CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2014

NOTES

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(figures in millions of euros unless otherwise indicated)

Declaration of compliance:

The interim condensed consolidated financial statements of Bouygues and its subsidiaries (the "Group") for the six months ended 30 June 2014 were prepared in accordance with IAS 34, "Interim Financial Reporting", a standard issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. Because they are condensed, these financial statements do not include all the information required under the standards issued by the IASB, and should be read in conjunction with the full-year financial statements of the Bouygues group for the year ended 31 December 2013.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 June 2014. These standards comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee – previously the International Financial Reporting Interpretations Committee (IFRIC), itself the successor body to the Standing Interpretations Committee (SIC). The Group has not early adopted as of 30 June 2014 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 2013, and from the interim condensed consolidated financial statements for the six months ended 30 June 2013.

NOTE 1 SIGNIFICANT EVENTS OF THE PERIOD

1.1 Scope of consolidation as of 30 June 2014

1,048 entities were consolidated as of 30 June 2014, compared with 1,126 as of 31 December 2013. The net reduction of 78 entities includes the deconsolidation of entities set up for property co-promotion programmes (*Sociétés Civiles Immobilières – SCIs*) and construction project companies (*Sociétés en Participation – SEPs*) on project completion (mainly in the construction segment). It also includes the divestment at the end of May 2014 of 17 entities in the Eurosport International business.

	30 June 2014	31 December 2013
Companies controlled by the Group	766	822
Joint operations	172	202
Joint ventures and associates	110	102
	1,048	**1,126**

1.2 Significant events

1.2.1 Significant events of the first half of 2014

The principal acquisitions and corporate actions of the first half of 2014 are presented below in chronological order:

- On 21 January 2014, Discovery Communications and the TF1 group signed an agreement for Discovery Communications 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 enabled Discovery Communications to increase its interest in the capital of Eurosport SAS (the parent company of the Eurosport group) by raising its stake from 20% to 51%, took place nearly a year earlier than the date envisaged in the initial agreement of December 2012. TF1 is to retain its 80% interest in Eurosport France at least until 1 January 2015.

  Final clearance was obtained from the competent authorities in April 2014, and completion of the sale of an additional 31% interest in Eurosport SAS to Discovery Communications took place on 30 May 2014.

  The acquisition by Discovery Communications of the additional 31% interest was based on an enterprise value of €902 million for the Eurosport group, before deducting the valuation of Eurosport France (€85 million). These valuations were 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 Communications to 100%. This 49% stake is recognised in "Investments in joint ventures and associates" as of 30 June 2014, at a carrying amount of €489 million.

  Following the transactions completed in the first half of 2014 (purchase of an additional 31% interest in Eurosport SAS from TF1 by Discovery Communications, and activation of TF1's put option over its residual 49% stake), the total amount of off balance sheet commitments under the agreements with Discovery Communications was €622 million as of 30 June 2014, compared with €504 million as of 31 December 2013 (see Note 13 to the financial statements).

  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 for the first five months of 2014 are not classified 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.

The sale of the 31% additional interest to Discovery Communications and the remeasurement of the residual 49% stake following loss of control generated a pre-tax gain of €308 million, reported in “Other operating income” (see Note 10 to the financial statements).

- On 31 January 2014, Colas sold its financial interest of 16.67% in the capital of Cofiroute to Vinci Autoroutes. The transaction price of €780 million was received during the first quarter. The net gain on disposal amounted to €253 million, and was recognised during the first quarter in “Share of profits/losses from investments in joint ventures and associates”.
- During the first half of 2014, Bouygues Telecom signed a number of out-of-court agreements to settle a series of lawsuits described in the Registration Document for the year ended 31 December 2013. Under those agreements, Bouygues Telecom will receive a total of €400 million, of which €133 million had been received as of 30 June 2014 (see Note 10 to the financial statements).
- On 11 June 2014, Bouygues Telecom presented its group works council with a project to radically transform the company’s organisational structure and reposition its business model.

  The outcome of this strategic rethinking of Bouygues Telecom’s future is a project to streamline the company’s structures, processes and offerings so as to restore transparency and flexibility in a changed market. This transformation would result in a headcount reduction of 1,516, a provision for which was recognised in “Other operating expenses” as of 30 June 2014 (see Note 10 to the financial statements).
- To support the proposals announced by Alstom and General Electric, on 22 June 2014 Bouygues signed an agreement with the French state under which the French state, or any other French state-controlled entity chosen by the French state, could buy part of the equity interest in Alstom held by Bouygues. This agreement is conditional upon completion of the transactions announced on 21 June 2014 by Alstom, and on payment of an exceptional dividend or on the delivery of shares under a share repurchase tender offer. The underlying principles of this agreement are:
  - during a 20-month period following full completion of the transactions announced on 21 June 2014 by Alstom, the French state has a call option to acquire a maximum of 20% of the share capital of Alstom from Bouygues at the market price less a customary discount, provided that such price is at least equal to the equivalent of an adjusted price of €35 per share;
  - during a period of eight trading days immediately following the end of this 20-month period, the French state may acquire a maximum of 15% of the share capital of Alstom from Bouygues at the market price less a customary discount;
  - with effect from full completion of the transactions announced on 21 June 2014 by Alstom, Bouygues will allow the French state, by means of a stock lending transaction, to exercise 20% of the voting rights of Alstom, and will support the appointment of two directors designated by the French state to serve on the Alstom Board of Directors;
  - Bouygues will retain one seat on the Board of Directors and will be entitled to the dividends on all of the shares, including those loaned to the French state; it will also retain the possibility of selling its shares to a third party at any time at a mutually agreed price subject to the French state having first refusal over the loaned securities.

