CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

NOTES

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(FIGURES IN MILLIONS OF EUROS UNLESS OTHERWISE INDICATED)

NOTES

Declaration of compliance:

The consolidated financial statements of Bouygues and its subsidiaries (the "Group") for the year ended 31 December 2013 have been prepared using the principles and methods defined in the standards issued by the International Accounting Standards Board (IASB) as endorsed by the European Union and applicable as of 31 December 2013. These standards, collectively referred to as "IFRS", comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee, previously the International Financial Reporting Interpretations Committee (IFRIC), which itself was the successor body to the Standing Interpretations Committee (SIC). The Bouygues group has not early adopted as of 31 December 2013 any standard or interpretation not endorsed by the European Union.

The financial statements are presented in millions of euros (unless otherwise indicated) and comprise the balance sheet, the income statement, the statement of recognised income and expense, the statement of changes in shareholders' equity, the cash flow statement, and the notes to the financial statements.

The comparatives presented are from the consolidated financial statements for the year ended 31 December 2012.

NOTE 1. SIGNIFICANT EVENTS OF THE YEAR

1.1. Scope of consolidation as at 31 December 2013

1,126 entities were consolidated at 31 December 2013, versus 1,129 at 31 December 2012. The net reduction of 3 entities includes the deconsolidation on project completion (mainly in the construction segment) of entities set up for property co-promotion programmes (*Sociétés Civiles Immobilières – SCIs*) and of construction project companies (*Sociétés en Participation – SEPs*), offset by newly-consolidated entities (mainly at Colas, with the acquisitions made during 2013 in Australia and Canada and the first-time consolidation of entities acquired at the end of 2012 in New Caledonia).

(31 December)	2013	2012
Fully consolidated	**823**	**839**
Proportionately consolidated	**228**	**226**
Associates (equity method)	**75**	**64**
	1,126	**1,129**

1.2. Significant events

1.2.1. Significant events of 2013

The main acquisitions and corporate actions of 2013 are described below, in chronological order:

- On 7 January 2013, Bouygues repurchased 5,074,906 of its own shares, representing 1.57% of its share capital, for €99 million. On 26 February 2013, the Bouygues Board of Directors decided to cancel these shares.

- Arcep, the French electronic communications and postal services regulator, approved Bouygues Telecom's request to refarm its 1800 MHz frequencies from 1 October 2013 for the roll-out of 4G, on condition that Bouygues Telecom returns part of its frequencies.

- On 25 April 2013, the Annual General Meeting approved the distribution of a dividend of €1.60 for each of the 319,077,468 shares in issue, representing a total payout of €511 million. The dividend was paid on 6 May 2013.

- On 29 May 2013, Bouygues redeemed the €709 million outstanding on its May 2006 4.5% bond issue.

- On 3 July 2013, Colas acquired 100% of the shares of Furfari Paving Co Limited (asphalt mix production and road surfacing), renamed RoadWorks Ontario, in Canada. This company, which generates annual sales in the region of €80 million, is accounted for by the full consolidation method. The excess of the consideration paid over the book value of the net assets acquired amounted to €62 million, and has been provisionally recognised as goodwill.

- On 22 July 2013, Bouygues Telecom and SFR announced that they were in exclusive talks with a view to reaching an agreement to share part of their mobile networks. This strategic agreement was signed on 31 January 2014; by optimising the coverage of their shared networks, it will enable each operator to offer their respective customers a better signal both inside and outside buildings, and an enhanced quality of service.

- The ongoing reorganisation and adaptation measures at Bouygues Telecom and Colas had a negative impact of €91 million in the 2013 financial statements (see Note 12, "Operating profit").

- The very substantial revision by analysts of the cash flow projections for Alstom used as the basis for impairment testing, following Alstom's announcement on 21 January 2014 of a downgrade to its free cash flow and operating margin objectives for the 2014/2015 financial year and of a delay in the anticipated recovery, led Bouygues to book an impairment loss of €1,404 million in the 2013 financial statements (see Note 2.7.4.2).

1.2.2. Significant events of 2012

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

- On 17 January 2012, Bouygues Telecom was granted, in exchange for €683 million, an authorisation to use 10 MHz frequencies in the 800 MHz band in France (excluding overseas territories) to establish and operate a public mobile radio-electric network, with a commitment to open it to Mobile Virtual Network Operators (MVNOs). This authorisation, which came into use on 1 October 2013, was awarded for a period of 20 years.

- On 27 January 2012, Bouygues raised €800 million via a ten-year bond issue bearing interest at 4.5%, with a view to refinancing debt that matured in May 2013. The bond issue was paid up on 9 February 2012.

- On 18 September 2012, Bouygues raised €700 million via a bond issue maturing in 2023, bearing interest at 3.625%. The bond issue was paid up on 2 October 2012.

- The reorganisation and adaptation measures initiated by Bouygues Telecom and TF1 had a negative impact of €200 million in the year ended 31 December 2012 (see Note 12, "Operating profit").

- On 4 October 2012, Alstom carried out a €350-million capital increase via a private placing with institutional investors. As a consequence of this capital increase, the equity interest held by Bouygues was reduced from 30.71% as of 30 September 2012 to 29.40%. The resulting loss on dilution, amounting to €53 million, was recognised in profit or loss in the fourth quarter of 2012.

- During the fourth quarter of 2012, Bouygues Telecom made disposals (see Note 12, "Operating profit") totalling €234 million (€207 million of operating disposals, €27 million of financial disposals): sale to Antin Infrastructure Partners of 85% of France Pylônes Services (which manages telecoms masts in France transferred to it by Bouygues Telecom), and sale to Digital Realty trust of the buildings and property infrastructure of three data processing centres near Paris (Saclay, Montigny-le-Bretonneux and Bièvres).

- On 21 December 2012, Discovery Communications acquired a 20% equity interest in Eurosport for €178 million, with the possibility of raising this interest to 51% in two years' time. If Discovery Communications decided to do so, TF1 would in turn have the possibility of selling the remaining 49% to the Discovery Communications group.

  At the same time, the Discovery Communications group acquired a 20% equity interest in a number of TF1 pay-TV channels for €14 million, with the option to raise this interest to 49% in two years' time.
  Given that TF1 had not lost control of these entities, the fair value remeasurement of the divested interests, amounting to €93 million, was recognised in equity in 2012 (see Note 2.3, "Consolidation methods").

1.3. Consolidated sales

Consolidated sales for the year ended 31 December 2013 amounted to €33,345 million, virtually unchanged from the 2012 figure of €33,547 million.

1.4. Significant events and changes in scope of consolidation subsequent to 31 December 2013

- On 20 December 2013, Colas and Vinci Autoroutes announced the signature of an agreement whereby Colas was to sell to Vinci Autoroutes its 16.67% financial interest in the capital of Cofiroute, which with effect from that date has been classified as a held-for-sale asset in the balance sheet in accordance with the accounting policies described in Note 2.2. The transaction price is in a range from €780 million to €800 million, depending on the attainment of certain operating assumptions in the 2014-2015 period. This transaction was completed on 31 January 2014.

- On 21 January 2014, Discovery Communications and the TF1 group signed an agreement whereby Discovery is to acquire a controlling interest in the Eurosport International group (the Eurosport group excluding Eurosport France) via a deepening of the broad strategic partnership between the two groups that began in December 2012. The deal, which will enable Discovery to increase its interest in the capital of Eurosport SAS (the parent company of the group) by raising its stake from 20% to 51%, is taking place nearly a year earlier than the date envisaged in the initial agreement (see Note 1.2.2). TF1 is to retain its 80% interest in Eurosport France at least until 1 January 2015.

  Finalisation of the transaction will be contingent on clearance from the competition authorities, and is expected to occur within the coming months.

  The acquisition by Discovery of the additional 31% interest is based on an enterprise value of €902 million for the Eurosport group, from which the valuation of Eurosport France (€85 million) is to be deducted. These valuations will be increased by the amount of net surplus cash held by the entities at the transaction closing date.
  In addition, TF1 retains the possibility of exercising its put option over its residual 49% stake, which could increase the interest held by Discovery to 100%.

  For accounting purposes, the assets and liabilities of Eurosport International are presented in the balance sheet as of 31 December 2013 in the line items "Held-for-sale assets and operations" and "Liabilities related to held-for-sale operations", in accordance with the policies described in Note 2.2. However, the results of Eurosport International are not reported as being from a held-for-sale operation because Eurosport International does not meet the definition of (i) a cash generating unit for goodwill impairment testing purposes or (ii) an operation that is material to the Group (in 2013, it represented 1% of sales and 6% of operating profit).

NOTE 2. ACCOUNTING POLICIES

2.1. Business areas

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

The Group's businesses are organised into a number of sectors of activity:

a) Construction:

- Bouygues Construction (construction, energies and services)
- Bouygues Immobilier (property)
- Colas (roads)

b) Telecoms – Media:

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

c) The Bouygues group also holds a 29.3% interest in the Alstom group (Alstom Thermal Power, Alstom Renewable Power, Alstom Transport, Alstom Grid).

2.2. Basis of preparation of the financial statements

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

The consolidated financial statements were adopted by the Board of Directors on 25 February 2014, and will be submitted for approval by the forthcoming Combined Annual General Meeting on 24 April 2014.

The consolidated financial statements for the year ended 31 December 2013 were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives as at and for the year ended 31 December 2012.

The Bouygues group applied the same standards, interpretations and accounting policies for the year ended 31 December 2013 as were applied in its consolidated financial statements for the year ended 31 December 2012, except for new IFRS requirements applicable from 1 January 2013 (see below). These changes did not have a material impact on the consolidated financial statements.

- *Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption for periods beginning on or after 1 January 2013:*

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

- **Amendment to IAS 19:** "Employee Benefits" (published in the Official Journal of the European Union on 6 June 2012, mandatorily applicable from 1 January 2013, early adoption permitted from 1 January 2012). The Bouygues group early adopted this amendment in the consolidated financial statements for the year ended 31 December 2012. Given that the Group already recognised in equity actuarial gains and losses on defined-benefit employee benefit plans, the application of this change in method had an immaterial impact.

- **Amendments to IAS 12, "Income Taxes" (Deferred Tax – Recovery of Underlying Assets) and to IFRS 1, "First-Time Adoption of International Financial Reporting Standards" (Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters), and IFRS 13 "Fair Value Measurement":** these pronouncements were endorsed by the European Union on 29 December 2012 and are mandatorily applicable from 1 January 2013. They have no impact on the financial statements of the Bouygues group.

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosures of Interests in Other Entities", IAS 27 "Separate Financial Statements" (as amended in 2011), IAS 28 "Investments in Associates and Joint Ventures" (as amended in 2011):** These standards were endorsed by the European Union on 29 December 2012 and are mandatorily applicable from 1 January 2014. The principal changes and impacts of these standards are described below.

  IFRS 10 replaces the provisions about consolidated financial statements previously included in IAS 27, "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities"; it also redefines the concept of control over an entity.

  IFRS 11 replaces IAS 31, "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers", and describes how joint arrangements should be treated. Under this new standard, joint arrangements over which two or more parties exercise joint control are accounted for on the basis of the rights and obligations of each of the parties to the arrangement, taking account of factors such as the structure and legal form of the arrangement, the contractual terms agreed to by the parties to the arrangement and, when relevant, other facts and circumstances:

  - Joint ventures, which give the parties rights over the net assets, must be accounted for using the equity method, the proportionate consolidation method being no longer permitted.
  - In the case of joint operations, which give each party direct rights over the assets and obligations for the liabilities, the assets and liabilities (revenue and expenses) of the joint operation must be accounted for in accordance with the interests held in the joint operation.

  IFRS 11 will apply principally to Bouygues group joint arrangements set up for various property co-promotion programmes (*Sociétés Civiles Immobilières – SCIs*); various contracts carried out by construction project companies in the form of *Sociétés en Participation – SEPs* (a form of silent partnership under French law) or other legal forms; and various companies that operate quarries or emulsion plants.

  IFRS 12 establishes the disclosure requirements relating to interests held in subsidiaries, joint arrangements, associates, and/or unconsolidated structured entities.

  Based on the analyses completed to date, the main impacts identified arise from the first-time application of IFRS 10, "Consolidated Financial Statements" and IFRS 11, "Joint Arrangements", and more specifically from the fact that the joint ventures in which the Group has an interest will be accounted for by the equity method, rather than by the proportionate consolidation method as at present.

The joint arrangements affected by the first-time application of these new standards are mainly those relating to contracting and industrial companies held jointly by Colas and a partner, which will be accounted for by the equity method from 1 January 2014. The impact of the retrospective application of these standards as of 1 January 2013 and for the year ended 31 December 2013 is presented in Note 23 to the consolidated financial statements.
A number of difficulties relating to the application of IFRS 11 have been referred to the IFRS Interpretations Committee. The Group does not expect that any future clarifications will have a material impact on its financial statements.

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

  The table below shows the principal standards, amendments and interpretations that had been issued by the IASB prior to 31 December 2013 but have not yet come into effect:

Standard, amendment or interpretation	**IASB effective date***	**Expected impact on the Bouygues group**
SIC 21: Levies	1 January 2014	This interpretation, which has not been early adopted by the Bouygues group, applies to taxes and levies (such as the "CS3" tax in France) that are outside the scope of IAS 12. It will be applied by the Group with effect from 1 January 2014 once it has been endorsed by the European Union, which is expected in the second quarter of 2014 (the impacts are presented in Note 23 to the consolidated financial statements).

***** *Unless otherwise indicated, applicable to accounting periods beginning on or after the date shown in this column.*

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

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

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

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

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

  - represent faithfully the financial position, financial performance and cash flows of the Group;
  - reflect the economic substance of the underlying transactions;
  - are neutral, prudent, and complete in all material respects.

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

- Held-for-sale assets and discontinued or held-for-sale operations:

  A non-current asset, or a group of directly-associated assets and liabilities, is regarded as being held for sale if its carrying amount will be recovered primarily through a sale rather than through continuing use. For this to be the case, the asset must be available for sale in its immediate condition, and its sale must be highly probable. Such held-for-sale assets or asset groups are measured at the lower of (i) carrying amount or (ii) estimated selling price less costs to sell.

  A discontinued or held-for-sale operation is one that is material to the Group (having been treated as a cash generating unit) and that has either been disposed of or has been classified as a held-for-sale asset. Income statement and cash flow information about such discontinued or held-for-sale operations is reported in separate line items in the consolidated financial statements for all periods presented.

2.3. Consolidation methods

2.3.1. Full consolidation

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

- Assessment of exclusive control over TF1:

  As at 31 December 2013, Bouygues held 43.52% of the capital and voting rights of TF1. Exclusive control by Bouygues over TF1 is demonstrated by the following:

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

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

  Other factors indicating the existence of exclusive control include:

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

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

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

2.3.2. Proportionate consolidation: investments in joint ventures and joint operations

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

2.3.3. Investments in associates

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

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

- Alstom: Bouygues exercises significant influence over Alstom, as demonstrated by its 29.3% interest in the capital and its control of two seats on the Board of Directors.

  As of 31 December 2013, the investment in Alstom is reported under "Investments in associates" and accounted for by the equity method; it is carried at net acquisition cost (including goodwill) plus Bouygues' share of Alstom's net profit since the acquisition date, giving a total carrying amount (net of a €1,404 million impairment loss as of 31 December 2013) of €3,079 million (including €1,106 million of goodwill).

  Because of the time-lag between the financial year-ends of Alstom (31 March) and Bouygues (31 December), the financial contribution of Alstom to the Bouygues group's fourth-quarter results is estimated on the basis of the published results of Alstom for the first six months of its financial year. Given the revised forecasts announced by Alstom at the end of January 2014 (see Note 2.7.4.2), and pending the release by Alstom of its full-year results, the Bouygues group has not recognised any profit contribution from Alstom for the fourth quarter of 2013 (compared with the €59 million profit contribution recognised for the fourth quarter of 2012). Consequently, the total profit contribution from Alstom for the year ended 31 December 2013 is €168 million (compared with €240 million for the year ended 31 December 2012).

  Amortisation of fair value remeasurements of Alstom's identifiable intangible assets and other items had a negative impact of €15 million on the net profit/loss attributable to the Bouygues group for the year ended 31 December 2013.

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

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

- In accordance with IAS 39, equity investments in non-consolidated companies are measured at fair value.

2.4. Business combinations

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

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

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

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

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

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

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

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

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

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

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

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

In the event of a partial divestment of the component operations of a Cash Generating Unit (CGU), the Bouygues group usually allocates the goodwill in proportion to the value of the divested operation relative to the value of the CGU as measured at the date of divestment in accordance with the IFRS 7 hierarchy of valuation methods, unless it can be demonstrated that another method better reflects the goodwill of the divested operation; this policy complies with paragraph 86 of IAS 36.

Goodwill recognised prior to 1 January 2004 continues to be measured using the partial fair value method. This method involves restricting the fair value remeasurement of identifiable items to the percentage interest acquired. Non-controlling interests in these items are measured on the basis of the carrying amount of the items as shown in the balance sheet of the acquired entity.

2.5. Foreign currency translation

2.5.1. Transactions denominated in foreign currencies

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

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

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

2.6. Income taxes

Deferred taxation is recognised on differences between the carrying amount and tax base of assets or liabilities, and arises as a result of:

- Temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
  - items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods; or
  - items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes. Such assets are recognised to the extent that is probable that sufficient taxable profits will be available against which to offset the temporary differences, and are reviewed at each balance sheet date.
- Tax losses available for carry-forward (deferred tax assets), where it is probable that these losses will be recovered in future periods.

Deferred taxes are measured using known applicable national tax rates for the relevant country as at the balance sheet date. In the case of France, the tax rate used in 2013 and 2014 incorporates the exceptional 10.7% contribution enacted in the 2014 Finance Act.

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

2.7. Non-current assets

2.7.1. Property, plant and equipment

Property, plant and equipment is measured at acquisition cost net of accumulated depreciation and impairment. Depreciation is recognised on a straight line basis over the estimated useful life of the asset.

