FIRST-HALF 2016
Financial Report

31 August 2016
32 Hoche - Paris

BOUYGUES

BUILDING THE FUTURE IS OUR GREATEST ADVENTURE

A *Société Anonyme* (public limited company) with a share capital of €345,135,316 - Registered office: 32 avenue Hoche, 75008 Paris, France
Registration No. 572 015 246 Paris - APE code: 7010Z

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The first-half review of operations and condensed consolidated first-half financial statements were approved by the Board of Directors at its meeting on 30 August 2016.

1. MEMBERSHIP OF THE BOARD OF DIRECTORS

THE BOARD AT 30 JUNE 2016

Chairman and Chief Executive Officer
Martin Bouygues

Director and Deputy CEO
Olivier Bouygues
Deputy CEO

Directors

François Bertière
Chairman and CEO of Bouygues Immobilier

Francis Castagné
Director representing employees

Raphaëlle Deflesselle
Director representing employees

Clara Gaymard
Co-founder of Raise

Anne-Marie Idrac
Chair of the supervisory board of Toulouse-Blagnac airport

Patrick Kron
Director of Sanofi

Hervé Le Bouc
Chairman and CEO of Colas

Helman le Pas de Sécheval
General Counsel of the Veolia group

Colette Lewiner
Advisor to the Chairman of Capgemini

Sandra Nombret
Director representing employee shareholders

Edward Bouygues
Standing representative of SCDM on the Board of Bouygues

Cyril Bouygues
Standing representative of SCDM Participations on the Board of Bouygues

Rose-Marie Van Lerberghe
Chairwoman of the Board of Directors of Institut Pasteur

Michèle Vilain
Director representing employee shareholders

BOARD COMMITTEES

Accounts Committee

Helman le Pas de Sécheval (Chairman)
Clara Gaymard
Anne-Marie Idrac
Michèle Vilain

Selection and Remuneration Committee

Colette Lewiner (Chairwoman)
Francis Castagné
Helman le Pas de Sécheval

Ethics, CSR and Patronage Committee

Anne-Marie Idrac (Chairwoman)
Raphaëlle Deflesselle
Sandra Nombret
Rose-Marie Van Lerberghe

RECENT EVENT

Senior Management

On a proposal from Martin Bouygues, Chairman and CEO, the Board of Directors at its meeting of 30 August 2016 has unanimously appointed **Olivier Roussat** and **Philippe Marien** as Deputy CEOs. With Olivier Bouygues, Deputy CEO since 2002, they will henceforth assist Martin Bouygues in his duties as the Group's Chief Executive Officer. Olivier Roussat will continue to carry out his duties as Chairman and CEO of Bouygues Telecom and Philippe Marien those of Chief Financial Officer and Senior Vice-President, Human Resources, Information Systems and Innovation for the Group.

2. FIRST-HALF REVIEW OF OPERATIONS

2.1. The Group

Key figures (€ million)	**First-half 2015**	**First-half 2016**	**Change**
Sales	15,098	14,669	-3%[a]
Current operating profit	119	206	+€87m
Operating profit	45[b]	57[b]	+€12m
Net profit/(loss) attributable to the Group	(42)	(28)	+€14m
Net profit/(loss) attributable to the Group excl. exceptional items[c]	(4)	46	+€50m
Net debt[d]	5,209	4,354	-€855m

(a) Down 1% like-for-like and at constant exchange rates
(b) Including non-current charges of €74 million at Bouygues Telecom, TF1 and Bouygues Construction in H1 2015 and non-current charges of €149 million in all businesses in H1 2016
(c) See reconciliation table on page 9
(d) At 30 June

Highlights

The first half of 2016 was marked by Bouygues Telecom's good commercial performance and a sharp improvement in sales and EBITDA:

- 322,000 new mobile plan customers excluding MtoM[a] and 122,000 new fixed customers in a highly competitive market;
- an increase of 6% in total sales;
- an increase of 5% in sales from network compared to the first half of 2015 (after a decline of 3% in the first half of 2015 and a rise of 1% in the second half of 2015);
- improvement of 3.6 points in the EBITDA margin[b] compared with the first half of 2015.

The order book for the construction businesses at end-June 2016 continued at a high level:

- €29.5 billion (up 1% on end-June 2015 excluding exchange rate effects);
- the order book has yet to include the first €842-million tranche of the Monaco offshore extension project booked in July.

As expected, the Group's results improved compared with the first half of 2015:

- current operating profit was €206 million, up €87 million on the first half of 2015, driven by improved profitability at Bouygues Telecom;
- operating profit rose by €12 million despite non-current charges of €149 million in the first half of 2016, compared with €74 million in the first half of 2015;
- net profit attributable to the Group excluding exceptional items improved by €50 million to €46 million, compared with a net loss of €4 million in the first half of 2015.

(a) Machine-to-Machine
(b) EBITDA/sales from network

Outlook

The outlook for 2016 provided with the first-quarter 2016 release **is confirmed.**

Profitability in the **construction businesses** is expected to improve from 2016 thanks to continued targeted growth in French and international markets and the broadening of the offer portfolio with innovative products and services.

TF1 is continuing to expand into production and content, accelerating its digital transformation and adapting its channels' business model.

Bouygues Telecom confirmed its return to long-term sales and earnings growth and maintains its EBITDA margin target of 25% for 2017 with a plan to save at least €400 million in 2016 versus end-2013. Net capital expenditure is expected to reach around €800 million in 2016.

Consequently, the Group should continue to improve its profitability in 2016.

The roll-out of network sharing with the SFR group combined with adaptation plans in the businesses are likely to result in non-current charges of around €270 million which will affect the Group's operating profit in 2016, at the same level as in 2015.

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Other information

Detailed analysis by sector of activity

Construction businesses[a]

The order book for the **construction businesses** remained at the high level of €29.5 billion at end-June 2016 (down 1% year-on-year and up 1% at constant exchange rates). The order book at end-June 2016 has yet to include the first €842-million tranche of the Monaco offshore extension project booked by Bouygues Construction in July.

In **France**, the gradual stabilisation of the construction market was confirmed in the first half of the year. The order book at end-June 2016 stood at €14.0 billion, up 3% on end-June 2015.
Order intake at **Bouygues Construction** rose 29% in the first half of 2016 and notably included the conclusion of major contracts such as the Port of Calais extension, Tour Alto in La Défense and the renovation of the Louvre Post Office building in central Paris.
Residential property reservations at **Bouygues Immobilier** continued to grow strongly in the first half of 2016 (up 22% year-on-year) boosted by the positive effects of the Pinel tax incentive, wider access to the zero-interest loan programme since 1 January 2016, and historically low interest rates.
Sales in **Colas'** roads business in mainland France gradually stabilised in the first half of 2016, down 2% year-on-year after two years of sharp decline (-14% in 2014 and -11% in 2015).

In **international markets**, the Group continued to benefit from solid and diversified positioning, with an order book of €15.5 billion at end-June 2016 (stable at constant exchange rates). International business at end-June 2016 accounted for 57% of the order book at Bouygues Construction and Colas.

Sales in the **construction businesses** reached €11.4 billion in the first half of 2016, down 5% compared with the first half of 2015 and down 2% like-for-like and at constant exchange rates. Sales were negatively impacted by a scope effect of €200 million (of which €179 million at Colas linked to the sale or discontinuation of bitumen activities in Asia and France) and an exchange rate effect of €153-million (of which €65 million related to the depreciation of the pound sterling).

Current operating profit reached €125 million, €37 million more than in the first half of 2015, mainly due to the discontinuation of activity at the Dunkirk refinery (SRD). The current operating margin rose 0.4 points to 1.1%. Operating profit in the first half of 2016 reached €85 million after non-current charges of €40 million, mainly at Colas due to the ongoing closure of the Dunkirk refinery.

(a) Bouygues Construction, Bouygues Immobilier and Colas

TF1

Sales at **TF1** were €1,025 million in the first half of 2016, up 4% on the first half of 2015, benefiting from the integration of Newen Studios, consolidated since 1 January 2016.

Current operating profit in the first half of 2016 was €58 million, down €39 million year-on-year, and reflected the cost of screening Euro 2016. The figure for the first half of 2015 included a €34-million positive impact from the deconsolidation of Eurosport France.

TF1 posted an operating profit of €3 million, factoring in non-current charges of €55 million, which include transformation costs, the effects of LCI's migration to freeview, as well as the impacts of both Newen Studios and the decree on French drama.

Bouygues Telecom

The strategy rolled out by **Bouygues Telecom** over the last two years is paying off, enabling the company to achieve a good commercial performance and a sharp rise in sales and financial results in the first half of 2016.

The operator added 303,000 mobile customers in the second quarter of 2016 and 543,000 customers in the first half of 2016, for a total of 12.4 million customers at end-June 2016. Net growth in plan customers excluding MtoM[a] accelerated in the second quarter with 171,000 new adds, representing a gain of 322,000 customers in the first six months of the year.