  Consequently, Bouygues retains significant influence over Alstom via its equity interest, which will continue to be accounted for by the equity method. The promises to sell represent reciprocal off balance sheet commitments.

1.2.2 Reminder of significant events of the first half of 2013

The principal acquisitions and corporate actions of the first half of 2013 are presented below:

- 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 the 1800 MHz frequencies from 1 October 2013 for the roll-out of 4G, on condition that Bouygues Telecom returns part of its frequencies.
- On 29 May 2013, Bouygues redeemed the €709 million outstanding on its May 2006 4.5% bond issue.

1.3 Consolidated sales for the first half of 2014

Consolidated sales for the first half of 2014 were €15,182 million, virtually unchanged from the first half of 2013 (€15,094 million).

1.4 Significant events and changes in scope of consolidation subsequent to 30 June 2014

The Group is not aware of any significant post balance sheet events.

NOTE 2 GROUP ACCOUNTING POLICIES

2.1 Business areas

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

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

- Construction:
  - Bouygues Construction (building and civil works, energies and services)
  - Bouygues Immobilier (property)
  - Colas (roads)
- Telecoms/media
  - TF1 (television)
  - Bouygues Telecom (mobile, fixed, TV and internet services).
- 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 financial statements of the Bouygues group include the financial statements of Bouygues SA and its subsidiaries, its investments in associates and joint ventures, and its joint operations. The financial statements 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 the presentation of financial statements (Recommendation 2009-R-03) issued on 2 July 2009 by the Conseil National de la Comptabilité – CNC (now called Autorité des Normes Comptables – ANC), the French national accounting standard-setter.

They were adopted by the Board of Directors on 27 August 2014.

The interim condensed consolidated financial statements for the six months ended 30 June 2014 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 of and for the year ended 31 December 2013 and the six months ended 30 June 2013.

The Bouygues group applied the same standards, interpretations and accounting policies for the six months ended 30 June 2014 as applied in its financial statements for the year ended 31 December 2013, except for changes required to meet new IFRS requirements applicable from 1 January 2014 as described below.

- Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption with effect from 1 January 2014:
  - **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, are 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 (income and expenses) of the joint operation are accounted for in accordance with the interests held in the joint operation.

IFRS 11 applies 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 (see Note 3.6 to the financial statements).

IFRS 12 establishes the disclosure requirements relating to interests held in subsidiaries, joint arrangements, associates, and/or unconsolidated structured entities. This standard will apply to the Group for the first time in the preparation of the consolidated financial statements for the year ended 31 December 2014, and will require new disclosures in the notes to the financial statements. Some of the information required under IFRS 12 is disclosed in the interim condensed consolidated financial statements for the six months ended 30 June 2014 in order to enable users to interpret the consolidated financial statements correctly.

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 of present.

The joint ventures 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, for the year ended 31 December 2013 and for the first half of 2013, is presented in Note 15 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 will take account of any future clarifications in its consolidated financial statements.

- **IFRIC 21: Levies**

This interpretation was endorsed by the European Union on 13 June 2014, and was not early adopted by the Bouygues group with effect from 1 January 2014. The effects of IFRIC 21, which is mandatorily applicable from 1 January 2015, will relate to the timing of the recognition of certain levies (such as C3S and IFER) during interim accounting periods.

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

    - **IFRS 15: Revenue from Contracts with Customers.**

      On May 28, 2014, the IASB issued a new standard on revenue recognition intended to replace most of the current IFRS pronouncements on this subject, in particular IAS 11 and IAS 18. The new standard, which has not yet been endorsed by the European Union, is applicable from January 1, 2017 with early adoption permitted.

      The impact of IFRS 15, which has not been early adopted by the Group, is currently under review.

- Seasonal fluctuations

  Sales and operating profit are subject to significant seasonal fluctuations due to low activity levels during the first half, primarily at Colas due to weather conditions. The extent of these fluctuations varies from year to year. In accordance with IFRS, sales for interim accounting periods are recognised on the same basis as full-year sales.

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

  Preparing consolidated 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 consolidated 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 the carrying amount or the 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 Companies controlled by Bouygues

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

- Assessment of exclusive control over TF1:

  As of 30 June 2014, Bouygues held 43.5% 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 Jointly-controlled companies

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. In the case of joint operations (which give each party direct rights over the assets and obligations for the liabilities), the assets, liabilities, income and expenses of the joint operation are accounted for in accordance with the interests held in the joint operation. Joint ventures, which give the parties rights over the net assets, are accounted for using the equity method.