2.7.1.1 Useful lives by main asset category and sector of activity

	CONSTRUCTION	MEDIA	TELECOMS
- Mineral deposits (quarries)	(a)		
- Non-operating buildings	10 to 40 years	25 to 50 years	-
- Industrial buildings	10 to 20 years	-	30 years
- Plant, equipment and tooling (b)	3 to 15 years	3 to 7 years	10 to 30 years
- Other property, plant and equipment (vehicles and office equipment) (b)	3 to 10 years	2 to 10 years	3 to 10 years

(a) Depreciated on the basis of the rate of depletion, up to a maximum of 40 years (Colas).
(b) Depending on the type of equipment.

In accordance with IAS 16, when an item of property, plant and equipment consists of components with different useful lives, each component is accounted for and depreciated as a separate item of property, plant and equipment.

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognised in the income statement under "Other operating income and expenses".

Depreciation periods are reviewed annually, and may be adjusted if expectations differ from previous estimates.

2.7.1.2 Leases

Items of property, plant and equipment held under leases whereby the Bouygues group retains substantially all the risks and rewards of ownership (i.e. finance leases) are recognised as assets in the balance sheet, along with a corresponding liability.

Assets held under finance leases are recognised in the balance sheet in "Property, plant and equipment" at the lower of fair value or the present value of the minimum lease payments, less accumulated depreciation and impairment losses. They are depreciated over their estimated useful lives. The lease obligation is recognised as a liability under "Debt" in the balance sheet.

Obligations under operating leases are disclosed in off-balance sheet commitments.

2.7.1.3 Grants received

Investment grants received from national, regional or local governments are netted off the value of the assets concerned in the balance sheet, and depreciated at the same rate as those assets once receipt of the grant becomes unconditional.

2.7.2. Intangible assets

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance which is controlled by the entity. An asset is identifiable:

- if it is separable, i.e. capable of being independently sold, transferred, licensed, rented or exchanged;
- or if it is derived from contractual or other legal rights, whether separable or not.

An asset is controlled if the entity has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits.

Intangible assets with finite useful lives are depreciable. Intangible assets with indefinite useful lives are not depreciable, but are subject to annual impairment testing and are reviewed at each balance sheet date to ensure that their useful lives are still indefinite.

Intangible assets include:

- **Development expenses**
  - Development expenses are capitalised if the IAS 38 criteria are met, i.e. if they are expected to generate future economic benefits and their cost can be reliably measured.
  - In accordance with IFRS, incorporation and research expenses are expensed as incurred.

- **Concessions, patents and similar rights**

  These include the following assets held by Bouygues Telecom:

Type of asset	Amortisation method	Period
UMTS licence	straight line	17.5 years [a]
IAP-IRU and front fees (Indefeasible Right of Use)	straight line	25 years
Software, IT developments and office applications	straight line	3 to 8 years
4G licences	straight line	20 years maximum[b]

(a) UMTS licence awarded in 2002:
Amortised from the date on which the broadband network opened (26 May 2005).

(b) The licences acquired in 2011 (for €228 million) and 2012 (for €683 million) were reported as intangible assets in progress at 31 December 2012. During 2013, these licences (which were awarded for a 20-year period) were reclassified to "Concessions, patents and similar rights", and are being amortised from the date on which they came into service (1 October 2013).

The fee for the UMTS licence, awarded for a 20-year period, comprises:

- a fixed component of €619.2 million, recognised as an intangible asset on the date the licence was awarded (12 December 2002);
- a variable component, calculated at 1 % of sales generated by the operation of the third generation mobile network, recognised as incurred from the date on which the UMTS network opened (November 2007).

2.7.3. Other intangible assets

Other intangible assets recognised by the Group include leasehold rights and audiovisual rights (TF1).

TF1 audiovisual rights:

This item includes shares in films and programmes produced or co-produced by TF1 Films Production, TF1 Vidéo and TF1 Production; audiovisual distribution and trading rights owned by TF1 DA and TF1 Entreprises; and music rights owned by Une Musique.
Audiovisual rights are recognised as assets, at historical cost. Dates of initial recognition and amortisation methods are as follows:

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

- Films co-produced by TF1 Films Production are amortised in line with revenues over a limited time-frame, taking account of the timing of revenue sources; this policy is consistent with industry practice.
- An impairment loss is recognised against audiovisual rights on a line by line basis where estimated future revenues do not cover the carrying amount of the asset.

2.7.4. Impairment testing – non-current assets and investments in associates

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

2.7.4.1. Impairment testing of TF1, Bouygues Telecom and Colas

Method applied

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

a) For TF1 and Colas, which are listed on the stock market: on the basis of the quoted share price if this exceeds the carrying amount of the assets (after allowing for a control premium where applicable), or by using the Discounted Cash Flow (DCF) method as described below, taking account of the specific characteristics of the investment.

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

- The cash flows used are derived from three-year business plans which are prepared by the management of the business segment and presented to the subsidiary's Board of Directors and the Board of Directors of Bouygues SA, and where applicable incorporate the latest estimates of the subsidiary's management.

- The discount rate is determined on the basis of a weighted average cost of capital appropriate to the sector of activity in which the business segment operates, by reference to a panel of comparable companies. Two alternative capital structure scenarios are applied: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

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

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

Information about goodwill impairment tests performed as of 31 December 2013:

- The recoverable amount of TF1 as of 31 December 2013 was determined by reference to the quoted market price, after taking account of a 15% control premium.

- The recoverable amount of Bouygues Telecom and Colas was determined using the method described above, based on three-to-five-year cash flow projections corresponding to the business plans of each of the two subsidiaries as presented to the subsidiary's Board of Directors and the Board of Directors of Bouygues SA, and where applicable incorporating the latest estimates of the subsidiary's management:

  - Cash flows beyond the projection period were extrapolated using a reasonable, sector-specific perpetual growth rate.

  - The discount rates (weighted average cost of capital) and growth rates used as of 31 December 2013 were as follows:

	DISCOUNT RATE		PERPETUAL GROWTH RATE
	SCENARIO 1 (a)	SCENARIO 2 (a)	
- BOUYGUES TELECOM	5.68%	5.12%	2%
- COLAS	6.25%	5.61%	2%

(a) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

- Assumptions used in the Bouygues Telecom business plan:

  After slightly positive cash flow (EBITDA net of capital expenditure) projected for 2014, the normative cash flows of Bouygues Telecom were determined on the assumption that cash flow generation would improve, based on:

  - The acceleration in 2014 of the transformation plan initiated in response to radical changes and uncertainties in the telecoms market. This follows on from the measures taken at the start of 2012, which unlocked €599 million of savings in the mobile business between the end of 2011 and the end of 2013.
  - The ongoing strategy of developing data uses, capitalising on the October 2013 launch of the largest 4G network in France, which is just starting to bear fruit.
  - The benefits expected to arise starting in 2018 from the agreement between Bouygues Telecom and SFR on the partial sharing of their mobile networks, which in the medium term will make it possible to offer customers the best geographical coverage and the best quality of service while optimising capital expenditure and operating costs.

2.7.4.2. Impairment testing of the investment in Alstom

Method applied

Because goodwill included in the carrying amount of investments in associates is not reported separately, it is not tested separately for impairment, in line with IAS 36. An impairment loss is recognised if the carrying amount of the investment exceeds its recoverable amount; this loss is charged against the carrying amount of the investment, and may be reversed.

Information about the impairment test performed as at 31 December 2013:

As of 31 December 2013, the investment in Alstom was tested for impairment by comparing its carrying amount with its recoverable amount, determined by reference to value in use as derived from cash flow projections established by Bouygues management, which in turn were based on forecasts prepared by a panel of financial analysts.

- On 21 January 2014, when publishing its sales figures for the nine months ended 31 December 2013, Alstom announced that persistent weakness in demand for new thermal power plants was weighing on its outlook for free cash flow and operating margin for the 2014/2015 financial year, and that the expected recovery would be delayed. This announcement led to a sharp drop in the quoted market price, which had fallen 25% by 14 February 2014, and to a significant revision to the analysts' cash flow forecasts used as the basis for impairment testing.

- The discount rate (weighted average cost of capital) and growth rate used for Alstom as of 31 December 2013 were as follows:

	DISCOUNT RATE		GROWTH RATE APPLIED TO CASH FLOWS AFTER A FIVE-YEAR TIME HORIZON
	SCENARIO 1 [(a)]	SCENARIO 2 [(a)]	
ALSTOM	9.58%	8.49%	2%

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

2.7.4.3. Conclusion on impairment testing

For all the CGUs tested, the recoverable amounts determined under both capital structure scenarios remain greater than the carrying amount of the assets.

In the case of Alstom, the changes made to the analysts' cash flow forecasts since 21 January 2014 and the latest information released by Alstom were taken into account by the Bouygues group in its recoverable amount calculations, resulting in the recognition of a €1,404 million impairment loss on the 2013 financial statements. The value in use calculated by the Group was confirmed by a firm of independent valuers.

Note 3.2.3 to the consolidated financial statements includes a table showing the consolidated carrying amount of listed shares held by Bouygues (TF1, Alstom, Colas) relative to the closing quoted share price at 31 December 2013.

2.7.4.4. Sensitivity analysis

An analysis was performed for the Bouygues Telecom and Colas CGUs, and for the investment in Alstom, in order to determine the sensitivity of the calculation to the key parameters (discount rates, growth rates, normative cash flows), either individually or using combined scenarios for discount rates and normative cash flows (including reasonably possible changes in normative cash flows).

For these CGUs, and for the investment in Alstom, the recoverable amount would equal the carrying amount of the assets tested if the assumptions shown below (taken individually) were to be applied:

	CHANGE IN DISCOUNT RATE		CHANGE IN NORMATIVE CASH FLOWS	
	SCENARIO 1 [(a)]	SCENARIO 2 [(a)]	SCENARIO 1 [(a)]	SCENARIO 2 [(a)]
- BOUYGUES TELECOM	+30 bp	+86 bp	-9%	-24%
- COLAS	+794 bp	+858 bp	-72%	-77%
- ALSTOM	-23 bp	+86 bp	+4%	-15%

(a) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

For Bouygues Telecom, in the event of a 10% reduction in normative cash flows combined with an increase of 50 basis points in the discount rate, the recoverable amount would be €930 million lower than the carrying amount under scenario 1, and would equal the carrying amount under scenario 2. If the perpetual growth rate applied to the normative cash flows were to be halved, the recoverable amount would be €930 million lower than the carrying amount under scenario 1, and €80 million lower under scenario 2.

For Alstom, a 10% reduction in normative cash flows combined with an increase of 50 basis points in the discount rate would cause the recoverable amount to be lower than the carrying amount by €560 million under scenario 1, and by €110 million under scenario 2.

2.7.5. Non-current financial assets

In addition to deferred tax assets (treated as non-current), other non-current financial assets include loans and receivables (including advances to non-consolidated companies), deposits and caution money, and investments in non-consolidated companies (i.e. those over which the Bouygues group exercises neither control nor significant influence).

Investments in non-consolidated companies are measured at fair value, with changes in fair value taken to shareholders' equity.
Fair value is the market price for listed investments, and value in use for unlisted investments. Value in use is determined using the most appropriate criteria for each individual investment.

If there is objective evidence that an investment is impaired, the accumulated losses taken to shareholders' equity are recognised in the income statement.

Advances to non-consolidated companies, and other loans and receivables, are accounted for at amortised cost, determined using the effective interest method.

In the case of variable-rate loans and receivables, cash flows are periodically re-estimated to reflect changes in market interest rates, resulting in an adjustment to the effective interest rate and hence to the valuation of the loan or receivable.

Loans and receivables are reviewed for objective evidence of impairment. An impairment loss is recognised if the carrying amount of a financial asset is greater than the estimated recoverable amount as determined by impairment testing. Impairment losses are recognised in the income statement (see Note 3.2.4 for details).

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

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

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

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

2.8. Current assets

2.8.1. Inventories

Inventories are stated at the lower of cost (first in first out or weighted average cost, depending on the nature of the business) or market price.

Where the realisable value of inventory is lower than cost, the necessary provision for impairment is recognised.

2.8.2. Property development programmes

Property development programme inventories are measured at cost; this includes land acquisition costs and taxes, construction and fitting-out costs, utilities connection costs, professional fees and ancillary costs.

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

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

2.8.3. Programmes and broadcasting rights (TF1)

In order to secure broadcasting schedules for future years, the TF1 group enters into binding contracts, sometimes for a period of several years, under which it acquires (and the other party agrees to deliver) programmes and sports transmission rights.

A programme is treated as ready for transmission and recognised in inventory under "Programmes and broadcasting rights" when the following two conditions are met: technical acceptance (for in-house and external productions), and opening of rights (for external productions). In the case of rights and programmes for which these two criteria have not been met (programmes not yet delivered, sports rights for which the right to broadcast is not activated until the date of the event, etc.), the Group takes the view that it does not control the asset, since it has neither the right nor the ability to broadcast the programme. Consequently, these rights are not recognised in the balance sheet, and any advance payments made to acquire such rights are treated as supplier prepayments.

Programmes and broadcasting rights

The “Programmes and broadcasting rights” line in the balance sheet includes:

- in-house productions, made by TF1 group companies for TF1 channels;
- external productions, comprising broadcasting rights acquired by the TF1 group’s channels and co-production shares of broadcasts made for the TF1 group’s channels.

The value of programmes and broadcasting rights is measured as follows:

- in-house production: overall production cost (direct costs plus a portion of indirect production costs);
- broadcasting rights and co-productions: purchase cost, less consumption for the year calculated at each balance sheet date.

TF1 SA programmes are deemed to have been consumed on transmission. If they are acquired for a single transmission, they are regarded as having been consumed in full at the time of this transmission. If they are acquired for two or more transmissions, consumption is calculated according to the type of programme using the rules described below (unless otherwise specified in the acquisition contract):

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

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

A provision for impairment is recorded once it becomes probable that a programme will not be transmitted, or if the contractual value at which it was recognised in inventory exceeds the value attributable to it using the rules described above. Probability of transmission is assessed on the basis of the most recent programming schedules approved by management. If rights are resold, a provision is recorded once the sale is probable to cover any excess of the value at which the rights were initially recognised in inventory (or the amount of advance payments) over the actual or estimated selling price.

Programmes that have not been broadcast and the rights to which have expired are written off as a component of current operating profit, and any previously-recognised provisions are reversed.

Rights ordered under irrevocable contracts but not yet available for transmission are disclosed in Note 4.1 to the financial statements, and are priced at the contractual amount or the estimated future cash outflow, less any advance payments made.

2.8.4. Trade receivables

Trade receivables are carried at face value, net of impairment recorded to reflect the probability of recovery. These receivables are usually short-term and non interest-bearing. They are measured at the original invoice amount, unless application of an implied interest rate would have a material effect.

In line with the percentage of completion method of accounting for long-term contracts, trade receivables include:

- statements issued as works are executed or services provided, and accepted by the project owner;
- unbilled receivables, arising where works are entitled to acceptance but billing or acceptance by the project owner has been temporarily delayed.

2.8.5. Other current receivables and prepaid expenses

Other receivables are carried at face value, net of impairment recorded to reflect the probability of recovery.

2.9. Financial instruments

Some Group entities use hedging instruments to limit the impact on the income statement of fluctuations in exchange rates and interest rates. The Group's policy on the use of financial instruments is described below.

2.9.1. Risks to which the Group is exposed

2.9.1.1 Currency risk

In general, the Bouygues group has little exposure to currency risk in routine commercial transactions, given that its international operations (primarily Bouygues Construction and Colas) do not involve exports. Where possible, expenses relating to a contract are incurred in the same currency as that in which the contract is billed. This applies to most projects executed outside France, on which local-currency expenses (sub-contracting and supplies) represent a much higher proportion than euro-denominated expenses. Exposure to currency risk is therefore limited to contract margins, and to any design work carried out in France. The Bouygues group also pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

2.9.1.2. Interest rate risk

The Group's financial expenses have low sensitivity to interest rate risk, since the bulk of debt is at fixed-rate either in the form of fixed-rate bond issues, or via a portfolio of hedging instruments that convert variable-rate debt into fixed-rate debt.

Consolidated financial expenses would be only marginally affected by fluctuations in euro interest rates, or by a divergence in interest rate trends between the euro and other major currencies.

On average over the year, the amount of variable-rate debt in the balance sheet is less than the amount of surplus cash invested at variable rates.

2.9.2. Principles applied to all hedging instruments

The only instruments used for hedging purposes are forward currency purchases and sales, currency swaps and purchases of currency options for currency risk hedging purposes; and interest rate swaps, future rate agreements, and purchases of caps and collars for interest rate risk hedging purposes.

These instruments:

- are used solely for hedging purposes;
- are contracted solely with high-quality French and foreign banks;
- carry no liquidity risk in the event of reversal.

Specific reports are prepared for those responsible for the management and supervision of the relevant Group companies describing the use of hedging instruments, the selection of counterparties with whom they are contracted, and more generally the management of exposure to currency risk and interest rate risk.

2.9.3. Hedging rules

2.9.3.1 Currency risk

Group policy is to hedge systematically all residual currency exposure relating to commercial transactions. If the future cash flow is certain, the currency risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed; if the hedged item ceases to exist (for example, if the service is not provided or the contract is cancelled), the hedge is closed out immediately.

In the interests of efficiency, the currency positions of some Group entities may be managed centrally, which in some cases may result in the offset of matching positions (currency derivatives are used solely for hedging purposes).

2.9.3.2 Interest rate risk

Group policy is for each sub-group to hedge some or all of its financial assets and liabilities, where these are foreseeable and recurring.

The aim is to control future interest expense by fixing the cost of debt using swaps and future rate agreements, or by limiting it through the use of caps, over a period equivalent to that of the financial liabilities to be hedged.

As with currency risk, the interest rate positions of some Group entities may, in the interests of efficiency, be managed centrally and partially offset.

2.9.4. Accounting methods

In general, the financial instruments used by the Group qualify for hedge accounting, which means that the hedging relationship is documented in accordance with the requirements of IAS 39. Two types of accounting treatment are used:

- Fair value hedges: changes in the fair value of the hedging instrument and changes in the fair value of the hedged item are recognised symmetrically in the income statement.

- Cash flow hedges: changes in the fair value of the hedging instrument are recognised in the income statement for the ineffective portion of the hedging relationship, and in shareholders' equity (until the hedge is closed out) for the effective portion.

2.10. Consolidated shareholders’ equity

Treasury shares are deducted from consolidated shareholders' equity. No expense or income arising on the cancellation of treasury shares is recognised in the income statement.