4G penetration within Bouygues Telecom's customer base continued. With six million 4G users[b] at end-June 2016, it represented 58% of the mobile base excluding MtoM, compared with 42% at end-June 2015. The growth of 4G was driven by a sharp increase in mobile data usage. 4G customers' average monthly data consumption[c] was 3.2 GB in the second quarter of 2016, compared with 2.4 GB in the second quarter of 2015.

Bouygues Telecom continued to grow steadily in the fixed market, adding 122,000 new customers in the first half of 2016, including 51,000 in the second quarter of 2016, for a total of 2,910,000 customers at end-June 2016. Bouygues Telecom had 412,000 Very-High-Speed[d] customers at end-June 2016, including nearly 70,000 FTTH[e] customers.

Bouygues Telecom’s sales reached €2,291 million in the first half of 2016, up 6% on the first half of 2015. Sales from network rose for the fourth consecutive quarter, increasing by 5% in the first half of 2016 to €1,975 million. Sales from mobile network also returned to growth in the first half of 2016, rising 3% as a result of strong growth in the customer base and stabilisation of ARPU.

EBITDA rose 26% in the first half of 2016 to €408 million. The EBITDA[f] margin reached 20.7%, up 3.6 points compared with the first half of 2015. For information, EBITDA in the first quarter included the impact of IFRIC 21, which affects the timing of recognition of some taxes.

Current operating profit in the first half of 2016 was €38 million compared with a loss of €54 million in the first half of 2015, representing an improvement of €92 million. The company posted an operating loss of €5 million versus an operating loss of €109 million in the first half of 2015 after non-current charges of €43 million, essentially related to the roll-out of network sharing with the SFR group.

(a) Machine-to-Machine
(b) Customers having used the 4G network during the last three months (Arcep definition)
(c) Data consumed on 4G cellular networks, excluding Wi-Fi
(d) Arcep definition: subscriptions with a peak download speeds higher or equal to 30 Mbit/s. Includes FTTH, FTTLA and VDSL2 subscriptions
(e) Fibre To The Home – roll-out of optical fibre from the optical access node (place where the operator’s transmission equipment is installed) to homes or business premises (Arcep definition)
(f) EBITDA margin/sales from network

Alstom

Alstom’s contribution to Bouygues’ net profit in the first half of 2016 was €0 million, as in the first half of 2015.

For information:

- Alstom’s contribution to Bouygues’ net profit in the first quarter of 2016 was €0 million after including Alstom’s results reported for FY2015/16, the impacts of the sale by Alstom of its Energy activities, the effects of the public share buy-back offer and reversal of the remainder of the write-down recognised at Bouygues;
- Bouygues did not book a contribution from Alstom in the second quarter of 2016. Alstom’s contribution to Bouygues’ net profit is booked only in Bouygues’ first and third quarters on the basis of the net results reported by Alstom for the six months ended 31 March and 30 September.

Financial situation

The Group strengthened its financial structure. Net debt was €4.4 billion at 30 June 2016, €855 million less than at 30 June 2015. This includes the positive impact of the Alstom public share buy-back offer carried out in late January 2016 (+€996 million), the acquisition of Newen Studios (-€293 million at 100%) and the first instalment of 700 MHz frequencies (-€117 million).
Net debt was higher than at 31 December 2015 due to the usual seasonal effect of Colas' business and the dividend payments (-€656 million).

On 20 June 2016, Standard & Poor's revised up its outlook to positive on Bouygues' long-term credit rating (BBB).

First-half 2016 business activity

Order book at the construction businesses (€ million)	End-June		
	2015	**2016**	**% change**
Bouygues Construction	19,317	18,741	-3%
Bouygues Immobilier	2,372	2,785	+17%
Colas	8,079	8,011	-1%
TOTAL	**29,768**	**29,537**	**-1%**

Bouygues Construction order intake (€ million)	First-half		
	2015	**2016**	**% change**
France	2,153	2,770	+29%
International	3,699	2,416	-35%
TOTAL	**5,852**	**5,186**	**-11%**

Bouygues Immobilier reservations (€ million)	First-half		
	2015	**2016**	**% change**
Residential property	832	1,004	+21%
Commercial property	165	191	+16%
TOTAL	**997**	**1,195**	**+20%**

Colas order book (€ million)	End-June		
	2015	**2016**	**% change**
Mainland France	3,169	3,115	-2%
International and French overseas territories	4,910	4,896	0%
TOTAL	**8,079**	**8,011**	**-1%**

TF1 audience share[a]	End-June		
	2015	**2016**	**Pts change**
TF1	21.6%	20.8%	-0.8 pts
TMC	3.1%	2.8%	-0.3 pts
NT1	2.0%	1.8%	-0.2 pts
HD1	1.1%	1.6%	+0.5 pts
LCI	nm	0.1%	nm
TOTAL	**27.8%**	**27.1%**	**-0.7 pts**

(a) Source: Médiamétrie - Individuals aged 4 and over

Bouygues Telecom customer base ('000 customers)	**End-March 2016**	**End-June 2016**	**Change** (‘000 customers)
Plan subscribers	11,169	11,472	+303
Prepaid customers	961	961	0
Total mobile customers	**12,130**	**12,433**	**+303**
Total fixed customers	**2,859**	**2,910**	**+51**

First-half 2016 financial performance

Condensed consolidated income statement (€ million)	**First-half**		**Change**
	2015	**2016**	
Sales	**15,098**	**14,669**	**-3%**
Current operating profit	**119**	**206**	**+€87m**
Other operating income and expenses	(74)[a]	(149)[a]	-€75m
Operating profit	**45**	**57**	**+€12m**
Cost of net debt	(146)	(118)	+€28m
Other financial income and expenses	25	2	-€23m
Income tax	36	1	-€35m
Share of net profits of joint ventures and associates	29	32	+€3m
o/w Alstom	*0*[b]	*0*[c]	*€0m*
Net profit/(loss)	**(11)**	**(26)**	**-€15m**
Net profit attributable to non-controlling interests	(31)	(2)	+€29m
Net profit/(loss) attributable to the Group	**(42)**	**(28)**	**+€14m**
Net profit/(loss) attributable to the Group excl. exceptional items[d]	**(4)**	**46**	**+€50m**

(a) Non-current charges of €74 million at Bouygues Telecom, TF1 and Bouygues Construction in H1 2015 and non-current charges of €149 million in all businesses in H1 2016
(b) After taking into account Alstom's contribution to Bouygues' net profit and a partial reversal of the write-down against Bouygues' interest in Alstom recognised in 2013
(c) After taking into account Alstom's contribution to Bouygues' net profit, the impacts on Bouygues' accounts from the sale of Alstom's Energy activities, the public share buy-back offer carried out in January 2016 and the reversal of the remainder of the write-down recognised at Bouygues at 31 December 2015
(d) See reconciliation table on page 9

First-quarter consolidated income statement (€ million)	**First-quarter**		**Change**
	2015	**2016**	
Sales	6,731	6,534	-3%
Current operating profit/(loss)	(194)	(140)	+€54m
Operating profit/(loss)	(216)[a]	(227)[a]	-€11m
Net profit/(loss) attributable to the Group	(157)	(180)	-€23m

(a) Including non-current charges of €22 million at Bouygues Telecom in Q1 2015 and non-current charges of €87 million in all businesses in Q1 2016

Second-quarter consolidated income statement (€ million)	**Second-quarter**		**Change**
	2015	**2016**	
Sales	8,367	8,135	-3%
Current operating profit	313	346	+€33m
Operating profit	261[a]	284[a]	+€23m
Net profit attributable to the Group	115	152	+€37m

(a) Including non-current charges of €52 million at Bouygues Telecom, TF1 and Bouygues Construction in Q2 2015 and non-current charges of €62 million in all businesses in Q2 2016

Sales by sector of activity (€ million)	**First-half**		**% change**	**Change l-f-l and at constant exchange rates**
	2015	**2016**		
Construction businesses[a]	11,983	11,383	-5%	-2%
o/w Bouygues Construction	*5,850*	*5,800*	*-1%*	*0%*
o/w Bouygues Immobilier	*1,058*	*1,047*	*-1%*	*-1%*
o/w Colas	*5,204*	*4,678*	*-10%*	*-6%*
TF1	981	1,025	+4%	-2%
Bouygues Telecom	2,156	2,291	+6%	+6%
Holding company and other	75	73	nm	nm
Intra-Group eliminations[b]	(226)	(245)	nm	nm
TOTAL	**15,098**	**14,669**	**-3%**	**-1%**
o/w France	*9,637*	*9,532*	*-1%*	*-1%*
o/w international	*5,461*	*5,137*	*-6%*	*-1%*

(a) Total of the sales contributions (after eliminations within the construction businesses)

(b) Including intra-Group eliminations of the construction businesses

Contribution to EBITDA[a] by sector of activity (€ million)	**First-half**		**Change**
	2015	**2016**	
Construction businesses	315	256	-€59m
o/w Bouygues Construction	*228*	*185*	*-€43m*
o/w Bouygues Immobilier	*38*	*32*	*-€6m*
o/w Colas	*49*	*39*	*-€10m*
TF1	102	162	+€60m
Bouygues Telecom	323	408	+€85m
Holding company and other	(12)	(24)	-€12m
TOTAL	**728**	**802**	**+€74m**

