of € 6,794,135 in direct and indirect emoluments of all kinds from French and foreign companies, including € 3,760,933 in base pay, € 2,772,971 in bonuses paid in 2002 on the basis of performance in 2001, and € 260,231 in director's fees.

Attendance fees paid to voting and non-voting directors amounted to € 699,054.

Note 17

LIST OF PRINCIPAL GROUP COMPANIES AT 31 DECEMBER 2001

Company	Location	Country	% interest	% direct and indirect control (1)
A - TELECOMS-MEDIA				
1 . Telecommunications				
Proportional consolidation				
BDT SA	St-Quentin-en-Yvelines	France	59.47	
Bouygues Telecom SA and subsidiaries	Boulogne-Billancourt	France	53.71	
2 . Media				
TF1 Group				
Full consolidation				
Télévision Française 1 SA	Paris	France	41.68	
Ciby Droits Audiovisuels SA	Paris	France	41.68	100.00
La Chaîne Info (LCI) SCS	Paris	France	41.68	100.00
Les Films Ariane SA	Boulogne-Billancourt	France	41.68	100.00
Protécrea SA	Boulogne-Billancourt	France	41.68	100.00
Teleshopping SA	Boulogne-Billancourt	France	41.68	100.00
TF1 International SA	Boulogne-Billancourt	France	41.68	100.00
TF1 Publicité SA	Boulogne-Billancourt	France	41.68	100.00
TF1 Vidéo SA	Boulogne-Billancourt	France	41.68	100.00
Une Musique SA	Boulogne-Billancourt	France	41.68	100.00
e-TF1	Boulogne-Billancourt	France	41.68	100.00
Eurosport and subsidiaries	Issy-les-Moulineaux	France	41.68	100.00
Proportional consolidation				
Film par Film SA	Paris	France	20.84	50.00
Equity method				
Télévision Par Satellite (TPS) SNC	Issy-les-Moulineaux	France	10.42	25.00
B - SERVICES				
Utilities management				
Saur Group				
Full consolidation				
Saur SA	St-Quentin-en-Yvelines	France	73.00	100.00
Saur International SA	St-Quentin-en-Yvelines	France	72.99	99.99
Saur France SA (formerly Cise SNC)	St-Quentin-en-Yvelines	France	73.00	100.00
Cise Réunion SA	St-Denis-de-la-Réunion	France	72.95	99.94
Coved SA	Guyancourt	France	73.00	100.00
Stéreau SA	Louveciennes	France	72.99	99.99
FOREIGN				
Compagnie Ivoirienne d'Électricité	Abidjan	Côte d'Ivoire	51.44	71.51
Gestagua	Madrid	Spain	72.99	99.99
Saur UK Ltd and subsidiaries	Camberley	UK	72.99	100.00
Sénégalaise Des Eaux	Dakar	Senegal	45.86	62.83
Saur Neptun Gdansk	Gdansk	Poland	37.23	51.00
Sodeci	Abidjan	Côte d'Ivoire	35.67	50.88
Crea	Rome	Italy	51.82	100.00
Proportional consolidation				
Énergie du Mali	Bamako	Mali	28.47	39.00
Equity method				
Obras Sanit Mendoza	Mendoza	Argentina	23.42	32.08

(1) If % control is not equal to % interest.

Company	Location	Country	% interest	% direct and indirect control (1)
C - CONSTRUCTION				
1 . Bouygues Construction				
Full consolidation				
Bouygues Construction SA	St-Quentin-en-Yvelines	France	99.97	
Bouygues Bâtiment				
Bouygues Bâtiment SA	St-Quentin-en-Yvelines	France	99.97	
Bâtiment France subsidiaries				
Brézillon SA	Noyon	France	98.94	
Olin-Lanctuit SA	Courbevoie	France	99.95	
SB Ballestrero SA	Dammarie Les Lys	France	99.96	
Entreprises France Europe subsidiaries				
DV Construction SA	Bordeaux	France	99.96	
GTB Bouyer Duchemin SA	Nantes	France	99.96	
GFC SA	Bron	France	99.96	
Norpac SA	Villeneuve-d'Ascq	France	99.96	
Pertuy GTFC SA	Maxeville	France	99.96	
Quille SA	Rouen	France	99.96	
FOREIGN				
Bouygues UK Ltd and subsidiaries	London	UK	99.96	
Bouygues Deutschland GmbH	Frankfurt	Germany	99.96	
Losinger Construction SA	Bern	Switzerland	99.96	
Bâtiment International subsidiaries				
Rinaldi Structal SA and subsidiaries	Colmar	France	99.96	
FOREIGN				
Bouygues Hungaria	Budapest	Hungary	99.96	
Bymaro	Casablanca	Morocco	99.94	
Bouygues Travaux Publics				
Bouygues TP SA	St-Quentin-en-Yvelines	France	99.96	
FOREIGN				
Losinger Sion	Bern	Switzerland	99.63	
Prader AG	Zurich	Switzerland	99.84	
Other Bouygues Construction subsidiaries				
DTP Terrassement SNC	St-Quentin-en-Yvelines	France	99.96	
Intrafor SA	Montigny-le-Bretonneux	France	99.96	
FOREIGN				
Acieroïd Española and subsidiaries	L'Hospitalet de Llobregat	Spain	99.96	
Basil Read and subsidiaries	Johannesburg	South Africa	70.60	
Bouygues Polska	Warsaw	Poland	99.96	
Dragages & TP Hong Kong	Hong Kong	China	99.96	
DTP Singapore	Singapore	Singapore	99.96	
IP Foundations Hong-Kong	Hong Kong	China	99.87	
VSL International and subsidiaries	Lyssach	Switzerland	99.87	
DMB Malaysia	Kuala Lumpur	Malaysia	49.65	
Carparks				
Parcofrance SA and subsidiaries	St-Quentin-en-Yvelines	France	99.96	
Bouygues Offshore group				
Bouygues Offshore SA	Montigny-le-Bretonneux	France	51.08	
Camom SNC	Montigny-le-Bretonneux	France	51.08	99.99
Sofresid SA and subsidiaries	La Défense	France	51.18	99.96
FOREIGN				
BOS Congo	Pointe Noire	Congo	51.06	99.98
Delong Hersent	Urbanizacion Campo Allegre	Panama	51.06	100.00
Nissco	Lagos	Nigeria	30.65	60.00
Petromar UEM	Luanda	Angola	35.76	70.00
BOS Offshore UIE Ltd	London	UK	51.20	100.00

(1) If % control is not equal to % interest.

Company	Location	Country	% interest	% direct and indirect control (1)
ETDE Group				
ETDE SA and regional subsidiaries	Montigny-le-Bretonneux	France	99.96	
ETDE Réseaux et Communications SA	Massy	France	99.96	
Gallet Delage SA	Kremblin-Bicêtre	France	99.96	
FOREIGN				
Sté Gabonnaise d'Électrification et de Canalisation (SOGEC)	Libreville	Gabon	84.38	
Proportional consolidation				
Bouygues Offshore Group				
SaïBos CML	Madeira	Portugal	25.54	50.00
Equity method				
Bouygues Bâtiment				
Consortium Stade de France SA	La Plaine-Saint-Denis	France	33.32	
Bouygues Travaux Publics				
Foreign				
Aka RT	Budapest	Hungary	40.97	41.49
Bina Fincom	Zagreb	Croatia	50.98	
Trans African Concessions (TRAC)	Kyalami	South Africa	21.64	30.00

2 . Roadworks

Company	Location	Country	% interest	% direct and indirect control (1)
Colas Group				
Full consolidation				
Colas SA and regional subsidiaries	Boulogne-Billancourt	France	95.79	
Grands Travaux Océan Indien (GTOI) SA	Le Port (La Réunion)	France	95.87	99.99
Sacer SA and subsidiaries	Boulogne-Billancourt	France	95.80	99.99
Screg SA and regional subsidiaries	Boulogne-Billancourt	France	95.80	99.99
Spac SA and subsidiaries	Clichy	France	95.80	99.99
Sécorail	Chatou	France	95.80	99.90
Société de Matériel Routier (Somaro) SA	Chatou	France	95.80	99.99
Colas Guadeloupe	Baie Mahault	France	95.80	99.98
Colas Martinique SA	Le Lamentin	France	95.80	99.98
Smac Acieroïd SA and subsidiaries	Vitry-sur-Seine	France	95.80	99.99
Axter SA	Précy sur Oise	France	95.80	99.99
Perrier	Saint-Priest	France	95.80	99.90
FOREIGN				
Alterra and subsidiaries	Budapest	Hungary	95.88	99.91
Colas Danmark	Virum	Denmark	95.80	100.00
Colas Genève and subsidiaries	Lausanne	Switzerland	95.04	99.21
Colas Inc. and subsidiaries	Short Hills	USA	95.80	100.00
Colas Maroc and subsidiaries	Casablanca	Morocco	95.73	99.93
Colas UK Ltd and subsidiaries	Rowfant Crakley	UK	95.80	100.00
Strada	Sroda Wielkopolsko	Poland	55.82	58.20
Société Routière Colas Gabon	Libreville	Gabon	86.11	89.89
Screg Belgium and subsidiaries	Brussels	Belgium	95.80	100.00
Proportional consolidation				
Carrières Roy SA	St-Varent	France	47.88	49.98
Equity method				
Cofiroute SA	Sèvres	France	15.96	16.66

3 . Property

Company	Location	Country	% interest	% direct and indirect control (1)
Full consolidation				
Société Financière et Immobilière de Boulogne SA (SFIB)	Boulogne-Billancourt	France	100.00	
Bouygues Immobilier and subsidiaries	Boulogne-Billancourt	France	100.00	

D - OTHER SUBSIDIARIES

Company	Location	Country	% interest	% direct and indirect control (1)
Full consolidation				
Infomobile SA	Guyancourt	France	99.99	
Bouygues Relais SNC	St-Quentin-en-Yvelines	France	94.99	
Challenger SNC	St-Quentin-en-Yvelines	France	99.99	
Société Française de Participation & Gestion (SFPG) SA	Paris	France	99.76	
Sofic SA	Boulogne-Billancourt	France	100.00	
FOREIGN				
Challenger Réassurance	Luxembourg	Luxembourg	99.98	
Uniservice	Geneva	Switzerland	99.99	

(1) If % control is not equal to % interest.

PARENT COMPANY FINANCIAL STATEMENTS

Balance sheet at 31 December

Assets (€ million)

	2001 Gross	2001 Depreciation and amortisation	2001 Net	2000 Net	1999 Net
Intangible fixed assets	2	1	1	1	0
Tangible fixed assets	9	1	8	8	10
Long-term investments	5,196	291	4,905	4,857	3,370
Subsidiaries and affiliates	*4,722*	*278*	*4,444*	*4,387*	*2,924*
Advances to subsidiaries and affiliates	*455*	*7*	*448*	*425*	*327*
Other	*19*	*6*	*13*	*45*	*119*
FIXED ASSETS	**5,207**	**293**	**4,914**	**4,866**	**3,380**
Inventories and work in progress	0	0	0	0	0
Advances and payments on account	0	0	0	0	0
Trade receivables	37	0	37	32	32
Other receivables	718	0	718	608	381
Short-term investment securities	998	0	998	727	76
Cash and equivalents	5	0	5	5	10
CURRENT ASSETS	**1,758**	**0**	**1,758**	**1,372**	**499**
Other assets	10	0	10	15	16
TOTAL ASSETS	**6,975**	**293**	**6,682**	**6,253**	**3,895**

Liabilities and Stockholders' Equity (€ million)

	2001 Net	2000 Net	1999 Net
Authorised capital	344	333	231
Premiums and reserves	4,516	3,930	1,903
Unallocated retained earnings	0	1	1
Net earnings for the year	237	478	185
Regulated provisions	0	0	0
STOCKHOLDERS' EQUITY	**5,097**	**4,742**	**2,320**
Provisions for liabilities and charges	273	262	207
Financial liabilities	1,197	1,200	1,282
Progress payments received	0	0	0
Trade payables	27	19	29
Other payables	88	30	55
LIABILITIES	**1,585**	**1,511**	**1,573**
SHORT-TERM BANK BORROWINGS	**0**	**0**	**0**
Other liabilities	0	0	2
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**6,682**	**6,253**	**3,895**

Income statement (€ million)

	2001	2000	1999
SALES	**74**	**64**	**93**
Other operating income	1	15	21
Purchases and changes in inventories	0	0	(1)
Taxes other than income tax	(3)	0	(5)
Personnel costs	(54)	(47)	(58)
Other operating expenses	(37)	(49)	(69)
Net depreciation, amortisation and provisions	(5)	(2)	(2)
Share in earnings of unincorporated joint ventures	0	0	0
EARNINGS FROM OPERATIONS	**(24)**	**(19)**	**(21)**
Net financial income	190	443	43
EARNINGS BEFORE TAX AND EXCEPTIONAL ITEMS	**166**	**424**	**22**
Exceptional items	49	50	171
Income tax	22	4	(8)
NET EARNINGS	**237**	**478**	**185**

Cash flow statement (€ million)

	2001	2000
A - OPERATING ACTIVITIES		
Operating cash flow	**198**	**340**
Net earnings for the year	237	478
Depreciation and amortisation	3	3
Net change in long-term provisions	12	(56)
Expense transfers	0	1
Net gain (loss) on asset disposals	(54)	(86)
Change in working capital requirement	**(47)**	**(268)**
Current assets	(114)	(228)
Current liabilities	67	(40)
NET CASH FROM OPERATING ACTIVITIES (A)	**151**	**72**
B - INVESTING ACTIVITIES		
Increase in fixed assets		
Acquisitions of intangible and tangible assets	(1)	(1)
Acquisitions of participating interests	(55)	(1,397)
	(56)	**(1,398)**
Disposals of fixed assets	85	117
Net investment	**29**	**(1,281)**
Net other long-term investments	(25)	(9)
Liabilities relating to fixed assets	0	3
NET CASH USED FOR INVESTING ACTIVITIES (B)	**4**	**(1,287)**
C - FINANCING ACTIVITIES		
Increase in stockholders' equity	237	2,022
Dividends paid during the year	(120)	(78)
Net decrease in financial liabilities	(3)	(82)
NET CASH FROM FINANCING ACTIVITIES (C)	**114**	**1,862**
CHANGE IN CASH AND EQUIVALENTS (A+B+C)	**269**	**647**
Cash and equivalents at 1 January	733	86
Effect of partial contribution of assets	0	0
Net flows during the year	269	647
CASH AND EQUIVALENTS AT 31 DECEMBER	**1,002**	**733**

Notes to the parent company financial statements

CONTENTS

Amounts are expressed in millions of euros.

Note 1

SIGNIFICANT EVENTS OF 2001

1.1 Euro

The financial statements are presented in euros.

1.2 Capital increases

• Issue of shares reserved for employees

As part of the Bouygues group savings plans for French and international staff, 10,034,985 new shares were subscribed by employees.

This resulted in a capital increase of € 10m (of which € 9.3m was fullypaid), and paid-in capital of € 220m (of which € 204m was fully paid)

• Exercise of options

During 2001, 1,009,490 shares with a value of € 7.5 million including premium were issued upon exercise of stock options by employees.

• Conversion of convertible (Océane) bonds

During 2001, 12,216 shares with a value of € 0.3 million including premium were issued upon conversion of 1,200 bonds with an option to be converted into new or existing shares.

1.3 Acquisition of securities

In January 2001 Bouygues acquired the 4.2% equity interest in Saur held by EDF International for € 54.1 million. These shares are being held for resale as short-term investment securities.

1.4 Disposal of securities

• Tanagra

Bouygues disposed of the 10% equity interest that it held in Tanagra in exchange for 927,191 Unibail shares and a contingent future cash payment. This transaction generated an exceptional gain of € 42.5 million.

• Financière d'Ivry

Bouygues sold the 14% equity interest that it held in Financière d'Ivry for a gain of € 7.1 million.

1.5 Cash advances

• Telecommunications

In furtherance of the development of its telecommunications business, Bouygues provided advances on current account in the following amounts:

- BDT	€ 15.5 million
- Bouygues Telecom	€ 7.4 million

• Infomobile

Bouygues provided an advance on current account of € 3.8 million.

1.6 Tax consolidation

On 18 December 2001, the Board of Directors of Bouygues SA decided to renew the Group's tax consolidation election for the five-year period beginning 1 January 2002.

1.7 Net financial income

Net financial items in 2001 amounted to income of € 190 million, as follows:

	€ million
• Dividends received and earnings of partnerships	172.5
• Net interest income	21.1
• Change in provisions on subsidiaries	(6.2)
• Proceeds of disposals of investment securities	8.1
• Other	(5.5)

Note 2

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with current provisions of French law.