If a Group subsidiary holds its own shares, an additional percentage interest in that subsidiary is recognised at Group level.

2.10.1. Translation reserve

The translation reserve represents translation differences arising since 1 January 2004, when the reserve was deemed to be zero and the balance transferred to “Retained earnings”.

2.10.2. Information about the management of capital

The objective of Bouygues management in managing capital is to maintain consolidated shareholders’ equity at a level consistent with:

- maintaining a reasonable gearing ratio (net debt to shareholders’ equity);
- distributing regular dividends to shareholders.

However, the level of equity may vary over short periods, especially if a strategically important investment opportunity arises.

The business plan is a key management tool, used by the parent company to assess the financial position of each business segment and of the Group as a whole, and the effects on consolidated shareholders’ equity.

Within these overall principles, Group management allows the subsidiaries responsible for segments and their respective parent companies a degree of autonomy to manage their equity in line with their specific objectives and needs, given that equity capital requirements vary from business to business and segment to segment.

Bouygues defines net debt as all financial liabilities (including financial instrument liabilities associated with debt and short-term investments), less cash and cash equivalents and associated financial instruments.

2.11. Non-current liabilities

2.11.1. Non-current debt

With the exception of derivative instruments accounted for as financial liabilities measured at fair value (including a counterparty risk component, which is immaterial), all other borrowings and financial liabilities are accounted for at amortised cost using the effective interest method.

Transaction costs directly attributable to the acquisition or issuance of a financial liability are offset against that liability, and amortised over the life of the liability using the effective interest method.

The portion of long-term debt due within less than one year is included in current liabilities.

2.11.2. Non-current provisions

Under IAS 37, “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recorded at the balance sheet date if the Group has an obligation to a third party resulting from a past event and it is probable that settlement of the obligation will result in a net outflow from the Group of resources embodying economic benefits.

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

Non-current provisions are not usually associated with the normal operating cycle of each segment (see Note 2.12.2, “Current provisions”).

Non-current provisions mainly comprise:

- Provisions established to cover the uninsured portion of risks under two-year and ten-year construction contract guarantees. These provisions are recognised in line with recognition of contract revenues, based on statistical data reflecting actual experience over the long term.

- Provisions related to tax exposures and to fines levied by the competition authorities.

- Provisions for litigation, claims and foreseeable risks relating to the Group's operations, especially foreign operations, including permanent withdrawal from projects and sundry risks and liabilities.

- Provisions for site rehabilitation and decommissioning costs (e.g. quarries).

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

- Provisions for employee benefits, which comprise:

  - Provisions for long-service awards.

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

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

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

  - Provisions for pension obligations (depending on the country and terms of the pension plan).

    To cover their pension obligations, Group companies make regular payments to external bodies including public and private pension funds and insurance companies (defined-contribution plans). There are however some remaining defined-benefit plans still in existence, mainly in the Colas group (United Kingdom, Ireland and Canada); only a limited number of employees are involved, as it was decided some years ago to close these plans to new entrants. The fair value of the assets held to cover these plans as of the reporting date did not require any material impairment to be recognised in the consolidated financial statements.

The actuarial assumptions used to measure the present value of the pension obligation and the service cost for the period in respect of defined-benefit plans represent the best estimate of the variables that will determine the final cost of the benefits. These assumptions are internally consistent. The discount rate and the rate of return on plan assets are determined by reference to the expected market rate, taking into account the estimated timing of benefit payments; the discount rate applied to the obligation is determined by reference to the market rate for high-quality corporate bonds at the balance sheet date.

The Bouygues group recognises in consolidated shareholders' equity the effect of changes in actuarial assumptions on the pension obligation.

2.12. Current liabilities

2.12.1. Advances and down-payments on orders

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

2.12.2. Current provisions

- Provisions relating to the normal operating cycle of each segment. These mainly comprise:

  - provisions for construction contract risks, joint ventures, etc.;
  - provisions for restructuring.

- Provisions for losses to completion on construction contracts:

  These relate to construction contracts in progress, and take account of claims accepted by the customer. They are measured on a contract by contract basis, with no netting between them.

2.12.3. Trade payables and other current liabilities

Because of the short-term nature of these liabilities, the carrying amounts shown in the consolidated financial statements are a reasonable estimate of market value.

2.13. Income statement

As allowed under IAS 1, "Presentation of Financial Statements", the Bouygues group presents an income statement that classifies expenses by nature, in the format specified in Recommendation 2009-R-03 issued by the French national accounting standard-setter, the Conseil National de la Comptabilité (CNC), now the Autorité des Normes Comptables (ANC), on 2 July 2009. An income statement classifying expenses by function is shown in Note 16 to the financial statements.

2.13.1. Revenue recognition

The Group recognises revenue when:

- it is probable that the future economic benefits of the transaction will flow to the Group;
- the amount of revenue can be reliably measured;
- at the transaction date, it is probable that the amount of the sale will be recovered.

Bouygues Telecom:

Bouygues Telecom generates revenue from services, and from sales of handsets and accessories.

- **Services**:

Plans and commercial services (mobile and fixed) are invoiced one month in advance, and the corresponding revenue is recognised on a straight-line basis over the service period.

Revenues from call charges other than plans, roaming fees and interconnection fees are recognised as the service is used.

Revenue generated by prepaid cards is recognised on sale of the card to the distributor or retailer but deferred until the card is activated, and then adjusted for unused minutes.

Services carried out on behalf of content providers in relation to SMS+ services and special numbers are not included in income and expenses for the period. Only the margin charged as consideration for the service is recognised in sales.

- **Sales of handsets and accessories:**

Sales of handsets and SIM cards are recognised on sale to the distributor or retailer, but the margin on the sale is eliminated until the line is activated by the customer. Since August 2013, retail and business customers have been able to pay for their handsets in instalments.

- **Distributor/retailer commission:**

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

- **Consumer loyalty programme:**

Customers on non-capped plans earn points as they are billed, which they can use to obtain a handset update provided that they renew their plan for a minimum of 12 months. With effect from 2011, customers on capped plans have been able to obtain a cut-price handset upgrade after 24 months provided that they renew their plan.

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

2.13.2. Accounting for construction contracts

2.13.2.1 Construction activities

All activities related to construction contracts are accounted for using the percentage of completion method.

Under this method, the revenue recognised equals the latest estimate of the total selling price of the contract multiplied by the actual completion rate determined by reference to the physical state of progress of the works. The latest estimate of the total selling price takes account of claims that have been accepted by the client or are highly probable.

If it is regarded as probable that a contract will generate a loss on completion, a provision for expected losses on completion is recognised as a current provision in the balance sheet. The loss is provided for in full as soon as it is can be reliably measured, irrespective of the completion rate.

2.13.2.2 Property development activities

Revenues and profits are recognised using the percentage of completion method once the following conditions have been met:

- building permit with no appeal;
- signature of notarised deed of sale or development contract;
- construction contract signed (order given to start works).

The percentage of completion represents costs recognised to date as a proportion of the total estimated costs to completion of the project.

Accrued expenses are recognised for finishing costs on this type of project, based on the percentage of completion; residual expenses on delivered projects are also recognised in "Trade payables".

Overheads, including sales force costs and all advertising costs, are expensed as incurred.

2.13.3. Profits/losses from joint operations

These profits and losses are included in "Other operating income and expenses", and represent the Group's share of profits or losses from non-consolidated companies (such as joint ventures) involved in the operation of production facilities for roadbuilding and asphalt products; they are included in current operating profit.

2.13.4. Share-based payment

In accordance with IFRS 2, stock subscription options granted to corporate officers or employees of the Group are accounted for in the financial statements as follows: the fair value of the options granted (corresponding to the fair value of the services rendered by the employees as consideration for the options) is recognised as an employee benefit under "Personnel costs" in the income statement, with the matching entry credited to shareholders' equity.

The amount of the employee benefit is measured at the grant date of the option using the Black & Scholes model, and is charged to the income statement over the vesting period of the rights.

2.14. Cash flow statement

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

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

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

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

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

2.15. Other financial indicators

2.15.1. EBITDA

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

2.15.2. Free cash flow

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

2.15.3. Net debt

This represents the aggregate of:

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

2.16. Statement of recognised income and expense

The Bouygues group presents a statement of recognised income and expense, disclosing a comparative net profit figure on the line "Total recognised income and expense" which includes income and expenses recognised directly in equity.

2.17. Comparability of the financial statements

Changes in the scope of consolidation during the year ended 31 December 2013 did not have a material effect on the consolidated financial statements as presented for that year, and do not impair comparisons with the consolidated financial statements for the year ended 31 December 2012.

NOTE 3 - NON-CURRENT ASSETS

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

3.1. Acquisitions of non-current assets during the year, net of disposals

(€ million)	**2013**	**2012**
Property, plant and equipment	1,226	1,433
Intangible assets	161	874
Capital expenditure	**1,387**	**2,307**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	105	134
Acquisitions of non-current assets	**1,492**	**2,441**
Disposals of non-current assets	(128)	(395)
Acquisitions of non-current assets, net of disposals	**1,364**	**2,046**

The year-on-year reduction of €682 million reflects the acquisition of a 4G user licence for €683 million in 2012, and the disposal of the tower business and data centres for €207 million by Bouygues Telecom, also in 2012.
Capital expenditure (net of disposals) in 2013 mainly related to Bouygues Telecom (€752 million, versus €1,366 million in 2012) and Colas (€393 million, versus €404 million in 2012).

3.2. Non-current assets: movements during the period

3.2.1. Property, plant and equipment

(€ million)	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
Gross value					
31 December 2011	**2,059**	**11,011**	**2,735**	**451**	**16,256**
Movements during 2012					
Translation adjustments	(2)	(8)	(2)		(12)
Changes in scope of consolidation	20	(1)	48		67
Acquisitions during the period	70	863	302	198	1,433
Disposals, transfers & other movements	6	(488)	(276)	(296)	(1,054)
31 December 2012	**2,153**	**11,377**	**2,807**	**353**	**16,690**
of which finance leases	14	109	51		174
Movements during 2013					
Translation adjustments	(32)	(118)	(31)	(2)	(183)
Changes in scope of consolidation	14	(3)	(20)	(1)	(10)
Acquisitions during the period	51	798	230	147	1,226
Disposals, transfers & other movements	14	(653)	(196)	(192)	(1,027)
31 December 2013	**2,200**	**11,401**	**2,790**	**305**	**16,696**
of which finance leases	14	100	25		139
Depreciation, amortisation and impairment					
31 December 2011	**(675)**	**(7,220)**	**(1,819)**		**(9,714)**
Movements during 2012					
Translation adjustments		6	1		7
Changes in scope of consolidation	(1)	8	(40)		(33)
Net expense for the period	(76)	(890)	(326)		(1,292)
Disposals, transfers & other movements	33	500	260		793
31 December 2012	**(719)**	**(7,596)**	**(1,924)**		**(10,239)**
of which finance leases	(7)	(70)	(44)		(121)
Movements during 2013					
Translation adjustments	9	73	22		104
Changes in scope of consolidation		17	13		30
Net expense for the period	(82)	(827)	(308)		(1,217)
Disposals, transfers & other movements	30	696	219		945
31 December 2013	**(762)**	**(7,637)**	**(1,978)**		**(10,377)**
of which finance leases	(8)	(58)	(20)		(86)
Carrying amount					
31 December 2012	**1,434**	**3,781**	**883**	**353**	**6,451**
of which finance leases	7	39	7		53
31 December 2013	**1,438**	**3,764**	**812**	**305**	**6,319**
of which finance leases	6	42	5		53

Operating commitments not yet recognised involving future outflows of resources

Property, plant and equipment *(€ million)*	**Falling due**				
	Less than 1 year	**1 to 5 years**	**More than 5 years**	**Total 2013**	**Total 2012**
Colas: orders in progress for plant and equipment	35			35	13
Bouygues Telecom: orders in progress for network equipment assets	215			215	249
TOTAL	**250**			**250**	**262**

3.2.2. Intangible assets

(€ million)	Development expenses *(a)*	Concessions, patents and similar rights	Other intangible assets	Total
Gross value				
31 December 2011	**216**	**1,388**	**1,599**	**3,203**
Movements during 2012				
Translation adjustments			(1)	(1)
Changes in scope of consolidation		(20)	12	(8)
Acquisitions during the period	22	51	801 (b)	874
Disposals, transfers & other movements		13	(25)	(12)
31 December 2012	**238**	**1,432**	**2,386**	**4,056**
Movements during 2013				
Translation adjustments		(3)	(3)	(6)
Changes in scope of consolidation		(15)	(9)	(24)
Acquisitions during the period	18	64	79	161
Disposals, transfers & other movements	(82)	1,045 (c)	(1,020) (c)	(57)
31 December 2013	**174**	**2,523**	**1,433**	**4,130**
Amortisation and impairment				
31 December 2011	**(168)**	**(674)**	**(1,152)**	**(1,994)**
Movements during 2012				
Translation adjustments				
Changes in scope of consolidation		8	(9)	(1)
Net expense for the period	(26)	(103)	(53)	(182)
Disposals, transfers & other movements		4	3	7
31 December 2012	**(194)**	**(765)**	**(1,211)**	**(2,170)**
Movements during 2013				
Translation adjustments		2	1	3
Changes in scope of consolidation		1	15	16
Net expense for the period	(21)	(125)	(57)	(203)
Disposals, transfers & other movements	82	8	12	102
31 December 2013	**(133)**	**(879)**	**(1,240)**	**(2,252)**
Carrying amount				
31 December 2012	**44**	**667**	**1,175**	**1,886**
31 December 2013	**41**	**1,644** (d)	**193**	**1,878**

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

(b) Includes 800 MHz bandwidth frequency licence: €683 million as of 31 December 2012.
(c) Includes €991 million for the 4G frequency user licence that came into service on 1 October 2013.
(d) Includes Bouygues Telecom's UMTS licence (carrying amount €320m) and 4G frequency user licence (€991 million).

Operating commitments not yet recognised involving future outflows of resources

Intangible assets *(€ million)*	**Falling due**				
	Less than 1 year	**1 to 5 years**	**More than 5 years**	**Total 2013**	**Total 2012**
TF1: audiovisual rights (securing programming schedules for future years)	19	1		20	20
TOTAL	**19**	**1**		**20**	**20**

3.2.3. Goodwill

(€ million)	Gross value	Impairment	Carrying amount
31 December 2011	**5,645**	**(65)**	**5,580**
Movements during 2012			
Changes in scope of consolidation	75	2	77
Impairment losses charged during the period		(6)	(6)
Translation adjustments & other movements	(3)		(3)
31 December 2012	**5,717**	**(69)**	**5,648**
Movements during 2013			
Changes in scope of consolidation	(321) (a)		(321)
Impairment losses charged during the period		(12)	(12)
Translation adjustments & other movements	(36)	1	(35)
31 December 2013	**5,360**	**(80)**	**5,280**

(a) Includes (€407m) for Eurosport International and €62m for Furfari Paving Co Ltd.

For goodwill on associates, see Note 3.2.4.1.

3.2.3.1. Split of goodwill by Cash Generating Unit (CGU)

CGU	31 December 2013		31 December 2012	
(€ million)	**Total**	**% Bouygues or subsidiaries**	**Total**	**% Bouygues or subsidiaries**
Bouygues Construction [(a)]	413	99.97	421	99.97
Colas [(b)]	1,167	96.60	1,099	96.60
TF1 [(b)]	1,051 (c)	43.52	1,458	43.65
Bouygues Telecom [(b)]	2,648	90.53	2,669	90.53
Other activities	1		1	
TOTAL	**5,280**		**5,648**	

(a) Only includes goodwill on subsidiaries acquired by the CGU.
(b) Includes goodwill on subsidiaries acquired by the CGU and on acquisitions made at parent company (Bouygues SA) level for the CGU.
(c) The goodwill of €407m allocated to Eurosport International was reclassified to "Held-for-sale assets and operations" as of 31 December 2013.

3.2.3.2. Consolidated carrying amount of listed shares as of 31 December 2013

(in euros)	Consolidated carrying amount per share	Closing quoted share price on 31 December 2013
TF1	14.33	14.01 (a)
Colas	99.61	123.00
Alstom	34.00	26.475

(a) *€16.11 after adjustment to reflect a control premium.*

For conclusions on impairment testing, see Note 2.7.4.3.

3.2.4. Non-current financial assets

As of 31 December 2013, these comprised:

- investments in associates (accounted for by the equity method): €3,386m;
- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc): €570 million;
- deferred tax assets: €251 million.

(€ million)	Investments in associates	Investments in non-consolidated companies	Other non-current assets	Total gross value	Amortisation and impairment	Carrying amount	Non-current deferred tax assets (c)
31 December 2011	**5,100**	**528**	**503**	**6,131**	**(276)**	**5,855**	**256**
Movements during 2012							
Changes in scope of consolidation	82	(212)	(35)	(165)	(3)	(168)	
Acquisitions and other increases	342	19	163	524		524	
Amortisation and impairment, net					(8)	(8)	
Disposals and other reductions	(130)	(34)	(151)	(315)		(315)	
Transfers and other allocations	(43)	28	40	25		25	16
31 December 2012	**5,351**	**329**	**520**	**6,200**	**(287)**	**5,913**	**272**
AMORTISATION AND IMPAIRMENT	**(16)**	**(153)**	**(118)**	**(287)**			
CARRYING AMOUNT	**5,335**	**176**	**402**	**5,913**			**272**

(€ million)	Investments in associates *(a)*	Investments in non-consolidated companies	Other non-current assets	Total gross value	Amortisation and impairment	Carrying amount	Non-current deferred tax assets (c)
31 December 2012	**5,351**	**329**	**520**	**6,200**	**(287)**	**5,913**	**272**
Movements during 2013							
Changes in scope of consolidation	13	(9)	(16)	(12)	(20)	(32)	(6)
Acquisitions and other increases	215	6	123	344		344	
Amortisation and impairment, net					(4)	(4)	
Disposals and other reductions	(221)	(14)	(101)	(336)	(1,404)	(1,740)	(4)
Transfers and other allocations	(552)*(b)*	2	12	(538)	13	(525)	(11)
31 December 2013	**4,806**	**314**	**538**	**5,658**	**(1,702)**	**3,956**	**251**
AMORTISATION AND IMPAIRMENT	**(1,420)**	**(167)**	**(115)**	**(1,702)**			
CARRYING AMOUNT	**3,386**	**147**	**423**	**3,956**			**251**

(a) Includes goodwill on associates of €1,185m as of 31 December 2013, after deducting the €1,404m impairment loss booked against Alstom in 2013.
(b) Includes (€490m) for Cofiroute, classified as a held-for-sale asset as of 31 December 2013.
(c) See Note 7.

