BOUYGUES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTES

CONTENTS

(figures in millions of euros unless otherwise indicated)

Declaration of compliance:

The consolidated financial statements of Bouygues and its subsidiaries (the "Group") for the year ended 31 December 2014 have been prepared in accordance with the standards issued by the International Accounting Standards Board (IASB) as endorsed by the European Union and applicable as of 31 December 2014 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 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.

NOTE 1 SIGNIFICANT EVENTS OF THE YEAR

1.1 Scope of consolidation as of 31 December 2014

1,082 entities were consolidated as of 31 December 2014, compared with 1,126 as of 31 December 2013. The net reduction of 44 entities mainly includes changes relating to 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 businesses). It also takes account of the divestment at the end of May 2014 of 17 entities in the Eurosport International business and the first-time consolidation of five companies belonging to Plan Group, acquired in September 2014.

(31 December)	2014	2013
Companies controlled by the Group	775	822
Joint operations	198	202
Joint ventures and associates	109	102
	1,082	1,126

1.2 Significant events

1.2.1 Significant events of 2014

The main acquisitions and corporate actions of 2014 are described 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 31 December 2014, at a carrying amount of €505 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 inception 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 €612 million at 31 December 2014, compared with €504 million at 31 December 2013 (see Note 18 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 €313 million, after finalisation of the sale price in the third quarter of 2014; this gain is reported in "Other operating income" (see Note 12 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".

- In 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 was entitled to receive a total of €400 million; this amount had been received in full as of 31 December 2014, and is reported in "Other operating income" (see Note 12 to the financial statements).

- On 11 June 2014, Bouygues Telecom presented its group works council with a plan to radically transform the company's organisational structure and reposition its business model.

  The outcome of this strategic rethinking of Bouygues Telecom's future was a project to streamline the company's structures, processes and offerings so as to restore transparency and flexibility in a changed market. This transformation plan resulted in a headcount reduction of 1,362, the costs of which were recognised in "Other operating expenses" in the year ended 31 December 2014 (see Note 12 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.

- On 4 September 2014, Bouygues Energies et Services acquired an 85% equity interest in Plan Group, a company based in Toronto (Canada). Plan Group, which generates annual sales of approximately €242 million (2013 figures), has been fully consolidated since 1 September 2014.

Provisional goodwill of €35 million was recognised on the basis of the estimated fair value of the company. The remaining 15% interest will be acquired during the three years following the deal closing date, and a financial liability of €17 million has been recognised for the commitment to make this additional acquisition.

- Following the decision by Colas to discontinue production of lubricants and paraffin derived from the refining of crude oil, the Colas subsidiary Société de la Raffinerie de Dunkerque implemented a redundancy plan. The effects of this plan, and the impact on the value of the industrial assets required for production, have been recognised in "Other operating expenses" for the year ended 31 December 2014 (see Note 12 to the financial statements).

- On 29 October 2014, Bouygues redeemed the outstanding balance on its October 2004 4.375% bond issue for €758 million.

1.2.2 Reminder of the significant events of 2013

The main acquisitions and corporate actions of 2013 are described 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 those 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 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 (production and application of 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 was provisionally recognised as goodwill. Following completion of the final purchase price allocation, goodwill as of 31 December 2014 amounted to €52 million.

- 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 (see Note 18.2 to the financial statements).

- 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 to the financial statements).

- 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 to the financial statements).

1.3 Consolidated sales

Consolidated sales for the year ended 31 December 2014 were €33,138 million, virtually unchanged from the 2013 figure of €33,121 million.

1.4 Significant events and changes in scope of consolidation subsequent to 31 December 2014

No event occurred between the end of the reporting period and 24 February 2015 (the date on which the Board of Directors adopted the financial statements and authorised their publication) that would have a material impact on the financial position of the Bouygues group.

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:

- 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 an interest of 29.2% 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 together with investments in associates, joint ventures and 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 presentation (Recommendation 2013-03) issued on 7 November 2013 by the Conseil National de la Comptabilité – CNC (now called the Autorité des Normes Comptables – ANC), the French national accounting standard-setter.

The consolidated financial statements were adopted by the Board of Directors on 24 February 2015, and will be submitted for approval by the forthcoming Annual General Meeting on 23 April 2015.

The consolidated financial statements for the year ended 31 December 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 at and for the year ended 31 December 2013.

The Bouygues group applied the same standards, interpretations and accounting policies for the year ended 31 December 2014 as were applied in its consolidated financial statements for the year ended 31 December 2013, except for changes required to meet new IFRS requirements applicable from 1 January 2014 (see 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 estimated impacts of these standards are described below.

    IFRS 10 replaces those parts of IAS 27, "Consolidated and Separate Financial Statements" that dealt with consolidated financial statements and SIC 12, "Consolidation – Special Purpose Entities", and 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; 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 Notes 3.2.5 and 3.2.6 to the financial statements).

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

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 are accounted for by the equity method, rather than by the proportionate consolidation method as previously.

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 have been accounted for by the equity method since 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 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 not be material as regards consolidated equity. However, they will alter the timing of the recognition of certain levies (such as C3S and IFER) during interim accounting periods. The impact on current operating profit, net profit and EBITDA for the four quarters of 2014 is presented in Note 23 to the consolidated financial statements.

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

- **IFRS 15, "Revenue from Contracts with Customers"**

On 28 May 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. IFRS 15, which has not yet been endorsed by the European Union, is applicable from 1 January 2017.

The impact of IFRS 15 is currently under review.

- **IFRS 9**

  On 24 July 2014, the IASB issued a new standard on financial instruments intended to replace most of the current IFRS pronouncements on this subject, in particular IAS 39. IFRS 9, which has not yet been endorsed by the European Union, is applicable from 1 January 2018.

- 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 end of the reporting period, 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 the Group

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

- Assessment of exclusive control over TF1:

  As of 31 December 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 29.2% interest in the capital and its control of two seats on the Board of Directors.

  As of 31 December 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 31 December 2014) of €3,183 million (including €1,106 million of goodwill).

  Given the time-lag between the annual reporting dates of Alstom (31 March) and of Bouygues (31 December), no share of Alstom's profits or losses has been recognised by Bouygues for the fourth quarter of 2014 pending publication by Alstom of its annual financial statements. The share of Alstom profits recognised by Bouygues for the year ended 31 December 2014 is €128 million, compared with the €168 million recognised in the year ended 31 December 2013.

  Amortisation of fair value remeasurements of Alstom's identifiable intangible assets and other items had a negative impact of €13 million on net profit attributable to the Bouygues group.

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 those 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 acquired entity, 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 acquired assets and liabilities 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 price that would be received for selling an asset or paid for transferring a liability in an arm's length transaction between market participants as of the date of measurement.

Goodwill represents the excess of the cost of a business combination over the acquirer's interest in the fair value of the acquired entity'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 Cash Generating Unit (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 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. Non-controlling interests are measured on the basis of the carrying amount of the relevant 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 end of the reporting period 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

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 it is probable that sufficient taxable profits will be available against which to offset the temporary differences, and are reviewed at the end of each reporting period.
- 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 end of the reporting period.

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 Principal 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 from that asset 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 the end of each reporting period 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:

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	1 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 awarded for a 20-year period, and are being amortised from the date on which they came into service (1 October 2013), over 18 and 18.3 years respectively.

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 date 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 of 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:

- 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 three-year business plans prepared by the segment's management and presented to the subsidiary's Board of Directors and to the Board of Directors of Bouygues SA, incorporating where relevant the latest estimates of the segment's management for the period beyond the time horizon of the business plan.
  - The discount rate is determined on the basis of a weighted average cost of capital appropriate to the business sector in which the 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.

  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, 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 performed as of 31 December 2014:

  - The recoverable amount of Bouygues Telecom, TF1 and Colas was determined using the method described above, based on three-year cash flow projections corresponding to the business plans of each of the three subsidiaries as presented to the subsidiary's Board of Directors and the Board of Directors of Bouygues SA, incorporating where relevant the latest estimates of the subsidiary's management for the period beyond the time horizon of the business plan:
    - cash flows beyond the projection period were extrapolated using a perpetual growth rate;
    - the discount rates (weighted average cost of capital) and growth rates used as of 31 December 2014 were as follows:

	DISCOUNT RATE		PERPETUAL GROWTH RATE
	Scenario 1 [a]	**Scenario 2 [a]**	
- BOUYGUES TELECOM	5.76%	5.21%	2%
- **TF1**	8.45%	7.54%	2%
- COLAS	6.60%	5.94%	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 a transitional year in 2015, with EBITDA flat and an increase in capital expenditure (sharing part of the mobile network with Numericable-SFR and expansion of the fixed network), followed by a return to positive cash flow (EBITDA net of capital expenditure) in 2016, the normative cash flow of Bouygues Telecom was determined on the basis of the following assumptions:
    - growth in the mobile business thanks to rapid expansion in mobile internet uses and a focus on the quality of the customer experience, and growth in the fixed business through opening up very-high-speed broadband access to the widest possible user base;
    - a fully optimised cost structure, with the transformation plan due to have been rolled out in full by end June 2015, unlocking €300 million of savings in 2016 versus end-2013;

    - the expected benefits, from end-2018, of the agreement between Bouygues Telecom and Numericable-SFR to share part of the mobile network, which in the medium term will give customers the best geographical coverage and best service quality while optimising capital expenditure and operating costs.
  - On this basis, Bouygues Telecom's targets for 2017 are:
    - one million new mobile customers and one million new fixed customers;
    - over ⅔ of customers on the directly-owned fixed network;
    - network sharing 75% operational;
    - established market leadership position in mobile data usage.
-
- Assumptions used in the TF1 business plan:
  - impact of macro-economic factors on advertising spend in the current highly disturbed environment;
  - retention of market leadership position in freeview television by:
    - exploiting editorial and commercial synergies between the freeview channels;
    - using digital offers to follow customer behaviour patterns;
  - beneficial effects on the business model of the optimisation plans implemented since 2007;
  - normative cost of major sporting events based on the average annual spend in recent years.

2.7.4.2 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.

Information about impairment testing as of 31 December 2014:

The investment in Alstom was tested for impairment as of 31 December 2014 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.

- The discount rate (weighted average cost of capital) and growth rate used for Alstom as of 31 December 2014 were as follows:

	DISCOUNT RATE		PERPETUAL GROWTH RATE
	Scenario 1 [a]	**Scenario 2** [a]	
ALSTOM	8.26%	7.37%	2%

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

2.7.4.3 Consolidated carrying amount of listed shares

Note 3.2.3.2 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 31 December 2014.

2.7.4.4 Conclusion on impairment testing

For all the CGUs tested and for the investment in Alstom, the recoverable amounts determined under both capital structure scenarios are greater than the carrying amount of the assets.

2.7.4.5 Sensitivity analysis

An analysis was performed for the Bouygues Telecom, TF1 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	+78 bp	+133 bp	-19%	-31%
- TF1	+26 bp	+117 bp	-4%	-20%
- COLAS	+784 bp	+850 bp	-70%	-75%
- ALSTOM	+6 bp	+95 bp	-1%	-17%

(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 €220 million lower than the carrying amount under scenario 1, and €800 million greater than the carrying amount under scenario 2. If the perpetual growth rate applied to the normative cash flows were to be halved and all other assumptions described in Note 2.7.4.1 were unchanged, the recoverable amount would be lower than the carrying amount by €180 million under scenario 1 and greater than the carrying amount by €730 million under scenario 2.

For Alstom, 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 lower than the carrying amount by €200 million under scenario 1 and equal to the carrying amount 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 estimated value in use for unlisted investments. Value in use is determined using the most appropriate financial 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 floating-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 those 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.

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 the end of each reporting period.

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 transmitted 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 floating-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 floating-rate debt in the balance sheet is less than the amount of surplus cash invested at floating 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.

As required by IFRS 13, the fair value measurement of derivative financial instruments takes account of credit risk (for derivative assets) and of own credit risk (for derivative liabilities). Those components have no material impact on the Bouygues group consolidated financial statements.

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 parent company 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 total debt (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

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", a provision is recorded at the end of the reporting period 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

    These provisions are 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 end of the reporting period 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 end of the reporting period.

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 received 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, including risks relating to construction project companies in the form of Sociétés en Participation (SEPs);

  - 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 on 2 July 2009 by the French national accounting standard-setter, the Conseil National de la Comptabilité (CNC), now the Autorité des Normes Comptables (ANC).

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, and from roaming 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; the entire revenue from the sale of the handset is recognised when the customer signs up to the plan.