2.3.3 Companies over which Bouygues exercises significant influence

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 30 June 2014, the investment in Alstom is reported under "Investments in joint ventures and associates" and accounted for by the equity method; it is carried at net acquisition cost (including goodwill) plus any net profit contribution for the period, giving a total carrying amount (net of a €1,404 million impairment loss as of 30 June 2014) of €3,094 million (including €1,106 million of goodwill).

  Given the time-lag between the half-year accounting period-ends of Alstom (30 September) and of Bouygues (30 June), no share of Alstom's profits or losses has been recognised by Bouygues for the second quarter of 2014 pending publication by Alstom of its half-year financial statements. The share of Alstom profits recognised by Bouygues for the six months ended 30 June 2014 is €53 million (representing the contribution from Alstom for the six months ended 31 March 2014, as recognised by Bouygues in the first quarter of 2014). This compares with the €117 million share of Alstom profits recognised by Bouygues in the six months ended 30 June 2013 (€58 million in the first quarter and €59 million in the second quarter).

Amortisation of fair value remeasurements of Alstom's identifiable intangible assets and other items had a negative impact of €6 million on net profit attributable to the Bouygues group for the six months ended 30 June 2014.

2.3.4 Concession arrangements, PPPs and investments in non-consolidated entities

- 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 in the sections on impairment testing in Note 2.7. 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 entities with a functional currency other than the euro

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

2.6 Assessment of income taxes

Income taxes of consolidated entities for interim periods are assessed in accordance with IAS 34: the income taxes of each entity are recognised on the basis of the best estimate of the average annual effective income tax rate for the financial year (except in the case of holding companies, which recognise income taxes on the basis of the actual tax position at the end of the period).

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

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

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

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

2.7 Non-current assets

2.7.1 Impairment testing of 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:

- 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.
- For Bouygues Telecom: using the DCF method, taking account of the specific characteristics of the investment.
  - The cash flows used are derived from business plans prepared by the management of the business segment and presented to the subsidiary's Board of Directors.
  - 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 impairment testing of goodwill as of 30 June 2014:

The goodwill recognised for TF1, Bouygues Telecom and Colas as of 30 June 2014 has not been subject to further impairment testing.

As regards Bouygues Telecom, the cash flows for impairment testing purposes as of 31 December 2013 took account of an acceleration of the transformation plan during 2014 to address the radical changes and uncertainties in the telecoms market. On 11 June 2014, Bouygues Telecom announced the implementation of a transformation plan that would result in a headcount reduction of 1,516, a provision for which was recognised in "Other operating expenses" as of 30 June 2014 (see Note 10 to the financial statements).

This transformation plan follows on from measures implemented at the start of 2012 that generated €599 million of savings in the mobile business between the end of 2011 and the end of 2013. The new plan, which does not materially alter the normative cash flows estimated at the time of preparation of the 2013 full-year financial statements, is intended to streamline Bouygues Telecom's structures, processes and offerings and to generate annual savings of €300 million from 2016 onwards.

As regards TF1, the recoverable amount used for goodwill impairment testing purposes as of 31 December 2013, determined on the basis of the quoted market price plus a control premium, exceeded the carrying amount. This situation is not affected by the fall in the quoted share price of TF1 shares during the first half of 2014, insofar as the recoverable amount determined on the basis of future cash flows as per the most recently available business plan (prepared at the end of 2013) still exceeds the carrying amount of the investment in TF1. This recoverable amount will be reassessed once TF1 management has prepared a new business plan.

2.7.2 Impairment testing of the investment in Alstom

Method applied

Because goodwill included in the carrying amount of a joint venture or associate 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.

The investment in Alstom is 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 are based on forecasts prepared by a panel of financial analysts.

Information about impairment testing as of 30 June 2014:

In the absence of any evidence of impairment since the last test was performed for the purposes of the 2013 full-year financial statements, the carrying amount of the investment as of 30 June 2014 has not been subject to further impairment testing.

2.7.3 Consolidated carrying amount of listed shares

Note 3.4 to the 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 as of 30 June 2014.

2.8 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.

2.9 Other financial indicators

2.9.1 EBITDA

EBITDA is defined as 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).

The competitiveness and employment tax credit to which French companies are entitled is recognised in current operating profit, as a reduction in personnel costs.

The main components of current operating profit included in the line items "Other income from operations" and "Other expenses on operations" are net foreign exchange differences on commercial transactions, gains and losses on disposals of non-current assets, profits and losses from joint operations, royalties on the licensing of patents, and (in the case of Colas) revenue from sales of raw material (bitumen) to coating and emulsion entities in the form of *Sociétés en Participation* (*SEPs*) or economic interest groupings that subsequently sell such coatings and emulsions on to Colas.

2.9.2 Free cash flow

Free cash flow is defined as 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.