3.2.4.1. Investments in associates

(€ million)	**Share of net assets held**	**Share of profit/(loss) for the period**	**Goodwill**	**Carrying amount**
31 December 2011	**2,139**	**198**	**2,748**	**5,085**
Movements during 2012				
Translation adjustments	13			13
Acquisitions and share issues	151		56	207
Profit/(loss) for the period		218		218
Impairment losses			(1)	(1)
Appropriation of prior-year profit, disposals, transfers and other movements	95	(198)	(84)	(187)
31 December 2012	**2,398**	**218**	**2,719**	**5,335**
Movements during 2013				
Translation adjustments	(68)			(68)
Acquisitions and share issues	21		2	23
Profit/(loss) for the period		205 [c]		205
Impairment losses			(1,404) [d]	(1,404)
Appropriation of prior-year profit, disposals, transfers and other movements	(355) [b]	(218)	(132) [b]	(705)
31 December 2013	**1,996**	**205**	**1,185**	**3,386** [a]

(a) Includes €3,079m for Alstom (see below)
(b) Includes (€490m) for Cofiroute, classified as a held-for-sale asset
(c) Includes €153m for the share of profits from Alstom
(d) Alstom: an impairment loss of €1,404m was recognised in the 2013 financial statements, see Note 2.7.4.3

A list of associates in which the Bouygues group holds an interest is provided in Note 25, “List of principal consolidated companies at 31 December 2013”.

Principal associates

(€ million)	31/12/2012	Net movement in 2013	31/12/2013	of which: share of profit/(loss) for period	of which: Alstom impairment loss
Alstom	4,480	(1,401)	3,079 (b)	153 (a)	(1,404) (a)
Construction					
Concession companies	66	(5)	61	(10)	
Other associates	9	(1)	8		
Roads					
Cofiroute	490	(490) (c)		50	
Other associates	98	25	123	13	
Media	161	(79)	82		
Other associates	31	2	33	(1)	
TOTAL	**5,335**	**(1,949)**	**3,386**	**205**	**(1,404)**

(a) Contribution of Alstom group: share of profits €168m, amortisation charged against fair value remeasurements in 2013 (€15m), impairment of net assets (€1,404m).
(b) Includes goodwill of €1,106m.
(c) Includes (€490m) reclassified to held-for-sale assets.

Summary information about the assets, liabilities, income and expenses of the Bouygues group's two principal associates is provided below:

Amounts shown are for 100% of the associate (as published by the associate) *(€ million)*	31 December 2013	
	Alstom (a)	**Cofiroute**
Non-current assets	13,265	5,648
Current assets	17,160	710
TOTAL ASSETS	**30,425**	**6,358**
Shareholders' equity	5,006	2,149
Non-current liabilities	6,816	3,583
Current liabilities	18,603	626
TOTAL LIABILITIES AND EQUITY	**30,425**	**6,358**
Sales	**9,730**	**1,241**
Current operating profit	**695**	**626**
Net profit	**381**	**302**
Net profit attributable to the Group	**375**	**302**

Amounts shown are for 100% of the associate *(€ million)*	31 December 2012	
	Alstom (b)	**Cofiroute**
Non-current assets	13,480	5,802
Current assets	18,146	746
TOTAL ASSETS	**31,626**	**6,548**
Shareholders' equity	5,089	2,150
Non-current liabilities	7,265	3,645
Current liabilities	19,272	753
TOTAL LIABILITIES AND EQUITY	**31,626**	**6,548**
Sales	**20,269**	**1,337**
Current operating profit	**1,463**	**604**
Net profit	**784**	**294**
Net profit attributable to the Group	**768**	**294**

(a) Interim financial statements published by Alstom for the six months ended 30 September 2013 (Alstom's financial year-end is 31 March 2014).
(b) Published financial statements for the year ended 31 March 2013.

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

- Principal investments in non-consolidated companies as of 31 December 2013:

Investment (€ million)	31/12/2013 Gross value	Impair-ment	Carrying amount	% interest	Total assets	Total current & non-current liabilities	Total sales	Net profit/ (loss)	31/12/2012 Carrying amount
French companies									
Property									
Société Maintenance Technologie									4
Colas									
Asphalt & binder companies [(a)]	14	(2)	12						10
TF1									
Sylver	4		4	49.0%					4
Sofica Valor 7	7		7	40.1%					3
Serendipity									
Wonderbox	6		6	11.1%					6
Sub-total	**31**	**(2)**	**29**						**27**
Foreign companies									
Construction									
IEC Investments (Hong Kong)	51		51	15.0%	119	19	31	(15)	53
VSL Corporation (United States)	22	(22)		100.0%					
TF1									
Wikio	4		4	9.1%					4
A1-international (Netherlands)	13	(13)		50.0%					
Colas									
Carrières de Dumbéa									17
Asphalt & binder companies (a)	2		2						1
Sub-total	**92**	**(35)**	**57**						**75**
Other investments	**191**	**(130)**	**61**						**74**
TOTAL	**314**	**(167)**	**147**						**176**

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

The change relative to 31 December 2012 is mainly due to the first-time consolidation of Carrières de Dumbéa in 2013; this entity was classified in "Investments in non-consolidated companies" as of 31 December 2012, because it was acquired at the end of the financial year.

- Other non-current financial assets 423
  - Advances to non-consolidated companies 59
  - Loans receivable 218
  - Other long-term investments: 146
    - Deposits and caution money paid (net) 130
    - Mutual funds 10
    - Other investments with carrying amounts of less than €2m individually 6

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

(€ million)	Available-for-sale financial assets (a)	Loans and receivables (b)	Total
31 December 2012	**208**	**370**	**578**
Movements during 2013	(38)	30	(8)
31 December 2013	**170**	**400**	**570**
Due within less than 1 year	10	37	47
Due within 1 to 5 years		83	83
Due after more than 5 years	160	280	440

(a) *Impact of fair value remeasurements recognised in equity (except in the event of a significant and prolonged decline in value, in which case an impairment loss is recognised in profit or loss). Mainly comprises investments in non-consolidated companies (€147m at 31 December 2013), the vast majority of which are measured at value in use (level 3 in the fair value hierarchy).*
(b) *Measured at amortised cost.*
(c) *Includes financial receivables relating to Public-Private Partnership (PPP) activities.*

Investments accounted for by the proportionate consolidation method (joint ventures and joint operations)

The Bouygues group holds a number of investments accounted for by the proportionate consolidation method, which are listed in Note 25, “List of principal consolidated companies at 31 December 2013”.

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

Bouygues share *(€ million)*	**31 December 2013**	**31 December 2012**
Non-current assets	237	228
Current assets	1,040	1,122
TOTAL ASSETS	**1,277**	**1,350**
Shareholders' equity	(44)	(137)
Non-current liabilities	133	138
Current liabilities	1,188	1,349
TOTAL LIABILITIES AND EQUITY	**1,277**	**1,350**
SALES	**1,834**	**1,480**
OPERATING PROFIT	**76**	**59**
NET PROFIT	**62**	**28**

NOTE 4 - CURRENT ASSETS

4.1. Inventories

(€ million)	31 December 2013			31 December 2012		
	Gross value	**Impairment** [(a)]	**Carrying amount** [(b)]	**Gross value**	**Impairment** [(a)]	**Carrying amount**
Property development inventories	1,545	(124)	1,421	1,508	(128)	1,380
Raw materials and finished goods	1,001	(44)	957	995	(41)	954
Programmes & broadcasting rights (TF1)	796	(130)	666	746	(131)	615
TOTAL	**3,342**	**(298)**	**3,044**	**3,249**	**(300)**	**2,949**

(a) Includes: impairment losses charged in the period (125) (110)
impairment losses reversed in the period 131 107
(b) Includes Bouygues Immobilier: properties under construction €1,215m, completed properties €37m.

Operating commitments not yet recognised involving future outflows of resources

(€ million)	Falling due				
	Less than 1 year	**1 to 5 years**	**More than 5 years**	**Total 2013**	**Total 2012**
TF1					
Programmes and broadcasting rights [(a)]	603	613	69	1,285	1,268
Sports transmission rights [(a)] [(b)]	242	395	65	702	538
FUTURE PROGRAMMING SCHEDULES	**845**	**1,008**	**134**	**1,987**	**1,806**
Comparative at 31 December 2012	778	990	38	1,806	

(a) 2013: Some of the contracts are denominated in foreign currencies: €8m in Swiss francs, €6m in pounds sterling, and €283m in US dollars.
(b) 2013: Includes €408m for held-for-sale operations (of which €92m was due within less than 1 year and €65m after more than 5 years).
2012: Includes €322m relating to activities that were classified as held-for-sale operations at 31 December 2013 (of which €96m was due within less than 1 year).

Bouygues Immobilier					
RECIPROCAL OFF BALANCE SHEET COMMITMENTS RELATING TO ACQUISITION OF LAND BANKS	**216**			**216**	**230**
Comparative at 31 December 2012	230			230	

Bouygues Telecom					
AGREEMENTS TO SECURE HANDSET SUPPLIES	**227**			**227**	**298**
Comparative at 31 December 2012	298			298	

As of 31 December 2013, programmes and broadcasting rights were held mainly by TF1 SA (€352m, versus €468m in 2012) and GIE AD (€819m, versus €728m in 2012).

Sports transmission rights were held mainly by TF1 SA and TF1 DS (€275m in 2013, versus €187m in 2012).

4.2. Advances and down-payments on orders

(€ million)	31 December 2013			31 December 2012		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments on orders	500	(26)	474	489	(9)	480

4.3. Trade receivables, tax assets and other current receivables

(€ million)	31 December 2013			31 December 2012		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	6,839	(634)	6,205	6,979	(615)	6,364
Current tax assets (tax receivable)	199	(2)	197	186	(2)	184
Other receivables and prepaid expenses						
• Other operating receivables (employees, social security, government and other)	1,235	(93)	1,142	1,311	(83)	1,228
• Sundry receivables	718	(85)	633	747	(91)	656
• Prepaid expenses	175		175	202		202
TOTAL OTHER CURRENT RECEIVABLES	**2,128**	**(178)**	**1,950**	**2,260**	**(174)**	**2,086**
TOTAL	**9,166**	**(814)**	**8,352**	**9,425**	**(791)**	**8,634**

Split of carrying amount of trade receivables between non past due and past due balances as of 31 December 2013 and 31 December 2012

(€ million)	Non past due	Past due by:			Total
		0-6 months	6-12 months	> 12 months	
Trade receivables	4,608	1,280	292	659	6,839
Impairment of trade receivables	(23)	(62)	(85)	(464)	(634)
CARRYING AMOUNT OF TRADE RECEIVABLES: 31 DECEMBER 2013	**4,585**	**1,218**	**207**	**195** *(a)*	**6,205**
Carrying amount of trade receivables: 31 December 2012	4,758	1,223	199	184	6,364

(a) Includes €66m for Colas and €82m for Bouygues Construction.

An analysis of trade receivables more than 12 months past due and not covered by impairment allowances revealed no additional credit risk (recoverable VAT, offset with trade creditors, etc.).

4.4. Cash and cash equivalents

(€ million) Cash and cash equivalents	31 December 2013 Gross value	Impairment	Carrying amount	31 December 2012 Gross value	Impairment	Carrying amount
Cash	1,433		1,433 (a)	1,532		1,532
Cash equivalents	2,139	(2)	2,137 (b)	2,958	(3)	2,955
TOTAL	**3,572**	**(2)**	**3,570**	**4,490**	**(3)**	**4,487**

(a) Includes €200m of term deposits with maturities of less than 3 months recorded in the books of Bouygues SA.
(b) €1,991m of these cash equivalents are held by Bouygues SA.
Surplus cash is invested with high-quality French and foreign banks.
Cash equivalents are readily convertible into cash.
Cash equivalents are measured at fair value.

All investments of cash and equivalents were available as of 31 December 2013.

The net cash position shown in the cash flow statement breaks down by currency as follows:

Split of net cash position by currency *(€ million)*	Euro	Pound sterling	Swiss franc	Other European currencies	US dollar	Other currencies	Total 31/12/2013	Total 31/12/2012
Cash	634	183	24	76	98	418	1,433	1,532
Cash equivalents	2,133		1			3	2,137	2,955
Overdrafts and short-term bank borrowings	(191)	(5)	(2)	(12)		(153)	(363)	(189)
TOTAL: 31 DECEMBER 2013	**2,576**	**178**	**23**	**64**	**98**	**268**	**3,207**	**4,298**
Total: 31 December 2012	3,610	133	29	51	61	414	4,298	

4.5. Analysis of depreciation, amortisation, impairment and provisions in the balance sheet and income statement

(€ million)			Charges and reversals (operating)					
	31/12/2012	**Translation adjustments**	**Depreciation, amortisation**	**Impairment losses, provisions**	**Reversals (unutilised)**	**Other impairment losses & provisions**	**Other movements** [(a)]	**31/12/2013**
Depreciation, amortisation & impairment of property, plant and equipment and intangible assets	(12,409)	107	(1,413)		1	(8)	1,093	(12,629)
Impairment of goodwill	(69)			(12)			1	(80)
Impairment of investments in non-consolidated companies	(153)	1				(5)	(10)	(167)
Impairment of other non-current financial assets	(134)	1				(1,419) *(b)*	17	(1,535)
Impairment of inventories	(300)			(13)	19		(4)	(298)
Impairment of trade receivables	(615)	5		(119)	85		10	(634)
Impairment of cash equivalents	(3)						1	(2)
Impairment of other current assets	(185)			(31)	15		(3)	(204)
TOTAL DEDUCTED FROM ASSETS	**(13,868)**	**114**	**(1,413)**	**(175)**	**120**	**(1,432)**	**1,105**	**(15,549)**
Current and non-current provisions	(2,976)	38		(337)	314	(10)	2	(2,969)
TOTAL RECOGNISED AS LIABILITIES	**(2,976)**	**38**		**(337)**	**314**	**(10)**	**2**	**(2,969)**

(a) Reversals on disposals, and changes in scope of consolidation.
(b) Includes the impairment loss of €1,404m charged against the net assets of Alstom.

4.6. Other current financial assets

(€ million)	**31 December 2013**	**31 December 2012**
Financial instruments used to hedge debt	13	24
Other financial assets (financial receivables due within less than 1 year, financial instruments relating to working capital items, etc)	16	10
TOTAL	**29**	**34**

NOTE 5 - CONSOLIDATED SHAREHOLDERS' EQUITY

5.1. Share capital of Bouygues SA (in euros)

As of 31 December 2013, the share capital of Bouygues SA consisted of 319,264,996 shares with a €1 par value. Movements during 2013 were as follows:

		Movements during 2013		
	31 December 2012	**Reductions**	**Increases**	**31 December 2013**
Shares	324,232,374	(5,074,906)	107,528	319,264,996
NUMBER OF SHARES	**324,232,374**	**(5,074,906)**	**107,528**	**319,264,996**
Par value	€1			€1
SHARE CAPITAL (€)	**324,232,374**	**(5,074,906)**	**107,528**	**319,264,996**

5.2. Shareholders' equity at 31 December 2013 attributable to the group and to non-controlling interests

(€ million)	**Share capital**	**Share premium**	**Reserves related to capital**	**Retained earnings**	**Consolidated reserves and profit/(loss) for period**	**Treasury shares**	**Items recognised directly in equity**	**Total 2013**
Attributable to the Group	319	888	3,054		3,132		(239)	7,154
Attributable to non-controlling interests			3		1,526		1	1,530
TOTAL SHAREHOLDERS' EQUITY	**319**	**888**	**3,057**		**4,658**		**(238)**	**8,684**

(a) Cumulative balance of items recognised directly in equity as of 31 December 2013.

5.3. Analysis of income and expense recognised directly in equity

(€ million)	**Ref.**	**2013 Attributable to the Group**	**2012 Attributable to the Group**
Translation reserve	5.3.1	(11)	12
Fair value remeasurement reserve (financial instruments)	5.3.2	20	5
Actuarial gains/(losses)	5.3.3	(12)	(78)
Tax on items recognised directly in equity			32
Share of remeasurements of associates		(38)	(57)
SUB-TOTAL		**(41)**	**(86)**
		Non-controlling interests	**Non-controlling interests**
Other expenses and income attributable to non-controlling interests		(7)	(3)
TOTAL		**(48)**	**(89)**

5.3.1. Translation reserve

Principal translation adjustments in the year ended 31 December 2013 arising on the consolidated financial statements of foreign subsidiaries and associates reporting in the following currencies:

	31 December 2012	Movements during 2013	31 December 2013
US dollar	(10)	(15)	(25)
Canadian dollar	32	(32)	
Australian dollar	9	(10)	(1)
Pound sterling	(4)	(2)	(6)
Thai baht	6	(5)	1
South African rand	2	62	64
Swiss franc	8	(1)	7
Czech koruna	8	(5)	3
Croatian kuna	4	(1)	3
Polish zloty	4		4
Other currencies	35	(69)	(34)
TOTAL	**94**	**(78)**[b]	**16**[a]

(a) Includes cumulative translation adjustments on associates: (€37m) relating to Alstom.
(b) Split: subsidiaries (€11m), associates (€67m).

5.3.2. Fair value remeasurement reserve (attributable to the Group)

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

(€ million)	31 December 2012	Movements during 2013	31 December 2013
Gross movement (fully consolidated entities)	(11)	20	9

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

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

(€ million)	31 December 2012	Movements during 2013	31 December 2013
Gross movement (fully consolidated entities)	(51)	(12)[a]	(63)

(a) Impact of the Iboxx A10+ rate (3.24% at 31 December 2013, versus 3.30% at 31 December 2012) and pension funds of subsidiaries in English-speaking countries.