- Distributor/retailer commission:

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

- Consumer loyalty programme:

Since November 2014, all retail plan customers earn benefits which they can use to obtain a handset upgrade, calculated on the basis of the age of their existing handset. Customers can then use the benefits to obtain a handset upgrade at a special price after 12 months, provided that they renew their plan for a minimum of 12 months.

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 to 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, including entities in the form of *Sociétés en Participation* (SEPs), that operate asphalt and binder production facilities; such profits and losses 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 2013-03 of 7 November 2013, using the indirect method.

Consolidated net profit 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

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.

2.15.2 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.

2.15.3 Net debt

Net debt 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 consolidated financial statements

Changes in the scope of consolidation during the year ended 31 December 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 year ended 31 December 2013.

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)	**2014**	**2013 restated**
Property, plant and equipment	1,411	1,220
Intangible assets	91	160
Capital expenditure	**1,502**	**1,380**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	163	106
Acquisitions of non-current assets	1,665	1,486
Disposals of non-current assets	(1,240)[a]	(128)
Acquisitions of non-current assets, net of disposals	**425**	**1,358**

(a) Disposals include the sale of Cofiroute by Colas (€770m, net) and the sale of Eurosport International by TF1 (€259m).

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 2012 restated	**2,078**	**11,288**	**2,794**	**353**	**16,513**
Movements during 2013					
Translation adjustments	(30)	(116)	(29)	(2)	(177)
Changes in scope of consolidation	7	(20)	(22)	(1)	(36)
Acquisitions during the period	50	793	230	147	1,220
Disposals, transfers & other movements	22	(635)	(196)	(192)	(1,001)
31 December 2013 restated	**2,127**	**11,310**	**2,777**	**305**	**16,519**
of which finance leases	14	96	23		133
Movements during 2014					
Translation adjustments	40	132	32	6	210
Changes in scope of consolidation	1	(31)	2	2	(26)
Acquisitions during the period	66	807	231	307	1,411
Disposals, transfers & other movements	36	(374)	(139)	(167)	(644)
31 December 2014	**2,270**	**11,844**	**2,903**	**453**	**17,470**
of which finance leases	12	97	15		124
Depreciation and impairment					
31 December 2012 restated	**(687)**	**(7,538)**	**(1,915)**		**(10,140)**
Movements during 2013					
Translation adjustments	8	72	21		101
Changes in scope of consolidation	3	26	15		44
Net expense for the period	(79)	(821)	(300)		(1,200)
Disposals, transfers & other movements	27	685	210		922
31 December 2013 restated	**(728)**	**(7,576)**	**(1,969)**		**(10,273)**
of which finance leases	(8)	(56)	(19)		(83)
Movements during 2014					
Translation adjustments	(13)	(94)	(23)		(130)
Changes in scope of consolidation	11	40			51
Net expense for the period	(94)	(849)	(290)		(1,233)
Disposals, transfers & other movements	18	438	178		634
31 December 2014	**(806)**	**(8,041)**	**(2,104)**		**(10,951)**
of which finance leases	(6)	(58)	(12)		(76)
Carrying amount					
31 December 2013 restated	**1,399**	**3,734**	**808**	**305**	**6,246**
of which finance leases	6	40	4		50
31 December 2014	**1,464**	**3,803**	**799**	**453**	**6,519**
of which finance leases	6	39	3		48

Operating commitments not yet recognised involving future outflows of resources

Property, plant and equipment	**Falling due**				
(€ million)	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total 2014**	**Total 2013 restated**
Colas: orders in progress for plant and equipment	31			31	35
Bouygues Telecom: orders in progress for network equipment assets	301			301	215
TOTAL	**332**			**332**	**250**

3.2.2 Intangible assets

(€ million)	Development expenses [a]	Concessions, patents and similar rights	Other intangible assets	Total
Gross value				
31 December 2012 restated	**238**	**1,417**	**2,386**	**4,041**
Movements during 2013				
Translation adjustments		(3)	(3)	(6)
Changes in scope of consolidation		(15)	(9)	(24)
Acquisitions during the period	18	64	78	160
Disposals, transfers & other movements	(82)	1,045	(1,020)	(57)
31 December 2013 restated	**174**	**2,508**	**1,432**	**4,114**
Movements during 2014				
Translation adjustments		3	4	7
Changes in scope of consolidation		10	2	12
Acquisitions during the period	11	41	39	91
Disposals, transfers & other movements	(4)	5	(17)	(16)
31 December 2014	**181**	**2,567**	**1,460**	**4,208**
Amortisation and impairment				
31 December 2012 restated	**(194)**	**(762)**	**(1,211)**	**(2,167)**
Movements during 2013				
Translation adjustments		2	1	3
Changes in scope of consolidation		1	15	16
Net expense for the period	(20)	(126)	(57)	(203)
Disposals, transfers & other movements	82	9	12	103
31 December 2013 restated	**(132)**	**(876)**	**(1,240)**	**(2,248)**
Movements during 2014				
Translation adjustments		(2)	(3)	(5)
Changes in scope of consolidation		(8)	2	(6)
Net expense for the period	(10)	(174)	(38)	(222)
Disposals, transfers & other movements		10	11	21
31 December 2014	**(142)**	**(1,050)**	**(1,268)**	**(2,460)**
Carrying amount				
31 December 2013 restated	**42**	**1,632**	**192**	**1,866**
31 December 2014	**39**	**1,517** *b*	**192**	**1,748**

(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).
- In accordance with IFRS, research costs are expensed as incurred.
- Research and development costs expensed amounted to €66m in 2014 and €73m in 2013.
(b) Includes Bouygues Telecom's UMTS licence (carrying amount €285m) and 4G frequency user licence (€943m).

Operating commitments not yet recognised involving future outflows of resources

The carrying amount of other intangible assets as of 31 December 2014 includes €47 million for audiovisual rights recognised by TF1.

The table below shows the maturities of audiovisual rights acquisition contracts entered into for the purpose of securing future programming schedules.

Intangible assets	**Falling due**				
(€ million)	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total 2014**	**Total 2013 restated**
Audiovisual rights	14	1		15	20
TOTAL	**14**	**1**		**15**	**20**

3.2.3 Goodwill

(€ million)	Gross value	Impairment	Carrying amount
31 December 2012 restated	**5,682**	**(70)**	**5,612**
Movements during 2013			
Changes in scope of consolidation	(322) [a]		(322)
Impairment losses charged during the period		(13)	(13)
Translation adjustments & other movements	(34)	2	(32)
31 December 2013 restated	**5,326**	**(81)**	**5,245**
Movements during 2014			
Changes in scope of consolidation	30	5	35
Impairment losses charged during the period		(7)	(7)
Translation adjustments & other movements	11	2	13
31 December 2014	**5,367**	**(81)**	**5,286**

(a) Includes (€407m) for Eurosport International, classified as a held-for-sale asset as of 31 December 2013, and €62m for Furfari Paving Co Ltd.

For goodwill on joint ventures and associates, see Note 3.2.5.

3.2.3.1 Split of goodwill by Cash Generating Unit (CGU)

CGU	31 December 2014		31 December 2013 restated	
(€ million)	**Total**	**% Bouygues or subsidiaries**	**Total**	**% Bouygues or subsidiaries**
Bouygues Construction [a]	459	99.97	414	99.97
Colas [b]	1,137	96.60	1,140	96.60
TF1 [b]	1,042	43.47	1,042	43.52
Bouygues Telecom [b]	2,648	90.53	2,648	90.53
Other activities			1	
TOTAL	**5,286**		**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.

3.2.3.2 Consolidated carrying amount of listed shares as of 31 December 2014

(€)	Consolidated carrying amount per share	Closing quoted share price on 31 December 2014
TF1	15.55	12.72 [a]
Colas	108.28	132.50
Alstom	35.15	26.86

(a) €14.63 after adjustment to reflect a control premium.

For conclusions on impairment testing, see Note 2.7.4.

3.2.4 Non-current financial assets

As of 31 December 2014, these comprised:

- investments in joint ventures and associates (accounted for by the equity method): €4,137 million;
- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc.): €526 million;
- deferred tax assets: €288 million.

(€ million)	Investments in joint ventures and associates	Investments in non-consolidated companies	Other non-current assets	Total gross value	Amortisation and impairment	Carrying amount	Deferred tax assets [c]
31 December 2012 restated	**5,478**	**329**	**522**	**6,329**	**(287)**	**6,042**	**272**
Movements during 2013							
Changes in scope of consolidation	49	(9)	(16)	24	(42)	(18)	(6)
Acquisitions and other increases	226	6	123	355		355	
Amortisation and impairment, net					(1,408)	(1,408)	
Disposals and other reductions	(234)	(14)	(101)	(349)		(349)	(4)
Transfers and other allocations	(567) [b]	2	12	(553)	13	(540)	(11)
31 December 2013 restated	**4,952**	**314**	**540**	**5,806**	**(1,724)**	**4,082**	**251**
AMORTISATION AND IMPAIRMENT	**(1,442)**	**(167)**	**(115)**	**(1,724)**			
CARRYING AMOUNT	**3,510**	**147**	**425**	**4,082**			**251**

Amortisation and impairment as of 31 December 2013 mainly comprised the €1,404 million impairment loss taken against Alstom.

(€ million)	Investments in joint ventures and associates [a]	Investments in non-consolidated companies	Other non-current assets	Total gross value	Amortisation and impairment	Carrying amount	Deferred tax assets [c]
31 December 2013 restated	**4,952**	**314**	**540**	**5,806**	**(1,724)**	**4,082**	**251**
Movements during 2014							
Changes in scope of consolidation	486 [d]	11	(32)	465	3	468	(1)
Acquisitions and other increases	178	10	63	251		251	
Amortisation and impairment, net					(16)	(16)	
Disposals and other reductions	(31)	(18)	(116)	(165)		(165)	21
Transfers and other allocations	(17)	5	16	4	39	43	17
31 December 2014	**5,568**	**322**	**471**	**6,361**	**(1,698)**	**4,663**	**288**
AMORTISATION AND IMPAIRMENT	**(1,431)**	**(167)**	**(100)**	**(1,698)**			
CARRYING AMOUNT	**4,137**	**155**	**371**	**4,663**			**288**

(a) Includes goodwill on associates of €1,478m as of 31 December 2014.
(b) Includes (€490m) for Cofiroute, classified as a held-for-sale asset as of 31 December 2013.
(c) See Note 7.
(d) Includes €490m for the 49% retained interest in Eurosport International, recognised in "Investments in joint ventures and associates" since 30 May 2014.

3.2.5 Investments in joint ventures and associates

(€ million)	Share of net assets held	Share of profit/(loss) for the period	Goodwill	Carrying amount
31 December 2012 restated	**2,499**	**218**	**2,745**	**5,462**
Movements during 2013				
Translation adjustments	(71)		(1)	(72)
Acquisitions and share issues	9		2	11
Profit/(loss) for the period		217		217
Impairment losses charged during the period			(1,404) [d]	(1,404)
Appropriation of prior-year profit, disposals, transfers and other movements	(386) [e]	(218)	(100)	(704)
31 December 2013 restated	**2,051**	**217**	**1,242**	**3,510**
Movements during 2014				
Translation adjustments	36		2	38
Acquisitions and share issues	11			11
Profit/(loss) for the period		169 [c]		169
Impairment losses charged during the period			(2)	(2)
Appropriation of prior-year profit, disposals, transfers and other movements	392	(217)	236	411 [b]
31 December 2014	**2,490**	**169**	**1,478**	**4,137** [a]

(a) Includes €3,183m for Alstom (see below).
(b) Includes €490m for Eurosport International.
(c) Includes €115m for the share of profits from Alstom.
(d) Alstom: an impairment loss of €1,404m was recognised in the 2013 financial statements.
(e) Includes (€490m) for Cofiroute, classified as a held-for-sale asset.

A list of joint ventures and associates in which the Bouygues group holds an interest is provided in Note 24, “List of principal consolidated companies at 31 December 2014”.