2.1 Intangible assets

Preliminary expenses and research and development costs are expensed in full in the year in which they are incurred. As a rule, software acquired from third parties is booked to intangible fixed assets and depreciated straight-line over a maximum of five years.

2.2 Tangible fixed assets

Tangible fixed assets are valued at acquisition cost less deductible taxes. Non-intrinsic incidental expenses are charged directly to income during the year. Production for own use is valued at production cost plus a percentage of overhead costs. Depreciation expenses are calculated on a straight-line basis according to the type and expected useful life of the asset concerned. Additional charges for excess tax depreciation are booked in respect of assets eligible for accelerated depreciation.

Useful lives – Depreciation method

Buildings	40 years	Straight-line
Fixtures and fittings	10 years	Straight-line
Computer hardware	3 years	Straight-line
Office furniture	10 years	Straight-line

2.3 Long-term investments

Participating interests and other long-term investment securities

Participating interests and other long-term investment securities are stated at acquisition cost. Non-intrinsic acquisition costs are not included and are booked as expense.

Valuation of participating interests

Long-term investment securities are evaluated at their retention value to the Group, determined on the basis of objective criteria (quoted share price for listed companies, book value, profitability), forecast data (economic outlook, earnings prospects) or other data indicative of actual value. If retention value is less than stated value, an impairment provision is constituted for the difference.

Advances to subsidiaries and other loans

Advances and loans due in more than one year are stated on the balance sheet at face value. An impairment provision is constituted if realisable value taking into account the likelihood of recovery is less than stated value.

2.4 Receivables and payables in foreign currencies

Receivables and payables in foreign currencies are translated at the exchange rate on the balance sheet date. Unrealised gains and losses are booked to suspense accounts on the balance sheet. Provisions are constituted for unrealised foreign exchange losses. Receivables and payables in euro zone currencies are valued at the official conversion rate.

2.5 Short-term investment securities

The value of the securities portfolio is estimated in accordance with French accounting standards. Thus,

- The balance sheet value of bonds is determined by the average price in December 2001.

- The balance sheet value of equity securities, money-market funds, certificates of deposit and short-term notes is determined by the latest quoted price on 31 December 2001.

2.6 Prepayments, deferred charges and accrued income

Expenses to be amortised over several periods comprise mainly the portion of issuance costs relating to the bond issues of January 1997, February 1999 and July 1999 not covered by the issue premium. In the case of convertible bonds, the portion of unamortised costs relating to bonds converted to shares is charged against the issue premium for the new shares.

The amortisable bond discount concerns the July 1999 bond issue, for which the issue price was 99.854% of par.

2.7 Provisions for liabilities

This item comprises mainly:

- provisions for income tax, intended to cover the amount of tax payable on capital gains on which tax has been deferred;

- provisions for additional liabilities arising from losses at subsidiaries. These provisions are constituted for subsidiaries whose negative net worth cannot be covered in full by provisions for impairment on investments and on other debts owed by the subsidiary to the parent.

2.8 Hedging instruments

The company uses hedging instruments in order to limit the impact of exchange rate and interest rate movements on the income statement.

The instruments used are limited to the following: for exchange rate hedges, forward purchases and sales, currency swaps and currency options; for interest rate hedges, interest rate swaps, forward rate agreements (FRAs), caps and tunnels.

In addition, these instruments

- are used only for hedging purposes,

- are contracted only with leading French and foreign banks,

- present no risk of illiquidity in the event of a downturn.

Gains and losses during the year and provisions for unrealised losses at 31 December 2001 are included in the year's net financial items.

2.9 Off-balance sheet commitments

The Company's commitments in respect of post-employment benefits are calculated using the following methods and assumptions:

- Retrospective method based on projected final salary.

- Benefits as payable under collective agreements and company benefit plans, brought into compliance with the provisions of the Act of 30 July 1987 and the 1988 Finances Act.

- Vested benefits as of 31 December 2001.

- Personnel are classified into homogeneous groups by rank, age and length of service.

- Average monthly pay of each group as of 31 December 2001 is increased by a coefficient reflecting the current rate of employer social insurance contributions.

- Annual rate of increase in base pay: 1.5%

- Discount rate for present value calculations: 4.86%.

- Average staff turnover rate in 2001 is calculated as the average rate of departures in the years from 1997 to 2001.

- Life expectancy is determined from actuarial tables for 1988 and 1990.

Note 3

FIXED ASSETS

	Gross value at 1 January	Increase	Decrease	Amounts at 31 December
Intangible fixed assets				
Software	2	-	-	2
Other	-	-	-	-
Gross value	**2**	**-**	**-**	**2**
Amortisation	(1)	-	-	(1)
Net value	**1**	**-**	**-**	**1**
Long-tangible fixed assets				
Land and buildings	7	-	-	7
Other	2	-	-	2
Gross value	**9**	**-**	**-**	**9**
Depreciation	(1)	-	-	(1)
Net value	**8**	**-**	**-**	**8**
Long-term investments				
Subsidiaries and affiliates	4,669	56	3	4,722
Advances to subsidiaries and affiliates	427	28		455
Other	51		32	19
Gross value	**5,147**	**84**	**35**	**5,196**
Provisions	(290)	(31)	(30)	(291)
Net value	**4,857**	**53**	**5**	**4,905**
TOTAL NET VALUE	**4,866**	**53**	**5**	**4,914**
Of which due within more than one year:				Gross
Advances to subsidiaries and affiliates				455
Loans				-
Other				1
Total				**456**

Note 4

MATURITY OF RECEIVABLES RELATING TO CURRENT ASSETS

	Gross	Less than 1 year	More than 1 year
Advances and payments on account	-	-	-
Trade receivables	47	40	7
Sundry receivables	708	678	30
TOTAL	**755**	**718**	**37**

Note 5

PREPAYMENTS, DEFERRED CHARGES AND ACCRUED INCOME

	At 1 January	Transfers	Increase	Amortisation	At 31 December	Of which due within 1 year
Expenses of issuing bonds	8	-	-	2	6	2
Expenses of acquiring long-term investments	4			1	3	1
Total expenses to be amortised over several periods	12	-	-	3	9	3
Bond discounts						
Other	2	-	1	2	1	1
TOTAL	**14**	**-**	**1**	**5**	**10**	**4**

Note 6

CHANGE IN STOCKHOLDERS' EQUITY

	Amount
Stockholders' equity at 31/12/00 (before allocation of earnings)	**4,265**
Earnings allocated to equity	478
Dividends paid out	(120)
Stockholders' equity at 1/1/01 (after allocation of earnings)	**4,623**
Increase in capital and reserves	237
Net earnings in 2001	237
Stockholders' equity at 31/12/01	**5,097**

Note 7

COMPOSITION OF AUTHORISED CAPITAL

	Number of votes	Number of shares	Number of investment certificates	Total
At 1 January	367,521,656	332,074,968	619,720	332,694,688
Change during the year	52,232,509	(1) 11,083,403	(26,712)	11,056,691
At 31 December	419,754,165	343,158,371	593,008	343,751,379
PAR VALUE:				**1 €**

(1) Capital increase on 28 December 2001 by issuance of 10,034,985 new shares reserved for employees as part of the Group Savings Plan.

Note 8

PROVISIONS FOR LIABILITIES AND CHARGES

	At 1 January	Charges for the year	Written back during the year	At 31 December
Provisions for subsidiaries and affiliates	6	26	-	32
Provisions for taxes	222	7	1	228
Other provisions	34	1	25	10
Provisions for liabilities	**262**	**34**	**26**	**270**
Provisions for charges		**3**		**3**
TOTAL	**262**	**37**	**26**	**273**
Operating provisions		3		
Financial provisions		27	22	
Exceptional provisions		7	4	
		37	**26**	

Note 9

LIABILITIES BY MATURITY AT 31 DECEMBER 2001

	Gross	Less than 1 year	1–5 years	More than 5 years
Liabilities				
Convertible bonds (1)	433	7	426	-
Other bond issues				
January 1997 bond issue (2)	*242*	*13*	*229*	-
July 1999 bond issue (3)	*512*	*12*	*500*	-
	754	*25*	*729*	-
Bank loans	9	8	1	-
Total financial liabilities	**1,196**	**40**	**1,156**	**-**
Trade payables	**26**	**26**	**-**	**-**
Sundry liabilities	**89**	**89**	**-**	**-**
Short-term bank borrowing	**-**	**-**	**-**	**-**
TOTAL	**1,311**	**155**	**1,156**	**-**

(1) February 1999 issue of convertible bonds in the amount of FF 3.28 billion (€ 500 million) bearing interest at 1.7%, redeemable at par on 1 January 2006. During 2001, 1,200 bonds were converted into 12,216 shares.

(2) January 1997 issue of bonds in the amount of FF 1.5 billion (€ 228.7 million) bearing interest at 5.75%, redeemable in full at par on 6 January 2004.

(3) July 1999 issue of bonds in the amount of FF 3.28 billion (€ 500 million) bearing interest at 4.875%, redeemable in full at par on 3 July 2006.

Note 10

DETAILS OF ACCOUNTS CONCERNING AFFILIATES

	Amount
ASSETS	
Long-term investments	5,177
Trade receivables	36
Other receivables	643
TOTAL	**5,856**
EXPENSE	
Operating expenses	11
Interest charges	3
Income tax expense	-
TOTAL	**14**

	Amount
LIABILITIES	
Financial liabilities	-
Trade payables	2
Other payables	85
TOTAL	**87**
INCOME	
Operating income	73
Interest income	221
Negative income tax expense	44
TOTAL	**338**

Note 11

HEDGING AND OTHER FINANCIAL INSTRUMENTS

- **Interest rates hedges**

Amounts outstanding at 31/12/01 by maturity	2002	2003 to 2006	Beyond	Total
Interest rate swaps				
On financial assets	416	-	-	416
On financial liabilities	30	183	8	221

- **Exchange rate hedges** (equivalent in € million)

Amounts outstanding at 31/12/01 by currency	CHF	GBP	Other	Total
Forward purchases and sales				
Forward purchases	-	-	-	-
Forward sales	-	129	5	134
Currency swaps	74	-	-	74

Transactions in options

Bouygues has written “down and in” barrier put options on TF1 shares. At 31 December 2001, 79,400 such puts were outstanding at strike prices between € 37.00 and € 47.80. To the extent that these puts are exercised, Bouygues would acquire TF1 shares, thereby increasing its equity interest in TF1 on terms that it deems favourable.

Note 12

OFF-BALANCE SHEET COMMITMENTS

	Total amount of guarantees	Of which affiliates
Commitments given (liabilities)		
Guarantees		
Non-bank guarantees	-	-
Pledges relating to loan agreements		
Bouygues Telecom shares	1,241	-
Post-employment benefits	**3**	**-**
Secured debt		
(mortgage - pledge)	-	-
Other commitments given	**5**	**-**
TOTAL	**1,249**	**-**
Commitments received (assets)	**-**	**-**
Other commitments received	**-**	**-**
TOTAL	**-**	**-**

Note 13

SALES

Bouygues' sales consist essentially of common services rebilled to subsidiaries and affiliates.

Note 14

TAX CONSOLIDATION AND INCOME TAX

Since 1997, Bouygues SA has opted for tax consolidation under Articles 223 A to U of France's General Tax Code.

In addition to Bouygues SA, 79 companies were included in the consolidated tax group in 2001.

On 18 December 2001, the Board of Directors of Bouygues SA decided to renew the tax consolidation election for the five years from 1 January 2002 to 31 December 2006.

Each subsidiary books its tax charge as though there were no consolidation. The tax saving accrues to the parent company.

At year-end, Bouygues SA booked a negative income tax charge as follows:

	€ m
Net tax expense	21
Tax consolidation	
(Income tax received from profitable consolidated companies)	(43)
TOTAL	**(22)**

Note 15

DEFERRED TAXES

	At 1 January		Change during year		At 31 December	
	Asset	Liability	Asset	Liability	Asset	Liability
Temporarily non-deductible expenses						
Tax provision	222	-	7	1	228	-
Other provisions	38	-	27	22	43	-
TOTAL	**260**	**-**	**34**	**23**	**271**	-
Tax-deductible expenses and taxable income not booked						
Unrealised foreign exchange losses	-	2	2	-	-	-
Unrealised foreign exchange gains	-	-	-	-	-	-
Net currency translation adjustment	-	2	2	-	-	-
Expenses to be amortised over several periods	-	11	2	-	-	9
Zero-coupon bond	4	-	3	4	3	-
Premiums on put options written	5	-	-	5	-	-
Other income and expense	9	11	5	9	3	9
TOTAL	**9**	**13**	**7**	**9**	**3**	**9**

Note 16

AVERAGE NUMBER OF EMPLOYEES IN 2001

	2001	2000
Managerial	197	185
Clerical, technical and supervisory	64	62
Manual		2
TOTAL	**261**	**249**

Note 17

ADVANCES AND LOANS TO CORPORATE BODIES, REMUNERATION OF SENIOR EXECUTIVES AND DIRECTORS

Remuneration of senior executives and directors:

- Group directors and senior executives (Chairman and CEO and three deputy CEOs) received a total of € 6.794 million in direct and indirect emoluments of all kinds from French and foreign companies, including € 3.761 million in base pay, € 2.773 million in bonuses paid at the beginning of 2002 on the basis of performance in 2001, and € 26 thousand in directors' fees.
- Attendance fees paid to voting and non-voting members of the Board amounted to € 515 thousand.

Note 18

SECURITIES PORTFOLIO AT 31 December 2001

Participating interests	Number of securities	%	Balance sheet value (1)	
TF1	85,022,704	40.11	2,414	(a)
Bouygues Telecom	7,725,898	21.00	1,241	
Colas	29,018,236	95.02	1,838	(a)
Saur	9,185,260	73.00	453	
BDT	9,850,541	51.00	523	(b)
SFIB	24,994	99.98	243	
Bouygues Construction	1,705,038	99.93	88	(b)
Other equity			80	
Total participating interests			**6,880**	
Investment securities				
Other securities			887	(a)
Short-term notes			114	(a)
Total investment securities			**1,001**	
Total transferable securities			**7,881**	

(1)) The balance sheet value is generally the acquisition cost. If greater, the following is used instead:

(a) stock-market value (closing price for equities, average price during the previous month for bonds
(b) proportionate share of net assets..

Note 19

INFORMATION ON SUBSIDIARIES AND AFFILIATES

	Share capital (1)	Other equity (1)	%	Book value of securities (2) gross	Book value of securities (2) net	Loans and advances (2)	Guarantees (2)	Sales (2)	Earnings (2)	Dividends received (2)	Rem.
A - Detailed information											
1. Subsidiaries (% > 50)											
FRANCE											
BDT	294	739	51.000	418	418	282		-	(7)	-	
Bouygues Construction	27	40	99.930	59	59	-		6,324	21	32	(5)
Bouygues Relais	-	-	98.947	-	-	-		-	9	-	
C2S	-	-	99.940	-	-	-		11	-	-	
Colas	46	618	95.019	1,443	1,443	-		7,328	203	62	(5)
Fiduciné	44	(46)	100.000	84	0	-		-	-	-	(5)
Infomobile	9	(6)	100.000	75	0	8		15	(4)	-	(4)
Saur	200	383	73.000	453	453	-		2,494	32	7	
SFIB	38	77	99.976	243	243	-		940	31	-	(5)
SFPG	-	(18)	99.760	-	-	-		-	(20)	-	(5)
SNC Challenger	-	-	99.990	15	15	-		14	4	-	(6)
Sofic	-	-	99.975	60	-	5		-	(3)	-	(4)
Sotegi	-	-	99.760	-	-	-		-	-	-	
TOTAL				**2,850**	**2,631**	**295**		**17,126**	**266**	**101**	
FOREIGN											
Uniservice	50	5	99.992	31	31				5	4	
TOTAL				**31**	**31**				**5**	**4**	
2. Affiliates (10<%<50)											
FRANCE											
Bouygues Telecom	561	84	21.000	1,241	1,241	158		2,681	(60)		
SPEIG	10		49.818	1	1			15			
TF1	42	518	40.105	530	530			2,282	210	55	(5)
TOTAL				**1,772**	**1,772**	**158**		**4,978**	**150**	**55**	
TOTAL FOREIGN				**0**	**0**						
B - Other information											
1. Other subsidiaries											
FRANCE				**24**	**9**						(3)
FOREIGN				**11**	**1**						
2. Other affiliates											
FRANCE				**28**		**2**					(4)
FOREIGN				**6**							
GRAND TOTAL				**4,722**	**4,444**	**455**		**22,104**	**421**	**160**	

(1) In local operating currency.
(2) In euros.
(3) Revaluation differences.
(4) Provisions for loans and advances of which 2 for Infomobile and 3 for Sofic.
(5) Sub-group parent companies: consolidated reserves, sales and earnings of sub-group, excluding third-party interests.
(6) Year ended 30 November.
(7) Guarantees given in respect of the company or its subsidiaries.