(a) EBITDA = current operating profit + net depreciation and amortisation expense + net provisions and impairment losses - reversals of unutilised provisions and impairment losses

Contribution to current operating profit by sector of activity (€ million)	**First-half**		**Change**
	2015	**2016**	
Construction businesses	88	125	+€37m
o/w Bouygues Construction	*148*	*151*	*+€3m*
o/w Bouygues Immobilier	*59*	*59*	*0m*
o/w Colas	*(119)*	*(85)*	*+€34m*
TF1	97	58	-€39m
Bouygues Telecom	(54)	38	+€92m
Holding company and other	(12)	(15)	-€3m
TOTAL	**119**	**206**	**+€87m**

Contribution to operating profit by sector of activity (€ million)	**First-half**		**Change**
	2015	**2016**	
Construction businesses	81	85	+€4m
o/w Bouygues Construction	*141*[a]	*143*[a]	*+€2m*
o/w Bouygues Immobilier	*59*	*57*[a]	*-€2m*
o/w Colas	*(119)*	*(115)*[b]	*+€4m*
TF1	85[c]	3[c]	-€82m
Bouygues Telecom	(109)[d]	(5)[d]	+€104m
Holding company and other	(12)	(26)	-€14m
TOTAL	**45**	**57**	**+€12m**

(a) Including non-current charges of €7 million in H1 2015 and of €8 million in H1 2016 at Bouygues Construction and of €2 million in H1 2016 at Bouygues Immobilier related to the implementation of their new organisations
(b) Including non-current charges of €30 million essentially related to the discontinuation of activity at the SRD subsidiary in Dunkirk
(c) Including non-current charges of €12 million related to the adaptation of news operations in H1 2015 and non-current charges of €55 million, which include transformation costs, the effects of LCI's migration to freeview, as well as the impacts of both Newen Studios and the decree on French drama
(d) Including non-current charges of €55 million H1 2015 and of €43m in H1 2016 essentially related to the roll-out of network sharing
with SFR

Contribution to net profit attributable to the Group by sector of activity (€ million)	**First-half**		**Change**
	2015	**2016**	
Construction businesses	78	65	-€13m
o/w Bouygues Construction	*110*	*100*	*-€10m*
o/w Bouygues Immobilier	*34*	*34*	*€0m*
o/w Colas	*(66)*	*(69)*	*-€3m*
TF1	27	0	-€27m
Bouygues Telecom	(66)	(12)	+€54m
Alstom	0[a]	0[b]	€0m
Holding company and other	(81)	(81)	€0m
Net profit/(loss) attributable to the Group	**(42)**	**(28)**	**+€14m**
Net profit/(loss) attributable to the Group excl. exceptional items[c]	**(4)**	**46**	**+€50m**

(a) After taking into account Alstom's contribution to Bouygues' net profit and a partial reversal of the write-down against Bouygues' interest in Alstom recognised in 2013
(b) After taking into account Alstom's contribution to Bouygues' net profit, the impacts on Bouygues' accounts of the sale of Alstom's Energy activities, the public share buy-back offer carried out in January 2016 and the reversal of the remainder of the write-down recognised at Bouygues at 31 December 2015
(c) See reconciliation table on page 9

Impacts of exceptional items on net profit attributable to the Group (€ million)	**First-half 2015**	**First-half 2016**	**Change**
Net profit/(loss) attributable to the Group	**(42)**	**(28)**	**+€14m**
o/w non-current income/charges related to Bouygues Telecom (net of taxes)	*31*	*25*	*-€6m*
o/w non-current income/charges related to the construction businesses (net of taxes)	*4*	*26*	*+€22m*
o/w non-current income/charges related to TF1 (net of taxes)	*3*	*16*	*+€13m*
o/w non-current income/charges related to Holding company (net of taxes)	*-*	*7*	*+€7m*
Net profit/(loss) attributable to the Group excl. exceptional items	**(4)**	**46**	**+€50m**

Net cash by business segment (€ million)	**At end-June 2015**	**At end-June 2016**	**Change**
Bouygues Construction	2,433	2,707	+€274m
Bouygues Immobilier	(82)	(240)	-€158m
Colas	(569)	(316)	+€253m
TF1	308	133[a]	-€175m
Bouygues Telecom	(977)	(1,267)[b]	-€290m
Holding company and other	(6,322)	(5,371)[c]	+€951m
TOTAL	**(5,209)**	**(4,354)**	**+€855m**

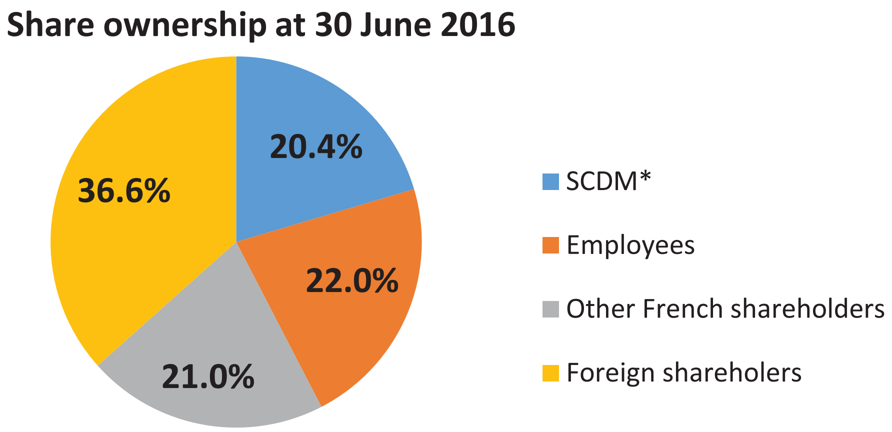
(a) Including the acquisition of Newen Studios for €293 million at 100%
(b) Including the first instalment of the 700 MHz frequencies for €117 million
(c) Including the positive impact of Alstom's public share buy-back offer carried out in January 2016 for €996 million

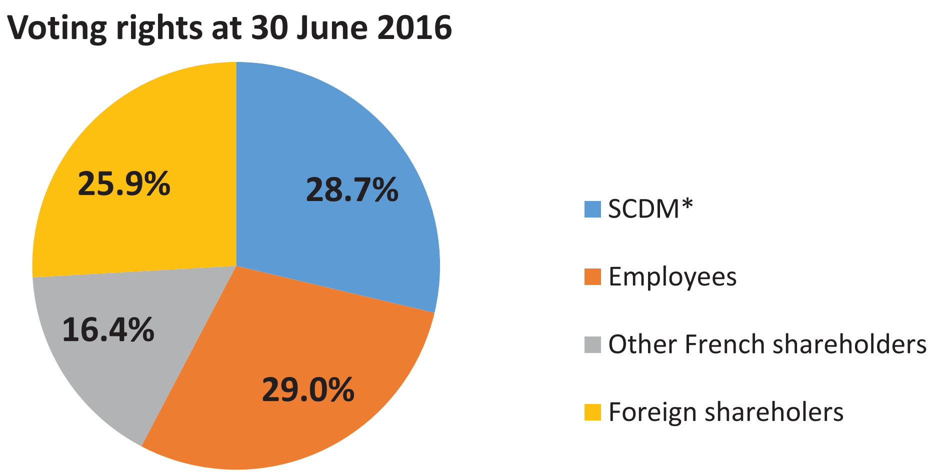
Contribution to net capital expenditure by sector of activity (€ million)	**First-half 2015**	**First-half 2016**	**Change**
Construction businesses	156	227	+€71m
o/w Bouygues Construction	*66*	*89*	*+€23m*
o/w Bouygues Immobilier	*6*	*10*	*+€4m*
o/w Colas	*84*	*128*	*+€44m*
TF1	15	96	+€81m
Bouygues Telecom	380	464	+€84m
Holding company and other	2	2	€0m
TOTAL	**553**	**789**	**+€236m**

Contribution to free cash flow[a] by sector of activity before change in working capital requirement (€ million)	**First-half**		**Change**
	2015	**2016**	
Construction businesses	123	53	-€70m
o/w Bouygues Construction	*125*	*81*	*-€44m*
o/w Bouygues Immobilier	*24*	*24*	*€0m*
o/w Colas	*(26)*	*(52)*	*-€26m*
TF1	50	24	-€26m
Bouygues Telecom	(67)	(69)	-€2m
Holding company and other	(79)	(78)	+€1m
TOTAL	**27**	**(70)**	**-€97m**

(a) Free cash flow = cash flow - cost of net debt - income tax expense - net capital expenditure

MAIN SHAREHOLDERS AT 30 JUNE 2016





*SCDM is a company controlled by Martin and Olivier Bouygues

2.2. Bouygues Construction

Bouygues Construction is a global player in construction and services. Its skills and expertise make the company a leader in sustainable construction. With operations in nearly 80 countries, Bouygues Construction and its 50,000 employees develop long-term relationships with customers in order to help them shape a better life.