5.4. Analysis of "Other transactions with shareholders" attributable to the Group

The impact on consolidated shareholders' equity of share-based payment (IFRS 2) is as follows:

(€ million)	**2013**	**2012**	**(charged to profit or loss)**
TF1 and Bouygues SA stock options			
Transfer to reserves:			
• TF1	1	1	
• Bouygues SA	5	10	2013 expense calculated on basis of plans awarded since April 2009
CONSOLIDATED EXPENSE	**6**	**11**	
Employee share ownership plan			
• Bouygues Confiance 6 plan		4	Cost of employee benefit
TOTAL	**6**	**15**	

5.5. Analysis of "Acquisitions/Disposals without loss of control" and "Other movements"

The net movement of -€20m, split between the portion attributable to the Group (-€27m) and the portion attributable to non-controlling interests (+€7m), mainly relates to the Group's share of various transactions recognised in equity by Alstom (-€25m).

NOTE 6 - NON-CURRENT AND CURRENT PROVISIONS

6.1. Non-current provisions

(€ million)	Long-term employee benefits [a]	Litigation and claims [b]	Guarantees given [c]	Other non-current provisions [d]	Total
31 December 2011	**480**	**360**	**382**	**643**	**1,865**
Movements during 2012					
Translation adjustments	1	1		1	3
Changes in scope of consolidation	20	(3)	2	5	24
Charges to provisions	59	86	110	255	510
Reversals of provisions (utilised or unutilised)	(22)	(107)	(101)	(128)	(358) (e)
Actuarial gains and losses	83				83
Transfers and other movements	7		(5)	44	46
31 December 2012	**628**	**337**	**388**	**820**	**2,173**
Movements during 2013					
Translation adjustments	(3)		(1)	(7)	(11)
Changes in scope of consolidation		2	(3)	(2)	(3)
Charges to provisions	40	101	111	181	433
Reversals of provisions (utilised or unutilised)	(27)	(116)	(109)	(172)	(424) (f)
Actuarial gains and losses	14				14
Transfers and other movements	(2)	7	(7)	(4)	(6)
31 December 2013	**650**	**331**	**379**	**816**	**2,176**

Provisions are measured on the basis of management's best estimate of the risk.

(a) Long-term employee benefits (see Note 19.1)	***650***	***Principal segments involved:***	
Lump-sum retirement benefits	*442*	*Bouygues Construction*	*181*
Long service awards	*139*	*Colas*	*358*
Other long-term employee benefits	*69*	*TF1*	*29*
		Bouygues Telecom	*49*
(b) Litigation and claims	***331***	*Bouygues Construction*	*173*
Provisions for customer disputes	*158*	*Bouygues Immobilier*	*47*
Subcontractor claims	*29*	*Colas*	*91*
Employee-related & other litigation and claims	*144*		
(c) Guarantees given	***379***	*Bouygues Construction*	*296*
Provisions for guarantees given	*292*	*Bouygues Immobilier*	*33*
		Colas	*50*
Provisions for additional building/civil engineering/civil works guarantees	*87*		

(d) Other non-current provisions	***816***	*Bouygues Construction*	*238*
Provisions for risks related to official inspections	*229*	*Colas*	300
Provisions for miscellaneous foreign risks	*76*	*Bouygues Telecom*	191
Provisions for subsidiaries and affiliates	*63*		
Dismantling and site rehabilitation	*241*		
Other non-current provisions	*207*		

(e) including reversals of unutilised provisions during 2012	***(183)***
(f) including reversals of unutilised provisions during 2013	***(180)***

6.2. Current provisions

Provisions related to the operating cycle (see Note 2):

(€ million)	**Provisions for customer warranties**	**Provisions for project risks and project completion [e]**	**Provisions for expected losses to completion [b]**	**Other current provisions [a]**	**Total**
31 December 2011	**56**	**289**	**205**	**281**	**831**
Movements during 2012					
Translation adjustments		1	(2)	(3)	(4)
Changes in scope of consolidation	(1)	1	1	(1)	
Charges to provisions	28	161	80	110	379
Reversals of provisions (utilised or unutilised)	(31)	(153)	(106)	(118)	(408)(c)
Transfers and other movements	4	(7)	(2)	10	5
31 December 2012	**56**	**292**	**176**	**279**	**803**
Movements during 2013					
Translation adjustments	(1)	(5)	(11)	(10)	(27)
Changes in scope of consolidation	3			(5)	(2)
Charges to provisions	26	175	102	95	398
Reversals of provisions (utilised or unutilised)	(29)	(140)	(92)	(113)	(374) [d]
Transfers and other movements		8	(1)	(12)	(5)
31 December 2013	**55**	**330**	**174**	**234**	**793**

(a) Other provisions comprise:		***Principal segments involved:***	
Reinsurance costs	*5*	*Bouygues Construction*	*76*
Customer disputes (current portion) and TF1 vendor's liability guarantees	*30*	*Bouygues Immobilier*	*30*
Customer loyalty programmes (Bouygues Telecom)	*10*	*Colas*	*59*
Site rehabilitation (current portion)	*7*	*TF1*	*30*
Miscellaneous current provisions	*182*		

(b) Provisions relating to construction activities (mainly Bouygues Construction and Colas).
(Individual project provisions are not disclosed for confidentiality reasons).
(c) Includes reversals of unutilised provisions during 2012: (163)
(d) Includes reversals of unutilised provisions during 2013: (138)
(e) Mainly Bouygues Construction and Colas.

NOTE 7 - NON-CURRENT DEFERRED TAX ASSETS AND LIABILITIES

7.1. Non-current deferred tax assets

(€ million)	31 December 2012	Movements during 2013	31 December 2013
Deferred tax assets			
Bouygues Construction	94	(9)	85
Bouygues Immobilier	21	4	25
Colas	149	1	150
TF1	11	(11)	
Bouygues Telecom			
Bouygues SA & other	(3)	(6)	(9)
TOTAL	**272**	**(21)**	**251**

Deferred tax assets manly derive from:

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

7.2. Non-current tax liabilities

(€ million)	31 December 2012	Movements during 2013	31 December 2013
Deferred tax liabilities	170	1	171 (a)
TOTAL	**170**	**1**	**171**

(a) Includes €91m for Colas and €61m for Bouygues Telecom.

7.3. Net deferred tax asset/liability by business segment

(€ million) Deferred taxation by segment/type	Net deferred tax asset/ (liability) at 31/12/2012	Changes in scope of consolidation	Translation adjustments	Movements during 2013 Gain	Movements during 2013 Expense	Other items [a]	Net deferred tax asset/ (liability) at 31/12/2013
A – Tax losses							
Bouygues Construction	4				(1)		3
Bouygues Immobilier							
Colas	3			5			8
TF1	4				(3)		1
SUB-TOTAL	**11**			**5**	**(4)**		**12**
B – Temporary differences							
Bouygues Construction	84				(6)		78
Bouygues Immobilier	19			4			23
Colas	48	(1)	(2)	7		(2)	50
TF1	(3)	1			(6)	(2)	(10)
Bouygues Telecom	(51)				(10)		(61)
Bouygues SA & other	(6)				(6)		(12)
SUB-TOTAL	**91**		**(2)**	**11**	**(28)**	**(4)**	**68**
TOTAL	**102**		**(2)**	**16**	**(32)**	**(4)**	**80** *(b)*

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

(b) Breakdown of net deferred tax asset:

- *deferred tax assets: 251*
- *deferred tax liabilities: (171)*

80

Principal sources of deferred taxation (€m):	***31/12/2013***	***31/12/2012***
- *deferred tax assets on employee benefits (mainly lump-sum retirement benefits)*	*173*	*170*
- *deferred tax assets on provisions temporarily non-deductible for tax purposes*	*95*	*99*
- *restricted provisions booked solely for tax purposes*	*(92)*	*(93)*
- *other*	*(96)*	*(74)*
	80	*102*

7.4. Period to recovery of deferred tax assets

31 December 2013 (€ million)	**Less than 2 years**	**2 to 5 years**	**More than 5 years**	**Total**
Estimated period to recovery of deferred tax assets	135	70	46 (a)	251

(a) Mainly Colas (primarily deferred tax assets on employee benefits and tax losses).

7.5. Unrecognised deferred tax assets

Some deferred tax assets were not recognised as of 31 December 2013 due to the low probability of recovery (mainly tax losses, which in the case of France are relevant only to companies not included in the Bouygues SA group tax election).

(€ million)	**31 December 2012**	**Movements during 2013**	**31 December 2013**
Bouygues Construction	125	(22)	103
Bouygues Immobilier	49	(8)	41
Colas	63	11	74
TF1	23	(3)	20
TOTAL	**260**	**(22)**	**238**

NOTE 8 - NON-CURRENT AND CURRENT DEBT

8.1. Interest-bearing debt by maturity

(€ million)	**Current debt (maturing 2014)**				**Non-current debt**							
	Accrued interest	**1 to 3 months**	**4 to 12 months**	**Total maturing 2014**	**1 to 2 years 2015**	**2 to 3 years 2016**	**3 to 4 years 2017**	**4 to 5 years 2018**	**5 to 6 years 2019**	**6 or more years 2020 and later**	**Total 31/12/2013**	**Total 31/12/2012**
Bond issues	170		757 (a)	927	1,000	600		499	963	3,070	6,132	6,880
Bank borrowings		13	43	56	49	32	232	19	8	67	407	535
Finance lease obligations		3	9	12	11	5	4	3	2		25	26
Other borrowings		4	10	14	12	15	4	4	4	9	48	61
TOTAL DEBT	**170**	**20**	**819**	**1,009**	**1,072**	**652**	**240**	**525**	**977**	**3,146**	**6,612**	**7,502**
Comparative at 31/12/2012	162	14	775	951	850	1,057	887	61	516	4,131		7,502

(a) Bond issue redeemable in October 2014.

The table below lists all outstanding Bouygues bond issues (the quoted price in each case is presented as a percentage of the nominal, on a full price basis (i.e. including accrued interest):

ISIN	Issue date	Maturity	Nominal value on maturity	Interest rate	Last known quoted price, as % of nominal on full price basis (*)
FR0010126904	29/10/2004	29/10/2014	**758**	4.375%	**103.0050**
FR0010633974	03/07/2008	03/07/2015	**1,000**	6.125%	**107.8305**
FR0010326975	24/05/2006	24/05/2016	**600**	4.750%	**108.7940**
FR0010853226	12/02/2010	12/02/2018	**500**	4.000%	**109.3250**
FR0010957662	29/10/2010	29/10/2019	**1,000**	3.641%	**107.7885**
FR0010212852	22/07/2005	22/07/2020	**1,000**	4.250%	**112.2850**
FR0011193515	09/02/2012	09/02/2022	**800**	4.500%	**112.4135**
FR0011332196	02/10/2012	01/01/2023	**700**	3.625%	**105.3590**
FR0010379255	06/10/2006	06/10/2026	**595**	5.500%	**106.8565**
		Total	**6,953**		

(*) source: Reuters

Finance lease obligations (included in debt) by business segment *(€ million)*	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total
Non-current: 31/12/2013	**4**		**20**	**1**			**25**
Current: 31/12/2013			**9**	**3**			**12**
Non-current: 31/12/2012			20	6			26
Current: 31/12/2012	1		11	4			16

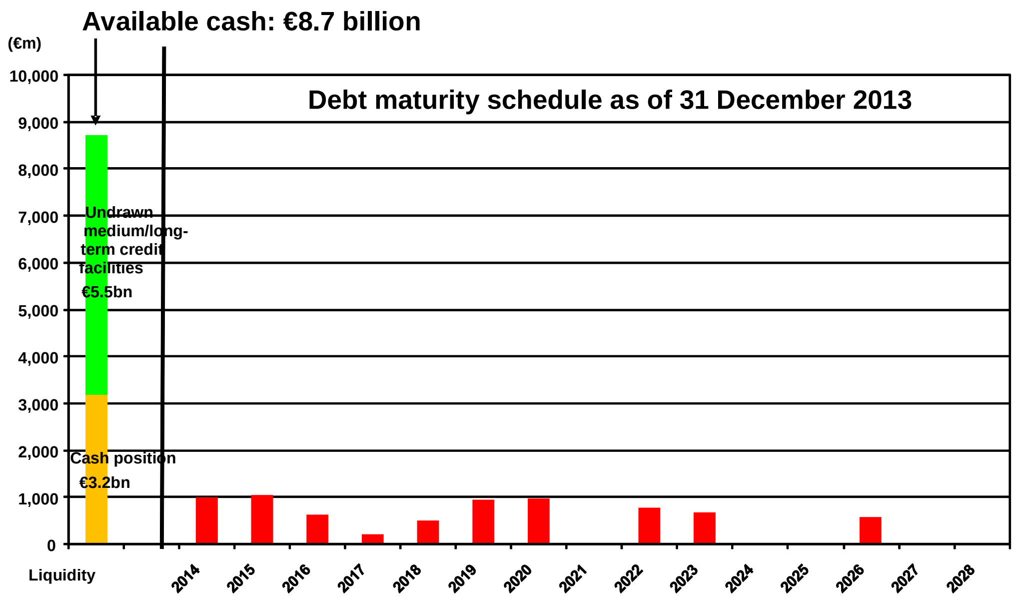
8.2. Confirmed credit facilities and drawdowns

Description *(€ million)*	**Confirmed facilities – Maturity**				**Drawdowns – Maturity**			
	Less than 1 year	**1 to 5 years**	**More than 5 years**	**Total**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Bond issues (mainly Bouygues SA)	927	3,062	3,070	7,059	927	3,062	3,070	7,059
Bank borrowings [(a)]	375	5,492	112	5,979	56	340	67	463
Finance lease obligations	12	25		37	12	25		37
Other borrowings	14	39	9	62	14	39	9	62
TOTAL CREDIT FACILITIES	**1,328**	**8,618**	**3,191**	**13,137**	**1,009**	**3,466**	**3,146**	**7,621**

(a) Confirmed undrawn credit facilities: €5,516m

8.3. Liquidity at 31 December 2013

As at 31 December 2013, available cash stood at €3,194m (including -€13m for financial instruments contracted to hedge net debt). The Group also had €5,516m of undrawn confirmed credit facilities as at the same date.



The bond issues maturing 2015, 2016, 2018, 2019, 2022, 2023 and 2026 contain a change of control clause relating to Bouygues SA.
The credit facilities contracted by Bouygues SA and its subsidiaries contain no financial covenants or trigger event clauses.

8.4. Split of current and non-current debt by interest rate type

Split of current and non-current debt, including the effect of all open interest rate hedges at the balance sheet date:

(as a percentage)	**31 December 2013**	**31 December 2012**
Fixed rate (a)	94	94
Floating rate	6	6

(a) Rates fixed for more than one year.

8.5. Interest rate risk

The split of financial assets and financial liabilities by type of interest as of 31 December 2013 is shown below:

(€ million)	Floating rate	Fixed rate	Total
Financial liabilities (debt)	(732)	(6,889)	(7,621)
Financial assets (net cash) [(a)]	3,194		3,194
Net pre-hedging position	**2,462**	**(6,889)**	**(4,427)**
Interest rate hedges	310	(310)	
Net post-hedging position	**2,772**	**(7,199)**	**(4,427)**
Adjustment for seasonal nature of some activities [(b)]	(878)		
Net post-hedging position after adjustment	**1,894**		

(a) *Includes -€13m for the fair value of financial instruments contracted to hedge net debt.*

(b) *Colas: operations, and cash flows from operations, are subject to marked seasonal fluctuations. This adjustment gives an approximation of the average cash position over the full year, which is used as the basis for analysing the sensitivity of interest expense to changes in interest rates. It corresponds to the difference between the average cash position over the full year, and the net cash position in the balance sheet at 31 December.*

The effect of an immediate 1% rise in short-term interest rates on the net post-hedging position after adjustment (as presented above) would be to reduce the cost of net debt by €19m over a full year.

8.6. Split of non-current and current debt by currency

(€ million)	Europe						
	Euro	Pound sterling	Other currencies	US dollar	Hong Kong dollar	Other currencies	Total
Non-current: 31/12/2013	**5,837**	**659**	**8**	**58**	**19**	**31**	**6,612**
Current: 31/12/2013	**964**	**9**	**1**	**25**	**1**	**9**	**1,009**
Non-current: 31/12/2012	6,712	666	7	51	24	42	7,502
Current: 31/12/2012	902	12	14	8	1	14	951

An analysis of debt by business segment is provided in Note 16.

Details of collateral and pledges given by the Bouygues group are provided in Note 18.1 (analysis by business segment).

NOTE 9 - MAIN COMPONENTS OF CHANGE IN NET DEBT

9.1. Change in net debt

(€ million)	31 December 2012	Movements during 2013	31 December 2013
Cash and cash equivalents	4,487	(917)	3,570
Overdrafts and short-term bank borrowings	(189)	(174)	(363)
NET CASH POSITION	**4,298**	**(1,091)**	**3,207** (a)
Non-current debt	(7,502)	890	(6,612)
Current debt	(951)	(58)	(1,009)
Financial instruments, net	(17)	4	(13)
TOTAL DEBT	**(8,470)**	**836**	**(7,634)**
NET DEBT	**(4,172)**	**(255)**	**(4,427)**

(a) Net cash position as analysed in the 2013 cash flow statement (net cash flows + non-monetary movements).

9.2. Principal net debt transactions in the year ended 31 December 2013

NET DEBT AT 31 DECEMBER 2012	**(4,172)**
Acquisitions/disposals, including changes in scope of consolidation and other impacts on equity	(103)
Dividends paid	(591)
Transactions involving the share capital of Bouygues SA (see Note 5.1)	(71)
Operating items	610
Other items [a]	(100)
NET DEBT AT 31 DECEMBER 2013	**(4,427)**

(a) Includes:

• Eurosport International: net cash position at 31 December 2013, reclassified to “held-for-sale assets”	(67)
• 4G licence (interest capitalised until 1 October 2013)	(33)

NOTE 10 - CURRENT LIABILITIES

(€ million)	**31 December 2013**	**31 December 2012**
Advances and down-payments received [(a)]	1,348	1,449
Current debt [(b)]	1,009	951
Current taxes payable	121	82
Trade payables	6,805	6,925
Current provisions [(c)]	793	803
Other current liabilities		
• Other operating liabilities (employees, social security, government)	2,527	2,529
• Deferred income	1,673	1,859
• Other non-financial liabilities	1,820	1,984
Overdrafts and short-term bank borrowings	363	189
Financial instruments – liabilities	26	41
Other current financial liabilities	10	19
TOTAL	**16,495**	**16,831**

(a) As of 31 December 2013, "Advances and down-payments received" included €284m received from customers on signature of a deed of sale in respect of off-plan sales under property development programmes.
These sums are not refundable and are used to finance work on the programmes; virtually all of these sums had been disbursed as of 31 December 2013.
(b) See analysis in Note 8, "Non-current and current debt".
(c) See analysis in Note 6.2, "Current provisions".