2.9.3 Net debt

This represents the aggregate of:

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

2.10 Statement of recognised income and expense

The 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.

2.11 Comparability of the consolidated financial statements

Changes in the scope of consolidation during the six months ended 30 June 2014 did not have a material effect on the consolidated financial statements presented for that period, and do not impair comparisons with the consolidated financial statements for the six months ended 30 June 2013.

NOTE 3 NON-CURRENT ASSETS

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

3.1 Property, plant and equipment

Net *(€ million)*	Land and buildings	Industrial plant and equipment	Other property, plant and equipment	PP&E under construction and advance payments	Total
30/06/2014	**1,409**	**3,737**	**774**	**381**	**6,301**
of which finance leases	4	40	3		47
31/12/2013 Restated	**1,399**	**3,734**	**808**	**305**	**6,246**
of which finance leases	6	40	4		50

3.2 Intangible assets

Net *(€ million)*	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
30/06/2014	**40**	**1,569**	**188**	**1,797** *(a)*
31/12/2013 Restated	**42**	**1,632**	**192**	**1,866**

(a) Includes €1,504 million for Bouygues Telecom (primarily UMTS licences and 4G frequency licences)

3.3 Goodwill

3.3.1 Movement in the carrying amount of goodwill in the period

(€ million)	Gross	Impairment	Carrying amount
31/12/2013 Restated	**5,326**	**(81)**	**5,245**
Changes in scope of consolidation	(1)	5	4
Other movements (including translation adjustments)	(5)	1	(4)
Impairment losses			
30/06/2014	**5,320**	**(75)**	**5,245**

3.3.2 Split of goodwill by Cash Generating Unit (CGU)

CGU	**30/06/2014**		**31/12/2013 Restated**	
	Total	**% Bouygues**	**Total**	**% Bouygues**
(€ million)				
Bouygues Construction (subsidiaries) [(a)]	420	99.97%	414	99.97%
Colas [(b)]	1,134	96.60%	1,140	96.60%
TF1 [(b)]	1,042	43.49%	1,042	43.52%
Bouygues Telecom [(b)]	2,648	90.53%	2,648	90.53%
Other	1		1	
Total	**5,245**		**5,245**	

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

3.4 Consolidated carrying amount of listed shares

(in euros)

	Consolidated carrying amount per share	Closing market price per share on 30/06/2014
TF1	15.12	11.97 *(a)*
Colas	97.68	146.00
Alstom	34.17	26.63

(a) €13.77 after adjustment to reflect a control premium

3.5 Associates and joint ventures

(€ million)

31/12/2013 Restated	**3,510**
Changes in scope of consolidation	486 *(a)*
Share of net profit/(loss) for the period	54 *(b)*
Translation adjustments	(22)
Other income and expense recognised directly in equity	(13)
Net profit/(loss) and other recognised income and expense	**19**
Distribution	(20)
Other movements	10
30/06/2014	**4,005**

(a) The Eurosport International group has been accounted for as an associate by the equity method with effect from 30 May 2014 (see Note 1.2.1, "Significant events of the first half of 2014"). Goodwill is provisionally measured at €399 million.
(b) Includes €47 million for Alstom (profit contribution of €53 million, minus €6 million for amortisation of fair value remeasurements)

The balance as of 30 June 2014 comprises €142 million for joint ventures (see Note 3.6.) and €3,863 million for associates (see Note 3.7.).

3.6 Investments in joint ventures

Investments in joint ventures, which are accounted for by the equity method, amounted to €142 million as of 30 June 2014.

(€ million)

Share of net assets of joint ventures	**30/06/2014**	**31/12/2013**
Miscellaneous investments	142	148
Total	**142**	**148**
of which: share of net profit/(loss) for the period	**2**	**13**

Joint operations are recognised in proportion to the interest held by the Group in its assets, liabilities, income and expenses.
The contribution from joint operations as recognised in the financial statements for the six months ended 30 June 2014 was as follows:

- Sales: €746 million, comprising €253 million for *sociétés en participation* (SEPs) and affiliates in France, and €42 million for entities set up for property co-promotion programmes in the form of *sociétés civiles immobilières* (SCIs) and *sociétés civiles de construction vente* (SCCVs).
- Current operating profit/loss: -€18 million, comprising €1 million for SEPs and affiliates in France, and €1 million for SCIs and SCCVs.

3.7 Investments in associates

(€ million)		
Share of net assets of associates	**30/06/2014**	**31/12/2013**
Alstom	3,094	3,079
Eurosport International group	489	
Other associates	280	283
Total	**3,863**	**3,362**
of which: share of net profit/(loss) for the period	**52**	**204**
of which: Alstom impairment loss	**-**	**(1,404)**

3.8 Reconciliation of information about the principal investments in associates to the carrying amount of the interest held by the Bouygues group

Alstom *(€ million)*	**30/06/2014**	**31/12/2013**
Alstom: Shareholders' equity attributable to the group as published	5,044	**4,963**
Share attributable to Bouygues (29.29% as of 30 June 2014)	1,477	**1,456**
Fair value remeasurements and goodwill recognised at Bouygues group level	1,617	1,623
Net assets recognised in the Bouygues consolidated financial statements	**3,094**	**3,079**

Given the time-lag in publication, the amounts recognised as of 30 June 2014 and 31 December 2013 are based on the figures published by Alstom as of 31 March 2014 and as of 30 September 2013, respectively (see Note 2.3.3.).