2.2.1 Key figures

(€ million)	First half 2015	First half 2016	Change
Sales	5,850	5,800	-1%[a]
o/w France	*2,858*	*2,757*	*-4%*
o/w International	*2,992*	*3,043*	*+2%*
Current operating profit	148	151	+€3m
Current operating margin	*2.5%*	*2.6%*	+0.1 pts
Operating profit	141[b]	143[b]	+€2m
Net profit attributable to the group	110	100	-€10m

(a) Stable like-for-like and at constant exchange rates
(b) Including non-current charges of €7 million in the first half of 2015 and €8 million in the first half of 2016 related to implementation of the new organisation

Bouygues Construction's sales fell back slightly in the first half of 2016, down 1% to €5,800 million, with building and civil works accounting for 82% and energy and services for 18%. Sales rose in international markets, up 2% to €3,043 million, but were down in France to €2,757 million. Sales were stable like-for-like and at constant exchange rates, adjusted for a favourable change in scope for €21 million linked to the acquisition of Gastier, a Canadian company, and an unfavourable exchange rate effect for €93 million.

Current operating profit was €151 million, giving a current operating margin of 2.6%, up 0.1 points on the first half of 2015. Operating profit was €143 million and included non-current charges of €8 million related to implementation of the new organisation at Bouygues Construction. Financial income was down €9 million at €19 million. The net margin in the first half of 2016 stood at 1.7%, compared with 1.9% in the first half of 2015, giving net profit attributable to the group of €100 million, down €10 million on the first half of 2015.

Net cash stood at €2,707 million at end-June 2016, €274 million more than at end-June 2015.

2.2.2 First-half highlights

Bouygues Construction took orders worth €5,186 million in the first half of 2016, 11% less than in the first half of 2015.

- Order intake in France rose 29% compared with the first half of 2015 to €2,770 million. Orders included major projects such as the Port of Calais extension, Tour Alto in La Défense, renovation of the Louvre Post Office building in central Paris, an additional package of the Hôtel Crillon renovation in Paris, two packages of the new Wacken Europe international business district in Strasbourg and renovation and operation of the Luminy campus in Marseille.

- International orders stood at €2,416 million, down 35%. Order intake at end-June 2015 included the NorthConnex project in Australia, worth nearly €900 million. Stripping out NorthConnex, the decline would be 14%. Orders in the first half of 2016 included notably two condominiums in the Mulund district of Mumbai in India, a condominium on Clementi Avenue in Singapore and several additional packages for the Erlenmatt and Greencity eco-neighbourhoods in Switzerland.

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The order book at 30 June 2016 stood at €18.7 billion, down 3% compared with end-June 2015 (-1% at constant exchange rates). 56% of orders are for execution in international markets, compared with 58% at 30 June 2015. The order book in Europe (excluding France) is the largest in international markets, ahead of the Asia-Pacific zone. Orders at end-June 2016 to be executed during the year stood at €5.2 billion and orders to be executed beyond 2016 stood at €13.5 billion, giving good visibility for future activity.

Building and civil works

Overall, demand for building and civil works remains high, driven by considerable infrastructure needs in both emerging and developed countries.

Bouygues Construction's building and civil works activity generated €4,738 million.

- **France: €2,228 million, down 4%**

  Building activity in the Paris region declined following handover in 2015 of the Eole office building in Montrouge and the French Ministry of Defence in Paris. The first half of 2016 was marked by orders for the Tour Alto project in La Défense and renovation of the Louvre Post Office building in central Paris.

  Elsewhere in France, Bouygues Construction's five regional building subsidiaries held up well in a depressed economic environment. A number of major projects are in progress, such as the property development programme associated with the Stade Vélodrome in Marseille and the extension of Lyon Saint-Exupéry airport.

  Business in the civil works segment was sustained by major projects such as the Nîmes-Montpellier railway bypass and the L2 Marseille bypass. Order intake in the first half of 2016 was boosted by the Port of Calais extension project.

- **Europe (excluding France): €1,021 million, down 5%**

  Bouygues Construction continued its activity in the **UK** with the construction of the Manhattan Loft Gardens tower in London and the Canning Town regeneration project. Construction work started on The Triangle, the new headquarters of Cambridge University's examination board, and a set of student halls of residence for the University of Hertfordshire was handed over. Bouygues Construction subsidiaries also continued to work together to build a proton-beam therapy cancer treatment centre in London.

  In **Switzerland**, Bouygues Construction capitalised on its expertise in putting together complex property development projects, especially in Basel, Zurich and Lenzburg. Commercial activity was boosted by orders for new packages for the Erlenmatt and Greencity eco-neighbourhoods in Basel and Zurich respectively.

  In **Central Europe**, local subsidiaries in Poland and the Czech Republic continued to expand their building activities. Elsewhere in Europe, the company is also involved in major infrastructure projects such as the new confinement shelter for the damaged nuclear reactor at Chernobyl in **Ukraine**, in partnership with Vinci, and Zagreb Airport in **Croatia**.

- **International (excluding Europe): €1,488 million, up 4%**

  In **Asia-Pacific,** Bouygues Construction enjoys strong local operations, especially in Hong Kong and Singapore. Civil works business remained sustained in **Hong Kong,** where several major projects are in progress. They include a section of the bridge linking Hong Kong, Zhuhai and Macao, the Tuen Mun-Chek Lap Kok subsea road tunnel, the extension of the Shatin to Central Link metro line and two road tunnels linking the north-east of Hong Kong to Liantang in mainland China. The company is building several major condominium towers in **Singapore**, where it recently took an order for a new tower on Clementi Avenue, and three residential tower blocks in Bangkok, the capital of **Thailand,** where it also handed over the MahaNakhon tower, the city's highest. The company is building the 39-floor City of Dreams luxury hotel complex in **Macao,** and in **Australia** work continued on the NorthConnex motorway tunnel in Sydney. In **Myanmar,** Bouygues Construction continued work on the second phase of the Star City residential complex in Rangoon, and in **India** the company took an order for two condominiums in the Mulund district of Mumbai.

In **Africa,** Bouygues Construction was involved in road infrastructure projects in **Ivory Coast** and **Chad**. The company's expertise in earthworks was illustrated in the operation of gold mines at Kibali in the **Democratic Republic of Congo**, Tongon in **Ivory Coast** and Gounkoto in **Mali**. Elsewhere, Bouygues Construction continued work on an extension of Ridge Hospital in **Ghana** and the headquarters of Nigeria LNG, a company producing liquefied natural gas, in Nigeria. In **Egypt**, after helping to build Lines 1 and 2 of the Cairo metro, the company started work on a new phase of Line 3.

In the **Middle East**, Bouygues Construction continued work on sewage tunnels in Qatar and is involved in work on the new Doha ring road.

In the **Americas – Caribbean** zone, Bouygues Construction operates mainly in Cuba, the United States and Canada. In **Cuba**, the company builds luxury hotel complexes such as Laguna Del Este on Cayo Santa Maria and Las Conchas at Varadero. In the **United States,** Bouygues Construction is putting the finishing touches to the Brickell City Centre development in Miami. In **Canada,** the company continued work on Iqaluit International Airport in the country's Arctic north. The company also operates in **Latin America**, especially **Mexico**.

Energy and services

Bouygues Energies & Services contributed €1,062 million to Bouygues Construction's consolidated sales in the first half of 2016, 4% more than in the first half of 2015. Bouygues Energies & Services has three business lines: network infrastructure, electrical and HVAC engineering, and facilities management.

- **France**: **€529 million, stable**

Bouygues Energies & Services helps local authorities to implement their digital development policies. It operates in 26 departments, managing 1,200,000 Fibre-To-The-Home connections and providing fixed broadband services to 6,500 municipalities serving 7 million people and 2,500 very-high-speed broadband zones. In particular, the subsidiary continued to roll out and manage very-high-speed broadband networks in four departments, the Oise (north of Paris), Eure-et-Loir (western France), Vaucluse (southern France) and Aisne (north-eastern France).
In electrical and HVAC engineering, Bouygues Energies & Services continued work on a thermal power plant in the French part of the Caribbean island of Saint-Martin and provided mechanical and electrical equipment for the L2 Marseille bypass.
Under public-private partnership contracts, the subsidiary continued to provide maintenance services for the Paris Zoo, the French Ministry of Defence in Paris and Bordeaux University. The company also has a number of street lighting contracts, notably with the City of Paris.

- **International: €533 million, up 8%**

In international markets, Bouygues Energies & Services rolls out bespoke or turnkey projects for solar, thermal, cogeneration and biomass power plants. It continued to operate a solar power plant in Thailand and handed over a solar farm in the Philippines which is the largest in South-East Asia. The company also continued work on a thermal power plant in Gibraltar and two waste-to-energy gasification plants in the UK.

In Africa, Bouygues Energies & Services is involved in works relating to power transmission and distribution, mainly in Ivory Coast, Gabon and Congo.