NOTE 11 - ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

11.1. Analysis by accounting classification

(€ million)	**2013**	**2012**
Sales of goods	3,303	3,476
Sales of services	11,406	11,838
Construction contracts	18,636	18,233
SALES	**33,345**	**33,547**
OTHER REVENUES FROM OPERATIONS	**96**	**107**
TOTAL REVENUES	**33,441**	**33,654**

There were no material exchanges of goods or services in the year ended 31 December 2013.

Consolidated balance sheet: information about construction contracts

(€ million)	**Bouygues Construction**	**Colas**	**Total**
Works to be rebilled	493	424	917
Warranty retentions	148	101	249
Works billed in advance	(1,267)	(297)	(1,564)
Advance payments received	(632)	(258)	(890)

11.2. Analysis by business segment

(€ million)	**2013 sales**				**2012 sales**			
	France	**International**	**Total**	**%**	**France**	**International**	**Total**	**%**
Construction	5,746	5,082	10,828	32	5,414	4,987	10,401	31
Property	2,409	100	2,509	8	2,263	133	2,396	7
Roads	7,324	5,614	12,938	39	7,287	5,669	12,956	39
Media	1,990	427	2,417	7	2,129	446	2,575	8
Telecoms	4,644		4,644	14	5,208		5,208	15
Bouygues SA & other	5	4	9		7	4	11	
CONSOLIDATED SALES	**22,118**	**11,227**	**33,345**	**100**	**22,308**	**11,239**	**33,547**	**100**

11.3. Analysis by geographical area

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

(€ million)	2013 sales		2012 sales	
	Total	%	Total	%
France	22,118	66	22,308	66
European Union (28 members)	3,485	11	3,574	11
Rest of Europe	1,199	3	1,150	3
Africa	1,319	4	1,280	4
Middle East	191	1	203	1
North America	2,695	8	2,827	8
Central and South America	205	1	223	1
Asia-Pacific	1,788	5	1,710	5
Oceania	345	1	272	1
TOTAL	**33,345**	**100**	**33,547**	**100**

11.4. Split by type of contract, France/international

(%)	2013			2012		
	France	International	Total	France	International	Total
Public-sector contracts (a)	34	59	42	31	61	41
Private-sector contracts	66	41	58	69	39	59

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

NOTE 12 - OPERATING PROFIT

(€ million)	**2013**	**2012**
Sales	33,345	33,547
Other revenue from operations	96	107
Purchases used in production and external charges	(23,203)	(23,575)
Personnel costs	(7,064)	(7,062)
Taxes other than income tax	(642)	(664)
Net depreciation, amortisation, provisions and impairment		
• Depreciation and amortisation, net (*)	(1,413)	(1,462)
• Net charges to provisions and impairment losses (*)	(512)	(521)
Change in production and property development inventories	54	189
Other income from operations		
• Reversals of unutilised provisions (*)	434	447
• Other miscellaneous income	910	883
Other expenses on operations	(661)	(603)
CURRENT OPERATING PROFIT (*)	**1,344**	**1,286**
Other operating income (b)		34
Other operating expenses (a)	(91)	(200)
OPERATING PROFIT	**1,253**	**1,120**

(*) Components included in the calculation of EBITDA.

See Note 16 for an analysis by business segment.

(a) ***2013***
Bouygues Telecom*: ongoing adaptation measures: (€80m)*
Colas*: charges incurred on the reorganisation of operations in France: (€11m)*

2012
TF1*: impact of phase II of the optimisation plan: (€48m)*
Bouygues Telecom: *impact of the adaptation plan: (€152m)*

(b) ***2012***
Bouygues Telecom*: gains on disposals of non-current operating and financial assets (see Note 1)*

NOTE 13 - COST OF NET DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

13.1. Analysis of cost of net debt

(€ million)	2013	2012
Financial expenses	**(364)**	**(352)**
comprising:		
Interest expense on debt	(336)	(317)
Interest expense related to treasury management	(24)	(27)
Interest expense on finance leases	(1)	(2)
Negative impact of financial instruments	(3)	(6)
Financial income	**55**	**62**
comprising:		
Interest income from cash and cash equivalents	37	43
Income and gains on disposal from cash and cash equivalents	18	19
TOTAL COST OF NET DEBT	**(309)**	**(290)**

Interest expense on debt is reported net of interest expense capitalised in compliance with IAS 23 (see Note 9.2), relating to the acquisition of 4G licences (authorisation to use frequencies that came into service on 1 October 2013).

13.2. Other financial income and expenses

(€ million)	2013	2012
Other financial income	70	63
Other financial expenses	(96)	(52)
OTHER FINANCIAL INCOME/(EXPENSES), NET	**(26)**	**11**

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

The net year-on-year change of €37m is mainly attributable to:

- a €6m reduction in financial income, due to the non-recurrence of the remeasurement of the fair value of the investment in Groupe AB that was booked in 2012;
- miscellaneous impairment losses of €20m, mainly on calls for funds and current accounts.

NOTE 14 - INCOME TAX EXPENSE

14.1. Analysis of income tax expense

(€ million)	2013			2012		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(234)	(117)	(351)	(237)	(83)	(320)
Deferred tax liabilities	(5)	2	(3)	(6)	(3)	(9)
Deferred tax assets	(9)	(4)	(13)	7	(8)	(1)
TOTAL	**(248)**	**(119)**	**(367)**	**(236)**	**(94)**	**(330)**

See Note 16 for an analysis by business segment.

14.2. Tax proof (reconciliation between standard tax rate and effective tax rate)

Differences between the standard corporate income tax rate applicable in France and the effective tax rate based on the consolidated financial statements are explained as follows:

(€ million)	2013	2012
NET PROFIT/(LOSS) FOR THE PERIOD (100%)	**(648)**	**728**
Eliminations:		
Income tax expense	(367)	(330)
Net profit of discontinued and held-for-sale operations	N/A	N/A
Share of profits/losses of associates and losses on dilution	1,199	(217)
NET PRE-TAX PROFIT FROM CONTINUING OPERATIONS EXCLUDING ASSOCIATES	**918**	**841**
Standard tax rate in France	38.00%	36.10%
Effect of non-recognition of tax loss carry-forwards (creation and utilisation)	2.77%	4.23%
Effect of permanent differences	1.39%	(2.40%)
Flat-rate taxes, dividend taxes and tax credits	(0.38%)	1.33%
Differential tax rates, long-term capital gains, foreign taxes	(1.79%)	(0.02%)
EFFECTIVE TAX RATE	**39.99%**	**39.24%**

The change in the effective tax rate between 2012 and 2013 is mainly due to the impact of new tax measures enacted in France (mainly the 3% tax on dividend payouts).

NOTE 15 - NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS AND DILUTED EARNINGS PER SHARE

15.1. Net profit/(loss) from continuing operations

The Bouygues group reported a net loss of €648 million from continuing operations for the year ended 31 December 2013:

(€ million)	**2013**	**2012**
Net profit/(loss) from continuing operations	(648)	728
Net profit/(loss) from continuing operations attributable to non-controlling interests	(109)	(95)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP	**(757)**	**633**

15.2. Basic and diluted earnings per share from continuing operations

Basic earnings per share from continuing operations is calculated by dividing net profit from continuing operations attributable to the Group by the weighted average number of shares outstanding during the year, excluding the average number of ordinary shares bought and held as treasury shares.

	2013	**2012**
Net profit/(loss) from continuing operations attributable to the Group *(€m)*	(757)	633
Weighted average number of shares outstanding	319,179,297	315,649,354
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**(2.37)**	**2.00**

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

	2013	**2012**
Net profit/(loss) from continuing operations attributable to the Group *(€m)*	(757)	633
Weighted average number of shares outstanding	319,179,297	315,649,354
Adjustment for potentially dilutive effect of stock options	402,024	96,044
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**(2.37)**	**2.00**

NOTE 16 - SEGMENT INFORMATION

Segment information is provided in two forms:

1. **By business segment (CGU):** Construction (Bouygues Construction), Property (Bouygues Immobilier), Roads (Colas), Media (TF1), Telecoms (Bouygues Telecom), Bouygues SA and other.

2. **By geographical area:** France (including overseas departments), European Union, Rest of Europe, Africa, Asia-Pacific-Oceania, Americas and Middle East (property, plant and equipment is allocated by location of assets as of 31 December).

Inter-segment sales are generally conducted on an arm's length basis.

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

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

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

16.1. Analysis by business segment – year ended 31 December 2013

(€ million)	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total 2013
Income statement							
Total sales	11,111	2,510	13,049	2,470	4,664	119	33,923
Inter-segment sales	(283)	(1)	(111)	(53)	(20)	(110)	(578)
THIRD-PARTY SALES	**10,828**	**2,509**	**12,938**	**2,417**	**4,644**	**9**	**33,345**
Net depreciation & amortisation expense	(192)	(7)	(417)	(67)	(725)	(5)	(1,413)
Net charges to provisions & impairment losses	(265)	(32)	(125)	(37)	(51)	(2)	(512)
CURRENT OPERATING PROFIT/(LOSS)	**435**	**178**	**417**	**223**	**125**	**(34)**	**1,344**
Other operating income							
Other operating expenses			(11)		(80)		(91)
OPERATING PROFIT/(LOSS)	**435**	**178**	**406**	**223**	**45**	**(34)**	**1,253**
Cost of net debt	20		(26)		(4)	(299)	(309)
Income tax expense	(162)	(61)	(127)	(73)	(18)	74	(367)
Share of profits/(losses) of associates	(11)	(3)	64	1	(2)	156 (a)	205
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**278**	**102**	**315**	**152**	**13**	**(1,508)** (c)	**(648)**
Net profit of discontinued and held-for-sale operations							
NET PROFIT/(LOSS)	**278**	**102**	**315**	**152**	**13**	**(1,508)**	**(648)**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**277**	**101**	**301**	**60**	**11**	**(1,507)**	**(757)**
Balance sheet							
Property, plant and equipment	597	21	2,341	190	3,028	142	6,319
Intangible assets	44	17	91	108	1,566	52	1,878
Goodwill	413		1,167	1,051	2,648	1	5,280
Deferred tax assets and non-current tax receivable	62	24	156			9	251
Investments in associates	69		123	82	14	3,098 (b)	3,386
Other non-current financial assets	303	12	189	18	13	35	570
Cash and cash equivalents	654	106	506	46	16	2,242	3,570
Other assets							13,050
TOTAL ASSETS							**34,304**
Non-current debt	461	6	231	1	792	5,121	6,612
Non-current provisions	888	108	799	43	253	85	2,176
Deferred tax liabilities and non-current tax liabilities	5	2	91	9	61	3	171
Current debt	9	4	61	2	3	930	1,009
Other liabilities							24,336
TOTAL LIABILITIES							**34,304**
Net surplus cash/(net debt) (d)	**3,006**	**271**	**39**	**188**	**(783)**	**(7,148)**	**(4,427)**
Cash flow statement							
Cash flow	**630**	**181**	**831**	**261**	**785**	**54**	**2,742**
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**159**	**10**	**296**	**39**	**752**	**22**	**1,278**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**(1)**	**1**	**97**	**(10)**		**(1)**	**86**
Other indicators							
EBITDA	**668**	**191**	**823**	**300**	**880**	**(27)**	**2,835**
Free cash flow (e)	**329**	**110**	**382**	**149**	**11**	**(193)**	**788**

(a) Includes €153m for Alstom.
(b) Includes €3,079m for Alstom.
(c) Includes impairment loss of €1,404 million booked against Alstom
(d) Contribution at business segment level, including Bouygues Relais and Uniservice internal current accounts (these inter-segment accounts are eliminated in the "Bouygues SA & other" column).
(e) After stripping out the 4G licence (€33m), adjusted free cash flow for the year ended 31 December 2013 is €821m.

16.2. Analysis by business segment – year ended 31 December 2012

(€ million)	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total 2012
Income statement							
Total sales	10,640	2,396	13,036	2,621	5,226	123	34,042
Inter-segment sales	(239)		(80)	(46)	(18)	(112)	(495)
THIRD-PARTY SALES	**10,401**	**2,396**	**12,956**	**2,575**	**5,208**	**11**	**33,547**
Net depreciation & amortisation expense	(212)	(5)	(457)	(72)	(713)	(3)	(1,462)
Net charges to provisions & impairment losses	(278)	(23)	(109)	(13)	(92)	(6)	(521)
CURRENT OPERATING PROFIT/(LOSS)	**364**	**179**	**406**	**258**	**122**	**(43)**	**1,286**
Other operating income					34		34
Other operating expenses				(48)	(152)		(200)
OPERATING PROFIT/(LOSS)	**364**	**179**	**406**	**210**	**4**	**(43)**	**1,120**
Cost of net debt	16	1	(24)		(4)	(279)	(290)
Income tax expense	(129)	(61)	(137)	(71)	(2)	70	(330)
Share of profits/(losses) of associates	(6)	(2)	59	(6)	(4)	176 *(a)*	217
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**262**	**110**	**310**	**139**	**(16)**	**(77)**	**728**
Net profit of discontinued and held-for-sale operations							
NET PROFIT/(LOSS)	**262**	**110**	**310**	**139**	**(16)**	**(77)**	**728**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**267**	**107**	**291**	**59**	**(14)**	**(77)**	**633**
Balance sheet							
Property, plant and equipment	629	18	2,467	217	2,975	145	6,451
Intangible assets	48	11	90	128	1,576	33	1,886
Goodwill	421		1,099	1,458	2,669	1	5,648
Deferred tax assets and non-current tax receivable	69	20	157	11		15	272
Investments in associates	75		588	161	13	4,498 *(b)*	5,335
Other non-current financial assets	304	19	195	16	13	31	578
Cash and cash equivalents	750	82	431	37	41	3,146	4,487
Other assets							12,097
TOTAL ASSETS							**36,754**
Non-current debt	87	14	258	13	250	6,880	7,502
Non-current provisions	884	99	821	42	237	90	2,173
Deferred tax liabilities and non-current tax liabilities	6	2	98	10	51	3	170
Current debt	8	12	50	4	4	873	951
Other liabilities							25,958
TOTAL LIABILITIES							**36,754**
Net surplus cash/(net debt) (c)	**3,093**	**358**	**(170)**	**237**	**(650)**	**(7,040)**	**(4,172)**
Cash flow statement							
Cash flow	**599**	**180**	**884**	**277**	**786**	**51**	**2,777**
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**159**	**13**	**345**	**45**	**1,358**	**32**	**1,952**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**18**	**1**	**59**	**9**	**8**	**(1)**	**94**
Other indicators							
EBITDA	**614**	**186**	**832**	**318**	**908**	**(36)**	**2,822**
Free cash flow (d)	**327**	**107**	**378**	**161**	**(578)**	**(190)**	**205**

(a) Includes €172m for Alstom.

(b) Includes €4,480m for Alstom.

(c) Contribution at business segment level, including Bouygues Relais and Uniservice internal current accounts (these inter-segment accounts are eliminated in the "Bouygues SA & other" column).

(d) After stripping out the acquisition of the 4G licence (€726m) and the proceeds from the divestment of tower business and data centres (€207m), adjusted free cash flow for the year ended 31 December 2012 was €724m.

16.3. Analysis by geographical area

(€ million)	France [a]	European Union	Rest of Europe	Africa	Asia-Pacific-Oceania	Americas	Middle East	Total
Balance sheet								**31/12/2013**
Property, plant and equipment [b]	5,002	303	106	180	171	554	3	6,319
Intangible assets	1,816	24	0	12	6	20	-	1,878
Cash flow statement								**2013**
Purchase price of property, plant & equipment and intangible assets	1,127	39	24	76	46	74	1	1,387

(a) Includes French overseas departments.
(b) Includes assets held under finance leases.

(€ million)	France [a]	European Union	Rest of Europe	Africa	Asia-Pacific-Oceania	Americas	Middle East	Total
Balance sheet								**31/12/2012**
Property, plant and equipment [b]	4,918	314	130	189	203	689	8	6,451
Intangible assets	1,826	24	1	11	3	21	-	1,886
Cash flow statement								**2012**
Purchase price of property, plant & equipment and intangible assets	2,020	27	27	58	54	118	3	2,307

(a) Includes French overseas departments.
(b) Includes assets held under finance leases.

16.4. Income statement by function

(€ million)	**Construction**	**Property**	**Roads**	**Media**	**Telecoms**	**Bouygues SA & other**	**Total 2013**
CONSOLIDATED SALES	**10,828**	**2,509**	**12,938**	**2,417**	**4,644**	**9**	**33,345**
Cost of sales	(9,366)	(2,108)	(11,321)	(1,667)	(3,809)	(11)	(28,282)
GROSS PROFIT	**1,462**	**401**	**1,617**	**750**	**835**	**(2)**	**5,063**
Research and development expenses	(19)	(1)	(28)	(9)	(14)	(2)	(73)
Selling expenses	(404)	(158)		(205)	(175)		(942)
Administrative expenses	(600)	(64)	(1,172)	(313)	(521)	(26)	(2,696)
Other income/(expenses)	(4)					(4)	(8)
CURRENT OPERATING PROFIT	**435**	**178**	**417**	**223**	**125**	**(34)**	**1,344**

(€ million)	**Construction**	**Property**	**Roads**	**Media**	**Telecoms**	**Bouygues SA & other**	**Total 2012**
CONSOLIDATED SALES	**10,401**	**2,396**	**12,956**	**2,575**	**5,208**	**11**	**33,547**
Cost of sales	(8,960)	(1,982)	(11,364)	(1,748)	(4,287)	(20)	(28,361)
GROSS PROFIT	**1,441**	**414**	**1,592**	**827**	**921**	**(9)**	**5,186**
Research and development expenses	(17)	(1)	(28)	(6)	(17)	(1)	(70)
Selling expenses	(388)	(166)		(208)	(165)		(927)
Administrative expenses	(671)	(68)	(1,158)	(355)	(617)	(28)	(2,897)
Other income/(expenses)	(1)					(5)	(6)
CURRENT OPERATING PROFIT	**364**	**179**	**406**	**258**	**122**	**(43)**	**1,286**

NOTE 17 - FINANCIAL INSTRUMENTS

The tables below show aggregate notional amounts at 31 December 2013 for each type of financial instrument used, split by residual maturity for interest rate hedges and by currency for currency hedges.