Eurosport International group *(€ million)*	**30/06/2014**	**31/12/2013**
Eurosport International group: Shareholders' equity attributable to the group	185	**-**
Share attributable to Bouygues (49%)	91	**-**
Provisional goodwill	399	-
Net assets recognised in the Bouygues consolidated financial statements	**489**	**-**

NOTE 4 CURRENT ASSETS

Inventories

(€ million)	**30/06/2014**			**31/12/2013 Restated**		
	Gross	**Impairment**	**Carrying amount**	**Gross**	**Impairment**	**Carrying amount**
Property development inventories	1,506	(127)	1,379	1,545	(124)	1,421
Raw materials and finished goods	1,112	(41)	1,071	984	(43)	941
Programmes and broadcasting rights (TF1)	801	(112)	689	790	(127)	663
TOTAL	**3,419**	**(280)**	**3,139**	**3,319**	**(294)**	**3,025**

NOTE 5 CONSOLIDATED SHAREHOLDERS' EQUITY

Share capital of Bouygues SA

As of 30 June 2014, the share capital of Bouygues SA consisted of 335,727,874 shares with a par value of €1.

	31/12/2013	Movements		30/06/2014
		Reductions	Increases	
Shares	319,264,996		16,462,878 (a)	335,727,874
NUMBER OF SHARES	**319,264,996**		**16,462,878**	**335,727,874**
Par value	€1			€1
SHARE CAPITAL (€)	**319,264,996**		**16,462,878**	**335,727,874**

(a) Movements in the number of shares in the period:
- 553,965 new shares issued on exercise of stock options
- 15,908,913 new shares issued for dividends taken in the form of shares

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**
31/12/2013 Restated	**647**	**331**	**380**	**815**	**2,173**
Translation adjustments	2			1	3
Changes in scope of consolidation	(1)	(1)		(5)	(7)
Charges to provisions	25	33	39	247	344
Reversals of provisions (utilised or unutilised)	(20)	(47)	(35)	(75)	(177)[e]
Actuarial gains and losses	29 *(f)*				29
Transfers and other movements		(1)	1	10	10
30/06/2014	**682**	**315**	**385**	**993**	**2,375**

(a) Long-term employee benefits	***682***	***Principal segments involved:***	
Lump-sum retirement benefits	*470*	*Bouygues Construction*	*191*
Long service awards	*142*	*Colas*	*380*
Other long-term employee benefits	*70*	*TF1*	*32*
		Bouygues Telecom	*45*
(b) Litigation and claims	***315***	*Bouygues Construction*	*162*
Provisions for customer disputes	*149*	*Bouygues Immobilier*	*47*
Subcontractor claims	*24*	*Colas*	*87*
Employee-related and other litigation and claims	*142*		
(c) Guarantees given	***385***	*Bouygues Construction*	*300*
Provisions for guarantees given	*297*	*Bouygues Immobilier*	*33*
Provisions for additional building/civil engineering/civil works guarantees	*88*	*Colas*	*52*
(d) Other non-current provisions	***993***	*Bouygues Construction*	*212*
Provisions for risks related to official inspections	*222*	*Colas*	*293*
Provisions for miscellaneous foreign risks	*77*	*Bouygues Telecom*	*406*
Provisions for subsidiaries and affiliates	*63*		
Dismantling and site rehabilitation	*247*		
Other non-current provisions	*384*		

As of 30 June 2014, other non-current provisions include the effect of the redundancy plan being implemented by Bouygues Telecom.

(e) of which: reversals of unutilised provisions in the first half of 2014 .... (62)

(f) Increase in lump-sum retirement benefit obligation in line with a change in the IBOXX A10+ rate: 2.70% applied as of 30 June 2014, versus 3.24% in the 2013 published financial statements.

6.2 Current provisions

Provisions related to the operating cycle *(€ million)*	**Provisions for customer warranties**	**Provisions for project risks and project completion**	**Provisions for expected losses to completion**	**Other current provisions**	**Total**	
31/12/2013 Restated	**55**	**330**	**174**	**233**	**792**	
Translation adjustments	1	1	1		3	
Changes in scope of consolidation	(1)				(1)	
Charges to provisions	3	48	58	113	222	
Reversals of provisions (utilised or unutilised)	(7)	(78)	(59)	(59)	(203)	*(a)*
Transfers and other movements		(6)	6	(1)	(1)	
30/06/2014	**51**	**295**	**180**	**286**	**812**	

(a) Of which: reversals of unutilised provisions in the first half of 2014: (53)

NOTE 7 NON-CURRENT AND CURRENT DEBT

7.1 Breakdown of debt by maturity

(€ million)	Current debt		Non-current debt	
	Total 30/06/2014	Total 31/12/2013 Restated	Total 30/06/2014	Total 31/12/2013 Restated
Bond issues	966	927	6,136	6,131
Bank borrowings	58	54	771 [a]	400
Finance lease obligations	10	10	19	24
Other debt	19	15	40	46
TOTAL DEBT	**1,053**	**1,006**	**6,966**	**6,601**

(a) Includes €249 million subscribed by Bouygues Telecom

7.2 Covenants and trigger events

The bond issues maturing 2015, 2016, 2018, 2019, 2022, 2023 and 2026 contain a change of control clause relating to Bouygues SA.