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In Canada, Bouygues Energies & Services expanded on the electrical engineering market following its acquisition of a majority interest in Plan Group and Gastier.

Bouygues Energies & Services continued several FM contracts, including for Crédit Suisse offices in Switzerland, King's College in London (UK) and Surrey hospital in Canada.

2.2.3 Outlook for 2016

In a construction market in France that is gradually stabilising, Bouygues Construction enjoys good visibility, backed up notably by:

- orders at 30 June 2016 to be executed in 2016 worth €11.0 billion;
- sustained international activity, especially in low-risk, growing countries such as Hong Kong, Singapore, Canada, Switzerland, UK and Australia;
- a long-term order book (beyond 2021) worth €2.5 billion at 30 June 2016;
- a sound financial structure, with net surplus cash of €2.7 billion.

Innovation to meet customers' expectations, tight control over the execution of major projects, a selective approach to orders and synergies between entities will continue to be central priorities for Bouygues Construction in 2016, while ensuring the health and safety of employees and project partners.

Bouygues Construction will also continue to take initiatives to promote ethical behaviour in all its subsidiaries.

2.3 Bouygues Immobilier

A leading property developer in France, Bouygues Immobilier develops residential, office, retail and sustainable neighbourhood projects from 36 branches in France, Poland, Belgium and Morocco.

2.3.1 Key figures

(€ million)	First half		Change
	2015	2016	
Sales	1,058	1,047	-1%[a]
o/w residential property	*912*	*894*	*-2%*
o/w commercial property	*146*	*153*	*+5%*
Current operating profit	59	59	-
Current operating margin	5.6%	5.6%	-
Net profit attributable to the group	34	34	-

(a) Down 1% like-for-like and at constant exchange rates

Bouygues Immobilier reported sales of €1,047 million in the first half of 2016, almost the same as in the first half of 2015 (down 2% in residential property and up 5% in commercial property), reflecting the low level of residential property reservations in 2013 and 2014.

The operating margin in the first half of 2016 was 5.6%, stable versus the first half of 2015.
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2.3.2 Business activity

Context

After a sharp rise in new housing sales in 2015, up 17.9%[1] on 2014, the market climbed by a further 15.2% in the first quarter of 2016, still supported by historically low interest rates, the attractiveness of the Pinel tax incentive and the extension of the zero-interest loan scheme.

The year got off to a good start in the commercial property segment. The take-up rate in the Paris region increased 19%[2] in the first quarter of 2016, with transactions between 5,000 and 15,000 m² making a comeback. Demand is uneven, however, and mainly concentrated in Paris and La Défense.

Overall, the market shakeout is continuing, with a 7% year-on-year decline in immediate supply and broadly stable rents.

Reservations

	First half		Change
	2015	2016	
Residential property[a]			
Units	4,847	5,731	+18%
Value (€m)	832	1,004	+21%
Commercial property			
Surface are (m²)	49,000	27,000	-45%
Value (€m)	165	191	+16%
Total reservations (€m)[b]	997	1,195	+20%

(a) Residential reservations include building land
(b) Definition: residential property reservations are reported net of cancellations. Commercial property reservations are firm orders which cannot be cancelled (notarised deeds of sale)

Residential property

The number of residential property reservations taken by Bouygues Immobilier in the first half of 2016 was 18% higher than in the first half of 2015 (up 16% in France and 32% in international markets). The rise was mainly due to the continued influx of private investment following the introduction of the Pinel tax incentive and good business activity outside France.

Commercial property

Bouygues Immobilier took commercial property reservations worth €191 million in the first-half of 2016, including mainly the second tranche of the La Poste headquarters building in Issy-les-Moulineaux with a surface area of 17,000 m².

2.3.3 Highlights

Bouygues Immobilier inaugurated a number of flagship residential projects in the first half of 2016, such as the Green Home in Nanterre, a positive-energy, mixed-use complex. In Montigny-le-Bretonneux, south west of Paris, the company started work on a serviced residence for senior citizens and a nursing home comprising an activity and treatment centre, intended for people with Alzheimer's. Bouygues Immobilier broke new ground by offering its customers 3D virtual visits and a high-definition online configurator that enables them to imagine themselves in their new home. The company also launched Flexom, a smart, connected housing concept that will be extended to all housing units put on the market by the end of the year.

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(1) Source: ECLN (new housing survey)
(2) Source: CBRE

Bouygues Immobilier handed over the first tranche of the La Poste headquarters at Issy-les-Moulineaux, a flagship Rehagreen® project with a surface area of 43,000 m², in the context of a property development contract with La Mondiale.

The first Nextdoor, a new generation of innovative and collaborative workspaces launched at Issy-les-Moulineaux in 2015, is now fully occupied. Boosted by this first success, three new sites with a total surface area of 12,300 m² will open in 2016, in Issy-les-Moulineaux, Cœur Défense and Gare de Lyon.

Bouygues Immobilier also continued its open innovation strategy, begun with the creation of Bird, a specific subsidiary to invest in start-ups specialising in property development.

Order book

(€ million)	End-December 2015	End-June 2016	Change
Order book	2,616	2,785	+6%
o/w residential property	*2,122*	*2,262*	*+7%*
o/w commercial property	*494*	*523*	*+6%*

Bouygues Immobilier's order book at end-June 2016 stood at €2,785 million, representing 15 months of sales.

2.3.4 Outlook and strategy

Residential property reservations are likely to rise significantly over 2016 as a whole. Bouygues Immobilier is focusing growth on a differentiated range of products such as managed residences and adaptable housing, and services such as financing packages, an online configurator and connected homes.

With the growing recognition of green value, Bouygues Immobilier continues to be well-placed on the commercial property market. Its highly energy-efficient Green Office® buildings and its Rehagreen® commercial property rehabilitation services package are well suited to the increasingly stringent requirements of users and investors.

Bouygues Immobilier is continuing to pursue its objective of maintaining a robust financial structure and keeping debt under tight control.

2.4. Colas

Operating in over 50 countries worldwide, Colas is a world leader in transport infrastructure construction and maintenance, meeting the challenges of mobility, urbanisation and the environment. With an international network of 800 profit centres and 2,000 materials production units, the group completes more than 80,000 projects each year and spans the full range of production and recycling activities associated with most of its lines of business. Colas has two main operating divisions: roads, its core business, and complementary specialised activities (railway, waterproofing, road safety and signalling, and networks). Colas is also a generally minority shareholder in companies which operate or manage infrastructure.

2.4.1 Key figures

(€ million)	First half 2015	First half 2016	Change
Sales	5,204	4,678	-10%[a]
o/w France	*2,813*	*2,638*	*-6%*
o/w International	*2,391*	*2,040*	*-15%*
Current operating profit/(loss)	(119)	(85)	+34
Operating profit/(loss)	(119)	(115)[b]	+4
Net profit/(loss) attributable to the Group	(69)	(71)	-2

(a) Down 6% like-for-like and at constant exchange rates
(b) At end-June 2016, charges related to the refined products activity now being closed down were booked as non-current charges for €30 million

2.4.2 First-half highlights

- The roads business in mainland France gradually stabilised, having declined sharply for two years.
- Colas acquired a number of jointly owned materials production and roadbuilding companies in the United Arab Emirates, Oman and Qatar.
- A number of major contracts were concluded:
  - resurfacing of roads and highways in the United States, for €115 million;
  - resurfacing of roads and highways in Canada, for €90 million;
  - Algiers metro extension, for €86 million;
  - Port of Calais extension, for €75 million (Colas' share);
  - refurbishment and widening of RN1 in Gabon, for €61 million;
  - construction of a section of the M35 motorway in Hungary, for €55 million.

Sales by sector

Consolidated sales at 30 June 2016 were €4,678 million, 10% lower than at 30 June 2015 (down 6% like-for-like and at constant exchange rates). The decline was partly due to the effect of significant changes in scope (-€179 million) and unfavourable exchange rates (-€60 million). The change in scope mainly concerned the sale of the bitumen storage and sales business in Asia to the Thai subsidiary Tasco, of which Colas owns 32%, and the discontinuation of the refining activity in France.

(€ million)	First half 2015	First half 2016	Change	Like-for-like and at constant exchange rates
Sales	5,204	4,678	-10%	-6%
o/w roads mainland France	*1,807*	*1,779*	*-2%*	*-1%*
o/w roads Europe	*736*	*585*	*-21%*	*-21%*
o/w roads North America	*843*	*802*	*-5%*	*-3%*
o/w roads Rest of the World	*668*	*545*	*-18%*	*+1%*
o/w specialised activities	*1,143*	*957*	*-16%*	*-9%*
o/w holding company	*7*	*10*	*nm*	

Roads

Like-for like, sales in **mainland France** were close to the level in the first half of 2015 despite disruption in May and June due to irregular supplies of bitumen and oil products caused by strikes and bad weather. The market seems to be stabilising at a level close to that of 2015 after declining sharply for two years.