BOUYGTEL

Section 4

Annual Meeting 25 April 2002

AGENDA

1 - Agenda

- Board of Directors' annual report for 2001.
- Auditors' reports for 2001.
- Board of Directors' special report on stock options.
- Approval of the company accounts for the year ended 31 December 2001 as presented by the Board.
- Approval of the consolidated accounts for the year ended 31 December 2001 as presented by the Board.
- Appropriation of earnings for 2001.
- Auditors' special report on the agreements referred to at Article L. 225-38 of the Commercial Code and approval of the agreements mentioned in the report.
- Renewal of the term of office of four directors.
- Authorisation to be given to the Board of Directors to enable the company to buy back its own shares or investment certificates.

2 - Extraordinary part

- Board of Directors' and auditors' reports.
- Assessors' report
- Authorisation to be given to the Board of Directors to reduce the authorised capital by retiring treasury stock.
- Delegation of powers for the Board of Directors to increase the authorised capital either by issuing transferable securities giving immediate or future access to company stock, preserving the preferential subscription right, or by incorporating premiums, reserves, earnings or other sums.
- Delegation of powers for the Board of Directors to increase the authorised capital by issuing transferable securities giving immediate or future access to company stock, cancelling the preferential subscription right.
- Authorisation for the Board of Directors to use the delegated powers to increase the authorised capital, preserving or cancelling the preferential subscription right, in the event of a tender or exchange offer for the company's stock.
- Delegation of powers for the Board of Directors to increase the authorised capital in favour of employees of the company or of companies in the group, including if it makes use of authorisations to increase the capital.
- Amendment of the by-laws to ensure compliance with the provisions of Act 2001-420 of 15 May 2001 relating to new economic regulations.
- Approval of the planned merger of Société Financière et Immobilière de Boulogne - SFIB with Bouygues; note of completion of the merger and winding-up without liquidation of Société Financière et Immobilière de Boulogne - SFIB; corresponding amendment of Article 6 of the by-laws.
- Powers to carry out formalities.

Ladies and Gentlemen,

We have called you to this Annual Meeting to submit the following resolutions to you for approval.

Resolutions within the competence of the ordinary part of the meeting

We submit the following nine resolutions for your approval.

A - Company accounts – Consolidated accounts – Appropriation of earnings – Regulated agreements

The **first resolution** concerns approval of the company accounts as at 31 December 2001, which show net earnings of € 236,941,211.51, and discharge of the directors.

The **second resolution** concerns approval of the consolidated financial statements as at 31 December 2001, which show net earnings attributable to the Group of € 344,054,000.

The **third resolution** concerns appropriation of earnings. The proposed net dividend, payable in cash, is € 0.36 per share or investment certificate, with a tax credit of € 0.18 (assuming a 50% rate).

The **fourth resolution** concerns approval of agreements referred to at Article L. 225-38 of the Commercial Code mentioned in the auditors' special report.

B - Appointment of directors

The **fifth resolution** concerns renewal of the directorship of Artémis, represented by Ms Patricia Barbizet, for a six-year term expiring at the annual meeting called to approve the accounts for 2007.

The **sixth resolution** concerns renewal of the directorship of Mr. Michel Derbesse for a six-year term expiring at the annual meeting called to approve the accounts for 2007.

The **seventh resolution** concerns renewal of the directorship of Mr. Alain Dupont for a six-year term expiring at the annual meeting called to approve the accounts for 2007.

The **eighth resolution** concerns renewal of the directorship of Mr. Patrick Le Lay for a six-year term expiring at the annual meeting called to approve the accounts for 2007.

C - Company's buy-back of its own stock

The purpose of the **ninth resolution** is to authorise the Board, for a period of 18 months, to carry out transactions involving the company's securities, pursuant to Article L. 225-209 et seq. of the Commercial Code, enabling it to purchase the company's shares or investment certificates up to a limit of 10% of the number of securities comprising the capital at the date on which the buy-back authorisation is used.

The aims of the buy-back programme would be, in order of priority:

- to stabilise the share price by systematically buying against the trend,
- to buy and sell stock according to the market situation,
- to allocate such repurchased stock to company or Group employees or officers as part of the policy to encourage employee stock ownership,
- to use such repurchased stock for exchange purposes, in particular in the context of acquisitions with a view to limiting the cost thereof, or more generally to improve the conditions of a transaction, or on issue of securities giving access to the capital,
- to keep or, where relevant, dispose of or transfer such repurchased stock by all means in the context of active management of stockholders' equity, having regard to financing requirements,
- to retire such repurchased stock as appropriate in order to optimise earnings per share and the return on equity, subject to specific authorisation from the extraordinary stockholders' meeting.

Investment certificates may be purchased with a view to keeping them or, as appropriate, disposing of them or transferring them by all means. When the company holds investment certificates, it seeks to buy voting certificates in order to retire the shares thus reconstituted.

The Board would operate under the following terms:

- maximum purchase price: € 50 per share or investment certificate,

• minimum sale price: € 25 per share or investment certificate.

These prices are set subject to adjustment in connection with any future transactions involving the company's capital.

The maximum amount of funds earmarked for the programme to buy back shares and investment certificates would be € 600,000,000.

The company has submitted the notice concerning the buy-back programme to the Commission des Opérations de Bourse for certification.

If granted, the authorisation would replace as of this day the authorisation granted by the Annual Meeting on 31 May 2001 in its eleventh resolution.

Resolutions within the competence of the extraordinary part of the meeting

Eleven resolutions will be put to you in the extraordinary part of the meeting, concerning authorisation to reduce the capital, renewal of authorisations to issue transferable securities and authorisation to increase the capital in favour of employees, harmonisation of the by-laws with the Act on new economic regulations, and the planned merger of a wholly-owned subsidiary.

A - Delegation of powers to the Board with a view to retiring repurchased stock

In the **tenth resolution** we ask you to authorise the Board, for a period of 18 months, pursuant to Article L. 225-209 of the Commercial Code, to reduce the capital by retiring all or some of the stock that the company may hold as a result of using the various authorisations to buy back stock given by the stockholders' meeting to the Board, up to a limit of 10% of the capital per 24-month period.

B - Delegation of powers to the Board with a view to issuing shares or transferable securities, with or without preferential subscription rights, including during a tender offer

1. In the **eleventh resolution** we ask you to renew the powers conferred on the Board, with the option of delegating them to the Chairman, to issue shares or transferable securities giving immediate or future access to shares (convertible bonds, shares or bonds with share warrants, bonds redeemable for shares, stand-alone warrants, etc.), preserving stockholders' preferential subscription rights, and to increase the capital by incorporating premiums, reserves, earnings or other sums.

   In accordance with your previous authorisation, the maximum nominal amount of shares that could be issued in this way would be limited, excluding incorporation of reserves, to € 150,000,000 and the maximum nominal amount of debt securities that could be issued would be limited to € 4,000,000,000. The amount of issues undertaken under the terms of the twelfth resolution would be deducted from these amounts. The maximum nominal amount of a capital increase by incorporation of premiums, reserves, earnings or other sums would be limited to the total amount of the sums that could be incorporated.

   The powers referred to in the eleventh resolution would be granted for 26 months.

2. In the **twelfth resolution**, which cancels stockholders' preferential subscription rights, we ask you to empower the Board, with the option of delegating such powers to the Chairman, to issue on the French or international market the same securities as those referred to in the eleventh resolution. The powers also allow the Board to issue securities to remunerate securities contributed to the company in the context of an exchange offer that it has initiated.

   The nominal amount of capital increases undertaken under the terms of the twelfth resolution would be limited, as in the eleventh resolution, to € 150,000,000, and the nominal amount of debt securities would likewise be limited to € 4,000,000,000. The amount of issues undertaken pursuant to the eleventh resolution would be deducted from these amounts.

   The powers referred to in the twelfth resolution, as in the eleventh, would be granted for 26 months.

3. In all cases where the preferential subscription right is maintained, a reducible subscription right may be instituted in addition to the irreducible subscription right, allowing the holders of existing securities to subscribe on a reducible basis a larger number of securities than would be the case on a purely preferential basis, in proportion to their subscription rights and within the limit of their applications.

   In cases where the preferential subscription right is cancelled, the Board may confer on stockholders a priority subscription right that is not a negotiable security. The same delegation of powers provides that equity securities should be issued on the basis of the average of the first listed price of the stock on 10 consecutive trading days chosen from the 20 trading days immediately preceding the issue date, after such average has been adjusted for any difference in the dates at which the securities bear dividends. If share warrants are issued, the sums received by the company on subscription thereof will be included in the calculation.

4. In the thirteenth resolution we ask you to empower the Board, with the option of delegating such powers to the Chairman, for a period from the date of this meeting to the date of the meeting called to approve the accounts for 2002, to use the powers conferred on it by the eleventh and twelfth resolutions during a cash or exchange offer for the company's securities, to increase the authorised capital, by all means, by up to a maximum nominal amount of € 150,000,000.

5. Pursuant to the provisions of Article 155-2 of the decree of 23 March 1967, the Board will draw up a supplementary report if it uses the powers whereby the stockholders' meeting authorises the issue of transferable securities with cancellation of the preferential subscription right.

   The report will set out the final terms of the transaction and will state

   - the effect of the proposed issue on the situation of stockholders, in particular as regards their share of stockholders' equity at the end of the most recent financial year. If such year ends more than six months prior to the planned transaction, the effect will be assessed with regard to an interim financial situation drawn up using the same methods and in the same form as the most recent annual balance sheet;

   - the theoretical effect on the market value of the stock resulting from the average of the 20 trading sessions prior to the transaction.

   Such information shall take account of all issued securities that may give access to the capital.

6. As a consequence of the three authorisations requested above, we ask you to give the Board all powers, with the option of delegating them to the Chairman, to decide all other terms and conditions for the issue of transferable securities, to carry out all transactions and formalities and to amend the by-laws to take account of capital increases.

C - Delegation of powers to the Board with a view to increasing the capital in favour of employees, including on the occasion of a capital increase

In the **fourteenth resolution** we ask you to renew, for a period of 26 months, the powers conferred on the Board, with the option of delegating them to the Chairman, to increase the capital in favour of employees of the company or of Group companies.

Renewal of such authorisation, in the context of the new measures introduced by the Act of 19 February 2001 on employee savings schemes, would enable employees to constitute long-term savings through a voluntary partnership employee savings scheme.

In addition, in the event of a capital increase carried out pursuant to the powers conferred on the Board by the stockholders in the eleventh and twelfth resolutions or following the exercise of stock options or composite transferable securities, the resolution asks the Board to decide, should it deem fit, to carry out a capital increase reserved for employees under the terms of Article L. 443-5 of the Labour Code, up to a maximum limit of 10% of the main capital increase.

Using the powers granted by the stockholders at the Annual Meeting on 31 May 2001, in late 2001 the Board carried out a capital increase for € 230,001,856.20 (nominal + issue premium) reserved for employees. Over 30,000 employees contributed to two leveraged mutual funds called "Bouygues Confiance 2" and "Bouygues Confiance 2 International" which subscribed the capital increase.

D - Harmonisation of the by-laws with the provisions of the Act of 15 May 2001 on new economic regulations

In the **fifteenth resolution** we ask you to amend the by-laws to take account of the provisions of Act 2001-420 of 15 May 2001 on new economic regulations relating to the identification of stockholders.

In the **sixteenth resolution** we ask you to amend the by-laws to take account of the provisions of Act 2001-420 of 15 May 2001 on new economic regulations relating to the balance of powers and the operation of governing bodies, in particular the possibility now given to the Board of choosing between two options for the exercise of senior executive authority, namely the combination or separation of the duties of Chairman of the Board and Chief Executive Officer.

E - Merger by absorption of Société Financière et Immobilière de Boulogne – SFIB, a wholly-owned subsidiary

In the **seventeenth**, **eighteenth** and **nineteenth** resolutions we ask you to approve the merger by absorption of Société Financière et Immobilière de Boulogne – SFIB with Bouygues as part of the simplification of the organisation of the Group's property business, by eliminating an intermediate holding company.

Société Financière et Immobilière de Boulogne – SFIB owns the entire share capital of Bouygues Immobilier.

As Bouygues owned the entire share capital of Société Financière et Immobilière de Boulogne – SFIB before the date at which the merger plan was filed with the Commercial Court, the merger would be governed by the rules set forth at Article L. 236-11 of the Commercial Code.

The merger would then be submitted for approval to the stockholders' meeting of Bouygues, taking its decision in the light of the report by Messrs Bernard Lelarge and Lionel Guibert, assessors appointed by order of the Paris Commercial Court on 29 January 2002. Société Financière et Immobilière de Boulogne - SFIB would be wound up without liquidation by that decision alone.

There would be no cause to increase the capital of Bouygues in order to remunerate the contribution.

Société Financière et Immobilière de Boulogne - SFIB has been valued at € 246,430,431.28 on the basis of its net assets at 31 December 2001.

The valuation was made by Banque Rothschild et Compagnie on the basis of the market value of the transferred assets.

The difference between the net value of the assets contributed by Société Financière et Immobilière de Boulogne - SFIB and the book value of its equity interest in Bouygues' accounts would generate a merger surplus of € 3,579,146.81.

For accounting and tax purposes, the merger would be back-dated to 1 January 2002.
The merger would be carried out under ordinary income tax rules. The amount of losses carried over by Société Financière et Immobilière de Boulogne – SFIB means that the merger can be completed without generating any significant tax liability for Bouygues.

We also ask you to allocate the merger surplus to a "merger premium" account and to authorise the Board to charge to the merger surplus all costs, duties, taxes and fees incurred in connection with the merger and more generally all sums in accordance with the prevailing regulations.

A corresponding amendment should be made to Article 6 "Contributions" of the by-laws to take account of the completed merger.

The Bouygues works council, meeting on 8 February 2002, approved the merger plan.

Information about the company's business, which we have a statutory duty to provide, is contained in the report on operations that has been communicated to you.

We ask you to vote on the resolutions put to you.

The Board of Directors

SPECIAL REPORT ON OPTIONS GRANTED pursuant to articles l. 225-177 and l. 225-186 of the Commercial Code

In its sixteenth resolution, the Annual Meeting on 25 May 2000 authorised the Board to grant on one or more occasions options giving entitlement to subscribe new stock or buy existing stock. The authorisation was conferred for a period of five years, the beneficiaries being employees and/or officers of Bouygues or companies or consortia directly or indirectly linked to it under the terms of Article 208-4 of the Act of 24 July 1966 (Article L. 225-180 of the Commercial Code).

Pursuant to Articles L. 225-184 and L. 225-180 II of the Commercial Code, this report informs the Annual Meeting of transactions carried out pursuant to the authorisation in compliance with the provisions set forth at Articles L. 225-177 to L. 225-186 of the Commercial Code.

BOUYGUES

1) Options granted by Bouygues

The Board informs the Annual Meeting that options giving entitlement to subscribe new shares in Bouygues were granted in 2001.

General information

Date of award	Number of options awarded	Exercise price (€)
27 March 2001	2,023,600	39.40
3 July 2001	1,500,000	38.62
18 September 2001	500,000	33.75
TOTAL	**4,023,600**	

The Board granted a total of 4,023,600 options to 1,073 beneficiaries who are officers or employees of the company or of Bouygues Group companies.

The exercise price for the options was set at 95% of the average of the first listed price on the 20 trading days preceding the Board meeting at which the options were granted.

The options are valid for seven years from the date on which they were granted.

Options granted to officers of Bouygues

By decisions taken on 27 March and 3 July 2001, the Board granted the corporate officers of Bouygues options giving entitlement to subscribe Bouygues shares on account of their offices and duties in the company.

	Company granting the options	Date of award	Number of options	Exercise price (€)
Martin Bouygues	Bouygues	27/03/01	70,000	39.40
Michel Derbesse	Bouygues	27/03/01	60,000	39.40
Philippe Montagner	Bouygues	27/03/01 03/07/01	40,000 500,000	39.40 38.62
Olivier Bouygues	Bouygues	27/03/01	20,000	39.40
TOTAL	**Bouygues**		**690,000**	

Options granted to the ten Bouygues employees who received the greatest number of options

In the context of the same decisions of the Board, the ten employees who received the greatest number of options granted by Bouygues and/or by companies or consortia linked to it under the terms of Article L. 225-180 of the Commercial Code are as follows:

Employees of Bouygues SA	Company granting the options	Date of award	Number of options	Exercise price (€)
François Bertière	Bouygues	27/03/01	10,000	39.40
Jean-Pierre Combot	Bouygues	27/03/01 03/07/01	40,000 500,000	39.40 38.62
Yves Gabriel	Bouygues	27/03/01	15,000	39.40
Jean-François Guillemin	Bouygues	27/03/01	10,000	39.40
Patrick Le Lay	TF1	2001	300,000	27.80
Michel Maître	Bouygues	27/03/01	15,000	39.40
Olivier Poupart-Lafarge	Bouygues	27/03/201 03/07/01	50,000 500,000	39.40 38.62
Alain Pouyat	Bouygues	27/03/01	20,000	39.40
Jean-Claude Tostivin	Bouygues	27/03/01	10,000	39.40
Lionel Verdouck	Bouygues	27/03/01	10,000	39.40
TOTAL	**Bouygues** **TF1**		**1,180,000** **300,000**	

The corporate officers and employees of Bouygues, with the exception of Patrick Le Lay, were not granted options in 2001 by companies linked to Bouygues under the terms set forth at Article L. 225-180 of the Commercial Code or by companies controlled by Bouygues within the meaning of Article L. 233-16 of the Commercial Code.