The bank credit facilities contracted by Bouygues SA and its subsidiaries contain no financial covenants or trigger event clauses.

NOTE 8 MAIN COMPONENTS OF CHANGE IN NET DEBT

(€ million)	31/12/2013 Restated	Movements in the period	30/06/2014
Cash and cash equivalents	3,546	(164)	3,382
Overdrafts and short-term bank borrowings	(362)	(164)	(526)
NET CASH AND CASH EQUIVALENTS	**3,184**	**(328)** [a]	**2,856**
Non-current debt	(6,601)	(365)	(6,966)
Current debt	(1,006)	(47)	(1,053)
Financial instruments – hedging of net debt	(12)	1	(11)
TOTAL DEBT	**(7,619)**	**(411)**	**(8,030)**
NET DEBT	**(4,435)**	**(739)**	**(5,174)**

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

NOTE 9 ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

9.1 Analysis by accounting classification

(€ million)	1st half	
	2014	**2013 Restated**
Sales of goods	1,431	1,415
Sales of services	5,389	5,484
Construction contracts	8,362	8,195
SALES	**15,182**	**15,094**
OTHER REVENUES FROM OPERATIONS	**36**	**51**
TOTAL REVENUES	**15,218**	**15,145**

9.2 Analysis by business segment

(€ million)	First half 2014				First half 2013 Restated			
	France	**International**	**Total**	**%**	**France**	**International**	**Total**	**%**
Construction	2,779	2,642	5,421	36	2,794	2,293	5,087	34
Property	1,154	35	1,189	8	1,091	52	1,143	7
Roads	3,107	2,137	5,244	34	3,324	2,078	5,402	36
Media	982	170	1,152	8	977	202	1,179	8
Telecoms	2,169		2,169	14	2,279		2,279	15
Bouygues SA & other	2	5	7	0	1	3	4	0
CONSOLIDATED SALES	**10,193**	**4,989**	**15,182**	**100**	**10,466**	**4,628**	**15,094**	**100**

(€ million)	**Construction**	**Property**	**Roads**	**Media**	**Telecoms**	**Bouygues SA & other**	**Total 1st half 2014**	**Total 1st half 2013 Restated**
Total sales	5,558	1,192	5,294	1,175	2,177	70	15,466	15,379
Inter-segment sales	(137)	(3)	(50)	(23)	(8)	(63)	(284)	(285)
THIRD-PARTY SALES	**5,421**	**1,189**	**5,244**	**1,152**	**2,169**	**7**	**15,182**	**15,094**

NOTE 10 OPERATING PROFIT

(€ million)	1st half	
	2014	**2013 Restated**
CURRENT OPERATING PROFIT/(LOSS)	**134**	**347**
Other operating income	737	
Other operating expenses	(348) (a)	
OPERATING PROFIT/(LOSS)	**523**	**347**

(a) Mainly comprises:
Bouygues Telecom: primarily other operating income of €429 million and other operating expenses of €348 million (litigation, adaptation costs); see Note 1.2.1. "Significant events of the first half of 2014".
TF1: pre-tax impact (+€308 million) of the sale of a 31% interest in Eurosport International and remeasurement of the residual 49% stake following loss of control; see Note 1.2.1. "Significant events of the first half of 2014".

NOTE 11 INCOME TAX EXPENSE

(€ million)	1st half	
	2014	2013 Restated
Tax payable to the tax authorities	(100)	(78)
Deferred taxes, net	41	(20)
INCOME TAX GAIN/(EXPENSE)	**(59)**	**(98)**

The effective tax rate for the first half of 2014 was 16%, versus 54% for the first half of 2013, mainly because the gain on disposal of Eurosport International is taxed at a reduced rate.