Sales in **Europe** declined 21%. Sales in northern Europe were close to the level in the first half of 2015 at constant exchange rates, but declined sharply in central Europe due to an expected delay in the launch of major calls for tender for roadworks, especially in Hungary and Slovakia, which finally started in July.

Sales in **North America** were slightly down at end-June 2016 (down 3% like-for-like and at constant exchange rates), with operations in Canada starting about a month later than usual due to unfavourable weather conditions.

Sales in the **Rest of the World** appeared to decline sharply (down 18%) but like-for-like and at constant exchange rates were almost identical to the figure in the first half of 2015 (up 1%). The difference was due to the disposal of subsidiaries in Asia to the Thai subsidiary Tasco, consolidated by the equity method.

Specialised activities

Sales in specialised activities in the first half of 2016 were down 16% (down 9% like-for-like and at constant exchange rates). The difference was due to the discontinuation of the refined products activity and the depreciation of the pound sterling against the euro. Most of the 9% decline at end-June 2016 was attributable to:

- the railway business, where the full-year spread of activity is different from 2015 and should catch up its lag in the second half of the year,
- a 10% drop in waterproofing business.

Production of materials

A significant proportion of Colas' activity, both in France and abroad, consists in the production of construction materials, especially aggregates, from an international network of 714 quarries and gravel pits, 553 asphalt plants, 129 emulsion plants and 197 ready-mix concrete plants. In the first half of 2016, they produced 39 million tonnes of aggregates (up 2% on the first half of 2015), 14 million tonnes of asphalt mix (up 4%), 762,000 tonnes of binders and emulsions (up 3%) and 1.1 million cubic metres of ready-mix concrete (stable).

Profitability

Current operating profit/Non-current operating charges

Colas reported a current operating loss of €85 million at 30 June 2016, compared with a current operating loss of €119 million at 30 June 2015, a €34-million improvement. Current operating profit in the roads business was the same as at end-June 2015 despite an 8% drop in sales. The current operating margin improved as adaptation plans were implemented. Current operating profit in specialised activities was down €9 million at end-June 2016 due to the lag in the railway business.

Overheads at the Dunkirk refinery now being closed down and an additional expense attributable to the redundancy plan approved in May 2016 resulted in non-current charges of €30 million at end-June 2016.

The share of profits from joint ventures and associates was €31 million, compared with €30 million at end-June 2015.

Colas traditionally reports a first-half loss due to the seasonal nature of its business. The net loss attributable to the group at end-June 2016 was €71 million, compared with a net loss attributable to the group of €69 million at 30 June 2015.

Financial position

Net debt at 30 June 2016 stood at €316 million, compared with €569 million a year earlier. The change versus 31 December 2015 (net surplus cash of €560 million) reflects the usual seasonal nature of the business.

2.4.3 Outlook

The order book at end-June 2016 remained at a high level, standing at €8.0 billion, almost the same as at end-June 2015 (down 1%, but up 3% at comparable exchange rates).

The order book on international and overseas markets was the same as at end-June 2015 while the order book in mainland France was down 2%.

On the basis of currently available data, 2016 sales like-for-like and at constant exchange rates could be 2% lower than in 2015. Profitability is expected to improve.

2.5. TF1

TF1 is an integrated media group whose mission is to inform and entertain. It produces France's leading freeview television channel and has adapted its offering to all media.

2.5.1 Key figures

(€ million)	First half		Change
	2015	2016	
Sales	981	1,025	+4%[a]
o/w group advertising	*775*	*770*	*-1%*
o/w other activities	*206*	*255*	*+24%*
Current operating profit	97[b]	58	-€39m
Current operating margin	9.9%	5.7%	-4.2 pts
Operating profit	85[c]	3[c]	-€82m
Net profit attributable to the Group	61	(1)	-€62m

(a) Down 2% like-for-like and at constant exchange rates
(b) Including a positive impact of €34 million related to the deconsolidation of Eurosport France
(c) Including non-current charges of €12 million related to adaptation costs at the news operations in the first half of 2015 and of €55 million, which include transformation costs, the effects of LCI's migration to freeview as well as the impacts of both Newen Studios and the decree on French drama.

The TF1 group reported consolidated sales of €1,052 million in the six months to 30 June 2016, up 4%. It comprises:

- group advertising sales of €770 million, down slightly by 1%;
- sales from other activities of €255 million, up 24% following the integration of Newen Studios from 1 January 2016.

Current operating profit at end-June was €58 million, down €39 million year-on-year, mostly due to the cost of screening the Euro 2016 soccer tournament. For information, deconsolidation of Eurosport France generated a positive impact of €34 million in 2015.

Operating profit in the first half of 2016 was €3 million and included non-current charges of €55 million, in line with what was announced at the start of the year and recognised in the first quarter:
- the first-quarter operating loss at the LCI channel, which migrated to freeview on 5 April 2016,
- the negative impact on the cost of French drama productions of the decree of 27 April 2015 on coproduction shares,
- non-current charges related to the transformation plan rolled out by the TF1 group,
- amortisation of goodwill in connection with the acquisition of Newen Studios.

The net loss attributable to the Group was €1 million.

2.5.2 First-half highlights

- On 26 January 2016, TF1 acquired a 70% stake in FLCP, renamed Newen Studios.
- On 17 February 2016, Gilles Pélisson was appointed Chairman and CEO, taking up his position on 19 February 2016.
- On 5 April 2016, the rolling news channel LCI migrated to freeview on DTT channel 26.
- On 24 May 2016, TF1, SATEV, SEDPA, SPECT, SPFA, SPI and USPA signed a new partnership deal to promote creativity in French audiovisual content. With the agreement, TF1 renewed its commitment to devote 12.5% of net broadcasting advertising sales to original content. The proportion of the TF1 group's investment in content from "dependent" producers was raised to 36%, split into two tranches. One, capped at 26%, is reserved for TF1 group subsidiaries. The other 10% enables TF1 to obtain broader rights from production companies in which it does not have an equity interest.
- On 9 June 2016, TF1 became the sole owner of TMC after acquiring the Principality of Monaco's 20% stake via an exchange of shares.

Audiences[3]

TF1 was France's leading private-sector broadcaster in the first half of 2016, with its five freeview channels claiming an aggregate audience share of 27.1% of individuals aged 4 and over (0.7 points less than at end-June 2015).

Its audience share of women under 50 who are purchasing decision-makers was 31.4%, down 0.6 points.

Against a backdrop of growing momentum for France's HD DTT channels, all fully up and running by April 2016, and in response to very aggressive programming competition across the whole spectrum of freeview channels, the TF1 group continued to focus on:

- Its pulling power in strategic slots, which confirms TF1's status as market leader and its prime-time pulling power, attracting 7.4 million viewers on average in prime time. The TF1 channel achieved 47 of the top 50 audience ratings in the first half of 2016.
- Strong performances among the target audiences for its DTT channels, especially the 25-49 age bracket: the audience for the group's DTT channels is growing strongly, gaining an audience share of 8.9% among women aged under 50 who are purchasing decision-makers, a year-on-year increase of 0.5 points. Its channels are leaders in the French DTT market.
- Event broadcasting: TF1 attracted excellent audience ratings during Euro 2016, with a record 19.2 million viewers for the match between France and Germany. TMC also hit an all-time high with 3.5 million viewers for the match between Slovakia and England, reaching 5.8% of individuals aged 4 and over. TF1's post-match magazine *Le Mag* had more viewers than any other channel's post-match show, averaging 4.4 million viewers over the competition as a whole and drawing up to 10 million after France's victory in the semi-final.
- Innovative programming: TF1 continues to break new ground, with more programme launches to date (15 in the first half of 2016) than any other channel.
- Tight control over the cost of programmes.

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(3) Source: Médiamétrie, LCI: does not include pay-TV audiences

Broadcasting

Advertising sales for the five freeview channels rose slightly, up 0.4% at €736 million. Over the first half of the year, the TF1 core channel maintained its strategy of preserving the value of its advertising slots.

Sales from the Broadcasting segment's other activities in the first half of 2016 were €102 million, €10 million less than in the first half of 2015 like-for-like (excluding the effect of the deconsolidation of Eurosport France, which contributed sales of €18 million in the first quarter of 2015). The main reasons were:

- the ending of distribution revenue streams from the LCI channel in 2016;
- a decline in advertising sales at Metronews, the print version of which was still being published in the first half of 2015;
- non-renewal of advertising sales contracts with beIN Sports and Discovery.

Digital activities grew strongly in the first half of 2016, especially e-TF1, which set new records during Euro 2016 with 13 million visits to the Euro 2016 site on MYTF1, 14 million catch-up videos viewed (highlights, bonus coverage, full matches) and over 23 million interactions on social media.

The cost of programmes for the TF1 group's five freeview channels in the first half of 2016 was €518 million. This included the cost of programmes for LCI from 5 April 2016, the €38-million cost of screening 19 matches from Euro 2016 and non-current charges of €20 million relating to the new accounting treatment of French drama screened in the first half of 2016 resulting from the decree of 27 April 2017, which entitles TF1 to own coproduction shares in such productions. Excluding major sporting events and non-current charges, the cost of programmes was stable at €460 million.