3.2.5.1 Joint ventures

(€ million)	31/12/2013 restated	Net movement in 2014	31 December 2014	of which: share of profit/(loss) for period
Miscellaneous investments	148		148	9
TOTAL	**148**		**148**	**9**

3.2.5.2 Investments in associates

Principal associates:

(€ million)	31/12/2013 restated	Net movement in 2014	31/12/2014	of which: share of profit/(loss) for period
Alstom	3,079	104	3,183 [b]	115 [a]
Bouygues Construction:				
Concession companies	60	1	61	8
Miscellaneous associates	8	1	9	
Colas:				
Miscellaneous associates	100	22	122	17
TF1:				
Eurosport International group		505	505	15
Miscellaneous associates	82	(6)	76	
Other associates	33		33	3
TOTAL	**3,362**	**627**	**3,989**	**158**

(a) Alstom group contribution in 2014: share of profits €128m, less amortisation charged against fair value remeasurements (€13m).
(b) Includes goodwill: €1,106m.

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	Alstom	
	30/09/2014 [a]	31/03/2014 [a]
(€ million)		
Non-current assets	3,421	13,152
Current assets	7,322	16,808
Held-for-sale assets	22,474	293
TOTAL ASSETS	**33,217**	**30,253**
Shareholders' equity	5,449	5,109
Non-current liabilities	4,793	6,818
Current liabilities	7,421	18,326
Liabilities related to held-for-sale assets	15,554	
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**33,217**	**30,253**
Sales	**3,056**	**5,726**
Current operating profit/(loss)	**152**	**268**
Net profit/(loss)	**263**	**566**
Net profit/(loss) attributable to the Group	**255**	**556**

(a) Interim financial statements published by Alstom (financial year-end 31 March 2015).

Amounts shown are for 100% of the associate	Eurosport International group
	31 December 2014
(€ million)	
Non-current assets	368
Current assets	316
TOTAL ASSETS	**684**
Shareholders' equity	546
Non-current liabilities	6
Current liabilities	132
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**684**
Sales	**430**
Current operating profit/(loss)	**67**
Net profit/(loss)	**42**
Net profit/(loss) attributable to the Group	**42**

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

Alstom *(€ million)*	31/12/2014	31/12/2013
Alstom: Shareholders' equity attributable to the group as published	**5,379**	**4,963**
Share attributable to Bouygues (29.24% as of 31 December 2014)	**1,573**	**1,456**
Fair value remeasurements and goodwill recognised at Bouygues group level	1,610	1,623
Net assets recognised in the Bouygues consolidated financial statements	**3,183**	**3,079**

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

Eurosport International group *(€ million)*	31/12/2014
Eurosport International group: Shareholders' equity attributable to the group	**546**
Share attributable to Bouygues (49%)	**268**
Provisional goodwill	237
Net assets recognised in the Bouygues consolidated financial statements	**505**

3.2.6 Investments in non-consolidated companies and other non-current financial assets

Principal investments in non-consolidated companies as of 31 December 2014:

Investment (€ million)	31/12/2014 Gross value	Impairment	Carrying amount	% interest	Total assets	Total current & non-current liabilities	Total sales	Net profit/ (loss)	31/12/2013 restated Carrying amount
French companies									
Colas									
Asphalt & binder companies [a]	25	(7)	18						12
TF1									
Sylver	4		4	49.0%					4
Sofica valor 7	10		10	59.0%					7
Serendipity									
Wonderbox	-	-	-						6
Sub-total	**39**	**(7)**	**32**						**29**
Foreign companies									
Bouygues Construction									
IEC Investments (Hong Kong)	58		58	15.0%	115	22	34	(11)	51
VSL Corporation (United States)	22	(22)		100.0%					
TF1									
Teads	4		4	7.2%					4
A1-international (Netherlands)	13	(13)		50.0%					
Colas									
Asphalt & binder companies [a]	2	(1)	1						2
Sub-total	**99**	**(36)**	**63**						**57**
Other investments [a]	**184**	**(124)**	**60**						**61**
TOTAL	**322**	**(167)**	**155**						**147**

(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.

Other non-current financial assets		**371**
▪ Advances to non-consolidated companies		79
▪ Loans receivable		145
▪ Other long-term investments:		147
▪ Deposits and caution money paid (net)	123	
▪ Mutual funds	8	
▪ Other investments with carrying amounts of less than €2m individually	16	

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

(€ million)	Available-for-sale financial assets [a]	Financial assets at fair value through profit or loss	Held-to-maturity assets	Loans and receivables [b]	Total
31 December 2013 restated	**170**		**60**	**342**	**572**
Movements during 2014	8	7	17	(78)	(46)
31 December 2014	**178**	**7**	**77**	**264** [c]	**526**
Due within less than 1 year	6			20	26
Due within 1 to 5 years				69	69
Due after more than 5 years	172	7	77	175	431

(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 relates to investments in non-consolidated companies (€155m at 31 December 2014), 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.

Fair value of financial assets and financial liabilities

Under IFRS 13, the fair value hierarchy that reflects the significance of the inputs used in making fair value measurements has three levels:

- level 1 (unadjusted quoted prices): price accessible to the entity on the date of measurement in active markets, for identical assets or liabilities;
- level 2 (observable inputs): inputs relating to the asset or liability, other than quoted market prices classified as level 1 inputs, that are observable either directly (such as a price) or indirectly (i.e. derived from observable prices);
- level 3 (unobservable inputs): inputs that are not observable on markets, including observable inputs that require significant adjustment (for example, extrapolation of yield curves over long, unobservable periods). Within the Bouygues group, this applies mainly to investments in non-consolidated companies.

	Level 1 quoted prices	**Level 2 observable inputs**	**Level 3 unobservable inputs**	**31/12/2014**
Available-for-sale financial assets		6	172	**178**
Held-to-maturity assets		77		**77**
Other financial assets at fair value through profit or loss			7	**7**
Cash and cash equivalents	3,910			**3,910**
Financial instruments, net	(22)			**(22)**

Joint operations

Joint operations are recognised in proportion to the interest held by the Group in the assets, liabilities, income and expenses of the joint operation. A list of joint operations in which the Bouygues group holds an interest is provided in Note 24, "List of principal consolidated companies at 31 December 2014".

The contribution from joint operations in 2014 was as follows:

- Sales: €1,741 million, including €698 million for *Sociétés En Participation* (SEPs) and similar entities in France and €89 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) in France. The remaining joint operations mainly comprise foreign entities in the Bouygues Construction group.
- Current operating profit/loss: Net loss of €51 million, including an €18 million profit for SEPs and similar entities in France and a €3 million profit for SCIs and SCCVs.

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

Bouygues share *(€ million)*	**31/12/2014**	**31 December 2013 restated**
Non-current assets	73	113
Current assets	1,177	959
TOTAL ASSETS	**1,250**	**1,072**
Shareholders' equity	(269)	(166)
Non-current liabilities	103	116
Current liabilities	1,416	1,122
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**1,250**	**1,072**
SALES	**1,741**	**1,606**
OPERATING PROFIT/(LOSS)	**(51)**	**57**
NET PROFIT/(LOSS)	**(53)**	**53**

NOTE 4 CURRENT ASSETS

4.1 Inventories

(€ million)	31 December 2014			31 December 2013 restated		
	Gross value	Impairment [a]	Carrying amount	Gross value	Impairment [a]	Carrying amount
Property development inventories	1,477	(127)	1,350 [b]	1,545	(124)	1,421
Raw materials and finished goods	1,023	(53)	970	984	(43)	941
Programmes and broadcasting rights (TF1)	799	(121)	678	790	(127)	663
TOTAL	**3,299**	**(301)**	**2,998**	**3,319**	**(294)**	**3,025**

(a) Includes:

- impairment losses charged in the period	*(130)*	*(124)*
- impairment losses reversed in the period	*125*	*131*

(b) Includes Bouygues Immobilier: properties under construction €1,080m, completed properties €97m.

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 2014	Total 2013 restated
TF1					
Programmes and broadcasting rights [a]	505	652	15	1,172	1,285
Sports transmission rights [a]	78	113		191	702 [b]
FUTURE PROGRAMMING SCHEDULES	**583**	**765**	**15**	**1,363**	**1,987**
Comparative at 31 December 2013	845	1,008	134	1,987	

(a) 2014: Contracts expressed in foreign currencies: €156m 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).

In 2014, programmes and broadcasting rights were held mainly by TF1 SA (€262 million, versus €352 million in 2013) and GIE AD (€829 million, versus €819 million in 2013).

Sports transmission rights commitments related mainly to TF1 SA and TF1 DS (€134 million in 2014, €275 million in 2013).

Bouygues Immobilier					
RECIPROCAL OFF BALANCE SHEET COMMITMENTS RELATING TO ACQUISITION OF LAND BANKS	**390**			**390**	**216**
Comparative at 31 December 2013	216			216	

Bouygues Telecom					
AGREEMENTS TO SECURE HANDSET SUPPLIES	**356**			**356**	**227**
Comparative at 31 December 2013	227			227	

4.2 Advances and down-payments made on orders

(€ million)	31 December 2014			31 December 2013 restated		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments made on orders	477	(15)	462	499	(26)	473

4.3 Trade receivables, tax assets and other current receivables

(€ million)	31 December 2014			31 December 2013 restated		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	6,963	(636)	6,327	6,787	(630)	6,157
Current tax assets (tax receivable)	242	(2)	240	198	(2)	196
Other receivables and prepaid expenses						
Other operating receivables (employees, social security, government and other)	1,246	(10)	1,236	1,230	(93)	1,137
Sundry receivables	917	(170)	747	725	(89)	636
Prepaid expenses	166		166	174		174
TOTAL OTHER CURRENT RECEIVABLES	**2,329**	**(180)**	**2,149**	**2,129**	**(182)**	**1,947**
TOTAL	**9,534**	**(818)**	**8,716**	**9,114**	**(814)**	**8,300**

Split of carrying amount of trade receivables between non past due and past due balances as of 31 December 2014 and 31 December 2013 (restated)

(€ million)	Non past due	Past due by:			Total
		0-6 months	6-12 months	> 12 months	
Trade receivables	4,979	1,277	227	480	6,963
Impairment of trade receivables	(218)	(54)	(54)	(310)	(636)
CARRYING AMOUNT OF TRADE RECEIVABLES: 31 DECEMBER 2014	**4,761**	**1,223**	**173**	**170** [a]	**6,327**
Carrying amount of trade receivables: 31 December 2013 (restated)	4,550	1,207	205	195	6,157

(a) Includes €62m for Colas and €83m 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)	31 December 2014			31 December 2013 restated		
Cash and cash equivalents	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Cash	2,016		2,016 [a]	1,409		1,409
Cash equivalents	2,128		2,128 [b]	2,139	(2)	2,137
TOTAL	**4,144**		**4,144**	**3,548**	**(2)**	**3,546**

(a) Includes €351m of term deposits with maturities of less than 3 months recorded in the books of Bouygues SA.
(b) €1,939m 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 accessible as of 31 December 2014.

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 31/12/2014**	**Total 31/12/2013 restated**
Cash	1,216	168	18	36	116	462	2,016	1,409
Cash equivalents	2,103			5		20	2,128	2,137
Overdrafts and short-term bank borrowings	(80)	(6)	(2)	(11)		(135)	(234)	(362)
Total 31 December 2014	**3,239**	**162**	**16**	**30**	**116**	**347**	**3,910**	**3,184**
Total 31 December 2013 restated	2,568	174	23	64	98	257	3,184	

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

(€ million)			Charges and reversals through current operating profit					
	31/12/2013 restated	**Translation adjustments**	**Depreciation, amortisation**	**Impairment losses, provisions**	**Reversals (unutilised)**	**Other impairment losses & provisions**	**Other movements** [a]	**31/12/2014**
Depreciation, amortisation & impairment of PP&E and intangible assets	(12,521)	(135)	(1,421)	(25)			691	(13,411)
Impairment of goodwill	(81)		(6)				6	(81)
Impairment of investments in non-consolidated companies	(167)	(1)				(3)	3	(168)
Impairment of other non-current financial assets	(1,557) [b]	(1)		2		16	9	(1,531)
Impairment of inventories	(294)	(1)		(19)	14		(1)	(301)
Impairment of trade receivables	(630)	(8)		(52)	60		(6)	(636)
Impairment of cash equivalents	(2)					1		(1)
Impairment of other current assets	(210)			12	4	(4)	3	(195)
TOTAL ASSETS	**(15,462)**	**(146)**	**(1,427)**	**(82)**	**78**	**10**	**705**	**(16,324)**
Current and non-current provisions	(2,965)	(35)		(407)	308	(207)	(72)	(3,378)
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**(2,965)**	**(35)**		**(407)**	**308**	**(207)**	**(72)**	**(3,378)**

(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)	**31/12/2014**	**31/12/2013 restated**
Financial instruments used to hedge debt	21	14
Other financial assets (financial receivables due within less than 1 year, financial instruments relating to working capital items, etc.)	23	16
TOTAL	**44**	**30**

NOTE 5 CONSOLIDATED SHAREHOLDERS' EQUITY

5.1 Share capital of Bouygues SA (€)

As of 31 December 2014, the share capital of Bouygues SA consisted of 336,086,458 shares with a €1 par value. Movements during 2014 were as follows:

	31/12/2013	Movements during 2014 Reductions	Movements during 2014 Increases	31/12/2014
Shares	319,264,996		16,821,462[a]	336,086,458
NUMBER OF SHARES	**319,264,996**		**16,821,462**	**336,086,458**
Par value	€1			€1
SHARE CAPITAL (€)	**319,264,996**		**16,821,462**	**336,086,458**

(a) Movements in the number of shares in the period:
- 912,549 new shares issued on exercise of stock options
- 15,908,913 new shares issued for dividends taken in the form of shares

5.2 Shareholders' equity at 31 December 2014 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	Items recognised directly in equity	Total 2014
Attributable to the Group	336	1,295	808	1,617	4,058	(260)	7,854
Attributable to non-controlling interests					1,596	5	1,601
TOTAL SHAREHOLDERS' EQUITY	**336**	**1,295**	**808**	**1,617**	**5,654**	**(255)**[a]	**9,455**

(a) Cumulative balance of items recognised directly in equity as of 31 December 2014.