NOTE 12 SEGMENT INFORMATION

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

(€ million)	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total	
Income statement – First half of 2014								
Current operating profit/(loss)	180	71	(114)	50	(41)	(12)	134	
Operating profit/(loss)	180	71	(114)	373	44	(31)	523	(a)
Share of profits/(losses) of joint ventures and associates	(7)		396	2	(1)	(83)	307	(b)
Net profit/(loss) attributable to the Group	123	42	306	141	22	(224)	410	
Income statement – First half of 2013 – Restated								
Current operating profit/(loss)	204	84	(87)	71	91	(16)	347	
Operating profit/(loss)	204	84	(87)	71	91	(16)	347	
Share of profits/(losses) of joint ventures and associates	(5)	(2)	37		(1)	109	138	
Net profit/(loss) attributable to the Group	131	45	(31)	18	49	(24)	188	
Balance sheet at 30 June 2014								
Property, plant and equipment	602	21	2,290	186	3,061	141	6,301	
Intangible assets	43	20	76	104	1,504	50	1,797	
Net surplus cash/(net debt)	2,338	26	(331)	425	(971)	(6,661)	(5,174)	
Balance sheet at 31 December 2013 – Restated								
Property, plant and equipment	592	21	2,273	190	3,028	142	6,246	
Intangible assets	44	18	79	107	1,566	52	1,866	
Net surplus cash/(net debt)	3,006	271	31	189	(783)	(7,149)	(4,435)	
Other financial indicators – First half of 2014								
Acquisitions of property, plant and equipment and intangible assets, net of disposals	87	6	145	17	337		592	
EBITDA	213	66	34	36	332	(15)	666	
Cash flow	235	68	53	81	614	(7)	1,044	
Free cash flow	90	37	(59)	16	262	(116)	230	
Other financial indicators – First half of 2013 – Restated								
Acquisitions of property, plant and equipment and intangible assets, net of disposals	55	4	108	17	415	14	613	
EBITDA	241	88	58	90	469	(17)	929	
Cash flow	307	88	100	99	417	(9)	1,002	
Free cash flow	183	53	9	60	(30)	(141)	134	(c)

(a) Includes impact of Eurosport International: +€308 million (€323 million at TF1 level, minus €15 million for derecognition of goodwill at Bouygues level)

(b) Includes gain on Cofiroute: +€253 million (€385 million at Colas level, minus €132 million for derecognition of goodwill at Bouygues level); and Alstom: share of profits in the first half of 2014 of €47 million (profit contribution of €53 million, minus €6 million for amortisation of fair value remeasurements, see Note 2.3).

(c) After stripping out capitalised interest of €21 million, adjusted free cash flow for the first half of 2013 was €155 million.

NOTE 13 OFF BALANCE SHEET COMMITMENTS

There have been no material changes in off balance sheet commitments as disclosed in the financial statements for the year ended 31 December 2013, other than the effects of the transaction between Discovery Communications and TF1.

Following the acquisition by Discovery Communications of a further 31% interest in Eurosport SAS, the parent company of the Eurosport group, the off balance sheet commitments between Discovery Communications and the TF1 group are now as follows:

13.1 Off balance sheet commitments relating to equity interests:

The commitments shown below are measured at the most recent enterprise value.

(€ million)	30/06/2014	Expiry			31/12/2013
		Less than 1 year	1 to 5 years	More than 5 years	
Other	622	20	602		504
TOTAL SUNDRY CONTRACTUAL COMMITMENTS GIVEN	**622**	**20**	**602**		**504**
Other	622	20	602		504
TOTAL SUNDRY CONTRACTUAL COMMITMENTS RECEIVED	**622**	**20**	**602**		**504**
NET BALANCE	**-**	**-**	**-**	**-**	**-**

Breakdown:

(€ million)		30/06/2014	31/12/2013
Total call options granted by TF1	(a), (d)	88	368
Total put options granted by TF1	(a)	-	68
TOTAL COMMITMENTS GIVEN BY TF1		**88**	**436**
Total call options granted to TF1		-	-
Total put options granted to TF1	(b), (c)	534	68
TOTAL COMMITMENTS RECEIVED BY TF1		**534**	**68**
TOTAL COMMITMENTS RELATING TO EQUITY INTERESTS – TF1/DISCOVERY		**622**	**504**

Eurosport group:

(a) In association with the sale of an additional 31% equity interest in Eurosport SAS and further to the repurchase on 14 May 2014 by the TF1 group of 80% of the shares of Eurosport France, the TF1 group granted Eurosport SAS a call option over all of those shares, exercisable between 1 January 2015 and 31 December 2017.

(b) During the same period, TF1 has a put option to sell its entire interest in Eurosport France to Eurosport SAS.

(c) Following the sale of an additional 31% equity interest in Eurosport SAS, TF1 has a put option to sell 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) Discovery Communications has an option to acquire, during a 180-day period commencing 30 May 2014, an additional 29% equity interest in the pay-TV theme channels, thereby raising its interest to 49%.

13.2 Other commitments not measured in note 13.1:

The following commitments have not been measured as they are subject to conditions that have not yet been met.

Following the acquisition by Discovery Communications of an additional 31% equity interest in Eurosport SAS and in the event that Discovery Communications does not exercise its option to acquire an additional 29% equity interest in the pay-TV theme channels, TF1 would be able to sell Discovery Communications an additional 15% equity interest in those channels during the following 12 months, raising the percentage interest held by Discovery Communications to 35%.

If TF1 withdraws completely from the Eurosport group, Discovery Communications can sell TF1 its entire equity interest in the theme channels during a one-year period commencing 21 December 2018.