2) Options exercised by the corporate officers and employees of Bouygues

The Board informs the Annual Meeting of the options exercised in 2001.

General information

Scheme	Number of options awarded	Exercise price of options	Number of options exercised in 2001	Number of options remaining to be exercised at 31/12/01	Maturity
24/01/95	4,836,981	7.41	110,490	35,740	24/01/04
28/01/97	4,102,050	7.44	899,000	1,924,370	28/01/06

Options exercised by the corporate officers of Bouygues

Corporate officers	Company granting the options	Scheme	Number of options exercised	Exercise price (€)
Martin Bouygues	Bouygues	1997	356,240	7.44
Michel Derbesse	Bouygues	-	-	-
Philippe Montagner	Bouygues	-	-	-
Olivier Bouygues	Bouygues	1997	183,220	7.44

Options exercised by the ten employees of Bouygues who subscribed the greatest number of shares by exercising their options

Corporate officers	Company granting the options	Scheme	Number of options exercised	Exercise price (€)
Yves Gabriel	Bouygues	1995	19,570	7.41
Olivier Poupart Lafarge	Bouygues	1997	114,520	7.44
Lionel Verdouck	Bouygues	1997	35,630	7.44

Bouygues S.A. did not register any exercise of options by its employees in 2001 other than the three mentioned above.

COMPANIES CONTROLLED BY BOUYGUES

Options granted by Bouygues Offshore

In accordance with Article L. 225-180-II of the Commercial Code, the Board informs the Annual Meeting under the conditions set forth at Article L. 225-184 of the Commercial Code that Bouygues Offshore, a company in which Bouygues has an indirect controlling interest, has granted stock options.

The Board of Bouygues Offshore granted options in 2001 giving entitlement to subscribe new shares in Bouygues Offshore.

General information

Date of award	Number of options awarded	Exercise price (€)
23/05/2001	200,000	53.80

The Board of Bouygues Offshore granted the options to 165 beneficiaries who are officers or employees of Bouygues Offshore or of companies in the Bouygues Offshore group.

The exercise price for the options was set at 95% of the average of the first listed price on the 20 trading days preceding the Board meeting at which the options were granted.

The options are valid for seven years from the date on which they were granted.

Options granted to the corporate officers of Bouygues Offshore

Corporate officers	Company granting the options	Date of award	Number of options	Exercise price (€)
Hervé Le Bouc	Bouygues Offshore	23/05/01	14,000	53.80
Jacques Léost	Bouygues Offshore	23/05/01	10,000	53.80
TOTAL	**Bouygues Offshore**		**24,000**	

Options granted to the ten Bouygues Offshore employees who received the greatest number of options

By the same decisions of the Board, the ten employees who received the greatest number of options granted by Bouygues Offshore are as follows:

Employees of Bouygues Offshore	Company granting the options	Date of award	Number of options	Exercise price (€)
Mireille Arvier	Bouygues Offshore	23/05/01	4,000	53.80
Denis Deguilhen	Bouygues Offshore	23/05/01	3,750	53.80
Patrice Huet	Bouygues Offshore	23/05/01	3,750	53.80
Yves Inbona	Bouygues Offshore	23/05/01	5,500	53.80
Bruno Marce	Bouygues Offshore	23/05/01	4,250	53.80
Jose Mascré	Bouygues Offshore	23/05/01	4,250	53.80
Gilles Martin	Bouygues Offshore	23/05/01	3,000	53.80
Rino Mazzalovo	Bouygues Offshore	23/05/01	3,000	53.80
Pierre Roger	Bouygues Offshore	23/05/01	3,000	53.80
Jean-Luc Rondreux	Bouygues Offshore	23/05/01	3,000	53.80
TOTAL	**Bouygues Offshore**		**37, 500**	

The corporate officers and employees of Bouygues Offshore were not granted options in 2001 by companies linked to Bouygues Offshore under the terms set forth at Article L. 225-180 of the Commercial Code or by companies controlled by Bouygues Offshore within the meaning of Article L. 233-16 of the Commercial Code.

1) Options exercised by the corporate officers and employees of Bouygues Offshore

General information

Scheme	Number of options awarded	Exercise price (€)	Number of options exercised in 2001	Number of options remaining to be exercised at 31/12/01	Maturity
07/11/96	170,000	19.36	27,800	130,950	07/11/03

Options exercised by the corporate officers of Bouygues Offshore

Corporate officers	Company granting the options	Scheme	Number options exercised	Exercise price (€)
Hervé Le Bouc	Bouygues Offshore	1996	10,000	19.36
Jacques Léost	-	-	-	-

Options exercised by the ten employees of Bouygues Offshore who subscribed the greatest number of shares by exercising their options

Bouygues Offshore employees	Company granting the options	Scheme	Number options exercised	Exercise price (€)
Louis Duplan	Bouygues Offshore	1996	3,300	19.36
Jacques Madinier	Bouygues Offshore	1996	4,500	19.36

Bouygues Offshore did not register any exercise of options by its employees in 2001 other than the two mentioned above.

AUDITORS' REPORTS

1 - Auditors' report on the annual accounts

Year ended 31 December 2001

Ladies and Gentlemen,

In accordance with the terms of our appointment at your Annual Meeting, we hereby submit our report on the annual accounts of Bouygues for the year ended 31 December 2001, drawn up in euros, as attached to this report, and on the specific verifications and information required by law.

The annual accounts are the responsibility of the Board of Directors. Our responsibility is to express an opinion on them based on our audit.

Opinion on the annual accounts

We conducted our audit in accordance with the professional standards that apply in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the accounts. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements, and evaluating their overall presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the annual accounts give a true and fair view of the results of operations for the year ended 31 December 2001 and of the financial situation and assets of the company at that date.

Specific verifications and information

We have also carried out the specific verifications required by law in accordance with the professional standards that apply in France.

We are satisfied that the information given in the Board of Directors' Management Report and in the documents provided to stockholders concerning the financial situation and annual accounts is fairly stated and agrees with the annual accounts.

As required by law, we have ensured that information relating to acquisitions of equity and controlling interests and the identity of stockholders and holders of voting rights has been provided to you in the Management Report.

Paris and Paris La Défense, 6 March 2002
The Auditors

Mazars & Guérard:
Jacques Villary Michel Rosse

Salustro Fournet & Associés:
François Fournet

2 - Auditors' report on the consolidated financial statements

Year ended 31 December 2001

Ladies and Gentlemen,

In accordance with the terms of our appointment at your Annual Meeting, we have audited the consolidated financial statements of Bouygues for the year ended 31 December 2001, drawn up in euros, as attached to this report.

The consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on them based on our audit.

We conducted our audit in accordance with professional standards. Those standards require that we plan and perform our audit to obtain reasonable assurance that the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts in the accounts. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements, and evaluating their overall presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, financial situation and results of the group formed by the companies within the scope of consolidation.

Without calling into question the opinion expressed above, we draw your attention to Note 2.1 in the notes to the consolidated financial statements relating to the change in accounting method for the acquisition cost of Bouygues Telecom subscribers.

We have also examined the information relating to the group contained in the Board of Directors' Management Report. We are satisfied that the information is fairly stated and agrees with the consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, 6 March 2002
The Auditors

Mazars & Guérard:
Jacques Villary Michel Rosse

Salustro Fournet & Associés:
François Fournet

3 - Auditor's special report on regulated agreements

In our capacity as Auditors of your company, we hereby submit our report on regulated agreements.

Agreements authorised during the year

Pursuant to Article L. 225-40 of the Commercial Code, we were informed of agreements that had been previously authorised by your Board of Directors.

Our assignment is not to find out whether there may be other agreements but to inform you, on the basis of the information provided to us, of the principal features and terms of the agreements notified to us. We are not asked to give an opinion on whether they are useful or necessary. Under the terms of Article 92 of the decree of 23 March 1967, it is for you to assess the appropriateness of these agreements with a view to approving them.

We have performed our assignment in accordance with the professional standards that apply in France, which require us to verify that the information given to us is consistent with the documents from which it derives.

Supplement to the Bouygtel trade mark licence agreement

In 1997, Bouygues concluded an exclusive licence agreement with Bouygues Telecom for use of the Bouygtel trade mark for all mobile telecommunications products and services in return for a flat fee of € 15,245 excl. VAT invoiced to Bouygues Telecom.

A supplementary agreement was concluded in 2001 authorising Bouygues Telecom to grant its subsidiaries a right to use the Bouygtel trade mark. The financial terms of the agreement remained unchanged.

Persons concerned: Olivier Bouygues, Philippe Montagner and Olivier Poupart-Lafarge.

Bouygnet trade mark licence agreement

Bouygues has concluded a trade mark licence agreement for the Bouygnet trade mark, giving Bouygues Telecom and its subsidiaries, service providers and distributors a right to use the Bouygnet trade mark for mobile telecommunications activities.

Bouygues billed € 1,524 excl. VAT in respect of this agreement in 2001.

Persons concerned: Olivier Bouygues, Philippe Montagner and Olivier Poupart-Lafarge.

Sub-lease agreement

Bouygues has concluded a sub-lease agreement with TF1 under the terms of which TF1 undertakes to sub-let to Bouygues equipped premises with a surface area of 89 sq. m. in the "Le Levant" building in Boulogne Billancourt for a monthly rent of € 6,408 excl. VAT. € 5,569 was billed in respect of this agreement in 2001.

Persons concerned: Martin Bouygues, Michel Derbesse, Philippe Montagner, Patrick Le Lay, Patricia Barbizet, Olivier Poupart-Lafarge and Alain Pouyat.

Waiver of claim

In order to improve Infomobile's financial situation, Bouygues waived repayment of € 915,000 of its stockholder advance.

Persons concerned: Philippe Montagner and Alain Pouyat.

Service agreements

Bouygues has concluded service agreements with its main subsidiaries for a period of one year from 1 January 2002.

■ Use of offices at 90 avenue des Champs Elysées

Bouygues will provide occasional offices with related services on its premises at 90 avenue des Champs Elysées for an annual fee based on the projected use made of them by each company as follows

- Bouygues Bâtiment € 372,920 (per year excl. VAT)

Persons concerned: Jean-Pierre Combot, Olivier Poupart-Lafarge and Ivan Replumaz

- Bouygues Construction € 198,730 (per year excl. VAT)

Persons concerned: Jean-Pierre Combot, Michel Derbesse, Olivier Poupart-Lafarge and Ivan Replumaz

- Bouygues Telecom € 117,000 (per year excl. VAT)

Persons concerned: Olivier Bouygues, Philippe Montagner and Olivier Poupart-Lafarge

- Bouygues Travaux Publics € 108,240 (per year excl. VAT)

Persons concerned: Jean-Pierre Combot and Olivier Poupart-Lafarge

- Saur € 57,900 (per year excl. VAT)

Persons concerned: Olivier Bouygues, Michel Derbesse, Philippe Montagner and Olivier Poupart-Lafarge

- ETDE € 19,200 (per year excl. VAT)

Persons concerned: Jean-Pierre Combot, Philippe Montagner, Alain Pouyat and Ivan Replumaz

- Bouygues Offshore € 17,900 (per year excl. VAT)

Persons concerned: Olivier Bouygues, Jean-Pierre Combot, Michel Derbesse, Olivier Poupart-Lafarge and Ivan Replumaz

- Bouygues Immobilier € 7,880 (per year excl. VAT)

Persons concerned: Jean-Pierre Combot, Michel Derbesse and Olivier Poupart-Lafarge

Investor relations services for Bouygues Construction, Bouygues Offshore, Colas and TF1 provided by the General Secretariat of the Bouygues Group

Bouygues' investor relations department also keeps stockholder registers, prepares the Annual Meeting and pays the dividends of the following Group companies: Bouygues Construction, Bouygues Offshore, Colas and TF1.

An annual fee is charged for these services on the basis of estimated time spent and the cost of the investor relations department as follows:

- Colas € 10,000 (per year excl. VAT)

Persons concerned: Olivier Bouygues, Michel Derbesse, Alain Dupont, Patrick Le Lay and Olivier Poupart-Lafarge

- Bouygues Offshore € 40,000 (per year excl. VAT)

Persons concerned: Olivier Bouygues, Jean-Pierre Combot, Michel Derbesse, Olivier Poupart-Lafarge and Ivan Replumaz

- Bouygues Construction € 40,000 (per year excl. VAT)

Persons concerned: Jean-Pierre Combot, Michel Derbesse, Olivier Poupart-Lafarge and Ivan Replumaz

- TF1 € 70,000 (per year excl. VAT)

Persons concerned: Patricia Barbizet, Martin Bouygues, Michel Derbesse, Patrick Le Lay, Philippe Montagner, Olivier Poupart-Lafarge and Alain Pouyat

Use of two aircraft owned by the Bouygues Group

The services provided to Bouygues Group subsidiaries which use the group's aircraft will be billed:

- either on the basis of € 2,350 excl. VAT per flight hour for companies which pay an annual fee to the owner for use of the aircraft unserviced,
- or on the basis of € 4,695 excl. VAT per flight hour.

- Bouygues Construction

Persons concerned: Jean-Pierre Combot, Michel Derbesse, Olivier Poupart-Lafarge and Ivan Replumaz

- Bouygues Telecom

Persons concerned: Olivier Bouygues, Philippe Montagner and Olivier Poupart-Lafarge

- Colas

Persons concerned: Olivier Bouygues, Michel Derbesse, Alain Dupont, Patrick Le Lay and Olivier Poupart-Lafarge

- Saur

Persons concerned: Olivier Bouygues, Michel Derbesse, Philippe Montagner and Olivier Poupart-Lafarge

- Saur France

Persons concerned: Olivier Bouygues

- Saur International

Persons concerned: Olivier Bouygues

- ETDE

Persons concerned: Jean-Pierre Combot, Philippe Montagner, Alain Pouyat and Ivan Replumaz

- Bouygues Offshore

Persons concerned: Olivier Bouygues, Jean-Pierre Combot, Michel Derbesse, Olivier Poupart-Lafarge and Ivan Replumaz

- Bouygues Immobilier

Persons concerned: Jean-Pierre Combot, Michel Derbesse and Olivier Poupart-Lafarge

- TF1

Persons concerned: Patricia Barbizet, Martin Bouygues, Michel Derbesse, Patrick Le Lay, Philippe Montagner, Olivier Poupart-Lafarge and Alain Pouyat

Agreements approved in previous years which continued to be effective in 2001

In accordance with the decree of 23 March 1967, we were informed that the following agreements, approved in previous years, continued to be effective in 2001.

Reciprocal advances between Bouygues and its subsidiaries generating interest charges

Advances by Bouygues to its subsidiaries generated interest charges of € 24,724,812 at rates lower than the tax-deductible maximum (6.20 %) for advances in euros.

Loan agreement with Infomobile

Stockholder advances from Bouygues to Infomobile in 2001 amounted to € 3,811,151. The interest on them amounted to € 378,090.

Guarantees

- **Continuation of guarantees given by Bouygues to Crédit Lyonnais**

  The agreement concerning guarantees given by Bouygues on behalf of CCIB, a Romanian limited liability company, concerns CCIB's reimbursement of the following loans:

  - an aggregate amount of € 1,219,592 in respect of the long-term credit agreement;

  - € 370,451 plus interest, expenses and fees in respect of the long-term supplementary loan.

- **Guarantees given by Bouygues to Crédit Lyonnais and Crédit Agricole Indosuez**

  In the context of the acquisition of a 10% equity interest in Tanagra, representing 50 million shares, under the terms of financing agreements concluded between Tanagra and its banks, Bouygues pledged a financial instruments account and gave two undertakings to banks, including Crédit Agricole Indosuez and Crédit Lyonnais, limiting its right to dispose of the shares.

  This guarantee terminated with the exchange of the Tanagra shares.