5.3 Analysis of income and expense recognised directly in equity

(€ million)	Ref.	2014 Attributable to the Group	2013 restated Attributable to the Group
Translation reserve	5.3.1	56	(11)
Fair value remeasurement reserve (financial instruments)	5.3.2	(36)	20
Actuarial gains/(losses)	5.3.3	(50)	(12)
Tax on items recognised directly in equity		14	
Share of remeasurements of joint ventures and associates		(10)	(38)
ATTRIBUTABLE TO THE GROUP		**(26)**	**(41)**
		Non-controlling interests	**Non-controlling interests**
Other expenses and income attributable to non-controlling interests		4	(7)
TOTAL		**(22)**	**(48)**

5.3.1 Translation reserve

Principal translation adjustments in the year ended 31 December 2014 arising on the consolidated financial statements of foreign subsidiaries, joint ventures and associates reporting in the following currencies:

	31 December 2013 restated	Movements during 2014	31 December 2014
US dollar	(25)	42	17
Canadian dollar		13	13
Australian dollar	(1)	2	1
Pound sterling	(6)	3	(3)
Thai baht	1	6	7
South African rand	64	(9)	55
Swiss franc	7	2	9
Czech koruna	3		3
Croatian kuna	3		3
Polish zloty	4	(1)	3
Other currencies	(34)	36	2
TOTAL	**16**	**94**[b]	**110**[a]

(a) Includes cumulative translation adjustments on associates: €1m.
(b) Split: subsidiaries €56m, joint ventures and associates €38m.

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 2013 restated	Movements during 2014	31 December 2014
Gross movement (fully consolidated entities)	9	(36)	(27)

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 2013 restated	Movements during 2014	31 December 2014
Gross movement (fully consolidated entities)	(63)	(50)[a]	(113)

(a) Mainly the impact of the fall in the Iboxx A10+ rate (2.01% at 31 December 2014, versus 3.24% at 31 December 2013) and movements in 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)	**31 December 2014**	**31 December 2013 restated**	**(charged to profit or loss)**
TF1 and Bouygues SA stock options			
Transfer to reserves:			
TF1:	1	1	
Bouygues SA:	4	5	2014 expense calculated on basis of plans awarded since June 2010
TOTAL	**5**	**6**	

5.5 Analysis of “Acquisitions/disposals without loss of control” and “Other transactions”

The negative movement of €87 million reported under “Acquisitions/disposals without loss of control” and “Other transactions” (positive movement of €4 million attributable to the Group, negative movement of €91 million attributable to non-controlling interests) relates mainly to the deconsolidation, effective 30 May 2014, of the 20% interest held by Discovery Communications in the Eurosport International group. This deconsolidation reflects the fact that following the acquisition of an additional 31% interest (see Note 1.2.1, “Significant events of 2014”), Discovery Communications has exercised control over the Eurosport International group since that date.

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 2012 restated	**627**	**337**	**389**	**817**	**2,170**
Movements during 2013 restated					
Translation adjustments	(3)		(2)	(6)	(11)
Changes in scope of consolidation	(1)	2	(3)	(1)	(3)
Charges to provisions	39	101	111	180	431
Reversals of provisions (utilised or unutilised)	(27)	(116)	(109)	(171)	(423) [e]
Actuarial gains and losses	12				12
Transfers and other movements		7	(6)	(4)	(3)
31 December 2013 restated	**647**	**331**	**380**	**815**	**2,173**
Movements during 2014					
Translation adjustments	5			6	11
Changes in scope of consolidation	(1)	(1)		(12)	(14)
Charges to provisions	51	102	106	239	498
Reversals of provisions (utilised or unutilised)	(40)	(106)	(107)	(192)	(445) [f]
Actuarial gains and losses	55				55
Transfers and other movements	2	(1)		26	27
31 December 2014	**719**	**325**	**379**	**882**	**2,305**

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

(a) Long-term employee benefits (see Note 19.1)…	***719***	***Principal segments involved:***	
Lump-sum retirement benefits………………………….	*483*	*Bouygues Construction…..*	*199*
Long service awards…………………………………….	*147*	*Colas……………………….*	*394*
Other long-term employee benefits……………………	*89*	*TF1………………………….*	*35*
		Bouygues Telecom……….	*50*
(b) Litigation and claims………………………………	***325***	*Bouygues Construction…..*	*169*
Provisions for customer disputes……………………….	*153*	*Bouygues Immobilier……..*	*36*
Subcontractor claims…………………………………….	*33*	*Colas……………………….*	*88*
Employee-related and other litigation and claims…….	*139*		
(c) Guarantees given…………………………………..	***379***	*Bouygues Construction…..*	*292*
Provisions for guarantees given……………………….	*294*	*Bouygues Immobilier……..*	*35*
Provisions for additional building/civil engineering/civil works guarantees……………………………………..	*85*	*Colas……………………….*	*52*
(d) Other non-current provisions……………………	***882***	*Bouygues Construction…..*	*201*
Provisions for risks related to official inspections…….	*242*	*Colas……………………….*	*307*
Provisions for miscellaneous foreign risks…………….	*82*	*Bouygues Telecom……….*	*289*
Provisions for subsidiaries and affiliates……………….	*48*		
Dismantling and site rehabilitation………………………	*273*		
Other non-current provisions…………………………….	*237*		
(e) Including reversals of unutilised provisions in 2013…………	***(180)***		
(f) Including reversals of unutilised provisions in 2014………………	***(192)***		

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 2012 restated	**56**	**292**	**176**	**278**	**802**
Movements during 2013 restated					
Translation adjustments	(1)	(5)	(11)	(10)	(27)
Changes in scope of consolidation	3			(5)	(2)
Charges to provisions	26	176	102	93	397
Reversals of provisions (utilised or unutilised)	(29)	(141)	(92)	(112)	(374) [c]
Transfers and other movements		8	(1)	(11)	(4)
31 December 2013 restated	**55**	**330**	**174**	**233**	**792**
Movements during 2014					
Translation adjustments	1	12	5	6	24
Changes in scope of consolidation		(1)			(1)
Charges to provisions	25	225	181	214	645
Reversals of provisions (utilised or unutilised)	(24)	(161)	(97)	(110)	(392) [d]
Transfers and other movements		(7)	8	4	5
31 December 2014	**57**	**398**	**271**	**347**	**1,073**

(a) Other current provisions comprise:	***347***	***Principal segments involved:***	
Reinsurance costs……………………………………………….	*10*	*Bouygues Construction..*	*89*
Restructuring provisions……………………………………....	*48*	*Bouygues Immobilier…..*	*32*
Customer loyalty programmes (Bouygues Telecom)………...	*3*	*Colas…………………….*	*90*
Site rehabilitation (current portion)…………………………...	*8*	*Bouygues Telecom…….*	*78*
Miscellaneous current provisions…………………………….	*278*	*TF1………………………*	*33*

(b) Provisions relating to the construction businesses (mainly Bouygues Construction and Colas). (Individual project provisions are not disclosed for confidentiality reasons).

(c) Of which reversals of unutilised provisions in 2013.…………..….. (139)

(d) Of which reversals of unutilised provisions in 2014.…………..….. (150)

(e) Mainly Bouygues Construction and Colas.

NOTE 7 DEFERRED TAX ASSETS AND LIABILITIES

7.1 Deferred tax assets

(€ million)	31 December 2013 restated	Movements during 2014	31 December 2014
Deferred tax assets			
Bouygues Construction	85	11	96
Bouygues Immobilier	25	6	31
Colas	150	4	154
TF1			
Bouygues Telecom			
Bouygues SA & other	(9)	16	7
TOTAL	**251**	**37**	**288**

- Deferred tax assets mainly derive from:
  - temporary differences (provisions temporarily non-deductible for tax purposes, etc.);
  - tax losses with a genuine probability of recovery.

7.2 Deferred tax liabilities

(€ million)	31 December 2013 restated	Movements during 2014	31 December 2014
Deferred tax liabilities			
Bouygues Construction	4	4	8
Bouygues Immobilier	2	(1)	1
Colas	87	1	88
TF1	9	23	32
Bouygues Telecom	61	(39)	22
Bouygues SA & other	4	(2)	2
TOTAL	**167**	**(14)**	**153**

7.3 Net deferred tax asset/liability by business segment

(€ million)				Movements during 2014			
Deferred taxation by segment/type	**Net deferred tax asset/ (liability) at 31/12/2013 restated**	**Changes in scope of consolidation**	**Translation adjustments**	**Gain**	**Expense**	**Other items [a]**	**Net deferred tax asset/ (liability) at 31/12/2014**
A – Tax losses							
Bouygues Construction	3				(1)		2
Bouygues Immobilier							
Colas	8			1			9
TF1	1						1
SUB-TOTAL	**12**			**1**	**(1)**		**12**
B – Temporary differences							
Bouygues Construction	78	(1)		6		3	86
Bouygues Immobilier	23			6		1	30
Colas	55		(4)	19	(13)		57
TF1	(10)	13		4	(40)		(33)
Bouygues Telecom	(61)			38	(1)	2	(22)
Bouygues SA & other	(13)			13		5	5
SUB-TOTAL	**72**	**12**	**(4)**	**86**	**(54)**	**11**	**123**
TOTAL	**84**	**12**	**(4)**	**87**	**(55)**	**11**	**135** [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: 288
- deferred tax liabilities: (153)
135

- *Principal sources of deferred taxation (€m):*

	31/12/2014	**31/12/2013 restated**
▪ deferred tax assets on employee benefits (mainly lump-sum retirement benefits)	191	172
▪ deferred tax assets on provisions temporarily non-deductible for tax purposes	86	97
▪ restricted provisions booked solely for tax purposes	(107)	(92)
▪ other items	(35)	(93)
	135	84

7.4 Period to recovery of deferred tax assets

31 December 2014 *(€ million)*	Less than 2 years	2 to 5 years	More than 5 years	Total
Estimated period to recovery of deferred tax assets	182	52	54 [a]	288

(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 2014 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)	31/12/2013 restated	Movements during 2014	31 December 2014
Bouygues Construction	103	20	123
Bouygues Immobilier	41		41
Colas	74	11	85
TF1	20	(1)	19
TOTAL UNRECOGNISED DEFERRED TAX ASSETS	**238**	**30**	**268**

NOTE 8 NON-CURRENT AND CURRENT DEBT

8.1 Interest-bearing debt by maturity

(€ million)	Current debt				Non-current debt							
	Accrued interest	1 to 3 months	4 to 12 months	Total maturing in less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 or more years	Total 31/12/2014	Total 31/12/2013 restated
Bond issues	157		1,001a	1,158	600		499	969	994	2,078	5,140	6,131
Bank borrowings		14	47	61	372	80	42	33	30	88	645	400
Finance lease obligations		3	5	8	7	4	2	2	2		17	24
Other borrowings		9	31	40	6	19	2	2	9	10	48	46
TOTAL DEBT	**157**	**26**	**1,084**	**1,267**	**985**	**103**	**545**	**1,006**	**1,035**	**2,176**	**5,850**	**6,601**
Comparative at 31/12/2013 restated	170	20	816	1,006	1,246	651	61	523	977	3,143		6,601

(a) Relates to a bond issue redeemable in July 2015.