17.1. Interest rate hedges

17.1.1. Analysis by maturity

Maturity *(€ million)*	Notional amounts at 31/12/2013 2014	2015 to 2018	After 2018	Total	Notional amounts 31/12/2012
Interest rate swaps					
• on financial assets	5	3		8 *(a)*	627
• on financial liabilities	603	219	91	913 *(b)*	1,070
Caps/floors					
• on financial assets					
• on financial liabilities		15		15	156

(a) Of which pay fixed rate: €8m.
(b) Of which pay fixed rate: €913m.

17.1.2. Analysis by business segment

(€ million)	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total 31/12/2013	Total 31/12/2012
Interest rate swaps								
• on financial assets						8	8	627
• on financial liabilities	1		312		600		913	1,070
Caps/floors								
• on financial assets								
• on financial liabilities	15						15	156

In the case of renewable interest rate hedges, the amounts shown in each column relate to the longest maturity.

17.2. Currency hedges

17.2.1. Analysis by original currency

	31 December 2013 *(equivalent value in €m)*				**Total**	**Total 31 December 2012**
	US dollar	**Pound sterling**	**Swiss franc**	**Other currencies**		
Forward purchases/sales						
• forward purchases	293	1	9	253	556	257
• forward sales	149	5	33	108	295	454
Currency swaps	**54**	**59**	**254**	**355**	**722**	**755**

17.2.2. Analysis by business segment

(€ million)	**Construction**	**Property**	**Roads**	**Media**	**Telecoms**	**Bouygues SA & other**	**Total 31/12/2013**	**Total 31/12/2012**
Forward purchases/sales								
• forward purchases	277		168	101	10		556	257
• forward sales	198		89	8			295	454
Currency swaps	**11**			**32**		**679**	**722**	**755**

17.3. Market value of hedging instruments

As of 31 December 2013, the market value (net present value) of the hedging instruments portfolio was -€15m. This amount mainly comprises the net present value of interest rate swaps contracted to hedge the Group's debt (fair value hedges and cash flow hedges), and the net present value of forwards and futures contracted to hedge currency risk arising on commercial transactions.
The split of this market value by type of hedge is as follows:

- Fair value hedges of components of net debt: -€12m
- Cash flow hedges: -€3m

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of +€4m; in the event of a -1.00% movement in the yield curve, the hedging instruments portfolio would have a market value of -€29m.

In the event of a 1% depreciation in the euro against each of the other foreign currencies, the hedging instruments portfolio would have a market value of -€29m.

These calculations were prepared by the Bouygues group, or obtained from the banks with whom the instruments were contracted.

NOTE 18 - OFF BALANCE SHEET COMMITMENTS

Notes 18.1 and 18.2 disclose information about guarantee commitments and sundry contractual commitments. Operating lease obligations are shown separately in Note 18.3.
(See also Notes 3, 4 and 8).

18.1. Guarantee commitments

(€ million)	31/12/2013	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity: Less than 1 year	Maturity: 1 to 5 years	Maturity: More than 5 years	31/12/2012
Pledges, mortgages and collateral	120	5		115				24	83	13	115
Guarantees and endorsements given	96	13		79	4 (a)			47	36	13	88
TOTAL GUARANTEE COMMITMENTS GIVEN	**216**	**18**		**194**	**4**			**71**	**119**	**26**	**203**
Guarantees and endorsements received	4		2		2 (b)			2	2		4
TOTAL GUARANTEE COMMITMENTS RECEIVED	**4**		**2**		**2**			**2**	**2**		**4**
NET BALANCE	**212**	**18**	**(2)**	**194**	**2**			**69**	**117**	**26**	**199**

a) *Given: includes €1m relating to held-for-sale operations.*
b) *Received: includes €2m relating to held-for-sale operations.*

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

18.2. Sundry contractual commitments

(€ million)	31/12/2013	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity			31/12/2012
								Less than 1 year	1 to 5 years	More than 5 years	
Image transmission	147				147			57	82	8	165
Network maintenance	551					551		130	163	258	603
Other	814		3		464 (a)	344	3	608	175	31	445
TOTAL SUNDRY CONTRACTUAL COMMITMENTS GIVEN	**1,512**		**3**		**611**	**895**	**3**	**795**	**420**	**297**	**1,213**
Image transmission	147				147			57	82	8	165
Network maintenance	551					551		130	163	258	603
Other	808				464 (b)	344		608	169	31	439
TOTAL SUNDRY CONTRACTUAL COMMITMENTS RECEIVED	**1,506**				**611**	**895**		**795**	**414**	**297**	**1,207**
NET BALANCE	**6**		**3**				**3**		**6**		**6**

(a) Includes €448m relating to the commitments made under the agreements with Discovery (see Note 18.5.2).

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

18.3. Operating leases

(€ million)	31/12/2013	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity			31/12/2012
								Less than 1 year	1 to 5 years	More than 5 years	
Operating lease commitments											
Commitments given	**1,548**	46	38	169	104 (a)	1,191		188	664	696	1,484
Commitments received	**1,548**	46	38	169	104 (a)	1,191		188	664	696	1,484
Operating lease commitments, net											

(a) *Includes €58m relating to held-for-sale operations.*

These figures show the minimum future lease payments due until the normal renewal date of the lease (or earliest potential termination date) under operating leases relating to current operations (land, buildings, plant & equipment, etc.). After revaluation (projected increase in rentals), these amounts mainly take account of a discounting calculation (incremental borrowing rate).

Bouygues Telecom: commitments given in connection with operating activities, primarily commercial leases of property and land intended to house technical installations for the network: includes network site rentals of €508m, property and other rentals of €133m, rentals for the Sequana and Technopôle buildings of €267m, and fibre optic and other miscellaneous commitments of €283m.

18.4. Finance leases (already recognised as liabilities in the balance sheet)

(€ million)	31/12/2013	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity			31/12/2012
								Less than 1 year	1 to 5 years	More than 5 years	
Finance leases	**37**	4		28	5 (a)			12	23	2	41

(a) *Includes €1m relating to held-for-sale operations.*

18.5. Other commitments

18.5.1. Bouygues Telecom

Licence to use frequencies in the 800 MHz band

The 20-year licence to use frequencies in the 800 MHz band awarded to Bouygues Telecom is subject to an obligation to open the frequencies to Mobile Virtual Network Operators (MVNOs), and to roll out coverage of the French population progressively (98% within 12 years, 99.6% within 15 years).
These coverage obligations include a priority roll-out zone defined by Arcep (the French electronic communications and postal services regulator), and an obligation to provide coverage in each French administrative department (90% within 12 years, 95% within 15 years).

Licence to use frequencies in the 2,600 MHz band
The 20-year licence to use frequencies in the 2,600 MHz band awarded to Bouygues Telecom is subject to an obligation to open the frequencies to MVNOs, and to roll out coverage of the French population progressively (25% within 4 years, 60% within 8 years, 75% within 12 years).

Authorisation to refarm frequencies in the 1,800 MHz band for technologies other than GSM
Arcep decision 2013-0514, issued on 4 April 2013, amended Bouygues Telecom's licence to allow for the possibility of refarming frequencies in the 1,800 MHz band for technologies other than GSM, and in particular to meet its 4G coverage obligations.
On 1 October 2013, Bouygues Telecom launched its national 4G network: by the end of 2013, 63% of the population had 4G coverage in the 2,600, 1,800 or 800 MHz band, in over 2,000 towns and cities.

Licence to transmit on frequencies in the 900 MHz and 1,800 MHz bands
The licence to transmit in the 900 MHz and 1,800 MHz bands, renewed on 9 December 2009 for a period of 15 years, imposes on Bouygues Telecom an obligation to cover 99% of the population by 31 December 2010. Bouygues Telecom is in compliance with this obligation, which includes coverage of blind spots and the main roads in each department.

Licence to operate a 3G network
The Decree of 3 December 2002 that granted Bouygues Telecom a licence to establish and operate a 3G network was subject to obligations, in particular regarding the roll-out timetable and coverage of the population.
By the end of 2013, Bouygues Telecom was providing 3G coverage to 96% of the population, which exceeded the last coverage obligation set in its licence (75% of the population on 12 December 2010).

Blind spots
The agreement signed in 2003 by the three operators, the French government, French local authorities and Arcep required that coverage be provided in blind spots in some 3,000 municipalities. Bouygues Telecom regards this initial blind spot coverage programme as having been completed as of 31 December 2013; the few remaining sites are being blocked by the local authority concerned, and hence have no visibility.
In addition, the operators have agreed to cover a further 364 municipalities, over and above their initial commitment.
At present, nearly 3,200 French municipalities have 2G coverage.

3G mobile network site-sharing agreement
In February 2010, Bouygues Telecom, Orange and SFR signed an agreement under the auspices of Arcep on the sharing of 3G network sites in the less densely populated zones of France.
This agreement, amended in July 2010 and July 2012 in anticipation of the future Free Mobile roll-out, provides for coverage of all the municipalities covered by the 2G blind spots programme.
Ultimately, it will result in the availability of 3G coverage equivalent to 2G coverage.

18.5.2. TF1

As a result of the partnership agreement signed in December 2012 and the further agreements signed on 21 January 2014 with the Discovery Communications group, the TF1 group entered into the following commitments:

Eurosport group:

a) The Discovery Communications group committed to acquiring, once clearance is obtained from the various competition authorities, a 31% interest in Eurosport SAS (the parent company of the Eurosport group), thereby taking its equity interest in that company to 51%.

b) Before the above commitment is effectively fulfilled, TF1 SA or any of its subsidiaries is committed to acquiring an 80% equity interest in Eurosport France, and to granting Eurosport SAS a right to buy out the investment in Eurosport France exercisable between 1 January 2015 and 31 December 2017.

c) After the commitment described in (a) has been fulfilled, TF1 has the possibility of selling its remaining 49% equity interest in Eurosport SAS to Discovery Communications during specified periods between 1 July 2015 and 30 September 2016.

Pay-TV theme channels:

d) The Discovery Communications group has an option to acquire, during a one-year period commencing on 21 December 2014, a 29% equity interest in the pay-TV theme channels, thereby raising its interest to 49%.

e) If after the acquisition by the Discovery Communications group of 31% of Eurosport SAS (see above), Discovery Communications were not to acquire the 29% interest in the pay-TV theme channels, TF1 would be able to sell to Discovery Communications a 15% equity interest in those channels, raising the percentage interest held by Discovery Communications to 35%.

f) In the event that TF1 withdraws completely from the Eurosport group, Discovery Communications can sell its entire equity interest in the theme channels to TF1 during a one-year period commencing on 21 December 2018.

The amounts reported in the "Sundry contractual commitments" schedule in Note 18.2 relate to commitments a), b) and d), measured on the basis of enterprise values as of 31 December 2013.

Because the other commitments are subject to conditions that have not been met to date, they are not reported in that schedule.

18.6. Contingent assets and liabilities

Bouygues Telecom

Guarantee received:

On the sale of Darty Telecom on 2 May 2012, Établissements Darty et Fils provided a vendor's asset and liability guarantee to Bouygues Telecom.
This guarantee is capped, and may be called in at any time within 18 months from the date of the sale, subject to exceptions arising from statutes of limitation.

When Bouygues Telecom acquired Azeïde Groupe on 30 September 2013, the vendors provided a 12-month asset/liability guarantee, expiring on 30 September 2014.

Guarantee given:

On the sale of Extenso on 31 October 2012, Bouygues Telecom provided a vendor's asset and liability guarantee to the purchaser, INNOV8.
This guarantee is capped, and may be called in at any time up to and including 31 March 2014, except in tax matters where it will expire 30 days after the end of the prescription period under the relevant statute of limitation.

On the sale of 85% of the share capital of FPS Towers on 21 November 2012, Bouygues Telecom provided a vendor's asset and liability guarantee to the purchaser, Antin Infrastructure Luxembourg X.
This guarantee is capped, and may be called in at any time during an 18-month period from 21 November 2012 (or from the date of sale of the site, in the case of sites sold after 21 November 2012), except in tax matters where it will expire 20 days after the end of the prescription period under the relevant statute of limitation.

NOTE 19 - EMPLOYEE BENEFIT OBLIGATIONS AND EMPLOYEE SHARE OWNERSHIP

19.1. Employee benefit obligations

(€ million)	**31 December 2012**	**Movements during 2013**	**31 December 2013**
Lump-sum retirement benefits	424	18	442
Long-service awards	135	4	139
Other post-employment benefits (pensions)	69		69
TOTAL	**628**	**22**	**650**

These obligations are covered by non-current provisions.

19.2. Employee benefit obligations, pension obligations (post-employment benefits) excluding long-service awards

The tables below give details about the Group's post-employment benefit obligations.

19.2.1. Defined-contribution plans

(€ million)	**2013**	**2012**
Amount recognised as an expense	(1,798)	(1,767)

This defined-contribution expense consists of contributions to:

- the public health insurance scheme and the supplementary health insurance scheme;
- pension funds (compulsory and top-up schemes);
- unemployment insurance funds.

For related-party information, see Note 20.

19.2.2. Defined-benefit plans

Defined-benefit pension plans apply mainly to the Colas group in the United Kingdom (independently-managed pension funds).

19.2.2.1. Net expense recognised in the income statement (as an operating item)

(€ million)	**Lump-sum retirement benefits**		**Pensions**	
	2013	**2012**	**2013**	**2012**
Service cost	1	4	(3)	(5)
Interest cost on the obligation	12	14	5	15
Income from plan assets			(7)	(13)
NET EXPENSE/(GAIN) RECOGNISED IN PROFIT OR LOSS	**13**	**18**	**(5)**	**(3)**

Sign convention:

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

19.2.2.2. Amounts recognised in the balance sheet

(€ million)	Lump-sum retirement benefits		Pensions		Total	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Present value of obligation	448	430	378	352	826	782
Fair value of plan assets (dedicated assets)	(6)	(6)	(309)	(283)	(315)	(289)
NET OBLIGATION RECOGNISED (PROVISION)	**442**	**424**	**69**	**69**	**511**	**493**
Ratio of plan assets to present value of obligation			82%	80%		

19.2.2.3. Movement in balance sheet items (non-current provisions)

(€ million)	Lump-sum retirement benefits		Pensions	
	2013	2012	2013	2012
START OF PERIOD	**424**	**308**	**69**	**50**
Expense recognised	13	18	(5)	(3)
Changes in scope of consolidation	(1)			(1)
Transfers and other movements	(1)	37	(2)	1
Actuarial gains and losses recognised in equity	7	61	7	22
END OF PERIOD	**442**	**424**	**69**	**69**

19.2.2.4. Analysis by business segment: year ended 31 December 2013

(€ million)	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total
Net lump-sum retirement benefit expense [(a)]	3	1	5	1	4	(1)	13
Non-current provisions (balance sheet):							
• lump-sum retirement benefits	148	14	199	28	37	16	442
• pensions	2		67				69

(a) Pension expense for 2013 is immaterial.

19.2.2.5. Analysis by geographical area: 31 December 2013

(€ million)	France [b]	European Union	Rest of Europe	Africa	Americas	Asia- Pacific	Middle East	Total
Net lump-sum retirement benefit expense [a]	12			1				13
Non-current provisions (balance sheet):								
• lump-sum retirement benefits	433	1		3	2	3		442
• pensions	17	41			10	1		69

(a) Pension expense for 2013 is immaterial.
(b) Includes French overseas departments

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

	2013		2012	
Discount rate [b]	3.24%	(Iboxx A10+)	3.30%	(Iboxx A10+)
Mortality table		INSEE		INSEE
Retirement age (depending on business segment):				
• Managerial staff		62/65 years		62/65 years
• Technical, supervisory & clerical staff, and site workers		62/65 years		62/63 years
Salary inflation rate (depending on business segment) [a]		1.6% to 3.0%		1.8% to 3.6%

(a) Includes general inflation.
(b) A reduction of 50 basis points in the discount rate would increase the obligation by €28m as at 31 December 2013. Under Group accounting policies, any such actuarial losses would have been recognised directly in equity.

19.3. Employee share ownership

Stock options

Total number of effectively exercisable options: 5,098,507.
Quoted share price at 31 December 2013: €27.42

Plan grant date	Outstanding options at 31/12/2013	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price *(€)*	Number of effectively exercisable options
05/06/2007	4,115,179	05/06/2011	05/06/2008	62.63	
31/03/2008	4,134,612	31/03/2012	31/03/2009	42.68	
01/04/2009	4,371,077	01/04/2013	01/04/2010	25.62	4,371,077
30/06/2010	4,020,887	01/07/2014	01/07/2011	34.08	
14/06/2011	2,887,776	14/06/2015	14/06/2012	31.43	
13/06/2012	2,909,720	14/06/2016	14/06/2013	20.11	727,430
26/02/2013	2,766,150	27/02/2017	27/02/2014	22.28	
TOTAL	**25,205,401**				**5,098,507**

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

1) They must be legally exercisable as at 31 December 2013, either by normal exercise (4 years after the plan grant date) or by partial exercise ahead of the normal exercise date under the terms of the company savings scheme.

2) They must be in the money at 31 December 2013, in other words the exercise price must be less than the closing share price on that date (€27.42).

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

20.1. Related-party disclosures

Transaction (€ million)	Expenses		Income		Receivables		Payables	
	2013	2012	2013	2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Parties with an ownership interest	3	6	1	1				1
Joint ventures and joint operations	41	47	234	213	287	291	125	74
Associates	48	39	233	317	91	110	65	41
Other related parties	59	67	339	240	131	109	136	69
TOTAL	**151**	**159**	**807**	**771**	**509**	**510**	**326**	**185**
Maturity								
• less than 1 year					448	436	324	185
• 1 to 5 years					43	50	2	
• more than 5 years					18	24		
of which impairment of doubtful receivables (mainly non-consolidated companies)					106	102		

Identity of related parties:

- Parties with an ownership interest: SCDM (a company controlled by Martin and Olivier Bouygues)
- Joint ventures and joint operations: primarily quarry companies, construction project companies and entities set up for property co-promotion programmes
- Associates: includes transactions with concession companies and Alstom
- Other related parties: mainly transactions with non-consolidated companies in which the Group has an interest

20.2. Disclosures about remuneration and benefits paid to directors and senior executives (Bouygues)

These disclosures cover members of the Group's Management Committee in post on 31 December 2013.