- **Continuation of guarantees given by Bouygues to TF1 International**

In the context of the disposal of Ciby Droits Audiovisuels, Bouygues gave a counter-guarantee for commitments assumed by Fiducine with regard to TF1 International.

- **Continuation of guarantees given by Bouygues to Bouygues Bâtiment**

In January 1998, Bouygues concluded a concession agreement relating to an equestrian club project in Jeddah (Saudi Arabia). Following the spin-offs in June 1999, one result of which was to substitute Bouygues Bâtiment for Bouygues, the two companies concluded an agreement in order to amend the clauses relating to joint and several liability.

Common service agreements

Bouygues billed the following amounts in respect of common service agreements in 2001:

	Amount in € excl. VAT
Colas	16,356,206
Bouygues Construction	13,963,050
Bouygues Immobilier	1,836,074
Infomobile	115,879
Saur	7,892,531
TF1	5,048,921

The common service agreements concluded with Colas, Bouygues Construction, Bouygues Immobilier, Infomobile, Saur and TF1 were renewed for one year with effect from 1 January 2002.

BDT support agreements

Bouygues provides BDT with strategic, financial, legal, accounting and labour relations support, particularly in the form of specific consulting services and participation in the work carried out by Bouygues Telecom committees.

€ 1,584,906 excl. VAT was invoiced in respect of such services in 2001.

Trade mark licence agreements

Bouygues concluded trade mark licence agreements in 2000 with Bouygues Construction, Bouygues Bâtiment, Bouygues Travaux Publics, Bouygues Immobilier and Bouygues Offshore, in particular so as to give them:

- the right to use respectively the Bouygues Construction, Bouygues Bâtiment, Bouygues Travaux Publics, Bouygues Immobilier and Bouygues Offshore trade marks, company names and trade names;
- the right for companies in the Construction branch to use the Minorange ellipse.

Bouygues billed the following amounts under these agreements in 2001:

	Amount in € excl. VAT
Bouygues Construction	36,587
Bouygues Travaux Publics	15,549
Bouygues Bâtiment	22,257
Bouygues Immobilier	16,464
Bouygues Offshore	25,916

• With Bouygues Telecom

Bouygues billed € 45,430 excl. VAT in 2001 in respect of the restricted right for service providers, distributors and operators to use the Bouygues Telecom trade mark under the terms of roaming agreements.

Other agreements

• With Bouygues Construction

Bouygues concluded a 3, 6, 9-year sub-lease agreement with Bouygues Construction as of 1 January 2000 relating to approx. 5,000 sq. m. of the Challenger site for an annual rent of € 3,423,913 excl. VAT and charges.

• With Saur International

Saur International billed € 519,380 excl. VAT in respect of the cost-sharing agreement between Saur international and Bouygues setting out the resources provided and the allocation between the two companies of costs in connection with strengthening their presence in China.

• With Bouygues Telecom

Bouygues Telecom and Bouygues concluded a subordinated loan agreement in 2000 relating to the financing of Bouygues Telecom for a total amount of € 1,219,592,137, of which Bouygues' share is € 255,960,000, in the form of subordinated loans backed by immediately callable bank guarantees. The agreement was without effect in 2001.

• With BDT

BDT concluded a loan agreement in 2000 with each of its shareholders, of which Bouygues is one, including a commitment to provide funds under conditions enabling BDT to answer calls for funds from Bouygues Telecom, and novation arrangements by which BDT instructed its shareholders, who are Bouygues Telecom's debtors under the terms of the loan agreements, to perform its obligation to provide funds, BDT's shareholders undertaking to do so, each one in respect of the proportion attributable to it. The agreement and arrangements were without effect in 2001.

Paris and Paris La Défense, 6 March 2002
The Auditors

Mazars & Guérard:
Jacques Villary Michel Rosse

Salustro Fournet & Associés:
François Fournet

4 - Auditors' report on reduction of the capital in the event of retirement of stock

Ladies and Gentlemen,

In our capacity as Auditors of Bouygues, and carrying out the duties set forth at Article L. 225-209, paragraph 4 of the Commercial Code in the event of a reduction of capital by retirement of repurchased stock, we hereby submit our report on the proposed transaction.

We have examined the capital reduction as we deemed fit in accordance with the standards of the profession.

The transaction is planned in the context of your company's repurchase of its own stock, up to 10% of the capital, under the conditions set forth at Article L. 225-209 of the Commercial Code according to:

- authorisations to buy back stock previously given by the Annual Meeting to the Board;
- the authorisation to buy back stock, subject to your approval at the Annual Meeting, which would be given for 18 months.

Your Board asks you to give it all powers, for an 18-month period, to retire stock bought under the terms of the various authorisations allowing your company to buy back its own stock, up to a limit of 10% of the capital per 24-month period

We have no comment to make on the reasons for and conditions of the envisaged capital reduction, bearing in mind that the capital cannot be reduced, as regards any stock that might be acquired pursuant to the authorisation set forth in the ninth resolution, unless you have previously approved that resolution.

Paris La Défense, 6 March 2002
The Auditors

Mazars & Guérard:
Jacques Villary Michel Rosse

5 - Auditors' special report on authorisations to increase the capital and issue transferable securities

Ladies and Gentlemen,

In our capacity as Auditors of Bouygues, and carrying out the duties set forth at Article L. 225-129 III of the Commercial Code, we hereby submit our report on the authorisations requested by your Board of Directors, with the option of delegating such powers to the Chairman, enabling it for a period of twenty-six months from the date of this Meeting to increase the share capital on one or more occasions, with or without cancellation of preferential subscription rights:

- by the issue, in euros or foreign currency or any other monetary unit established with reference to several currencies, of stock or transferable securities of whatsoever type giving immediate or future access, at any time or at a fixed date, to stock by way of subscription, conversion, exchange, redemption, presentation of a warrant or in any other way;

- or by incorporation into the authorised capital of premiums, reserves, earnings or other sums, where such incorporation is allowed by law and the company's by-laws, by creating and allocating bonus shares or by raising the par value of existing shares or both;

- up to a maximum nominal amount of one hundred and fifty million euros (150,000,000) in the event of a stock issue (in the event of incorporation of premiums, reserves, earnings or other sums, the amount of the resulting capital increases will be added to the above-mentioned maximum amount) and up to a maximum nominal amount of four billion euros (4,000,000,000) in the event of an issue of debt securities.

In addition, your Board of Directors asks you, under the conditions set forth in the thirteenth resolution to maintain these powers in the event of a tender offer for the company's securities, for a period expiring at the Annual Meeting called to approve the accounts for 2002.

The main characteristics of these powers are as follows.

- If the preferential subscription right is maintained, the Board of Directors will be responsible for deciding the terms and conditions of the transactions, including in particular the price and conditions of issue.

- If the preferential subscription right is cancelled, the Board of Directors may, for all or some of an issue, grant stockholders a priority subscription option for a period and under the conditions that it shall decide, for all or some of an issue. Such priority option shall not result in the creation of negotiable rights but may be exercised on an irreducible or reducible basis should the Board deem fit.

Pursuant to the provisions of Article 225-136, paragraph 2 of the Commercial Code, the issue price of stock issued in this way, taking into consideration the issue price of stand-alone share warrants, if any, shall be at least equal to the average of the opening market price of the company's stock on ten consecutive trading days chosen from the twenty trading days immediately preceding the issue of the transferable securities concerned, after adjustment of such average for any difference in the dates at which the securities bear dividends.

Your Board has asked the holders of investment certificates, previously called to a Special Meeting, to waive their preferential subscription right.

Your Board has asked the holders of bonds convertible for new stock or exchangeable for existing stock issued in the context of the Bouygues 1.70% - 1996/2006 bond issue to give their prior approval to the cancellation of preferential subscription rights.

We have examined the various planned issues as we deemed fit in accordance with the standards of the profession.

Without prejudice to subsequent review of the conditions for the proposed capital increases, we have no comment to make on the method for determining the issue price set forth in the Board of Directors' report.

As the issue price for equity securities, the basis for conversion or exchange and the exercise price for subs-cription rights have not been fixed, we express no opinion on the final conditions under which the transactions are carried out, and consequently on the proposed cancellation of the preferential subscription right for certain issues, though the principle of such cancellation is in keeping with the rationale of some of the transactions submitted to you for approval.

In accordance with Article 155.2 of the decree of 23 March 1967, we shall draw up a supplementary report when the Board of Directors or the Chairman carries out these transactions.

Neuilly-sur-Seine and Paris La Défense, 6 March 2002
The Auditors

Mazars & Guérard:
Jacques Villary Michel Rosse

Salustro Fournet & Associés:
François Fournet

6 - Auditors' report on the subscription of stock reserved for employees

Ladies and Gentlemen,

In our capacity as Auditors of Bouygues and pursuant to the provisions of Articles L. 225-138 and L. 225-129-VII of the Commercial Code, we hereby submit our report on the authorisations requested by your Board of Directors enabling it to carry out one or more capital increases by issuing stock reserved for employees of Bouygues and of its French or foreign affiliates who are members of a corporate savings plan.

These transactions would be carried out under the following conditions:

- the capital increase would be carried out, on one or more occasions, within a maximum limit of 10% of the company's capital at the time of each capital increase, by issuing new shares payable in cash and, where appropriate, by granting bonus shares or other securities giving access to the capital under the conditions set forth by law;

- the subscription price of the new shares at each issue may not be more than 20% lower, or 30% in the case of a voluntary partnership employee savings scheme, than the average opening price of the stock listed on the first market of the Paris Bourse on the twenty trading days immediately preceding the day of the Board's decision setting the opening date for subscription;

- in the event of a capital increase carried out pursuant to the delegations and powers given to the Board by the Annual Meeting on 25 April 2002 in the eleventh and twelfth resolutions to increase the authorised capital within the limit of a maximum nominal amount of one hundred and fifty million euros (€ 150,000,000) or carried out following the exercise of stock options or composite transferable securities, the Board must consider whether or not it is appropriate to carry out a capital increase under the conditions set forth at Article L. 443-5 of the Labour Code. It may, with the option of delegating its powers to the Chairman, carry out within the framework of the provisions of the above-mentioned Article L. 443-5 of the Labour Code capital increases reserved for Bouygues employees and for employees of French or foreign companies affiliated to it within the meaning of the prevailing laws who belong to a corporate savings plan or to a voluntary partnership employee savings scheme, within a maximum limit of 10% of the capital increase carried out.

Your Board asks you to grant it powers, with the option of delegating them to the Chairman, that will enable it, within a period of twenty-six months, to carry out one or more capital increases under the restrictive conditions set forth above.

Your Board of Directors has asked the holders of investment certificates, previously called to a Special Meeting, to waive their preferential subscription right.

Your Board of Directors has asked the holders of bonds convertible for new stock or exchangeable for existing stock issued in the context of the Bouygues 1.70 % - 1999/2006 bond issue to give their prior approval to the cancellation of preferential subscription rights.

Adoption of this resolution entails a waiver by the stockholders of their preferential subscription right in favour of the employees for whom the capital increase is reserved. We have examined these planned issues as we deemed fit in accordance with the standards of the profession.

Without prejudice to subsequent review of the conditions for the proposed capital increases, we have no comment to make on the method for determining the issue price set forth in the Board of Directors' report.

As the issue prices for the stock have not been fixed, we express no opinion on the final conditions under which the transactions will be carried out.

In accordance with Article 155-2 of the decree of 23 March 1967, we shall draw up a supplementary report when the Board of Directors carries out these transactions.

Neuilly-sur-Seine and Paris La Défense, 6 March 2002
The Auditors

Mazars & Guérard:
Jacques Villary Michel Rosse

Salustro Fournet & Associés:
François Fournet

7 - Assessors' report on the valuation of the contributions

Ladies and Gentlemen,

We have drawn up this report as set forth at Article L. 225-147 of the Commercial Code (formerly Article 193 of the Act of 24 July 1966) in performance of the assignment given to us by order of the President of the Paris Commercial Court on 29 January 2002 relating to the merger by absorption of Société Financière et Immobilière de Boulogne - SFIB with Bouygues.

The net assets contributed were defined in the merger agreement concluded by the representatives of the companies involved on 6 March 2002. Our assignment is to express a conclusion on the point that the value of the contributions is not excessive. To that end we have carried out our verifications according to the standards of the Compagnie Nationale des Commissaires aux Comptes that apply to such assignments. These standards require that we carry out verifications to assess the value of the contributions, to ensure that they are not overvalued and that the value corresponds at least to the par value of the shares to be issued by the beneficiary plus the merger premium, and to assess any specific advantages.

This report is in five parts:

A. DESCRIPTION OF THE PROPOSED TRANSACTION

1. Characteristics of the companies concerned

a. Bouygues

Bouygues is a French société anonyme with share capital of € 343,751,379 divided into 343,741,379 shares of € 1 par, all of the same category, fully paid-up and non-redeemed. 593,008 shares are split into the same number of investment certificates and voting certificates but may be reconstituted as shares in accordance with the law.

Its registered office is at 90 avenue des Champs Elysées – 75008 Paris and it is registered in the Paris Trade and Companies Register as no. 572 015 246.

Bouygues' shares are in public issue and are listed on the First Market of Euronext in Paris.

Fully paid-up shares may be in registered or bearer form at the holder's discretion. Fully paid-up investment certificates and voting certificates must be in registered form.

A voting right double the right conferred on other shares having regard to the portion of the share capital they represent is allocated to all fully paid-up shares that are proved to have been registered for at least two years in the name of the same holder.

There are no founder's shares and Bouygues has not issued any preference shares.

Bouygues has as its purpose in all countries:

- the acquisition, directly or indirectly, of interests in all French or foreign companies or groupings, whatever their purpose or business, and the management and disposal as appropriate of such interests,
- the creation, acquisition, operation and disposal as appropriate of all French or foreign undertakings, in any field of business, whether industrial, commercial or financial, including in particular in the construction sector (building, civil works, roads, property) and the service sector (utilities management, media, telecommunications),

- and in general all industrial, commercial, financial, mining and agricultural operations or transactions and all operations or transactions involving movable or real property relating directly or indirectly to the purpose set forth above or to all similar or related purposes that may enable or facilitate the achievement or pursuit thereof.

The financial year begins on 1 January and ends on 31 December.

b. Société Financière et Immobilière de Boulogne - SFIB

Société Financière et Immobilière de Boulogne - SFIB is a French société anonyme with share capital of € 38,100,000 divided into 25,000 shares of € 1,254 par, all of the same category, fully paid-up and non-redeemed and in registered form.

Its registered office is at 150 route de la Reine, 92100 Boulogne Billancourt and it is registered in the Nanterre Trade and Companies Register as no. 331 843 011.

Société Financière et Immobilière de Boulogne - SFIB has not issued any transferable securities (bonds, investment certificates, composite securities, warrants, etc.) other than the shares that comprise its authorised capital.

The shares of Société Financière et Immobilière de Boulogne - SFIB are not in public issue.

Société Financière et Immobilière de Boulogne - SFIB has as its purpose in all countries:

- to provide all advice and assistance on all matters of an administrative, legal, financial, commercial, data processing and technical nature relating to the development, erection, administration and management of buildings;

- to make all preparations for the direct or indirect establishment of co-ownership rights within the framework of the prevailing legislation,

- to draw up all documents and deeds relating to the corporate life of property companies,

- to carry out all organisation, coordination, steering, design, research, and preliminary engineering tasks relating to the construction of buildings of all types and the management of all building projects,

- to acquire, own and manage corporate rights and transferable securities by means of contributions, acquisitions, subscriptions, exchanges, disposals or in any other way and equity interests in all companies whatever their purpose, and in general to manage a portfolio of securities and equity interests,

- to carry out all transactions that relate directly or indirectly to one of the purposes set forth above or may facilitate them.

The only significant assets of Société Financière et Immobilière de Boulogne - SFIB are shares in Bouygues Immobilier, of which it owns 99.982% of the share capital.

The financial year begins on 1 January and ends on 31 December.

2. Links between the companies concerned

a. Equity links

Société Financière et Immobilière de Boulogne - SFIB is a holding company, the entire share capital of which is owned by Bouygues, which undertakes to keep all the shares until the merger has been completed. Consequently, the merger transaction is governed by Article L. 236-11 of the Commercial Code (formerly Article 378-1 of the Act of 24 July 1966).

b. Common director

Mr. Olivier Poupart-Lafarge, director of Bouygues and standing representative of Bouygues, director of Société Financière et Immobilière de Boulogne - SFIB.

3. Context of the transaction

a. Purpose of the transaction

The purpose of the transaction is to simplify the organisation of the Bouygues Group by eliminating an intermediate holding company, Société Financière et Immobilière de Boulogne - SFIB.

Following the transaction, Bouygues will directly own the shares in its subsidiary Bouygues Immobilier.