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	Quoted price at 31/12/2014, as % of nominal on full price basis [a]
FR0010633974	03/07/2008	03/07/2015	1,000	6.125%	102.8530
FR0010326975	24/05/2006	24/05/2016	600	4.750%	105.9110
FR0010853226	12/02/2010	12/02/2018	500	4.000%	110.3400
FR0010957662	29/10/2010	29/10/2019	1,000	3.641%	113.3140
FR0010212852	22/07/2005	22/07/2020	1,000	4.250%	117.7710
FR0011193515	09/02/2012	09/02/2022	800	4.500%	123.1850
FR0011332196	02/10/2012	16/01/2023	700	3.625%	118.6370
FR0010379255	06/10/2006	06/10/2026	595	5.500%	121.2680
		Total	**6,195**		

(a) Source: Bloomberg

Finance lease obligations (included in debt) by business segment *(€ million)*	**Construction**	**Property**	**Roads**	**Media**	**Telecoms**	**Bouygues SA & other**	**Total**
Non-current: 31/12/2014	**3**		**14**				**17**
Current: 31/12/2014			**7**	**1**			**8**
Non-current: 31/12/2013	4		18	1			23
Current: 31/12/2013			7	3			10

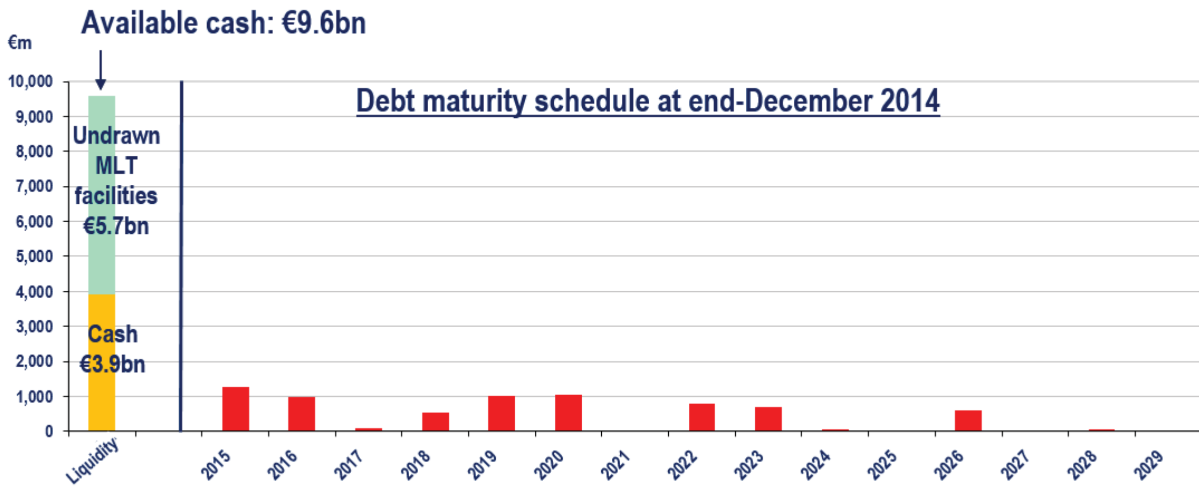
8.2 Confirmed credit facilities and drawdowns

Description	Confirmed facilities – Maturity				Drawdowns – Maturity			
(€ million)	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)	1,158	3,062	2,078	6,298	1,158	3,062	2,078	6,298
Bank borrowings [a]	1,862	4,149	386	6,397	61	557	88	706
Finance lease obligations	8	17		25	8	17		25
Other borrowings	40	38	10	88	40	38	10	88
TOTAL CREDIT FACILITIES	**3,068**	**7,266**	**2,474**	**12,808**	**1,267**	**3,674**	**2,176**	**7,117**

(a) Confirmed undrawn credit facilities: €5,691m.

8.3 Liquidity at 31 December 2014

As at 31 December 2014, available cash stood at €3,901 million (including (€9 million) for financial instruments contracted to hedge net debt). The Group also had €5,691 million 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 bank 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 end of the reporting period:

(%)	31 December 2014	31 December 2013 restated
Fixed rate [a]	91	94
Floating rate	9	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 2014 is shown below:

(€ million)	**Floating rate**	**Fixed rate**	**Total**
Financial liabilities (debt)	(976)	(6,141)	(7,117)
Financial assets (net cash) [a]	3,901		3,901
Net pre-hedging position	**2,925**	**(6,141)**	**(3,216)**
Interest rate hedges	322	(322)	
Net post-hedging position	**3,247**	**(6,463)**	**(3,216)**
Adjustment for seasonal nature of some activities [b]	(643)		
Net post-hedging position after adjustment	**2,604**		

(a) Includes (€9m) 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 €26 million over a full year.

8.6 Split of current and non-current debt by currency

	Europe						
(€ million)	**Euro**	**Pound sterling**	**Other currencies**	**US dollar**	**Hong Kong dollar**	**Other currencies**	**Total**
Non-current: 31/12/2014	**5,086**	**659**	**12**	**34**	**15**	**44**	**5,850**
Current: 31/12/2014	**1,211**	**14**	**12**	**13**	**2**	**15**	**1,267**
Non-current: 31/12/2013 restated	5,831	658	8	58	19	27	6,601
Current: 31/12/2013 restated	963	9	1	25	1	7	1,006

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)	31/12/2013 restated	Movements during 2014	31/12/2014
Cash and cash equivalents	3,546	598	4,144
Overdrafts and short-term bank borrowings	(362)	128	(234)
NET CASH POSITION	**3,184**	**726**	**3,910** [a]
Non-current debt	(6,601)	751	(5,850)
Current debt	(1,006)	(261)	(1,267)
Financial instruments, net	(12)	3	(9)
TOTAL DEBT	**(7,619)**	**493**	**(7,126)**
NET DEBT	**(4,435)**	**1,219**	**(3,216)**

(a) Net cash position as analysed in the 2014 cash flow statement (net cash flows + non-monetary movements).

9.2 Principal net debt transactions in the year ended 31 December 2014

NET DEBT AT 31 DECEMBER 2013 restated	**(4,435)**
Acquisitions/disposals, including changes in scope of consolidation and other impacts on equity	1,015 [a]
Dividends paid	(198) [b]
Transactions involving the share capital of Bouygues SA	23
Operating items	379
NET DEBT AT 31 DECEMBER 2014	**(3,216)**

(a) Includes Colas: net disposal proceeds of €770m from Cofiroute, and TF1: disposal proceeds of €259m from 31% stake in Eurosport International.

(b) Mainly dividend paid by Bouygues SA as approved by the AGM of 24 April 2014, representing a net cash outflow of €110m (€511m dividend, of which €401m was paid in shares via an increase in the share capital of Bouygues SA).

NOTE 10 CURRENT LIABILITIES

(€ million)	**31 December 2014**	**31 December 2013 restated**
Advances and down-payments received on orders [a]	1,120	1,345
Current debt [b]	1,267	1,006
Current taxes payable	93	120
Trade payables	6,603	6,774
Current provisions [c]	1,073	792
Other current liabilities		
• Other operating liabilities (employees, social security, government)	2,692	2,520
• Deferred income	1,738	1,671
• Other non-financial liabilities	2,219	1,813
Overdrafts and short-term bank borrowings	234	362
Financial instruments – liabilities	30	26
Other current financial liabilities	36	10
TOTAL	**17,105**	**16,439**

(a) As of 31 December 2014, "Advances and down-payments received on orders" included €193m received from customers on signature of deeds 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 2014.
(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)	2014	2013 restated
Sales of goods	3,203	3,163
Sales of services	11,291	11,368
Construction contracts	18,644	18,590
SALES	**33,138**	**33,121**
OTHER REVENUES FROM OPERATIONS	**107**	**96**
TOTAL REVENUES	**33,245**	**33,217**

There were no material exchanges of goods or services in the year ended 31 December 2014.

Consolidated balance sheet: information about construction contracts

(€ million)	Construction	Roads	Total
Works to be rebilled	666	456	1,122
Warranty retentions	198	105	303
Works billed in advance	(1,289)	(320)	(1,609)
Advance payments received	(418)	(183)	(601)

11.2 Analysis by business segment

(€ million)	2014 sales				2013 restated sales			
	France	International	Total	%	France	International	Total	%
Construction	5,695	5,747	11,442	35	5,768	5,050	10,818	33
Property	2,685	86	2,771	8	2,409	100	2,509	8
Roads	6,490	5,812	12,302	37	7,280	5,454	12,734	38
Media	1,984	211	2,195	7	1,980	427	2,407	7
Telecoms	4,413		4,413	13	4,644		4,644	14
Bouygues SA & other	4	11	15		5	4	9	
CONSOLIDATED SALES	**21,271**	**11,867**	**33,138**	**100**	**22,086**	**11,035**	**33,121**	**100**

11.3 Analysis by geographical area

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

(€ million)	2014 sales		2013 restated sales	
	Total	%	Total	%
France	21,271	64	22,086	67
European Union (28 members)	3,904	12	3,412	10
Rest of Europe	1,168	3	1,199	3
Africa	1,341	4	1,284	4
Middle East	194	1	194	1
North America	2,873	9	2,682	8
Central and South America	217	1	198	1
Asia-Pacific	1,848	5	1,721	5
Oceania	322	1	345	1
TOTAL	**33,138**	**100**	**33,121**	**100**

11.4 Split by type of contract, France/International

(%)	2014			2013 restated		
	France	International	Total	France	International	Total
Public-sector contracts [a]	30	60	41	34	56	41
Private-sector contracts	70	40	59	66	44	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)	**2014**	**2013 restated**
Sales	33,138	33,121
Other revenue from operations	107	96
Purchases used in production and external charges	(23,313)	(23,047)
Personnel costs	(7,025)	(7,037)
Taxes other than income tax	(640)	(638)
Net depreciation, amortisation, provisions and impairment		
• Depreciation and amortisation, net (*)	(1,427)	(1,403)
• Net charges to provisions and impairment losses (*)	(489)	(511)
Change in production and property development inventories	(67)	55
Other income from operations		
• Reversals of unutilised provisions (*)	386	434
• Other miscellaneous income	918	905
Other expenses on operations	(700)	(656)
CURRENT OPERATING PROFIT/(LOSS) (*)	**888**	**1,319**
Other operating income [a]	713	
Other operating expenses [a]	(468)	(91)
OPERATING PROFIT	**1,133**	**1,228**

(*) Components included in the calculation of EBITDA.

See Note 16 for an analysis by business segment.

(a) Mainly comprises:
2014
Bouygues Telecom: primarily other operating income of €400m and other operating expenses of €397m (adaptation costs); see Note 1.2.1. "Significant events of 2014".
Colas: charges of (€67m) notably related to the reorganisation of the activity at Société de la Raffinerie de Dunkerque (see Note 1.2.1. "Significant events of 2014").
TF1: positive impact of €313m (before taxes) 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 2014".

2013
Bouygues Telecom: adaptation costs of €80m.
Colas: charges of €11m incurred on the reorganisation of the Roads activity in France.

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

13.1 Analysis of cost of net debt

(€ million)	2014	2013 restated
Financial expenses	**(365)**	**(356)**
comprising:		
Interest expense on debt [a]	(338)	(335)
Interest expense related to treasury management	(25)	(17)
Interest expense on finance leases	(1)	(1)
Negative impact of financial instruments	(1)	(3)
Financial income	**54**	**52**
comprising:		
Interest income from cash and cash equivalents	33	34
Income and gains on disposal from cash and cash equivalents	20	18
Positive impact of financial instruments	1	
COST OF NET DEBT	**(311)**	**(304)**

(a) Interest expense on debt is lower year-on-year following the redemption of two bond issues (May 2013 and October 2014), but the effect is cancelled out by the absence of any capitalisation of interest on non-current assets in progress (compared with €33m in 2013 on 4G frequencies).

13.2 Other financial income and expenses

(€ million)	2014	2013 restated
Other financial income	94	70
Other financial expenses	(84)	(96)
OTHER FINANCIAL INCOME/(EXPENSES), NET	**10**	**(26)**

“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 improvement of €36 million is mainly attributable to various net reversals of amortisation and provisions.