Direct remuneration: € 14,709,421, comprising basic remuneration of €7, 686,321, variable remuneration of €7,023,100 paid in 2014 on the basis of 2013 performance, and €427,709 of directors' fees.
Directors' fees paid to non-executive and non-voting directors amounted to €423,730.

Short-term benefits: none.

Post-employment benefits: Members of the Management Committee belong to a top-up retirement plan based on 0. 92% of their reference salary for each year's membership of the plan. This top-up plan is capped at eight times the annual French social security ceiling, and is contracted out to an insurance company. Contributions paid into the fund managed by the insurance company amounted to €4,500,000 in 2013.

Long-term benefits: none.

Termination benefits: these comprise lump-sum retirement benefits of €662,515.

Share-based payment: 535,000 stock options were awarded to members of the Management Committee on 28 March 2013, at an exercise price of €22.28. The earliest exercise date is 29 March 2017, and the expense recognised in the year ended 31 December 2013 was €102,935.

NOTE 21 - ADDITIONAL CASH FLOW STATEMENT INFORMATION

21.1. Cash flows of acquired and divested subsidiaries

Breakdown by business segment of cash flows resulting from acquisitions and divestments of subsidiaries.

21.1.1. Continuing operations

Acquired/divested subsidiaries *(€ million)*	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total 31/12/2013
Cash and cash equivalents	11	(2)	2	5		1	17
Inventories		39	(5)	1		(41)	(6)
Trade and other receivables	18	9	(177)	15	(1)		(136)
Non-current assets (other than goodwill)	24	(18)	(38)	1		12	(19)
Goodwill	1	(1)	(87)				(87)
Trade payables & other current liabilities	(31)	(29)	204	(9)		22	157
Non-current debt	(21)	(1)	7		1	2	(12)
Non-current provisions	(1)	3	(2)	(2)		2	
Non-current taxes			1				1
NET ACQUISITION/DIVESTMENT COST	**1**		**(95)**	**11**		**(2)**	**(85)**
Cash acquired or divested	(11)	2	(2)	(5)		(1)	(17)
Net debt on long-term investments	(2)		2			1	1
NET CASH INFLOW/(OUTFLOW) FROM ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES	**(12)**	**2**	**(95)**	**6**		**(2)**	**(101)**

Acquisitions during the period were made primarily by Colas, and included Furfari Paving Co and Tropic Asphalt.

21.1.2. Held-for-sale operations

Eurosport International: presented as a held-for-sale operation in the balance sheet

Acquired/divested subsidiaries	Media	Total 31/12/2013
(€ million)		
Cash and cash equivalents	103 *(a)*	103
Inventories	-	-
Trade and other receivables	116	116
Non-current assets (other than goodwill)	35	35
Goodwill	407	407
Total assets	**661**	**661**
Bank overdrafts	(34) *(a)*	(34)
Trade payables & other current liabilities	(127)	(127)
Non-current debt	(2)	(2)
Non-current provisions	(3)	(3)
Non-current taxes		
Total liabilities	**(166)**	**(166)**
Value of equity	**495**	**495**

(a) Cash flow statement:

Opening cash position at 1 January 2013:	*13*
. cash flows from operating activities:	*60*
. cash flows from investing activities:	*(3)*
. cash flows from financing activities:	*(1)*
Closing cash position at 31 December 2013:	*69*

NOTE 22 - AUDITORS' FEES

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of Bouygues and consolidated companies (excluding associates), as expensed through the income statement in 2013.

(€ '000)	**Mazars network**				**EY network**				**Other firms [a]**				**Total expense**	
	Amount (*)		**%**	**%**	**Amount (*)**		**%**	**%**	**Amount (*)**		**%**	**%**		
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
A – Audit														
Audit of consolidated and individual company financial statements [b]	(6,718)	(6,653)	98%	95%	(4,446)	(4,786)	95%	95%	(6,806)	(6,876)	88%	79%	(17,970)	(18,315)
• Bouygues SA	(226)	(234)			(226)	(235)							(452)	(469)
• Consolidated companies	(6,492)	(6,419)			(4,220)	(4,551)			(6,806)	(6,876)			(17,518)	(17,846)
Related engagements [c]	(106)	(231)	2%	3%	(188)	(275)	4%	5%	(548)	(1,063)	7%	12%	(842)	(1,569)
• Bouygues SA	(20)	(18)			(109)	(111)	,		(68)				(197)	(129)
• Consolidated companies	(86)	(213)			(79)	(164)	,		(480)	(1,063)			(645)	(1,440)
SUB-TOTAL 1	**(6,824)**	**(6,884)**	**100%**	**98%**	**(4,634)**	**(5,061)**	**99%**	**100%**	**(7,354)**	**(7,939)**	**95%**	**91%**	**(18,812)**	**(19,884)**
B – Other services [d]														
Legal, tax, employment law	(7)	(98)	0%	2%	(65)		1%		(383)	(754)	5%	9%	(455)	(852)
Other	(7)		0%		(5)				(40)		0%		(52)	
SUB-TOTAL 2	**(14)**	**(98)**	**0%**	**2%**	**(70)**		**1%**		**(423)**	**(754)**	**5%**	**9%**	**(507)**	**(852)**
TOTAL FEE EXPENSE	**(6,838)**	**(6,982)**	**100%**	**100%**	**(4,704)**	**(5,061)**	**100%**	**100%**	**(7,777)**	**(8,693)**	**100%**	**100%**	**(19,319)**	**(20,736)**

(*) Excluding VAT.

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

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

(c) Includes procedures and services directly related to the audit engagement and provided to the issuer or its subsidiaries:

- by the auditors, in compliance with Article 10 of the Code of Ethics;
- by a member firm of the auditor's network, in compliance with Articles 23 and 24 of the Code of Ethics.

(d) Non-audit services provided, in compliance with Article 24 of the Code of Ethics, by member firms to subsidiaries of the issuer on whose financial statements an audit opinion is issued.

NOTE 23 - IMPACTS OF FIRST-TIME APPLICATION OF CONSOLIDATION ACCOUNTING STANDARDS AND IFRIC 21

The schedules below show, for the year ended 31 December 2013, the effects of the new standards and interpretations mandatorily applicable or available for early adoption with effect from 1 January 2014, having been endorsed by the European Union (as described in Note 2.2 to the consolidated financial statements).

Impact on the 2013 income statement

(€ million)	2013 results as published	First-time application of IFRS 10 and IFRS 11	First-time application of IFRIC 21	2013 results as restated
Sales	33,345	(224)		33,121
Current operating profit	1,344	(25)	(1)	1,318
Share of profits/(losses) of associates and joint ventures	205	12		217
Net profit/(loss) for the period	(648)	(1)	(1)	(650)
Net profit/(loss) attributable to the Group	(757)		(1)	(758)
Net profit/(loss) attributable to non-controlling interests	109	(1)		108

The principal restatements arising from first-time application of IFRS 11 are as follows:

- Colas: negative impacts of €204 million on sales and €24 million on current operating profit, due to the fact that contracting companies and industrial companies jointly held by Colas and a partner will be accounted for by the equity method with effect from 1 January 2014.
- TF1: negative impact of €10 million on sales.
- Bouygues Construction: negative impact of €10 million on sales, positive impact of €2 million on current operating profit.

IFRIC 21 has no material impact on 2013, but will alter the allocation of expense between quarters.

Impact on the balance sheet as of 31 December 2013

(€ million)	31/12/2013 balance sheet as published	First-time application of IFRS 10 and IFRS 11	First-time application of IFRIC 21	31/12/2013 balance sheet as restated
Non-current assets	17,684	7	(11)	17,680
Current assets	15,469	(95)	9	15,383
Total assets	34,304	(88)	(2)	34,214
Shareholders' equity	8,684	(14)	27	8,697
Non-current liabilities	8,959	(20)	5	8,944
Current liabilities	16,495	(54)	(34)	16,407
Total liabilities and equity	34,304	(88)	(2)	34,214

NOTE 24 - PRINCIPAL EXCHANGE RATES

Convention: 1 local currency unit = X euros.

Country	Currency unit	Closing rate		Annual average rate	
		31/12/2013	31/12/2012	2013	2012
EUROPE					
Denmark	Danish krone	0.134061	0.134030	0.134086	0.134315
United Kingdom	Pound sterling	1.199472	1.225340	1.177503	1.231635
Hungary	Hungarian forint	0.003367	0.003421	0.003368	0.003470
Poland	Polish zloty	0.240714	0.245459	0.238238	0.239940
Czech Republic	Czech koruna	0.036460	0.039760	0.038492	0.039778
Romania	Romanian leu	0.223664	0.224997	0.226296	0.224345
Switzerland	Swiss franc	0.814598	0.828363	0.812309	0.830300
NORTH AMERICA					
United States	US dollar	0.725111	0.757920	0.752945	0.773296
Canada	Canadian dollar	0.681617	0.761209	0.730795	0.774828
REST OF THE WORLD					
Morocco	Moroccan dirham	0.088905	0.089714	0.089459	0.090089
Thailand	Thai baht	0.022135	0.024785	0.024492	0.024964
Hong Kong	Hong Kong dollar	0.093517	0.097790	0.097073	0.099705
African Financial Community	CFA franc	0.001524	0.001524	0.001524	0.001524
South Africa	South African rand	0.068653	0.089504	0.077924	0.094518

NOTE 25 - LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT 31 DECEMBER 2013

		% interest		% direct and indirect control [a]	
Company	**City/Country**	**2013**	**2012**	**2013**	**2012**
FRANCE					
FULL CONSOLIDATION					
Construction					
Bouygues Construction SA	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
Bouygues Bâtiment Ile-de-France SA	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
Bouygues Bâtiment International SA	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
Bouygues TP SA	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
BYTP Régions France SA	Labège	**99.97**	**99.97**		
Axione	Malakoff	**99.97**	**99.97**		
Brézillon SA	Margny-lès-Compiègne	**99.32**	**99.32**		
Challenger SNC	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
DTP Terrassement SA	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
DV Construction SA	Mérignac	**99.97**	**99.97**		
Bouygues Energies & Services	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
Bouygues E&S FM France	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
GFC Construction SA	Caluire et Cuire	**99.97**	**99.97**		
Quille Construction SA	Nantes	**99.97**	**99.97**		
Kohler Investment	Saint-Quentin-en-Yvelines	**99.97**	**99.97**		
Norpac SA	Villeneuve d'Ascq	**99.97**	**99.97**		
Pertuy Construction SA	Maxéville	**99.97**	**99.97**		
Quille SA	Rouen	**99.97**	**99.97**		
Sodéarif SA	Saint-Quentin-en-Yvelines	**99.96**	**99.96**		
Property					
Bouygues Immobilier	Issy-les-Moulineaux	**100.00**	**100.00**		
SLC	Lyon	**100.00**	**100.00**		
Urbis Réalisations SA	Toulouse	**100.00**	**100.00**		

(a) Where percentage control differs from percentage interest.

Company	City/Country	% interest 2013	% interest 2012	% direct and indirect control [a] 2013	% direct and indirect control [a] 2012
Roads					
Colas SA and its regional subsidiaries *(Colas, Screg, and Sacer)*	Boulogne-Billancourt	96.60	96.60		
Aximum	Chatou	96.59	96.59	100.00	100.00
Colas Rail and its subsidiaries	Maisons-Laffitte	96.59	96.59	100.00	100.00
Grands Travaux Océan Indien *(GTOI)* SA	Le Port (Reunion Island)	96.59	96.59	99.99	99.99
Smac and its subsidiaries	Boulogne-Billancourt	96.59	96.59	100.00	100.00
Société de la Raffinerie de Dunkerque	Dunkirk	96.59	96.59	100.00	100.00
Spac and its subsidiaries	Clichy	96.59	96.59	100.00	100.00
Media					
Télévision Française 1 SA	Boulogne-Billancourt	43.52	43.65		
Dujardin and its subsidiaries	Cestas	43.52	43.65	100.00	100.00
E-TF1	Boulogne-Billancourt	43.52	43.65	100.00	100.00
Eurosport SAS and its subsidiaries	Issy-les-Moulineaux	34.82	34.92	80.00	80.00
La Chaîne Info	Boulogne-Billancourt	43.52	43.65	100.00	100.00
NT1	Boulogne-Billancourt	43.52	43.65	100.00	100.00
Télé Monte Carlo	Monaco	34.82	34.92	80.00	80.00
Téléshopping	Boulogne-Billancourt	43.52	43.65	100.00	100.00
TF1 Droits Audiovisuels	Boulogne-Billancourt	43.52	43.65	100.00	100.00
TF1 Entreprises	Boulogne-Billancourt	43.52	43.65	100.00	100.00
TF1 Publicité	Boulogne-Billancourt	43.52	43.65	100.00	100.00
TF1 Vidéo	Boulogne-Billancourt	43.52	43.65	100.00	100.00
Métro France Publications	Paris	43.52	43.65	100.00	100.00
Telecoms					
Bouygues Telecom SA and its subsidiaries	Paris	90.53	90.53		
Other subsidiaries					
Bouygues Relais SNC	Paris	100.00	100.00		
GIE 32 Hoche	Paris	90.00	90.00		
Société Française de Participation & Gestion *(SFPG)* SA and its subsidiaries	Paris	99.76	99.76		
Serendipity and its subsidiaries	Paris	100.00	100.00		

(a) Where percentage control differs from percentage interest.

Company	City/Country	% interest 2013	% interest 2012	% direct and indirect control [a] 2013	% direct and indirect control [a] 2012
PROPORTIONATE CONSOLIDATION					
Construction					
Evesa SAS	Paris	47.48[b]	47.48		
Property					
SAS Tour D2	Issy-les-Moulineaux	50.00	50.00		
ASSOCIATES (EQUITY METHOD)					
Construction					
Adelac SAS	Archamps	45.85[c]	45.85	46.09	46.09
Autoroute de liaison Seine-Sarthe SA (ALIS)	Bourg-Achard	33.16	33.16		
Axione Infrastructures SAS and its subsidiaries	Saint-Quentin-en-Yvelines	15.00	15.00		
Consortium Stade de France SA	Saint-Denis	33.32	33.32		
Roads					
Cofiroute	Sèvres	16.10	16.10	16.67	16.67
Media					
Groupe AB	La Plaine Saint-Denis	14.58	14.62	33.50	33.50
Other associates					
Alstom	Levallois-Perret	29.33	29.40		
Finagestion and its subsidiaries (Africa)	Paris	19.06	19.98		

(a) *Where percentage control differs from percentage interest.*

(b) *32.99% Bouygues Construction, 14.49% Colas.*

(c) *39.19% Bouygues Construction, 6.66% Colas.*

Company	City/Country	% interest 2013	% interest 2012	% direct and indirect control [(a)] 2013	% direct and indirect control [(a)] 2012
INTERNATIONAL					
FULL CONSOLIDATION					
Construction					
Bouygues Civil Works Florida	Miami/United States	99.97	99.97		
Bouygues Thaï Ltd	Changwat Nonthaburi/Thailand	48.99	48.99		
Bouygues UK Ltd	London/United Kingdom	99.97	99.97		
Dragages et TP (Hong Kong) Ltd	Hong Kong/China	99.97	99.97		
DTP Singapour Pte Ltd	Singapore	99.97	99.97		
Bouygues E&S FM UK	London/United Kingdom	99.97	99.97		
Karmar SA	Warsaw/Poland	99.97	99.97		
Leadbitter Bouygues Holding Ltd and its subsidiaries	Abingdon/United Kingdom	99.97	99.97		
Losinger Marazzi AG	Köniz/Switzerland	99.97	99.97		
Losinger Holding AG	Lucerne/Switzerland	99.97	99.97		
Thomas Vale Group and its subsidiaries	Worcestershire/United Kingdom	99.97	99.97		
VCES Holding s.r.o. and its subsidiaries	Prague/Czech Republic	99.97	99.97		
VSL International Ltd	Köniz/Switzerland	99.87	99.87		
Property					
Bouygues Immobilier Polska Sarl	Warsaw/Poland	100.00	100.00		
Roads					
Colas Australia	Sydney/Australia	96.60	90.58	100.00	93.77
Colas Belgium and its subsidiaries	Brussels/Belgium	96.59	96.59	100.00	100.00
Colas Canada Inc.	Montreal Quebec/Canada	96.60	96.60	100.00	100.00
Colas Cz	Prague/Czech Republic	95.73	95.73	99.10	99.10
Colas Danmark A/S	Virum/Denmark	96.60	96.60	100.00	100.00
Colas Gabon	Libreville/Gabon	86.84	86.84	89.90	89.90
Colas Hungaria and its subsidiaries	Budapest/Hungary	96.60	96.60	100.00	100.00
Colas Inc. and its subsidiaries	Morristown New Jersey/ United States	96.60	96.60	100.00	100.00
Colas Ltd and its subsidiaries	Rowfant/United Kingdom	96.60	96.60	100.00	100.00
Colas du Maroc and its subsidiaries	Casablanca/Morocco	96.60	96.60	100.00	100.00
Colas Suisse Holding SA and its subsidiaries	Lausanne/Switzerland	95.85	95.85	99.22	99.22
Other subsidiaries					
Challenger Réassurance	Luxembourg	99.99	99.99		
Uniservice	Geneva/Switzerland	99.99	99.99		

(a) Where percentage control differs from percentage interest.

Company	City/Country	% interest		% direct and indirect control [a]	
		2013	2012	2013	2012
PROPORTIONATE CONSOLIDATION					
Construction					
Bombela Civils Jv Ltd	Johannesburg/South Africa	**44.99**	**44.99**		
ASSOCIATES (EQUITY METHOD)					
Construction					
Bina Fincom	Zagreb/Croatia	**44.99**	**44.99**		
Hermes Airports Ltd	Nicosia/Cyprus	**21.99**	**21.99**		
Société Concessionnaire du Pont Rivieira Marcory	Abidjan/Ivory Coast	**48.99**	**48.99**		

(a) *Where percentage control differs from percentage interest.*