The merger will generate savings on management costs and will facilitate the flow of dividends

b. Terms of the transaction

The accounts of the companies involved that have been used to establish the terms of the transaction are the accounts as at 31 December 2001, the closing date of the most recent financial year for both companies.

The accounts of Société Financière et Immobilière de Boulogne - SFIB were closed by the Board of Directors on 4 March 2002 and the accounts of Bouygues by the Board of Directors on 5 March 2002. They will be approved by the Annual Meetings of the respective companies.

For the purposes of this transaction, the accounts of Société Financière et Immobilière de Boulogne - SFIB have been revalued on the basis of the market value of long-term investments.

c. Effective date of merger

The merger will take effect retroactively on 1 January 2002.

All transactions involving the assets or liabilities of Société Financière et Immobilière de Boulogne - SFIB from 1 January 2002 until the merger is complete will be automatically deemed to have been carried out on behalf of Bouygues and will be assumed by it. The accounts relating to this period will be provided to Bouygues on completion of the merger.

d. Tax treatment

- **Registration duty**

The contributions in the merger will be subject to the tax rules set forth at Article 816 of the General Tax Code and will consequently entail payment of the flat fee.

- **Income tax**

The merger will be subject to ordinary tax rules. Consequently, Bouygues will complete the return referred to at Article 221-2 of the General Tax Code on behalf of Société Financière et Immobilière de Boulogne - SFIB and will assume any income tax liability incurred by Société Financière et Immobilière de Boulogne - SFIB on account of its dissolution under the conditions set forth at Article 201 of the above-mentioned Code.

- **Value added tax**

By express agreement, Bouygues will assume all rights and obligations of Société Financière et Immobilière de Boulogne - SFIB. Consequently, Société Financière et Immobilière de Boulogne - SFIB will transfer to Bouygues any value added tax credit it may have at the merger completion date.

Bouygues undertakes to make those supplementary payments set forth at Articles 210 and 215 of Annex II of the General Tax Code for which Société Financière et Immobilière de Boulogne - SFIB would have been liable and to assume all other obligations by which Société Financière et Immobilière de Boulogne - SFIB would have been bound.

B. DESCRIPTION AND EVALUATION OF CONTRIBUTIONS

1. Description of contributions

Société Financière et Immobilière de Boulogne - SFIB contributes to Bouygues all its assets and liabilities at 31 December 2001 as follows:

(In euros)

Assets contributed

	Net value at 31/12/2001	Revaluation	Net contribution value
Equity securities	144,682,568.00	100,317,432	245,000,000.00
Loans	36,736.25		36,736.25
Trade receivables	182,120.94		182,120.94
Other receivables	2,314,180.00		2,314,180.00
Cash	981.44		981.44
Prepaid expenses	318.53		318.53
Total contributed assets	**147,216,905.16**	**100,317,432**	**247,534,337.16**

Liabilities assumed

Contingency provisions	715,663.00		715,663.00
Provisions for taxes due	254,221.00		254,221.00
Trade payables	12,126.70		12,126.70
Tax and social security liabilities	121,895.18		121,895.18
Total assumed liabilities	**1,103,905.88**		**1,103,905.88**

Total contributed assets (€ 247,534,337.16) minus total assumed liabilities (€ 1,103,905.88) gives net contributed assets of € 246,430,431.28.

2. Valuation of contributions

Based on its revalued net assets at 31 December 2001, Société Financière et Immobilière de Boulogne - SFIB has a net asset value of € 246,430,431.28.

This net asset value takes account of the revaluation of the Bouygues Immobilier securities held by Société Financière et Immobilière de Boulogne - SFIB. From a book value of € 144,682,568, they were revalued at € 245,000,000.

The valuation was made on the basis of a review carried out by Banque Rothschild et Compagnie.

It is based on several criteria, including:

- comparison with listed companies carrying on similar business,

- earnings forecasts, based on the business plan supplied by Bouygues Immobilier.

Banque Rothschild et Compagnie states that the comparable transaction method was not chosen because it was difficult to put into effect.

2.1 Comparative method

A 20% discount was applied to the comparison with Kaufmann and Broad, according to Banque Rothschild et Compagnie in order to take account of the difference in profitability, putting a value on the company of € 201 million.

The same method was applied to a sample of UK listed companies. A 30% discount was applied, according to Banque Rothschild et Compagnie for the same reasons, putting a valuation on the company of € 243 million.

2.2. Discounted cash flow

The discounted cash flow method consists in measuring the worth of a company by discounting cash flow net of projected investment.

The method is particularly sensitive to four fundamental variables:

- forecast earnings,
- the operating assumptions in the reference business plan,
- the discount rate or cost of capital applied,
- calculation of the final value.

The method was applied to the business plan 2002-2004. The resulting value is the sum of discounted values and the estimated final value of the company at 31 December 2004.

The final value is obtained on the basis of an average standard year's earnings from the projected business plan, assuming a recurring 2.5% increase in earnings multiplied by a discount rate derived from the cost of capital estimated at 8.07%.

The contribution value corresponds to the value of the company plus the company's net cash position at 1 January 2002, the date of the contribution, amounting to € 65 million.

The valuation involves a certain number of working assumptions, in particular a discount rate based on the cost of capital, meaning the average return, according to Banque Rothschild et Compagnie, demanded by shareholders and creditors in order to finance the company.

The discount rate (or cost of capital) applied by Banque Rothschild et Compagnie is 8.07%. The rates used respectively for the cost of long-term debt and the cost of equity are as follows:

Long-term debt	3.7 %
Equity	9.5 %

Computing the discount gives the following results (in € million):

Present value of cash flow net of investment	17
Present value of the final value of the company	188
Value of the company	205
Cash position at 31/12/2001	65
Value of Bouygues Immobilier	270

2.3. Result of the valuation by Banque Rothschild et Compagnie

Combining the results described above gives an average value for Bouygues Immobilier of € 245 million (€ 222 million by comparison and € 270 million by DCF).

2.4. Comments on the valuation by Banque Rothschild et Compagnie

While the result of the valuation is broadly satisfactory, we have the following comments to make concerning the methods and valuation criteria employed:

- the approach based on a comparison with listed companies carrying on similar business must be treated with care, since the business of Kaufmann and Broad is not entirely similar and the UK companies used for comparison are not in the same business cycle;
- the discounted cash flow method, while classic and often employed, must also be treated with care since property development is by nature a cyclical business and the method produces a value based principally on a discounted final value.

2.5. Alternative methodology

Under these conditions and in order to validate the estimated value of Bouygues Immobilier at € 245 million, the method used was that of a potential acquirer in the context of a disposal of the business.

The approach consists in putting a value on a property development company by calculating the revalued net assets.

The revalued net assets are calculated on the basis of Bouygues Immobilier's consolidated annual accounts at 31 December 2001 and the expected earnings resulting from the three-year business plan 2002-2004 after tax and discounted at 1 January 2002 by applying a 15% rate which reflects in financial terms the risk inherent in the property development business. As well as spanning several years, property development projects are also subject to sometimes violent cyclical fluctuations; consequently, an acquirer has to adopt a short or short-to-medium term valuation method, using prudent rates.

This method estimates the revalued worth of Bouygues Immobilier's consolidated shareholders' equity at approximately € 290 million, giving a satisfactory safety margin with regard to the € 245 million valuation adopted.

C. REMUNERATION OF CONTRIBUTIONS

As Bouygues owned the entire share capital of Société Financière et Immobilière de Boulogne - SFIB at the date on which the merger plan was filed, there will be no creation of new shares or capital increase to remunerate the contributions, in accordance with Article L. 236-3 of the Commercial Code.

As the net book value of the shares in Société Financière et Immobilière de Boulogne - SFIB in Bouygues' accounts is € 242,851,284.47, the difference between this amount and the net value of the contributions, € 246,430,431.28, constitutes a merger premium of € 3,579,146.81.

This amount will be booked to a "merger premium" item and posted to liabilities on Bouygues' balance sheet.

D. VERIFICATIONS

We have carried out the verifications that we deemed necessary in accordance with the standards of the Compagnie Nationale des Commissaires aux Comptes in order to verify the value assigned to the contributions.

More specifically, we:

- acquainted ourselves with the background to the assignment and interviewed the managers of the companies concerned;
- reviewed the accounting, legal and tax terms of the transaction;
- collected documents and assembled the legal file;
- interviewed the auditors of Société Financière et Immobilière de Boulogne - SFIB and its significant subsidiaries and affiliates;
- reviewed the business of Société Financière et Immobilière de Boulogne - SFIB and of the group of companies of which it is the parent and reviewed the auditors' files;
- validated Bouygues' ownership of the entire share capital of Société Financière et Immobilière de Boulogne - SFIB;
- reviewed and validated the value of contributions, including a review of valuation methods, working assumptions, external reports (Rothschild), forecasts and projections, the three-year business plan, the parameters, assumptions and rates applied, etc.;

  In this context, we assessed the overall consistency of the business plan 2002-2004 and the relevance of the main assumptions on which it is based. In particular, we verified the share in the business plan of sales and expected margins on operations approved by the commitment commission before 31 December 2001. We also verified the future development of Bouygues Immobilier beyond 2004 on the basis of authorisations to acquire land as at 31 December 2001;
- reviewed the merger agreement.

On completion of our review, we did not find any evidence to call into question the overall value of the contributions.

E. CONCLUSION

On the basis of our review, we conclude that valuing the contributions at € 246,430,431.28 is not excessive.

Done at Paris on 22 March 2002
The Auditors, members of Compagnie Régionale de Paris

Lionel Guibert

Bernard Lelarge

DRAFT RESOLUTIONS

1 - Ordinary part

FIRST RESOLUTION
(Approval of the company accounts for 2001 and discharge of directors)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for ordinary stockholders' meetings, having acquainted itself with the Board of Directors' annual report on the company's business and situation in 2001 and the Auditors' report on the conduct of their assignment, approves the company accounts as at 31 December 2001 as presented, showing net earnings of € 236,941,211.51, and the transactions recorded in the accounts or summarised in the reports.

The Annual Meeting gives the directors full discharge.

SECOND RESOLUTION
(Approval of the consolidated financial statements for 2001)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for ordinary stockholders' meetings, having acquainted itself with the Board of Directors' annual report on the group's business and situation in 2001 and the Auditors' report on the consolidated financial statements, approves the consolidated financial statements as at 31 December 2001 as presented, showing net earnings attributable to the Group of € 344,054,000, and the transactions recorded in the accounts or summarised in the reports.

THIRD RESOLUTION
(Appropriation of earnings, amount of dividend)

The Annual Meeting, having acquainted itself with the Board of Directors' report and noting that distributable earnings for 2001 amount to € 236,941,211.51, approves the following appropriation and distribution of earnings:

- appropriation to the legal reserve: € 1,105,669.10
- distribution of a first net dividend (5% of par) of € 0.05: € 17,187,568.95
- distribution of an additional net dividend of € 0.31 per share or per investment certificate of € 1 par: € 106,562,927.49

  The dividend (€ 0.36 net per share and per investment certificate, plus a tax credit of € 0.18 on the basis of a 50% rate), will be paid in cash from 3 May 2002.

- appropriation of the balance to other reserves: € 112,085,045.97

Should the company hold some of its own stock when the dividend is distributed, the sum corresponding to the amount of dividend not paid because of the nature of such stock shall be allocated to retained earnings.

The Annual Meeting notes that the Board of Directors has fulfilled its statutory obligation to recapitulate the dividends distributed in the last three years and the related tax credits.

Year	1998	1999	2000
Number of shares	2,229,890 (1)	30,340,472 (1)	332,694,688
Dividend	€ 2.59	€ 2.59	€ 0.36
Tax credit (2)	€ 1.30	€ 1.30	€ 0.18
Total dividend per share	€ 3.89	€ 3.89	€ 0.54
Total dividend	€ 67,978,256.20	€ 77,579,811.79	€ 119,770,087.68

(1) before ten-for-one stock split
(2) on the basis of a 50% rate

FOURTH RESOLUTION
(Agreements referred to at Article L. 225-38 of the Commercial Code)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for ordinary stockholders' meetings and pursuant to the provisions of Article L. 225-40 of the Commercial Code, having acquainted itself with the Auditors' special report on agreements referred to at Article L. 225-38 of the Commercial Code, approves the agreements mentioned therein.

FIFTH RESOLUTION
(Renewal of a director's term of office)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for ordinary stockholders' meetings, renews for six years the directorship of Artemis, having its registered office at 5, Boulevard de Latour-Maubourg - 75007 Paris, which expires on conclusion of this meeting.

Its term of office will expire on conclusion of the annual meeting called to approve the accounts for 2007.

SIXTH RESOLUTION
(Renewal of a director's term of office)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for ordinary stockholders' meetings, renews for six years the directorship of Mr. Michel Derbesse, residing at Le Hameau Baucain - 28, rue de la Source Perdue – 91190 Gif sur Yvette, which expires on conclusion of this meeting.

His term of office will expire on conclusion of the annual meeting called to approve the accounts for 2007.

SEVENTH RESOLUTION
(Renewal of a director's term of office)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for ordinary stockholders' meetings, renews for six years the directorship of Mr. Alain Dupont, residing at 75, rue Madame – 75006 Paris, which expires on conclusion of this meeting.

His term of office will expire on conclusion of the annual meeting called to approve the accounts for 2007.

EIGHTH RESOLUTION
(Renewal of a director's term of office)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for ordinary stockholders' meetings, renews for six years the directorship of Mr. Patrick Le Lay, residing at 7, rue de Talleyrand – 75007 Paris, which expires on conclusion of this meeting.

His term of office will expire on conclusion of the annual meeting called to approve the accounts for 2007.

NINTH RESOLUTION
(Authorisation given to the Board with a view to enabling the company to buy back its own shares or investment certificates)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for ordinary stockholders' meetings, having acquainted itself with the Board of Directors' report and the information contained in the notice certified by the Commission des Opérations de Bourse, and pursuant to the provisions of Article L. 225-209 et seq. of the Commercial Code, authorises the Board to buy the company's own shares or investment certificates up to a limit of 10% of the number of securities comprising the authorised capital at the date on which the buy-back programme is used.

Shares may be bought on a decision of the Board with a view to:

- stabilising the company's share price on the market by systematically buying against the trend;
- selling such repurchased shares according to the market situation;
- allocating such repurchased shares to company or Group employees or officers under the terms and conditions laid down by law, in particular in the framework of profit-sharing schemes, stock option schemes, corporate savings plans, inter-company savings schemes and voluntary partnership employee savings schemes;
- using such repurchased shares for exchange purposes, in particular in the context of acquisitions or on the issuance of securities giving access to the capital;
- keeping or, where relevant, disposing of or transferring such repurchased shares by all means;
- retiring such repurchased shares, subject to specific authorisation from the extraordinary stockholders' meeting.

Investment certificates may be purchased on a decision of the Board with a view to keeping them or, as appropriate, disposing of them or transferring them by all means or with a view to reconstituting shares.

Shares or investment certificates may be acquired by all means and at any time, in particular on the market or by private contract, including by way of derivatives (and in particular the sale of put options) except for purchases of call options, in compliance with the prevailing regulations. There is no restriction on the portion of the programme that may be carried out by block trades.

The Board will operate under the following terms:
- maximum purchase price: € 50 per share or investment certificate,
- minimum sale price: € 25 per share or investment certificate.

These prices are set subject to adjustment in connection with any future transactions involving the company's capital.

The maximum amount of funds earmarked for the programme to buy back shares and investment certificates shall be € 600,000,000 (six hundred million euros).

With a view to carrying out the present authorisation, the Board of Directors is granted all powers, especially to assess whether it is appropriate to begin a buy-back programme and to decide the terms and conditions thereof. The Board may delegate such powers to place all stock market orders, conclude all agreements, in particular with a view to keeping registers of purchases and sales of stock, make all declarations to the Commission des Opérations de Bourse or any other body, carry out all other formalities and in general do all that is necessary.

The Board will give stockholders information about purchases, transfers, disposals or retirement of stock carried out under the programme in its report to the Annual Meeting.

The present authorisation is given for a period of eighteen months from the date of this meeting. It invalidates all previous authorisations of the same type, in particular the one granted by the Annual Meeting on 31 May 2001 in its eleventh resolution.

2 - Extraordinary Part

TENTH RESOLUTION

(Authorisation given to the Board to reduce the authorised capital by retiring stock)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for extraordinary stockholders' meetings, having acquainted itself with the Board of Directors' report and the Auditors' report, authorises the Board, pursuant to the provisions of Article L. 225-209 of the Commercial Code, to retire, by its own decision, on one or more occasions, all or some of the company stock held by the company following utilisation of the various authorisations to buy back stock given by the stockholders' meeting to the Board, up to a limit of 10% of the authorised capital per 24-month period.