NOTE 14 INCOME TAX EXPENSE

14.1 Analysis of income tax expense

(€ million)	2014			2013 restated		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(125)	(95)	(220)	(230)	(114)	(344)
Deferred tax liabilities	7	2	9	(6)	3	(3)
Deferred tax assets	23		23	(11)	(2)	(13)
TOTAL	**(95)**	**(93)**	**(188)**	**(247)**	**(113)**	**(360)**

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)	2014	2013 restated
NET PROFIT/(LOSS) FOR THE PERIOD (100%)	**1,064**	**(649)**
Eliminations:		
Income tax expense	(188)	(360)
Net profit of discontinued and held-for-sale operations	None	None
Share of net profit/loss of joint ventures and associates, and gain on disposal of Cofiroute (in 2014) and impairment loss on the investment in Alstom (in 2013)	(420)	1,187
NET PRE-TAX PROFIT FROM CONTINUING OPERATIONS EXCLUDING JOINT VENTURES AND ASSOCIATES	**832**	**898**
Standard tax rate in France	38.00%	38.00%
Effect of non-recognition of tax loss carry-forwards (creation and utilisation)	8.52%	2.77%
Effect of permanent differences	(0.17%)	1.39%
Flat-rate taxes, dividend taxes and tax credits	(3.06%)	(0.38%)
Differential tax rates applied to gains on disposals of Eurosport International and OneCast	(12.79%)	
Differential tax rates, long-term capital gains, foreign taxes	(7.90%)	(1.79%)
EFFECTIVE TAX RATE	**22.60%** [a]	**39.99%**

(a) After eliminating the effect of the disposals of Eurosport International and OneCast, the effective tax rate is 33%.

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 profit of €1,064 million from continuing operations for the year ended 31 December 2014:

(€ million)	**2014**	**2013 restated**
Net profit/(loss) from continuing operations	1,064	(649)
Net profit/(loss) attributable to non-controlling interests	(257)	(108)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP	**807**	**(757)**

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.

	2014	**2013 restated** [a]
Net profit/(loss) from continuing operations attributable to the Group *(€m)*	807	(757)
Weighted average number of shares outstanding	335,616,637	335,088,210
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**2.41**	**(2.26)**

(a) After eliminating the number of shares issued in 2014 as a result of the option for dividends to be taken in the form of shares

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 end of the reporting period).

	2014	**2013 restated** [a]
Net profit/(loss) from continuing operations attributable to the Group *(€m)*	807	(757)
Weighted average number of shares outstanding	335,616,637	335,088,210
Adjustment for potentially dilutive effect of stock options	1,877,396	402,024
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**2.39**	**(2.26)**

(a) After eliminating the number of shares issued in 2014 as a result of the option for dividends to be taken in the form of shares.

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 2014

(€ million)	**Construction**	**Property**	**Roads**	**Media**	**Telecoms**	**Bouygues SA & other**	**Total 2014**
Income statement							
Total sales	11,726	2,775	12,396	2,243	4,432	128	33,700
Inter-segment sales	(284)	(4)	(94)	(48)	(19)	(113)	(562)
THIRD-PARTY SALES	**11,442**	**2,771**	**12,302**	**2,195**	**4,413**	**15**	**33,138**
Net depreciation & amortisation expense	(180)	(7)	(403)	(58)	(773)	(6)	(1,427)
Net charges to provisions & impairment losses	(350)	(19)	(128)	11	(7)	4	(489)
CURRENT OPERATING PROFIT/(LOSS)	**335**	**174**	**332**	**143**	**(65)**	**(31)**	**888**
Other operating income				328 [a]	400	(15) [a]	713
Other operating expenses			(67)		(397)	(4)	(468)
OPERATING PROFIT/(LOSS)	**335**	**174**	**265**	**471**	**(62)**	**(50)**	**1,133**
Cost of net debt	15		(18)	1	(8)	(301)	(311)
Income tax expense	(124)	(60)	(65)	(68)	33	96	(188)
Share of profits/(losses) of joint ventures and associates	6		413 [b]	15	(2)	(12) [b c]	420
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**253**	**102**	**605**	**419**	**(45)**	**(270)**	**1,064**
Net profit of discontinued and held-for-sale operations							
NET PROFIT/(LOSS)	**253**	**102**	**605**	**419**	**(45)**	**(270)**	**1,064**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**254**	**102**	**583**	**179**	**(41)**	**(270)**	**807**
Balance sheet							
Property, plant and equipment	658	18	2,453	176	3,074	140	6,519
Intangible assets	44	25	79	107	1,443	50	1,748
Goodwill	459		1,137	1,042	2,648		5,286
Deferred tax assets and non-current tax receivable	78	31	156			23	288
Investments in joint ventures and associates	75	6	263	582	12	3,199 [d]	4,137
Other non-current financial assets	238	11	203	30	16	28	526
Cash and cash equivalents	766	74	392	24	59	2,829	4,144
Other assets							12,220
TOTAL ASSETS							**34,868**
Non-current debt	541	6	208		751	4,344	5,850
Non-current provisions	861	97	841	50	364	92	2,305
Deferred tax liabilities and non-current tax liabilities	8		88	32	22	3	153
Current debt	8	17	57	1	24	1,160	1,267
Other liabilities							25,293
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY							**34,868**
Net surplus cash/(net debt) [e]	**2,900**	**203**	**682**	**497**	**(765)**	**(6,733)**	**(3,216)**
Cash flow statement							
Cash flow	**480**	**157**	**693**	**154**	**797**	**(23)**	**2,258**
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**172**	**13**	**456**	**35**	**684**	**2**	**1,362**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**84**	**14**	**(728)**	**(298)**	**2**	**(11)**	**(937)**
Other indicators							
EBITDA	**629**	**173**	**770**	**178**	**694**	**(26)**	**2,418**
Free cash flow	**199**	**84**	**154**	**52**	**138**	**(230)**	**397**

(a) Includes impact of Eurosport International: +€313m (€328m at TF1 level, minus €15m for derecognition of goodwill at Bouygues level).
(b) Includes gain on Cofiroute: +€253m (€385m at Colas level, minus €132m for derecognition of goodwill at Bouygues level).
(c) Includes €115m for Alstom.
(d) Includes €3,183m for Alstom.
(e) Contribution at business segment level, including Bouygues Relais and Uniservice intra-Group current accounts (these intra-Group accounts are eliminated in the "Bouygues SA & other" column).

16.2 Analysis by business segment – year ended 31 December 2013, restated

(€ million)	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total 2013 restated
Income statement							
Total sales	11,101	2,510	12,845	2,460	4,664	119	33,699
Inter-segment sales	(283)	(1)	(111)	(53)	(20)	(110)	(578)
THIRD-PARTY SALES	**10,818**	**2,509**	**12,734**	**2,407**	**4,644**	**9**	**33,121**
Net depreciation & amortisation expense	(192)	(7)	(407)	(67)	(725)	(5)	(1,403)
Net charges to provisions & impairment losses	(265)	(32)	(125)	(36)	(51)	(2)	(511)
CURRENT OPERATING PROFIT/(LOSS)	**437**	**178**	**390**	**223**	**125**	**(34)**	**1,319**
Other operating income							
Other operating expenses			(11)		(80)		(91)
OPERATING PROFIT/(LOSS)	**437**	**178**	**379**	**223**	**45**	**(34)**	**1,228**
Cost of net debt	20		(21)		(4)	(299)	(304)
Income tax expense	(162)	(61)	(120)	(73)	(18)	74	(360)
Share of profits/(losses) of joint ventures and associates	(13)	(3)	78	1	(2)	(1,248)[a b]	(1,187)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**278**	**102**	**314**	**152**	**13**	**(1,508)**	**(649)**
Net profit of discontinued and held-for-sale operations							
NET PROFIT/(LOSS)	**278**	**102**	**314**	**152**	**13**	**(1,508)**	**(649)**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**277**	**101**	**301**	**60**	**11**	**(1,507)**	**(757)**
Balance sheet							
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
Goodwill	414		1,140	1,042	2,648	1	5,245
Deferred tax assets and non-current tax receivable	62	24	156			9	251
Investments in joint ventures and associates	74		240	84	14	3,098[c]	3,510
Other non-current financial assets	302	12	194	18	13	33	572
Cash and cash equivalents	653	106	483	46	16	2,242	3,546
Other assets							12,979
TOTAL ASSETS							**34,215**
Non-current debt	460	7	220	1	792	5,121	6,601
Non-current provisions	887	108	797	43	253	85	2,173
Deferred tax liabilities and non-current tax liabilities	5	2	87	9	61	3	167
Current debt	9	4	58	3	3	929	1,006
Other liabilities							24,268
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY							**34,215**
Net surplus cash/(net debt) [d]	**3,006**	**271**	**31**	**189**	**(783)**	**(7,149)**	**(4,435)**
Cash flow statement							
Cash flow	**632**	**181**	**808**	**261**	**785**	**53**	**2,720**
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**159**	**10**	**289**	**39**	**752**	**22**	**1,271**
Acquisitions of investments in consolidated companies and other investments, net of disposals		**1**	**97**	**(10)**		**(1)**	**87**
Other indicators							
EBITDA	**670**	**191**	**786**	**299**	**880**	**(27)**	**2,799**
Free cash flow [e]	**331**	**110**	**378**	**149**	**11**	**(194)**	**785**

(a) Includes €153m for Alstom.
(b) Includes the impairment loss of €1,404m charged against the net assets of Alstom.
(c) Includes €3,079m for Alstom.
(d) Contribution at business segment level, including Bouygues Relais and Uniservice intra-Group current accounts (these intra-Group accounts are eliminated in the "Bouygues SA & other" column).
(e) After eliminating the capitalisation of interest expense on the 4G licence (€33m), adjusted free cash flow for the year ended 31 December 2013 is €818m.

16.3 Analysis by geographical area

(€ million)	France [a]	European Union	Rest of Europe	Africa	Asia-Pacific-Oceania	Americas	Middle East	Total
Balance sheet								**31/12/2014**
Property, plant and equipment [b]	5,059	330	97	178	242	611	2	6,519
Intangible assets	1,695	26	1		6	20		1,748
Cash flow statement								**FY 2014**
Purchase price of property, plant & equipment and intangible assets	1,130	63	13	81	103	111	1	1,502

(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								**31/12/2013 restated**
Property, plant and equipment [b]	4,969	311	102	157	169	535	3	6,246
Intangible assets	1,812	27	1		4	22		1,866
Cash flow statement								**FY 2013 restated**
Purchase price of property, plant & equipment and intangible assets	1,114	54	21	71	45	74	1	1,380

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

NOTE 17 FINANCIAL INSTRUMENTS

The tables below show aggregate notional amounts at 31 December 2014 for each type of financial instrument used, split by residual maturity and by currency.

17.1 Hedging of interest rate risk, foreign exchange risk and commodities risk

17.1.1 Analysis by business segment

(€ million)	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total 31/12/2014	Total 31/12/2013
Forward purchases	572		144	101		1	818	556
Forward sales	243		111				354	295
Currency swaps	17			25		822	864	722
Interest rate swaps [a]	3		314		560	153	1,030	921
Interest rate options (caps, floors)								15
Commodities derivatives	8		21				29	19

(a) Of which pay fixed rate: €882m.

17.1.2 Analysis by maturity and original currency

(€ million)	Maturity			Total	Original currency				
	< 1 year	1 to 5 years	> 5 years		EUR	CHF	GBP	USD	Other currencies
Forward purchases	624	194		818	388	8	14	214	194
Forward sales	296	58		354	34	7	26	186	101
Currency swaps	864			864		309	77	117	361
Interest rate swaps	708	236	86	1,030	954		69		7
Interest rate options (caps, floors)									
Commodities derivatives	28	1		29	1			28	

17.2 Market value of hedging instruments

Derivatives recognised as assets (€m)	Original currency					Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	USD	GBP	CHF	Other currencies				
Forward purchases		10			1	11		11	
Forward sales	3					3		3	
Currency swaps		1			1	2	2		
Interest rate swaps									
Interest rate options (caps, floors)									
Commodities derivatives		8				8	5	3	
Total assets	**3**	**19**			**2**	**24**	**7**	**17**	

Derivatives recognised as liabilities (€m)	Original currency					Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	USD	GBP	CHF	Other currencies				
Forward purchases	(17)				(3)	(20)	(4)	(16)	
Forward sales		(12)	(1)		(3)	(16)	(5)	(11)	
Currency swaps					(2)	(2)	(2)		
Interest rate swaps	(11)		(19)			(30)		(30)	
Interest rate options (caps, floors)									
Commodities derivatives		(2)				(2)	(1)	(1)	
Total liabilities	**(28)**	**(14)**	**(20)**		**(8)**	**(70)**	**(12)**	**(58)**	
Total	**(25)**	**5**	**(20)**		**(6)**	**(46)**	**(5)**	**(41)**	

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a negative market value of €31 million; in the event of a -1.00% movement, it would have a negative market value of (€62 million).