The Broadcasting segment reported current operating profit of €38 million at end-June 2016, €16.1 million less than in the first half of 2015 on a like-for-like basis, i.e. excluding the €34-million positive impact from the deconsolidation of Eurosport France in the first quarter of 2015.

Studios & Entertainment

In the first half of 2016, the Studios & Entertainment segment (including Newen Studios) reported a €70-million rise in sales to €187 million and a €10-million increase in current operating profit compared to the first half of 2016. TF1 Entertainment reported sales growth over the first half, though sales were down at Téléshopping, mainly due to the revamp of the product range.

2.5.3 Outlook

The TV advertising market could show slight growth in 2016.

The start of the autumn season will feature strong programmes on the TF1 channel, including entertainment shows like *Koh Lanta*, a new season of *Danse avec les stars*, *The Voice Kids* and *Miss France*, French drama (*La vengeance aux yeux clairs* and *La main du mal*) and American series like *Blindspot*. The identity of DTT channels will be strengthened, forming a perfect fit with the TF1 core channel. Their schedules will be boosted by the arrival of star presenters like Yann Barthès on TMC and TF1 and Yves Calvi on LCI. New programmes like the web series developed with Norman and Cyprien, two French YouTube celebrities, will open up new audience segments, especially among younger viewers. The TF1 group will also benefit from the launch of a revamped news offering, spearheaded by LCI in freeview.

This combination of flagship and revamped programming will provide advertisers with ample investment opportunities.

In an intensely competitive French media market, the TF1 group will continue to pursue its ambition for the years ahead. It will:

- strengthen its leadership in freeview TV in France, maintaining the pulling power of the TF1 core channel by delivering content with wide appeal and developing its DTT channels;
- in advertising sales, deliver the powerful combination of an unrivalled offer and extremely precise targeting;
- set the standard for digital content on the French market;
- become a byword for content production both in France and abroad.

The TF1 group maintains its full-year estimate for the cost of programmes on its five freeview channels at around €980 million, excluding non-current charges and major sporting events, and for non-current charges at €86 million, which factor in the migration of LCI to freeview, the accelerated transformation of the group in line with its new ambition, the new accounting treatment of French drama following the decree of 27 April 2015 (€26 million) and the accounting effects of the consolidation of Newen Studios.

2.6. Bouygues Telecom

A major player in the French electronic communications market, Bouygues Telecom is committed to delivering the best possible digital experience for everyone by developing uses.

2.6.1 Key figures

(€ million)	First half 2015	First half 2016	Change
Sales	2,156	2,291	+6%
Sales from network	1,884	1,975	+5%
EBITDA	323	408	+€85m
EBITDA/sales from network	*17.1%*	*20.7%*	*+3.6 pts*
Current operating profit/(loss)	(54)	38	+€92m
Operating profit/(loss)	(109)[a]	(5)[b]	+€104m
Net profit/(loss) attributable to the Group	(73)	(14)	+€59m

(a) Including non-current charges of €55 million essentially related to the roll-out of network sharing with SFR
(b) Including non-current charges of €43 million essentially related to the roll-out of network sharing with SFR

The first half of 2016 was marked by a sharp improvement in Bouygues Telecom's sales and financial results. The company posted sales of €2,291 million in the first half of 2016, up 6% on the first half of 2015. Sales from network was €1,975 million, up 5% on the first half of 2015.

EBITDA was €85 million higher than in the first half of 2015 due to growth in the number of mobile and fixed customers, the stabilisation of ARPU and tight control over marketing and operating costs. The EBITDA margin[4] was up 3.6 pts over the period.

The company reported current operating profit of €38 million, an improvement of €92 million compared to the first half of 2015, and an operating loss of €5 million, which included €43 million in non-current charges essentially related to the roll-out of network sharing with SFR.

Net capital expenditure was €464 million, up €84 million, linked to roll-out of network sharing with SFR and expansion of the fixed network.

2.6.2 First-half highlights

[4] *EBITDA/sales from network*

In the first half of 2016, Bouygues Telecom successfully continued the strategy rolled out since 2014, based on three priorities.

- **Creating value by boosting mobile data usage**

  As well as attracting growing numbers of customers, the quality of Bouygues Telecom's 4G network gives the company a long-term competitive edge. Bouygues Telecom had 12.4 million mobile customers at 30 June 2016, including 6 million active 4G customers representing 58% of the mobile customer base excluding MtoM[5]. The number of plan customers excluding MtoM continued to grow strongly, with 322,000 new adds in the first six months of the year.

  In order to keep pace with the surge in mobile data consumption, in early 2016 Bouygues Telecom embarked on a programme to strengthen its mobile network aiming to achieve a 50% increase in the number of sites in very dense areas within five years. In less dense areas, the company can draw on its network sharing agreement with SFR, now in the industrial phase, with the aim of extending 4G coverage to 82% of the population by end-2016 and to 99% by end-2018. Bouygues Telecom also has an extensive portfolio of frequencies.

  Bouygues Telecom also overhauled its range of mobile offers, providing more generous mobile data allowances and incorporating a new bonus giving unlimited internet access at weekends. With these new services, Bouygues Telecom enables its customers to benefit from all the advantages of 4G and 4G+ bandwidth. By the second quarter of 2016, average mobile data consumption had more than tripled over two years to 2 GB per month for mobile customers excluding MtoM. Active 4G customers consume 3.2 GB per month on average.

- **Pursuing growth in fixed broadband in order to expand the positioning in the household**

  Bouygues Telecom helps its customers to increase their use of digital services by offering high-quality, affordable fixed broadband packages.

  Bouygues Telecom had over 2.9 million fixed broadband customers at end-June 2016, representing 122,000 net adds in the first half of the year. The company had over 412,000 very-high-speed broadband customers[6] at end-June 2016, including nearly 70,000 with FTTH[7].

  Bouygues Telecom makes use of all the available fixed broadband infrastructure on the French market to provide the service best suited to its customers' needs. In ADSL, the company is rolling out its own network in strategic areas and covered 16.5 million households at end-June 2016. In FTTH, it is co-investing with Orange in medium dense areas and with SFR in very dense areas, with a total commitment of 6.5 million premises, of which 1.6 million had been marketed at end-June 2016. At the same time, Bouygues Telecom is offering 8 million households very-high-speed broadband access via its cable agreement with SFR and is embarking on FTTH coverage of the public-initiative network zone with Axione, a Bouygues group subsidiary.

[5] *Machine-to-Machine*
[6] *Arcep definition: subscriptions with a peak download speed of 30Mbit/s or more*
[7] *Fibre-To-The-Home*

- **Developing Business as well as Internet of Things[8] services**

  Bouygues Telecom's business activity has been a particularly effective driver of growth since the launch of 4G. By combining a high-quality network with innovative services, Bouygues Telecom Entreprises has enjoyed sustained growth over the last two years. At end-June 2016, Bouygues Telecom Entreprises had seen year-on-year growth of 11% in its mobile base and of 24% in its fixed broadband base.

  Bouygues Telecom strengthened its position in the Internet of Things in early 2016 with the creation of a dedicated subsidiary, Objenious. The subsidiary will use the LoRa® network currently being rolled out by Bouygues Telecom, which, with over 4,000 antennas, will cover the whole of France by the end of the year. Objenious helps companies of all sizes to move through the stages of the Internet of Things revolution with solutions suited to the challenges of transformation in areas such as remote control, predictive maintenance, logistics chain tracking and energy optimisation.

2.6.3 Outlook

Bouygues Telecom confirmed the return to long-term sales and earnings growth and maintained its target of a 25% EBITDA margin[9] in 2017 with a plan to save at least €400 million in 2016 versus end-2013. Net capital expenditure is likely to be around €800 million in 2016.

2.7. Alstom

Bouygues holds 8.3% of Alstom's share capital. Under an agreement with the French government signed on 22 June 2014, in early February 2016 Bouygues lent the French government 20% of Alstom's share capital for a period of approximately 20 months.

As a promoter of sustainable mobility, Alstom designs and markets systems, infrastructure and services for the railway sector. Alstom offers the widest range of solutions on the market, from high-speed trains to metros and tramways, together with customised services such as maintenance and modernisation, as well as infrastructure and signalling solutions. Alstom is a world leader in integrated railway systems.

2.7.1 FY2015/16: record order intake and order book, a sharp rise in sales and operating profit

Alstom released its results for FY2015/16 (ended 31 March 2016) on 11 May 2016.

Between 1 April 2015 and 31 March 2016, Alstom achieved a record commercial performance with order intake of €10.6 billion and an order book of €30.4 billion. Sales over the same period were €6.9 billion, up 12% (7% like-for-like and at constant exchange rates). Adjusted operating profit was €366 million, up 23% on the previous period, giving a margin of 5.3%.