The Annual Meeting authorises the Board to deduct the difference between the repurchase value and par value of retired stock from available premiums and reserves.

The Annual Meeting confers all powers on the Board to note any reduction(s) of the capital following the retirement of stock as authorised by this resolution, cause the corresponding accounting entries to be made, amend the by-laws accordingly and in general carry out all the necessary formalities.

This authorisation is given for a period of eighteen months.

ELEVENTH RESOLUTION

(Delegation of powers to the Board to increase the authorised capital, either by issuing stock or transferable securities giving immediate or future access to company stock, preserving the preferential subscription right, or by incorporating premiums, reserves, earnings or other sums)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for extraordinary stockholders' meetings, having acquainted itself with the Board of Directors' report and the Auditors' special report, pursuant to the provisions of the Commercial Code, especially Article L. 225-129 III thereof:

1- Delegates to the Board the necessary powers to increase the authorised capital, on one or more occasions, in such proportion and at such time(s) as it may deem fit:

a) by the issue, on the French or international market, in euros or foreign currency or any other monetary unit established with reference to several currencies, of company stock or transferable securities of whatsoever type (including stand-alone share warrants) giving immediate or future access, at any time or at a fixed date, to company stock by way of subscription, conversion, exchange, redemption, presentation of a warrant or in any other way,

b) or by incorporation into the authorised capital of premiums, reserves, earnings or other sums, where such incorporation is allowed by law and the company's by-laws, by creating and allocating bonus shares or by raising the par value of existing shares or both.

2- Grants the present powers for twenty-six months from the date of this meeting.

3- Decides to limit as follows the amount of authorised issues should the Board make use of the powers delegated to it hereby:

a) in the event of a capital increase by way of an issue referred to at paragraph 1-a above:

the maximum nominal amount of the stock issued in this way, whether directly or on presentation of equity or debt securities, may not exceed € 150,000,000 (one hundred and fifty million euros) or the equivalent thereof in another currency, including the total nominal value of stock that it may be necessary to issue in order to preserve the statutory rights of the holders of such securities. The nominal amount of stock issued directly or indirectly pursuant to the twelfth resolution put to this meeting will be deducted from such amount. The amount of capital increases resulting from incorporation of premiums, reserves, earnings or other sums will be added to the amount of the ceiling set forth above;

b) the maximum nominal amount of debt securities that may be issued under the powers referred to paragraph 1-a above may not exceed € 4,000,000,000 (four billion euros) or the equivalent thereof in another currency. The amount of debt security issues carried out pursuant to the twelfth resolution will be deducted from such amount.

4- Should the Board make use of the powers delegated to it hereby, in the context of issues referred to at paragraph 1-a above:

a) decides that the issue or issues shall be reserved by preference to holders of shares and investment certificates, who may subscribe on an irreducible basis;

b) empowers the Board to institute a reducible subscription right;

c) decides that if irreducible or, where applicable, reducible subscriptions do not exhaust the entire issue, the Board may make use of one of the following options, under the conditions set forth by law and in such order as it may decide:

- it may limit the capital increase to the amount subscribed, provided that such amount represents at least three-quarters of the previously decided increase,
- it may freely distribute all or some of the unsubscribed issued securities,
- it may make a public offering of all or some of the unsubscribed issued securities on the French or international market;

d) acknowledges and decides, as necessary, that the present decision constitutes an automatic and express waiver by holders of shares and investment certificates in favour of the holders of the issued securities of their preferential right to subscribe the stock to which such issued securities will give entitlement and decides to cancel the preferential right of holders of shares or investment certificates to subscribe stock issued as a result of conversion of bonds or exercise of warrants;

e) decides that the company may issue share warrants either by way of subscription under the conditions set forth above or by allocation free of charge to the holders of existing shares or investment certificates;

f) decides that the amount of the consideration that is or may subsequently be due to the company in respect of each issued share shall be at least equal to the par value thereof.

5- Decides that the Board shall have all powers, with the option of delegating them to its Chairman under the conditions provided by law, to use the present delegation, in particular in order to:

a) decide the terms and conditions of the capital increase or issue,

b) as regards any issue carried out under the conditions set forth at paragraph 1-a above using the present powers:

- to decide the dates and terms of issues and the form and characteristics of transferable securities to be created; to decide the price and conditions of issues; to decide amounts to be issued; to decide the date from which securities to be issued shall bear interest or dividends, including retroactively, and where appropriate the conditions for their repurchase on the stock market; to suspend where appropriate exercise of allocation rights attached to the securities to be issued for a period not exceeding three months; to decide as appropriate the conditions under which the rights of holders of securities giving future access to the authorised capital are maintained, in accordance with the laws and regulations; to make all deductions from share premiums as appropriate, and in particular to deduct costs arising from the issuance of securities; in general to take all appropriate steps and conclude all agreements to ensure that the planned issues proceed smoothly; to note any capital increase resulting from any issue undertaken using the present powers and to amend the by-laws accordingly,

- in the event of issues of debt securities, to decide whether or not they should be subordinated and to decide their rate of interest, their maturity, the redemption price, whether fixed or floating, with or without a premium, the terms of amortisation according to market conditions, and the conditions under which such securities give entitlement to the company's shares or investment certificates;

c) as regards any incorporation into the authorised capital of premiums, reserves, earnings or other sums referred to at paragraph 1-b above:

- to decide the amount and nature of sums to be incorporated into the authorised capital, to decide the number of new shares and/or investment certificates to be issued or the amount by which the par value of existing shares and investment certificates comprising the authorised capital shall be increased, to decide the date from which the new shares and/or investment certificates shall bear dividend or at which the increase in par value shall take effect, including retroactively,

- to decide as appropriate that fractional rights shall not be negotiable and that the corresponding securities shall be sold, the revenues from such sale being allocated to the holders of the rights at the latest thirty days after the date on which the whole number of allocated securities is registered in their account.

Pursuant to Article L. 228-33 of the Commercial Code, new investment certificates will be created and allocated free of charge to the holders of existing certificates in the same proportion as the number of new shares allocated to existing shares, except in the event of a waiver on their part in favour of all holders or some of them only.

The voting certificates corresponding to the new investment certificates will be allocated to the holders of existing voting certificates in proportion to their rights, except in the event of a waiver on their part in favour of all holders or some of them only.

Given that certificates representing less than one voting right cannot be allocated, fractional rights will be allocated as in the case of a cash capital increase referred to in paragraph 1-a above

d) in general to conclude all agreements, take all steps and carry out formalities to make the corresponding capital increase(s) final and to amend the by-laws accordingly.

6-Decides that the present authorisation shall invalidate any previous authorisation of the same type, in particular the one given by the Annual Meeting on 25 May 2000 in its nineteenth resolution.

The Annual Meeting notes that holders of investment certificates, at a special meeting held on this date, have expressly waived their preferential subscription right.

The Annual Meeting notes that holders of bonds convertible for new stock or exchangeable for existing stock issued in the context of the Bouygues 1.70% - 1996/2006 bond issue, meeting on 19 April 2002, have expressly approved the cancellation of preferential subscription rights referred to in this resolution.

TWELFTH RESOLUTION

(Delegation of powers to the Board to increase the authorised capital by issuing stock or transferable securities giving immediate or future access to stock, with cancellation of the preferential subscription right)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for extraordinary shareholders' meetings, having acquainted itself with the Board of Directors' report and the Auditors' special report, pursuant to the provisions of the Commercial Code, especially Article L. 225-129 III and Articles L. 225-148, L. 225-150 and L. 228-93 thereof:

1- Delegates to the Board the necessary powers to issue or cause to be issued, on one or more occasions, in such proportion and at such time(s) as it may deem fit, on the French or international market, by way of public offering, in euros or foreign currency or any other monetary unit established with reference to several currencies, stock or transferable securities of whatsoever type giving immediate or future access, at any time or at a fixed date, to stock, whether by way of subscription, conversion, exchange, redemption, presentation of a warrant or in any other way. Such securities may be issued in order to remunerate securities contributed to the company in the context of an exchange offer for securities meeting the conditions set forth at Article L. 225-148 of the Commercial Code.

2- Grants the present powers for twenty-six months from the date of this meeting.

3- Decides that the nominal amount of capital increases that may be carried out immediately or at a later date using the above-mentioned powers may not exceed € 150,000,000 (one hundred and fifty million euros) or the equivalent thereof in another currency, including the total nominal value of stock that it may be necessary to issue in order to preserve the statutory rights of the holders of transferable securities giving entitlement to stock. The nominal amount of stock issued directly or indirectly pursuant to the eleventh resolution put to this meeting shall be deducted from such amount.

4- Further decides that the nominal amount of debt securities that may be issued using the above-mentioned powers may not exceed € 4,000,000,000 (four billion euros) or the equivalent thereof in another currency. The nominal amount of debt securities issued pursuant to the eleventh resolution put to this meeting shall be deducted from such amount.

5- Decides to cancel the preferential right of holders of shares and investment certificates to subscribe the securities to be issued, it being understood that the Board may, for all or some of an issue, grant holders of shares and investment certificates a priority subscription option for a period and under the conditions that it shall decide. Such priority option shall not result in the creation of negotiable rights but may be exercised on an irreducible or reducible basis, should the Board deem fit.

6- Decides that if stockholders and the public do not subscribe an entire issue of stock or transferable securities as defined above, the Board may make use of one or other of the following options, in such order as it may decide:

- it may where appropriate limit the issue to the amount subscribed, provided that such amount represents at least three-quarters of the previously decided increase,
- it may freely distribute all or some of the unsubscribed securities.

7- Acknowledges and decides, as necessary, that the present delegation constitutes an automatic and express waiver by holders of shares and investment certificates in favour of the holders of the issued securities of their preferential right to subscribe the stock to which such issued securities give entitlement.

Decides to cancel the preferential right of holders of shares and investment certificates to subscribe stock issued as a result of conversion of bonds or exercise of warrants.

8- Decides that the sum that is or may be due to the company in respect of each share issued using the present powers, taking into consideration the issue price of stand-alone share warrants, if any, shall be at least equal to the average of the first listed price of the company's stock on ten consecutive trading days chosen from the twenty trading days immediately preceding the issue of the above-mentioned transferable securities, after adjustment of such average for any difference in the dates at which the securities bear dividends.

9-Decides that the Board shall have all powers, with the option of delegating them to its Chairman under the conditions provided by law, to use the present delegation, in particular in order to decide the dates and terms of issues and the form and characteristics of transferable securities to be created; to decide the price and conditions of issues; to decide amounts to be issued; to decide the date from which securities to be issued shall bear interest or dividends, including retroactively, and where appropriate the conditions for their repurchase on the stock market; to suspend where appropriate exercise of rights to the allocation of stock attached to securities to be issued for a period not exceeding three months; to decide as appropriate the conditions under which the rights of holders of securities giving future access to the authorised capital are maintained, in accordance with the laws and regulations; to make all deductions from issue premiums as appropriate, and in particular to deduct costs arising from the issuance of securities; in general to take all appropriate steps and conclude all agreements to ensure that the planned issues proceed smoothly; to note any capital increase resulting from any issue undertaken using the present powers and to amend the by-laws accordingly.

If debt securities are issued, the Board shall have all powers, with the option of delegating them to its Chairman, to decide whether or not they should be subordinated and to decide their rate of interest, their maturity, the redemption price, whether fixed or floating, with or without a premium, the terms of amortisation according to market conditions, and the conditions under which such securities give entitlement to stock.

More specifically, if securities are issued to remunerate securities contributed in the context of an exchange offer, the Board shall have all powers, with the option of delegating them to its Chairman, to determine the exchange parity and, where appropriate, the amount of the cash balance payable or the characteristics of guaranteed value certificates; to note the number of securities tendered in exchange; to decide dates, terms and conditions of issue, including with guaranteed value certificates, and in particular the price of new stock or, where appropriate, securities giving immediate or future access to a portion of the company's authorised capital and the date from which such stock or securities bear interest or dividends; to record in a "merger premium" item on the liabilities side of the balance sheet, to which the rights of all stockholders shall attach, the difference between the issue price of new stock and its par value, and where appropriate to deduct all costs and fees arising from the authorised transaction from such merger premium.

10-Decides that the present authorisation shall invalidate any previous authorisation, in particular the one given by the Annual Meeting on 25 May 2000 in its twentieth resolution, except for the authorisation given by the Annual Meeting on 25 May 2000 in its sixteenth resolution to increase the capital on exercise of stock options granted by the Board, which is valid for five years.

The Annual Meeting notes that holders of investment certificates, at a special meeting held on this date, have expressly waived their preferential subscription right.

The Annual Meeting notes that holders of bonds convertible for new stock or exchangeable for existing stock issued in the context of the Bouygues 1.70% - 1996/2006 bond issue, meeting on 19 April 2002, have expressly approved the cancellation of preferential subscription rights referred to in this resolution.

THIRTEENTH RESOLUTION

(Option of using authorisations to increase the authorised capital in the event of a tender or exchange offer for the company's securities)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for extraordinary shareholders' meetings, having acquainted itself with the Board of Directors' report and pursuant to the provisions of Article L.225-129-IV of the Commercial Code, expressly authorises the Board, with the option of delegating such powers to its Chairman, for a period between the date of this meeting and the date of the annual meeting called to approve the accounts for 2002, to use the powers granted to the Board in the eleventh and twelfth resolutions above, during a tender or exchange offer for the company's securities, to increase the authorised capital by all means permitted by law by up to a maximum nominal amount of € 150,000,000 (one hundred and fifty million euros) or the equivalent thereof in the authorised currencies.

The Annual Meeting notes that holders of investment certificate, at a special meeting held on this date, have expressly waived their preferential subscription right.

This resolution has been approved by the holders of bonds convertible into new shares or exchangeable for existing shares issued in the context of the Bouygues 1.70% - 1996/2006 bond issue, meeting on 19 April 2002.

FOURTEENTH RESOLUTION

(Delegation of powers to the Board to increase the capital in favour of employees of the company or of Group companies, including if it makes use of authorisations to increase the capital)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for extraordinary shareholders' meetings, having acquainted itself with the Board of Directors' report and the Auditors' special report, and pursuant to the provisions of the Commercial Code, in particular Articles L. 225-138 and L. 225-129-VII thereof, and of Articles L. 443-1 et seq. of the Labour Code:

- delegates to the Board the necessary powers, with the option of delegating such powers to its Chairman, to increase the authorised capital, on one or more occasions, within a maximum limit of 10% of the company's capital at the time of each capital increase, by issuing new shares payable in cash and, where appropriate, by granting bonus shares or other securities giving access to the capital under the conditions provided by law;

- reserves subscription of all the shares to be issued to Bouygues employees and to employees of French or foreign companies affiliated to it within the meaning of the prevailing laws who belong to a corporate savings plan or to a voluntary partnership employee savings scheme;

- decides that the subscription price of the new shares at each issue may not be more than 20% lower, or 30% in the case of a voluntary partnership employee savings scheme, than the average opening price of the stock listed on the first market of the Paris Bourse on the twenty trading days immediately preceding the day of the Board's decision setting the opening date for subscription;

- in the event of a capital increase carried out:

- pursuant to the delegations and powers given to the Board by the Annual Meeting on 25 April 2000 in its eleventh and twelfth resolutions to increase the authorised capital by up to a maximum nominal amount of € 150,000,000 (one hundred and fifty million euros),

- following the exercise of stock options;

- following the exercise of composite transferable securities;

- decides that the Board shall be required to consider whether or not it is appropriate to carry out a capital increase under the conditions set forth at Article L.443-5 of the Labour Code, and authorises the Board, with the option of delegating its powers to the Chairman, to carry out, within the framework of the provisions of the above-mentioned Article L.443-5 of the Labour Code, capital increases reserved for Bouygues employees and for employees of French or foreign companies affiliated to it within the meaning of the prevailing laws who belong to a corporate savings plan or to a voluntary partnership employee savings scheme, within a maximum limit of 10% of the capital increase carried out pursuant to the powers conferred by the eleventh and twelfth resolutions aforesaid or following the exercise of stock options or composite transferable securities;

- notes that these decisions entail a waiver by holders of shares and investment certificates of their preferential subscription rights in favour of the employees for whom the capital increase is reserved;

- delegates all powers to the Board for the purposes of:

  - deciding the date and terms of issues carried out pursuant to this authorisation; in particular, deciding whether the shares are subscribed directly or through a mutual fund or another entity in accordance with the laws in force; deciding and setting the terms and conditions for allocating bonus shares or other securities giving access to the capital, pursuant to the authorisation given above; deciding the issue price of the new shares to be issued in compliance with the rules set forth above, the opening and closing date for subscriptions, the date from which the shares bear dividend, time limits for payment (which may not be more than three years), and where relevant the maximum number of shares that may be subscribed per employee and per issue;

  - noting capital increases in the amount of the shares actually subscribed;

  - carrying out all transactions and formalities, directly or by proxy;

  - amending the by-laws in accordance with capital increases;

  - charging expenses incurred in connection with capital increases to the amount of the premium relating to each increase and deducting from such amount the necessary sums to raise the legal reserve to one tenth of the new capital after each increase;

  - and in general doing whatever is necessary.