In the event of a +1.00% movement in the exchange rate of the euro against the other currencies, the hedging instruments portfolio would have a negative market value of €44 million; in the event of a -1.00% movement, it would have a negative market value of €48 million.

These calculations were prepared by the Bouygues group, or obtained from the banks with which 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)	31/12/2014	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity: Less than 1 year	Maturity: 1 to 5 years	Maturity: More than 5 years	31/12/2013 restated
Pledges, mortgages and collateral	105	5		100				23	71	11	120
Guarantees and endorsements given	154	79		72	3			55	82	17	91 [a]
TOTAL GUARANTEE COMMITMENTS GIVEN	**259**	**84**		**172**	**3**			**78**	**153**	**28**	**211**
Guarantees and endorsements received	4		4					2	2		4 [b]
TOTAL GUARANTEE COMMITMENTS RECEIVED	**4**		**4**					**2**	**2**		**4**
NET BALANCE	**255**	**84**	**(4)**	**172**	**3**			**76**	**151**	**28**	**207**

(a) Given (Media segment): includes €1m relating to held-for-sale operations.
(b) Received (Media segment): 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 Miscellaneous contractual commitments

(€ million)	31/12/2014	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity: Less than 1 year	Maturity: 1 to 5 years	Maturity: More than 5 years	31/12/2013
Image transmission	116				116			43	67	6	147
Network [b]	826					826		80	118	628	551
Other [a]	1,033		1		648	383	1	922	82	29	882
TOTAL SUNDRY CONTRACTUAL COMMITMENTS GIVEN	**1,975**		**1**		**764**	**1,209**	**1**	**1,045**	**267**	**663**	**1,580**
Image transmission	116				116			43	67	6	147
Network [b]	826					826		80	118	628	551
Other [a]	1,031				648	383		920	82	29	876
TOTAL SUNDRY CONTRACTUAL COMMITMENTS RECEIVED	**1,973**				**764**	**1,209**		**1,043**	**267**	**663**	**1,574**
NET BALANCE	**2**		**1**				**1**	**2**			**6**

(a) Media: mainly comprises €612m of commitments relating to equity interests, as described in Note 18.5.2.1.

(b) Telecoms: the year-on-year change is mainly due to a net commitment given relating to the network sharing agreement with Numéricable-SFR.

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

18.3 Operating leases

(€ million)	31/12/2014	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity			31/12/2013
								Less than 1 year	1 to 5 years	More than 5 years	
Operating lease commitments											
Commitments given	**1,742**	48	45	178	31	1,440		196	630	916	1,548 [a]
Commitments received	**1,742**	48	45	178	31	1,440		196	630	916	1,548 [a]
Operating lease commitments, net											

(a) Media segment: 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 €749 million, property and other rentals of €156 million, rentals for the Sequana and Technopôle buildings of €182 million, and fibre optic and other miscellaneous commitments of €353 million.

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

(€ million)	31/12/2014	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Maturity			31/12/2013 restated
								Less than 1 year	1 to 5 years	More than 5 years	
Finance leases	**25**	3		21	1			8	15	2	34 [a]

(a) Media segment: 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 telecommunications 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 2600 MHz band

The 20-year licence to use frequencies in the 2600 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).

This coverage obligation may be fulfilled by any other frequencies owned by Bouygues Telecom. At present, it is primarily fulfilled via Bouygues Telecom's 1800 MHz frequencies that have been reallocated to 4G.

Authorisation to refarm frequencies in the 1800 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 1800 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 2014, nearly 70% of the population had 4G coverage in the 2600, 1800 or 800 MHz band, in over 2,000 towns and cities.

Licence to transmit on frequencies in the 900 MHz and 1800 MHz bands

The licence to transmit in the 900 MHz and 1800 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.

The obligation 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 2014, Bouygues Telecom was providing 3G coverage to 97% 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 2014; 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 3,310 French municipalities have 2G coverage.

A master agreement signed by the four mobile operators in 2010 stipulated that 3G technology should be rolled out in blind spots. By the end of 2014, one-third of the municipalities covered by the blind spots programme had obtained 3G coverage. The completion date for the rollout of 3G coverage to blind spots has not yet been finalised, and will depend in particular on all the mobile operators participating fully in the programme.

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

Following the acquisition by Discovery Communications of an additional 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:

18.5.2.1 Off balance sheet commitments relating to equity interests:

This item comprises firm or optional commitments to deliver or receive securities.

The amounts reported in the contractual commitments schedule below correspond to the commitments described in points a), b), c) and d) below, measured on the basis of the latest enterprise values.

Breakdown:

(€ million)		31 December 2014	31 December 2013
Total call options granted by TF1	*a*	68	368
Total put options granted by TF1	*a*		68
TOTAL COMMITMENTS UNDER OPTIONS GRANTED BY TF1		**68**	**436**
Total call options granted to TF1			
Total put options granted to TF1	*b c d*	544	68
TOTAL COMMITMENTS UNDER OPTIONS GRANTED TO TF1		**544**	**68**
TOTAL TF1/DISCOVERY COMMITMENTS RELATING TO EQUITY INTERESTS		**612**	**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 the shares of Eurosport France, exercisable between 1 January 2015 and 31 December 2017.

(b) Symmetrically with the commitment described in (a) above, TF1 has a put option to sell its entire interest in Eurosport France to Eurosport SAS during the same period.

(c) Further to the sale of the additional 31% equity interest in Eurosport SAS, TF1 has an 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) Further to the acquisition by Discovery Communications of an additional 31% equity interest in Eurosport SAS, TF1 can sell to Discovery Communications, at any time up to and including 26 November 2015, an additional 15% equity interest in the pay-TV theme channels, raising the percentage interest held by Discovery Communications to 35%.

18.5.2.2 Other commitments not ascribed a value in note 18.5.2.1:

The commitment described below is subject to conditions that have not yet been met, and consequently has not been ascribed a value.

If 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 21 December 2018.

18.6 Contingent assets and liabilities

Bouygues Telecom

Guarantees 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.

Guarantees 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 was capped, and could 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 was capped, and could be called in at any time during an 18-month period from 21 November 2012 (or from the date the site is sold, 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 2013 restated	Movements during 2014	31 December 2014
Lump-sum retirement benefits	440	43	483
Long service awards and other benefits	139	8	147
Other post-employment benefits (pensions)	68	21	89
TOTAL	**647**	**72**	**719**

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)	2014	2013 restated
Amount recognised as an expense	(1,781)	(1,795)

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

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

(€ million)	Lump-sum retirement benefits		Pensions	
	2014	2013 restated	2014	2013 restated
Service cost	(6)	1	(3)	(3)
Interest cost on the obligation	11	12	8	5
Income from plan assets			(7)	(7)
NET EXPENSE/(GAIN) RECOGNISED IN PROFIT OR LOSS	**5**	**13**	**(2)**	**(5)**

Sign convention:
Net expense: plus sign
Net gain: minus sign

The year-on-year reduction in net lump-sum retirement benefit expense is mainly due to reversals of provisions at Bouygues Telecom, following staff departures under the Voluntary Redundancy Plan.

19.2.2.2 Amounts recognised in the balance sheet

(€ million)	Lump-sum retirement benefits		Pensions		Total	
	31/12/2014	31/12/2013 restated	31/12/2014	31/12/2013 restated	31/12/2014	31/12/2013 restated
Present value of obligation	488	446	438	377	926	823
Fair value of plan assets (dedicated assets)	(5)	(6)	(349)	(309)	(354)	(315)
NET OBLIGATION RECOGNISED AS A PROVISION	**483**	**440**	**89**	**68**	**572**	**508**
Ratio of plan assets to present value of obligation			80%	82%		

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

(€ million)	Lump-sum retirement benefits		Pensions	
	2014	2013 restated	2014	2013 restated
START OF PERIOD	**440**	**422**	**68**	**68**
Expense recognised	5	13	(2)	(5)
Changes in scope of consolidation and effect of exchange rates		(1)	4	
Transfers and other movements		(1)	1	(2)
Actuarial gains and losses recognised in equity	38	7	18	7
END OF PERIOD	**483**	**440**	**89**	**68**

19.2.2.4 Analysis by business segment: year ended 31 December 2014

(€ million)	Construction	Property	Roads	Media	Telecoms	Bouygues SA & other	Total
Net lump-sum retirement benefit expense	1	2	7	1	(7)	1	5
Non-current provisions (balance sheet):							
• lump-sum retirement benefits	163	18	211	36	37	18	483
• pensions	2		87				89

The net impact of pensions in 2014 is immaterial (see Note 19.2.2.1.).

19.2.2.5 Analysis by geographical area: 31 December 2014

(€ million)	France [a]	European Union	Rest of Europe	Africa	Americas	Asia-Pacific	Middle East	Total
Net lump-sum retirement benefit expense	5							5
Non-current provisions (balance sheet):								
• lump-sum retirement benefits	474	1		3	2	3		483
• pensions	15	60			13	1		89

(a) Includes French overseas departments.

The net impact of pensions in 2014 is immaterial (see Note 19.2.2.1.).

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

	2014	2013
Discount rate [a]	2.01% (Iboxx A10+)	3.24% (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	62/65 years
Salary inflation rate (depending on business segment) [b]	1.4% to 3.0%	1.6% to 3.0%

(a) A reduction of 50 basis points in the discount rate would increase the obligation by €32m as of 31 December 2014. Under Group accounting policies, any such actuarial losses would have been recognised directly in equity.
(b) Includes general inflation.

19.3 Employee share ownership

Stock options

Total number of effectively exercisable options: 5,402,798.

Quoted share price at 31 December 2014: €29.98

Plan grant date	Outstanding options at 31/12/2014	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price (€)	Number of effectively exercisable options
31/03/2008	3,936,975	31/03/2012	31/03/2009	42.68	
01/04/2009	3,343,389	01/04/2013	01/04/2010	25.62	3,343,389
30/06/2010	3,837,724	01/07/2014	01/07/2011	34.08	
14/06/2011	2,757,722	14/06/2015	14/06/2012	31.43	
13/06/2012	2,771,029	14/06/2016	14/06/2013	20.11	1,385,514
26/02/2013	2,695,581	27/02/2017	27/02/2014	22.28	673,895
27/03/2014	2,763,850	28/03/2018	27/03/2015	30.32	
TOTAL	**22,106,270**				**5,402,798**

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

- They must be legally exercisable as of 31 December 2014, 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.
- They must be in the money as of 31 December 2014, in other words the exercise price must be less than the closing share price on that date (€29.98).

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

20.1 Related party disclosures

Transaction	Expenses		Income		Receivables		Payables	
(€ million)	2014	2013 restated	2014	2013 restated	31/12/2014	31/12/2013 restated	31/12/2014	31/12/2013 restated
Parties with an ownership interest	3	3		1				
Joint operations	83	41	261	268	306	295	249	127
Joint ventures and associates	66	87	150	276	70	107	30	72
Other related parties	53	63	186	201	74	107	93	76
TOTAL	**205**	**194**	**597**	**746**	**450**	**509**	**372**	**275**
Maturity								
• less than 1 year					419	448	371	275
• 1 to 5 years					17	43	1	
• more than 5 years					14	18		
of which impairment of doubtful receivables (mainly non-consolidated companies)					106	106		

Identity of related parties:

- parties with an ownership interest: SCDM (a company controlled by Martin and Olivier Bouygues);
- joint operations: primarily construction project companies and entities set up for property co-promotion programmes;
- joint ventures and associates: includes transactions with concession companies, quarry 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 Management Committee in post on 31 December 2014.

Direct remuneration: €15,284,753 comprising €6,894,860 basic remuneration, €8,389,893 variable remuneration paid in 2015 on the basis of 2014 performance, and €418,427 directors' fees.

Directors' fees paid to non-executive and non-voting directors amounted to €448,725.

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 €4,100,000 in 2014.

Long-term benefits: none.

Termination benefits: these comprise lump-sum retirement benefits of €1,141,813.

Share-based payment: 535,000 stock options were awarded to members of the Management Committee on 27 March 2014, at an exercise price of €30.32. The earliest exercise date is 28 March 2018, and the expense recognised in the year ended 31 December 2014 was €208,384.