NOTE 14 RELATED-PARTY DISCLOSURES

	Expenses		Income		Receivables		Payables	
Transactions with: *(€ million)*	**First half 2014**	**First half 2013 restated**	**First half 2014**	**First half 2013 restated**	**30/06/14**	**31/12/2013 restated**	**30/06/14**	**31/12/2013 restated**
Parties with an ownership interest	2	4	0	1	0		0	
Joint ventures and joint operations	21	17	87	99	268	284	183	123
Associates	31	24	105	113	79	95	56	68
Other related parties	25	29	428	277	337	131	299	136
Total	**79**	**74**	**620**	**490**	**684**	**510**	**538**	**327**
. Maturity								
less than 1 year					618	449	538	327
1 to 5 years					3	43		
more than 5 years					63	18		
. of which impairment of doubtful receivables (mainly non-consolidated companies)					113	106		

NOTE 15 IMPACTS OF FIRST-TIME CONSOLIDATION ACCOUNTING STANDARDS

The schedules below show the effects of the new mandatorily applicable accounting standards (IFRS 10 and IFRS 11) on the comparative periods (year ended 31 December 2013, six months ended 30 June 2013) and on the opening balance sheet as of 1 January 2013.

- Impacts on the income statement for the first half of 2013 and the year ended 31 December 2013

	First half 2013			Full year 2013		
(€ million)	Published	Restatement	Restated	Published	Restatement	Restated
Sales	15,207	(113)	15,094	33,345	(224)	33,121
Current operating profit/(loss)	356	(9)	347	1,344	(25)	1,319
Cost of net debt	(157)		(157)	(309)	5	(304)
Income tax expense	(102)	4	(98)	(367)	7	(360)
Share of profits/(losses) of joint ventures and associates	134	4	138	(1,199)	12	(1,187)
Net profit/(loss) for the period	224	(1)	223	(648)	(1)	(649)
Net profit/(loss) attributable to the Group	188		188	(757)		(757)
Net profit/(loss) attributable to non-controlling interests	36	(1)	35	109	(1)	108
Income and expense recognised directly in equity	28		28	(48)		(48)
Recognised income and expense	252	(1)	251	(696)	(1)	(697)

- The principal restatements arising from the first-time application of IFRS 11 relate to:
  - Colas:
    - negative impacts on sales of €204 million for the year ended 31 December 2013 and of €104 million for the first half of 2013;
    - negative impacts on current operating profit of €27 million for the year ended 31 December 2013 and of €11 million for the first half of 2013.

    These impacts arise because contracting companies and industrial companies jointly held by Colas and a partner are accounted for by the equity method with effect from 1 January 2014.
  - TF1: negative impacts on sales of €10 million for the year ended 31 December 2013 and of €5 million for the first half of 2013.
  - Bouygues Construction:
    - negative impacts on sales of €10 million for the year ended 31 December 2013 and of €4 million for the first half of 2013 ;
    - positive impacts on current operating profit of €2 million for the year ended 31 December 2013 and of €2 million for the first half of 2013.

- Impacts on the balance sheet as of 1 January, 30 June and 31 December 2013

(€ million)	1 January 2013			30 June 2013			31 December 2013		
	Published	Restate-ment	Restated	Published	Restate-ment	Restated	Published	Restate-ment	Restated
Non-current assets	20,170	1	20,171	20,209	2	20,211	17,684	6	17,690
Current assets	16,584	(98)	16,486	15,876	(100)	15,776	15,469	(95)	15,374
Total assets	36,754	(97)	36,657	36,085	(98)	35,987	34,304	(89)	34,215
Shareholders' equity	10,078	(15)	10,063	9,617	(14)	9,603	8,684	(15)	8,669
Non-current liabilities	9,845	(22)	9,823	9,886	(20)	9,866	8,959	(18)	8,941
Current liabilities	16,831	(60)	16,771	16,582	(64)	16,518	16,495	(56)	16,439
Total liabilities and equity	36,754	(97)	36,657	36,085	(98)	35,987	34,304	(89)	34,215
Net debt	(4,172)	(4)	(4,176)	(5,758)	1	(5,757)	(4,427)	(8)	(4,435)

- Impacts on the cash flow statement for the first half of 2013 and the year ended 31 December 2013

(€ million)	First half 2013			Full year 2013		
	Published	Restatement	Restated	Published	Restatement	Restated
Net cash generated by/(used in) operating activities	143	2	145	2,252	(6)	2,246
Net cash generated by/(used in) investing activities	(893)	3	(890)	(1,438)	(2)	(1,440)
Net cash generated by/(used in) financing activities	(1,342)	(1)	(1,343)	(1,776)	5	(1,771)
Effect of foreign exchange fluctuations	(31)	1	(30)	(60)	2	(58)
Change in net cash position	(2,123)	5	(2,118)	(1,022)	(1)	(1,023)
Net cash position at start of period	4,298	(22)	4,276	4,298	(22)	4,276
Net cash position at end of period	2,175	(17)	2,158	3,207	(23)	3,184