This authorisation is given for a period of twenty-six months from the date of this meeting. It invalidates any previous authorisation, in particular the one previously given to the Board by the Annual Meeting on 31 May 2001 in its fourteenth resolution.

The Annual Meeting notes that holders of investment certificate, at a special meeting held on this date, have expressly waived their preferential subscription right.

This resolution has been approved by the holders of bonds convertible into new shares or exchangeable for existing shares issued in the context of the Bouygues 1.70% - 1996/2006 bond issue, meeting on 19 April 2002.

FIFTEENTH RESOLUTION

(Amendment of the by-laws to take account of the provisions of Act 2001-420 of 15 May 2001 on new economic regulations concerning the identification of stockholders)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for extraordinary shareholders' meetings, having acquainted itself with the Board of Directors' report, decides to amend the company by-laws in order to take account of the provisions of Act 2001-420 of 15 May 2001 on new economic regulations concerning the identification of stockholders as follows.

Article 8.2 shall henceforth read as follows:

"Article 8.2 - Identification of stockholders

In order to identify the holders of bearer shares, the company is entitled, in accordance with the conditions set forth in the prevailing laws and regulations, to ask at any time and at its own cost the organisation responsible for clearing securities, as the case may be, for the name or company name, nationality, year of birth or formation and address of the holders of securities conferring immediately or at a later date the right to vote at its stockholders' meetings, the number of securities held by each one and any restrictions there may be on such securities.

On sight of the list provided to the company by the organisation responsible for clearing securities, the company may ask either the organisation responsible for clearing securities or the persons on the list directly, when the company considers that they could be included on it in their capacity as intermediaries acting on behalf of third parties who own securities, for the information set forth in the preceding paragraph concerning the owners of the securities.

The persons concerned, if they are intermediaries, shall be required to disclose the identity of the owners of the securities. The information shall be provided directly to the authorised financial intermediary holding the account, which shall communicate the information to the company issuing the securities or to the clearing organisation as the case may be.

With regard to registered securities, the company is also entitled at any time to ask the intermediary registered on behalf of third parties who own the securities to disclose the owners' identity.

In as much as the company considers that certain holders of securities, whether in bearer or registered form, of whose identity it has been informed hold the securities on behalf of third parties who own them, it is entitled to ask the holders to disclose the identity of the owners of the securities under the conditions set forth above.

On completion of the requests for information referred to above, the company is entitled to ask any legal entity that owns company stock representing more than one fortieth of the company's share capital or voting rights to disclose the identity of persons who own directly or indirectly more than one third of the authorised capital of such legal entity or of the voting rights exercised at its stockholders' meetings.

If the person to whom a request has been made in accordance with the provisions of this Article fails to provide the requested information within the statutory or regulatory time limits or provides incomplete or erroneous information with regard to his capacity or the owners of the securities, the shares or securities giving immediate or future access to the share capital for which the person was registered are stripped of voting rights at any stockholders' meeting that takes place before the date at which such disclosure is properly made, and payment of the dividend is deferred until that date.

Furthermore, should the registered person knowingly infringe the provisions set forth above, the courts within the venue of which the company has its registered office may, on an application from the company or one or more stockholders holding at least 5% of the share capital, order the shares about which the request for information was made to be entirely or partially stripped of the voting rights attached to them for a total period not exceeding five years, and of the corresponding dividend, possibly for the same period."

A sixth paragraph is inserted into Article 8.3 - Thresholds - Crossing Thresholds - Penalties, reading as follows:

"Intermediaries registered as holders of securities in accordance with Article L. 228-1, paragraph 3 of the Commercial Code are required, without prejudice to the obligations of the owners of the securities, to make the disclosures set forth in this article for all the shares in the company in respect of which they are registered."

The rest of the article remains unchanged.

A paragraph is inserted in Article 19 on the holding of stockholders' meetings, reading as follows:

"19.5. Owners of shares in the company who are not domiciled on French territory may be registered and may be represented at stockholders' meetings by any intermediary registered on their behalf and holding a general authorisation to manage securities, provided that the intermediary previously declared his capacity as an intermediary holding securities for other parties when opening his account with the company or with the financial intermediary holding the account.

The company is entitled to ask an intermediary registered on behalf of stockholders not domiciled on French territory who holds a general authorisation to manage securities to provide a list of the stockholders he represents whose voting rights would be exercised at the meeting.

Votes or proxies cast by an intermediary who has failed to declare himself as such in accordance with the laws and regulations or these by-laws or who has failed to disclose the identity of the owners of the securities will not be counted."

SIXTEENTH RESOLUTION

(Amendment of the by-laws to take account of the provisions of Act 2001-420 of 15 May 2001 on new economic regulations concerning the balance of powers and the operation of governing bodies)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for extraordinary shareholders' meetings, having acquainted itself with the Board of Directors' report, decides to amend the company by-laws in order to take account of the provisions of Act 2001-420 of 15 May 2001 on new economic regulations concerning the balance of powers and the operation of governing bodies as follows.

Articles 13, 14, 15, 16 and 17 of Part III shall henceforth read as follows:

"Part III - Board of Directors - General Management

Article 13: Composition of the Board

13.1. The company shall be managed by a Board of Directors having three to eighteen members, without prejudice to the exception provided by law in the event of a merger, chosen from among the stockholders and appointed by the stockholders' meeting, and two members, also appointed by the stockholders' meeting, chosen from the members of the Supervisory Boards of mutual funds representing the employees.

13.2. The term of office of directors appointed by the stockholders' meeting from among the stockholders shall be six years, ending on conclusion of the annual meeting held in the year in which their term of office expires.

The term of office of directors appointed from the members of the Supervisory Boards of mutual funds representing the employees shall be two years, expiring at term or in the event of termination of their employment contract. The company shall take all steps to organise their replacement or renewal at such date.

Directors may be reappointed.

13.3. Directors chosen from among the stockholders may be dismissed by the stockholders' meeting at any time.

Directors appointed from the members of the Supervisory Boards of mutual funds representing the employees may be dismissed only for misconduct in the exercise of their duties, by court order.

13.4. Each director must own at least ten shares.

13.5. Legal entities that are directors are required to appoint a standing representative under the conditions provided by law.

13.6. The Board of Directors shall elect a Chairman from its members. The Chairman must be a natural person or else the appointment is void. The Board of Directors shall determine his remuneration.

The Chairman represents the Board of Directors. He organises and directs its work and reports thereon to the stockholders' meeting. He ensures that the company's decision-taking bodies operate smoothly, and in particular that the directors are in a position to carry out their duties.

The Chairman is appointed for a period that may not exceed his term of office as director and may be reappointed. The Board of Directors may dismiss him at any time. If the Chairman dies or is temporarily indisposed, the Board of Directors may appoint another director to act as Chairman.

The age limit for serving as Chairman is seventy.

The term of office of a Chairman reaching the age of sixty-five is subject to confirmation by the Board at its next meeting for a maximum of one year. It may subsequently be renewed for successive one-year periods until the age of seventy, at which time the person in question is automatically deemed to have resigned.

Article 14: Board of Directors meetings

The Board of Directors shall meet as often as necessary in the interests of the company. Meetings are called by the Chairman and may take place at the registered office or any other place.

Meetings may be called by all means, including orally.

The Board of Directors is quorate when at least half of its members are present. Decisions are taken by a majority of members present or represented. In the event of a tie, the chairman of the meeting has a casting vote.

Minutes shall be drawn up and copies or extracts of decisions delivered and certified as required by law.

Article 15: Powers of the Board of Directors

The Board of Directors lays down guidelines for the company's business and monitors their implementation.

Without prejudice to the powers expressly vested by law in stockholders' meetings and within the limits of the corporate purpose, the Board shall consider all questions relating to the smooth operation of the company and settle all matters concerning it by their decisions.

The Board of Directors shall carry out such controls and verifications as it deems fit.

All directors must receive the information necessary for them to carry out their duties and may obtain all documents they deem useful from the general management.

The Board of Directors may confer special powers for one or more specific purposes on one or more of its members or on third parties, whether stockholders or not.

The Board of Directors may decide to create committees responsible for examining such matters as the Board or its Chairman may put to them for an opinion. It shall determine the composition and remit of such committees, which shall conduct their business under its responsibility.

Article 16: Remuneration of directors

The Board of Directors shall be paid a fee charged to overheads. The amount, determined by the stockholders' meeting, shall remain the same until decided otherwise. The Board shall decide how the fee shall be allocated between its members.

The Board may also award directors exceptional remuneration in the cases and under the conditions provided by law.

Article 17: General Management

17.1. General Manager

The general management of the company is assumed, under his responsibility, either by the Chairman of the Board of Directors or by another individual, who may be a director or not, bearing the title Directeur Général (Chief Executive Officer or General Manager).

The Board of Directors may choose between these two options for the exercise of senior executive authority at any time and at least on expiry of each term of office of the Chief Executive Officer or Chairman of the Board of Directors when the latter is also responsible for the general management of the company. It informs the stockholders and third parties of its choice under the statutory conditions.

The Board of Directors' decision concerning the choice of option for the exercise of senior executive authority shall be taken by a majority of directors present or represented. In the event of a tie, the chairman of the meeting shall have a casting vote.

The by-laws do not need to be changed if there is a change in the option for the exercise of senior executive authority.

The Board of Directors shall appoint the Chief Executive Officer. It shall determine his term of office, which may not exceed that of his directorship, if any.

The Board of Directors shall determine the Chief Executive Officer's remuneration.

The age limit for serving as Chief Executive Officer is seventy.

The term of office of a Chief Executive Officer reaching the age of sixty-five is subject to confirmation by the Board at its next meeting for a maximum of one year. It may subsequently be renewed for successive one-year periods until the age of seventy, at which time the person in question is automatically deemed to have resigned.

The Board of Directors may dismiss the Chief Executive Officer at any time.

The Chief Executive Officer shall have the widest powers to act on the company's behalf in all circumstances, within the limits of its corporate purpose and without prejudice to the powers vested by law in stockholders' meetings and the Board of Directors.

The Chief Executive Officer represents the company in its relations with third parties. The company is bound even by acts of the Chief Executive Officer that do not fall within the scope of the corporate purpose, unless it can prove that the third party knew that the act exceeded the corporate purpose or could not have been unaware of the fact in view of the circumstances, given that mere publication of the by-laws is not sufficient to constitute such proof.

17.2. Deputy Chief Executive Officer

On a proposal from the Chief Executive Officer, whether the Chairman of the Board of Directors or another person, the Board of Directors may appoint one or more individuals, who may be directors or not, to assist the Chief Executive Officer, with the title Directeur Général Délégué (Deputy CEO or Deputy General Manager).

The maximum number of Deputy Chief Executive Officers is five.

In agreement with the Chief Executive Officer, the Board of Directors shall determine the scope and term of powers granted to Deputy Chief Executive Officer. However, when a Deputy Chief Executive Officer is a director, the term of his assignment may not exceed his term of office.

Deputy Chief Executive Officers have the same powers as the Chief Executive Officer with regard to third parties.

The Board of Directors shall determine the remuneration of Deputy Chief Executive Officers.

Should the Chief Executive Officer cease or be prevented from carrying out his duties, the Deputy Chief Executive Officers shall continue in their duties and assignments until a new Chief Executive Officer is appointed unless the Board of Directors decides otherwise.

The age limit for serving as a Deputy Chief Executive Officer is seventy.

The term of office of a Deputy Chief Executive Officer reaching the age of sixty-five is subject to confirmation by the Board at its next meeting for a maximum of one year. It may subsequently be renewed for successive one-year periods until the age of seventy, at which time the person in question is automatically deemed to have resigned."

SEVENTEENTH RESOLUTION

(Merger by absorption of Société Financière et Immobilière de Boulogne - SFIB, a wholly-owned subsidiary of Bouygues)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for extraordinary shareholders' meetings, having acquainted itself with the Board of Directors' report, the report of the assessors appointed by order of the President of the Paris Commercial Court and the merger plan drawn up on 6 March 2002,

under the terms of which Société Financière et Immobilière de Boulogne - SFIB, a French société anonyme (joint stock corporation) with share capital of € 38,100,000, having its registered office at 150, route de la Reine - 92100 Boulogne Billancourt, registered in the Nanterre Trade and Companies Register as no. 331 843 011, contributes to Bouygues its entire assets and liabilities as valued at 31 December 2001, giving net assets of € 246,430,431.28,

given that:

- as Bouygues owned the entire share capital of Société Financière et Immobilière de Boulogne – SFIB before the date at which the merger plan was filed with the Commercial Court registry, the merger is governed by the rules set forth at Article L. 236-11 of the Commercial Code;

- Bouygues will not undertake any capital increase in order to remunerate the contribution in accordance with the provisions of Article L. 236-3 of the Commercial Code;

- the merger surplus generated by Bouygues as a result of the merger, amounting to € 3,579,146.81, corresponds to the difference between the value of the net assets contributed and the book value in Bouygues' accounts of the shares in Société Financière et Immobilière de Boulogne - SFIB;

- by a decision of the parties, the merger will be backdated to 1 January 2002 for accounting and tax purposes;

- approves the merger by absorption of Société Financière et Immobilière de Boulogne – SFIB with Bouygues as described in the above-mentioned merger plan under the terms and conditions set forth therein, in particular the contributions made in respect of the merger and the valuation made thereof;

- decides to allocate the merger surplus to a "merger premium" account and to authorise the Board of Directors to charge to the merger surplus all costs, duties, taxes and fees incurred in connection with the merger and more generally all sums in accordance with the prevailing regulations.

EIGHTEENTH RESOLUTION
(Completion of the merger)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for extraordinary shareholders' meetings, following adoption of the preceding resolution and noting the approval of the accounts for 2001 by the Annual Meeting of Société Financière et Immobilière de Boulogne – SFIB, notes the completion of the merger by absorption of Société Financière et Immobilière de Boulogne - SFIB with Bouygues and the consequent winding-up without liquidation of Société Financière et Immobilière de Boulogne - SFIB as of this day.

NINETEENTH RESOLUTION
(Corresponding amendment of Article 6 "Contributions" of the by-laws)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for extraordinary shareholders' meetings, having acquainted itself with the Board of Directors' report, decides to amend Article 6 of the by-laws relating to contributions in order to take into account the completion of the merger, as follows.

The final paragraph henceforth reads as follows:

"On the merger by absorption of Société Financière et Immobilière de Boulogne - SFIB, a French société anonyme (joint stock corporation) with share capital of € 38,100,000, having its registered office at 150, route de la Reine - 92100 Boulogne Billancourt, registered in the Nanterre Trade and Companies Register as no. 331 843 011, its assets and liabilities were contributed.

The net value of the contributed assets amounted to € 246,430,431.28; because the company owned the entire share capital of the merged company under the conditions set forth at Article 236-11 of the Commercial Code, the contribution was not remunerated by a capital increase."

TWENTIETH RESOLUTION
(Powers to carry out formalities)

The Annual Meeting, taking its decision under the quorum and majority voting conditions for extraordinary shareholders' meetings, gives all powers to Olivier Poupart-Lafarge, director, to sign the certificate of compliance relating to the above-mentioned merger and to carry out all registration and notification formalities arising from the transaction, with the option of delegating such powers.

The Annual Meeting grants all powers to the bearer of an original, copy or extract of the minutes of this meeting to carry out all legal or administrative formalities and to make all filings and notifications required by the prevailing laws and regulations.

Notes

Financial review Bouygues 2002.

Coordination: Bouygues Internal Communications Department. Produced by Phénomène. Graphics advice: Séquoïa.
Translated by Bouygues Translation Department, Translations and A. Shaw.
Photography: Bouygues Group's photo libraries, Y. Chanoit, C. Chevalin, A. Chezière, C. Dupont,
Graphix Images (A. Da Silva, C. Dumont, V. Paul, L. Zylberman),
P. Guignard, D. Maestracci, G. Maucuit Lecomte, Lefebvre, P. Lesage, D. McAllan, M. Pelletier, J.C. Roca, J.M. Sureau, T.D.Vidal

"Société anonyme" with share capital of 343,751,379 euros
572 015 246 RCS Paris - I.E. FR 29 572 015 246

Head office: 90, avenue des Champs-Élysées - 75008 Paris - France
Postal address: Challenger - 1, avenue Eugène Freyssinet
78061 St-Quentin-en-Yvelines Cedex - France
Telephone : (33) 1 30 60 23 11

www.bouygues.com