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 31/12/2014
Cash and cash equivalents	(55)	10	2	(3)			(46)
Inventories		(11)	1	5			(5)
Trade and other receivables	(96)	(46)	(33)	168		(2)	(9)
Non-current assets (other than goodwill)	1	(8)	725	228	(1)	4	949
Goodwill	(34)					(1)	(35)
Trade payables & other current liabilities	124	40	39	(80)		4	127
Non-current debt	(20)			2			(18)
Non-current provisions	(13)	2	(3)				(14)
Non-current taxes	1		(1)	(13)		1	(12)
NET ACQUISITION/DIVESTMENT COST	**(92)**	**(13)**	**730**	**307**	**(1)**	**6**	**937**
Cash acquired or divested	55	(10)	(2)	3			46
Net debt on long-term investments	5	1	(5)				1
NET CASH INFLOW/(OUTFLOW) FROM ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES	**(32)**	**(22)**	**723**	**310**	**(1)**	**6**	**984**

The main divestments during the period were: Colas (including €770 million for Cofiroute), and TF1 (including €259 million for Eurosport International and €37 million for OneCast). The main acquisitions during the period were: Bouygues Construction (including €92 million for Plan Group); Colas, including Colas Asfalt (Denmark) and Sunstate (Australia); and Bouygues Immobilier (Les Jardins d'Arcadie and Loticis).

21.1.2 Held-for-sale operations

Acquired/divested subsidiaries *(€ million)*	Total 31/12/2014	Total 31/12/2013 Media
Cash and cash equivalents	None	103[a]
Inventories		
Trade and other receivables		116
Non-current assets (other than goodwill)		35
Goodwill		407
Total assets		**661**
Bank overdrafts		(34)[a]
Trade payables & other current liabilities		(127)
Non-current debt		(2)
Non-current provisions		(3)
Non-current taxes		
Total liabilities		**(166)**
Value of equity		**495**

(a) cash flow statement: net cash position at 31 December 2013: €69m.

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 fully consolidated companies, as expensed through the income statement in 2014.

(€ '000)	Mazars network				EY network				Other firms [a]				Total	
	Amount (*)		%	%	Amount (*)		%	%	Amount (*)		%	%		
	2014	2013 restated	2014	2013	2014	2013 restated	2014	2013	2014	2013 restated	2014	2013	2014	2013 restated
A – Audit														
Audit of consolidated and individual company financial statements [b]	(7,196)	(6,709)	99%	98%	(4,898)	(4,419)	95%	95%	(5,528)	(6,689)	84%	87%	(17,622)	(17,817)
• Bouygues SA	(233)	(226)			(234)	(226)				0			(467)	(452)
• Fully consolidated subsidiaries	(6,963)	(6,483)			(4,664)	(4,193)			(5,528)	(6,689)			(17,155)	(17,365)
Related engagements [c]	(91)	(106)	1%	2%	(157)	(188)	3%	4%	(395)	(548)	6%	7%	(643)	(842)
• Bouygues SA	(5)	(20)			(97)	(109)			(13)	(68)			(115)	(197)
• Fully consolidated subsidiaries	(86)	(86)			(60)	(79)			(382)	(480)			(528)	(645)
SUB-TOTAL	**(7,287)**	**(6,815)**	**100%**	**100%**	**(5,055)**	**(4,607)**	**98%**	**99%**	**(5,923)**	**(7,237)**	**90%**	**94%**	**(18,265)**	**(18,659)**
B – Other services [d]														
Company law, tax and employment law	(15)	(7)	0%	0%	(105)	(65)	2%	1%	(316)	(383)	5%	5%	(436)	(455)
Other	0	(7)	0%	0%	0	(5)	0%	0%	(317)	(40)	5%	1%	(317)	(52)
SUB-TOTAL	**(15)**	**(14)**	**0%**	**0%**	**(105)**	**(70)**	**2%**	**1%**	**(633)**	**(423)**	**10%**	**6%**	**(753)**	**(507)**
TOTAL FEE EXPENSE	**(7,302)**	**(6,829)**	**100%**	**100%**	**(5,160)**	**(4,677)**	**100%**	**100%**	**(6,556)**	**(7,660)**	**100%**	**100%**	**(19,018)**	**(19,166)**

(*) 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 auditor's code of conduct;
- by a member firm of the auditor's network, in compliance with Articles 23 and 24 of the auditor's code of conduct.
(d) Non-audit services provided, in compliance with Article 24 of the auditor's code of conduct, 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

23.1 IMPACTS OF FIRST-TIME APPLICATION OF IFRS 11

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**	**2013 results as restated**
Sales	33,345	(224)	33,121
Current operating profit/(loss)	1,344	(25)	1,319
Share of profits/(losses) of associates and joint ventures	205	12	217
Net profit/(loss)	(648)	(1)	(649)
Net profit/(loss) attributable to the Group	(757)		(757)
Net profit/(loss) attributable to non-controlling interests	109	(1)	108

The principal restatements arising from the first-time application of IFRS 11 relate to:

- Colas: negative impacts of €204 million on sales and €27 million on current operating profit, due to the fact that 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 impact of €10 million on sales.
- Bouygues Construction: negative impact of €10 million on sales, positive impact of €2 million on current operating profit.

Impact on the balance sheet as of 31 December 2013

(€ million)	**2013 balance sheet as published**	**First-time application of IFRS 10 and IFRS 11**	**2013 balance sheet as restated**
Non-current assets	17,684	6	17,690
Current assets	15,469	(95)	15,374
Total assets	34,304	(89)	34,215
Shareholders' equity	8,684	(15)	8,669
Non-current liabilities	8,959	(18)	8,941
Current liabilities	16,495	(56)	16,439
Total liabilities and shareholders' equity	34,304	(89)	34,215

23.2 IMPACTS OF FIRST-TIME APPLICATION OF IFRIC 21

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 not be material as regards consolidated equity. However, they will alter the timing of the recognition of certain levies such as C3S and the flat-rate levy on French network operators (IFER) during interim accounting periods.

The application of IFRIC 21 has no impact on sales, or on the 2014 full-year financial statements.

The table below shows the impact of applying IFRIC 21 on the three interim periods of 2014:

Impact of IFRIC 21 on 2014 interim current operating profit by segment:

	1st quarter 2014			1st half 2014			9 months 2014			Full year 2014		
(€ million)	Published	Impact	Restated	Published	Impact	Restated	Published	Impact	Restated	Published	Impact	Restated
Bouygues Construction	91	(10)	81	180	(7)	173	244	(4)	240	335		335
Bouygues Immobilier	31	(3)	28	71	(2)	69	124	(1)	123	174		174
Colas	(215)	(20)	(235)	(114)	(13)	(127)	173	(7)	166	332		332
TF1	23	(4)	19	50	(3)	47	58	(1)	57	143		143
Bouygues Telecom	(19)	(45)	(64)	(41)	(30)	(71)	(26)	(15)	(41)	(65)		(65)
Bouygues SA & other	(7)		(7)	(12)		(12)	(19)		(19)	(31)		(31)
Total	(96)	(82)	(178)	134	(55)	79	554	(28)	526	888		888

Impact of IFRIC 21 on 2014 interim results at Group level:

	1st quarter 2014			1st half 2014			9 months 2014			Full year 2014		
(€ million)	Published	Impact	Restated	Published	Impact	Restated	Published	Impact	Restated	Published	Impact	Restated
EBITDA	136	(82)	54	666	(55)	611	1,488	(28)	1,460	2,418		2,418
incl. Bouygues Telecom	163	(45)	118	332	(30)	302	538	(15)	523	694		694
Net profit/(loss)	313	(52)	261	611	(35)	576	949	(18)	931	1,064		1,064

NOTE 24 LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT 31 DECEMBER 2014

		% interest		% direct and indirect control [a]	
Company	**City/Country**	**2014**	**2013**	**2014**	**2013**
FRANCE					
Companies controlled by Bouygues					
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 SAS	Saint-Quentin-en-Yvelines	99.97	99.97		
DV Construction SA	Mérignac	99.97	99.97		
Bouygues Energies & Services SAS	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues E&S FM France	Saint-Quentin-en-Yvelines	99.97	99.97		
GFC Construction SA	Colombier Saugnieu	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	Nancy	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 SA	Lyon	100.00	100.00		
Urbis Réalisations SA	Toulouse	100.00	100.00		
Roads					
Colas SA and its regional subsidiaries	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

(a) Where percentage control differs from percentage interest.

		% interest		% direct and indirect control [a]	
Company	**City/Country**	**2014**	**2013**	**2014**	**2013**
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	43.47	43.52		
Dujardin and its subsidiaries	Cestas	43.47	43.52	100.00	100.00
E-TF1	Boulogne-Billancourt	43.47	43.52	100.00	100.00
Eurosport France SA	Issy-les-Moulineaux	34.78	34.82	80.00	80.00
La Chaîne Info	Boulogne-Billancourt	43.47	43.52	100.00	100.00
NT1	Boulogne-Billancourt	43.47	43.52	100.00	100.00
Télé Monte Carlo	Monaco	34.78	34.82	80.00	80.00
Téléshopping	Boulogne-Billancourt	43.47	43.52	100.00	100.00
TF1 Droits Audiovisuels	Boulogne-Billancourt	43.47	43.52	100.00	100.00
TF1 Entreprises	Boulogne-Billancourt	43.47	43.52	100.00	100.00
TF1 Publicité	Boulogne-Billancourt	43.47	43.52	100.00	100.00
TF1 Vidéo	Boulogne-Billancourt	43.47	43.52	100.00	100.00
Métro France Publications	Paris	43.47	43.52	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		
Joint operations					
Construction					
Evesa	Paris	47.48 [b]	47.48	47.99	47.99
Oc'via Maintenance	Saint-Quentin-en-Yvelines	73.15 [c]	73.15	74.00	74.00
Property					
Tour D2	Issy-les-Moulineaux	50.00	50.00		
Joint ventures and associates					
Construction					
Adelac SAS	Archamps	45.85 [d]	45.85	46.09	46.09

(a) Where percentage control differs from percentage interest.

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

(c) 49.00% Bouygues Construction, 24.15% Colas Rail.

(d) 39.19% Bouygues Construction, 6.66% Colas.

		% interest		% direct and indirect control [a]	
Company	**City/Country**	**2014**	**2013**	**2014**	**2013**
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		
Consortium Stade de France SA	Saint-Denis	33.32	33.32		
Roads					
Carrières Roy	Saint-Varent	48.28	48.28	49.98	49.98
Cofiroute	Sèvres	Sold	16.10	Sold	16.67
Media					
Eurosport and its subsidiaries	Issy-les-Moulineaux	21.30	Fully consolidated in 2013	49.00	
Groupe AB	La Plaine Saint-Denis	14.56	14.58	33.50	33.50
Other joint ventures and associates					
Alstom	Levallois-Perret	29.24	29.33		
Eranove (formerly Finagestion)	Paris	18.65	19.06		
INTERNATIONAL					
Companies controlled by Bouygues					
Construction					
Americaribe Inc.	Miami/United States	99.97	99.97		
Bouygues Civil Works Florida	Miami/United States	99.97	99.97		
Bouygues Development Ltd	London/United Kingdom	99.97	99.97		
Bouygues Thaï Ltd	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		
Plan Group Inc. and its subsidiaries	Toronto/Canada	84.97	-		
Société de construction du pont Riviera Marcory	Abidjan/Ivory Coast	99.97	99.77		
Thomas Vale Group and its subsidiaries	Worcestershire/United Kingdom	99.97	99.97		

(a) Where percentage control differs from percentage interest.

		% interest		% direct and indirect control [a]	
Company	**City/Country**	**2014**	**2013**	**2014**	**2013**
VCES Holding SRO 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	96.60	100.00	100.00
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	Glostrup/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
ISK	Kosice / Slovakia	96.60	96.60	100.00	100.00
Other subsidiaries					
Challenger Réassurance	Luxembourg	99.99	99.99		
Uniservice	Geneva/Switzerland	99.99	99.99		
Joint operations					
Construction					
Bombela Civils Jv Ltd	Johannesburg/South Africa	44.99	44.99		
Joint ventures and associates					
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	48.57	48.99	49.00	
Roads					
Gamma Materials	Beau Bassin/Mauritius	48.24	48.24	49.94	49.94
Hincol	Mumbai/India	28.98	28.98	30.00	30.00
Tipco Asphalt	Bangkok/Thailand	30.93	30.93	32.02	32.02

(a) Where percentage control differs from percentage interest.