Net profit attributable to the Group was €3.0 billion, benefiting from the sale of the Energy activities to General Electric. After the impact of exceptional write-downs, mainly in France, Alstom now has a very strong balance sheet. Net debt declined sharply to €0.2 billion at 31 March 2016, compared with €3.1 billion a year earlier. Shareholders' equity at 31 March 2016 was €3.3 billion.

Following the return of €3.2 billion to shareholders through a public share buy-back offer, the Board of Directors asked the Annual General Meeting to approve a proposal not to pay a dividend.

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[8] *The Internet of Things (IoT) is a network that transmits data between connected devices via the internet.*
[9] *EBITDA/sales from network*

2.7.2 Figures at 30 June 2016 (first quarter FY2016/17)

Alstom took orders worth €0.9 billion in the first quarter of FY2016/17 (from 1 April to 30 June 2016), compared with €2 billion over the same period in the previous year. Group sales in the first quarter of FY2016/17 were €1.7 billion, up 7% like-for-like.

The order book at 30 June 2016 stood at €29.7 billion, corresponding to more than 48 months of sales.

2.7.3 Outlook

Alstom expects organic sales growth of 5% a year to 2020. The adjusted operating margin is expected to rise to 7% by 2020, driven by the volume of business, the product mix and the impact of initiatives to improve operational excellence. From 2020, Alstom expects a conversion rate of net income to free cash flow of about 100%.

2.8. Bouygues SA

On 5 January 2016, Orange and Bouygues announced that they had opened discussions to look at the possible options for a merger between Bouygues Telecom and Orange. After three months of discussions, the two sides were unable to reach an agreement. As a result, at its meeting on 1 April 2016, Bouygues' Board of Directors decided unanimously to bring the negotiations to an end.

2.9. Risks and uncertainties

This report contains forward-looking statements. Those statements, which express targets based on current assessments and estimates, are subject to the risks and uncertainties described below. The main risks and uncertainties that the group could face in the second half of 2016 are similar to those described in the 2015 Registration Document (pages 135 to 160).

On 31 May 2016, the Paris Administrative Court issued a ruling in the case brought by SNCF against several civil works firms, including companies in the Bouygues group, seeking not only relief for losses that it claimed to have suffered as a result of anti-competitive practices in connection with the award of work tranches for the Eole project in 1993 but also cancellation of the contract itself. The court ruled that the action for cancellation of the contract was time-barred and dismissed the action for relief on the grounds that SNCF had failed to furnish proof of the alleged losses. SNCF appealed this ruling in August 2016.

In a ruling of 13 July 2016, the *Conseil d'État* (Supreme Administrative Court) rejected the petitions of BFM and NextRadio seeking cancellation of the approval of LCI's migration to freeview issued by the CSA (the French broadcasting regulator) on 17 December 2015. In a ruling of 9 February 2016 in summary proceedings, the *Conseil d'État* had already rejected a petition from BFM and NextRadio seeking suspension of the CSA's approval decision. These rulings bring to an end the long dispute in which LCI's competitors have sought to challenge its migration to freeview.

In June 2016, Bouygues Telecom referred the extension of the roaming agreement between Free and Orange to the French competition authority. Bouygues Telecom also filed an application for annulment with the *Conseil d'État* against the guidelines on mobile network sharing issued by Arcep, the French telecoms regulator, in May 2016 and the decision whereby Arcep stated that it would not seek any change to the new roaming agreement between Free and Orange.

In a ruling of 12 May 2016, the Paris Appeal Court noted that the Association for the Defence of Minority Shareholders (*Association pour la Défense des Actionnaires Minoritaires*, Adam) had withdrawn its appeal. Adam had appealed the Paris Commercial Court ruling that had found its action seeking cancellation of the loan of shares by Bouygues to the French state on 22 June 2014 to be inadmissible.

2.10 Related-party transactions

No related-party transactions liable to materially affect Bouygues' financial situation or results were concluded in the first half of 2016. Likewise, no change to related-party transactions liable to materially affect Bouygues' financial situation or results occurred during that period. Under the terms of agreements approved by the Board of Directors and the Annual General Meeting, Bouygues provided services to its sub-groups, mainly in the areas of management, human resources, information systems and finance.

More detailed information about related-party transactions is given in Note 13 of the notes to the condensed consolidated first-half financial statements.

2.11 Recent events

On 11 July 2016 Bouygues Telecom announced that a definitive agreement had been signed with Cellnex for the sale of 230 towers in France for €80 million. According to the agreement's terms, the number of towers to be sold could increase to 500. The proceeds of this transaction will enable Bouygues Telecom to continue expanding its fixed and mobile activities.

On 18 July 2016, Colas announced that it will participate in an alliance to extend the tram network in Birmingham, UK. The alliance, set to last 10 years, will be in charge of studies, procurement, construction and commissioning for the extension of the West Midlands tram network, for a total of GBP1.2 billion.
Colas Rail Ltd's share is estimated at 60% of the total contract value, and will include the extensions and components of the transport system as well as urban development, building and civil engineering work.

3. CONDENSED CONSOLIDATED FIRST-HALF FINANCIAL STATEMENTS

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET *(€ million)*

ASSETS	Note	30/06/2016 Net	31/12/2015 Net	30/06/2015 Net
Property, plant and equipment	11	6 518	6 523	6 529
Intangible assets	11	2 220	2 131	1 685
Goodwill	3.1	5 375	5 261	5 286
Investments in joint ventures and associates	3.2	2 345	3 401	3 547
Other non-current financial assets		542	542	571
Deferred tax assets and non-current tax receivable		414	352	375
NON-CURRENT ASSETS		**17 414**	**18 210**	**17 993**
Inventories, programmes and broadcasting rights		3 181	3 059	3 091
Advances and down-payments made on orders		439	446	497
Trade receivables		6 971	5 814	7 382
Tax asset (receivable)		306	233	201
Other current receivables and prepaid expenses		2 453	2 217	2 505
Cash and cash equivalents		2 390	3 785	3 441
Financial instruments - Hedging of debt		22	21	21
Other current financial assets		6	15	20
CURRENT ASSETS		**15 768**	**15 590**	**17 158**
Held-for-sale assets and operations			35	508
TOTAL ASSETS		**33 182**	**33 835**	**35 659**

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	30/06/2016	31/12/2015	30/06/2015
Share capital	4	345	345	338
Share premium and reserves		6 689	6 971	6 808
Translation reserve		157	146	203
Treasury shares				
Consolidated net profit/(loss)	11	(28)	403	(42)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP		**7 163**	**7 865**	**7 307**
Non-controlling interests		1 252	1 428	1 425
SHAREHOLDERS' EQUITY		**8 415**	**9 293**	**8 732**
Non-current debt	6.1	5 501	5 305	5 609
Non-current provisions	5.1	2 128	2 160	2 278
Deferred tax liabilities and non-current tax liabilities		126	97	131
NON-CURRENT LIABILITIES		**7 755**	**7 562**	**8 018**
Advances and down-payments received on orders		1 152	1 178	1 110
Current debt	6.1	859	831	2 599
Current taxes payable		73	118	81
Trade payables		6 637	6 513	6 770
Current provisions	5.2	968	1 092	1 037
Other current liabilities		6 888	6 965	6 781
Overdrafts and short-term bank borrowings		323	196	436
Financial instruments - Hedging of debt		83	35	27
Other current financial liabilities		29	52	68
CURRENT LIABILITIES		**17 012**	**16 980**	**18 909**
Liabilities related to held-for-sale operations				
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**33 182**	**33 835**	**35 659**
Net surplus cash/(net debt)	**7/11**	**(4 354)**	**(2 561)**	**(5 209)**

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT *(€ million)*

	Note	First half 2016	First half 2015	Second quarter 2016	Second quarter 2015	Full year 2015
SALES [a]	8	**14 669**	**15 098**	**8 135**	**8 367**	**32 428**
Other revenues from operations		65	50	36	39	92
Purchases used in production		(6 849)	(7 394)	(3 806)	(4 145)	(15 936)
Personnel costs		(3 628)	(3 625)	(1 862)	(1 872)	(7 128)
External charges		(3 308)	(3 192)	(1 709)	(1 688)	(6 659)
Taxes other than income tax		(358)	(372)	(126)	(131)	(650)
Net depreciation and amortisation expense		(743)	(680)	(389)	(360)	(1 454)
Net charges to provisions and impairment losses		(31)	(73)	(69)	(87)	(417)
Changes in production and property development inventories		86	44	27	74	128
Other income from operations [b]		715	750	310	280	1 441
Other expenses on operations		(412)	(487)	(201)	(164)	(904)
CURRENT OPERATING PROFIT/(LOSS)	9/11	**206**	**119**	**346**	**313**	**941**
Other operating income		6	23	3	9	32
Other operating expenses		(155)	(97)	(65)	(61)	(305)
OPERATING PROFIT/(LOSS)	9/11	**57**	**45**	**284**	**261**	**668**
Financial income		14	21	8	11	33
Financial expenses		(132)	(167)	(64)	(85)	(308)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)		**(118)**	**(146)**	**(56)**	**(74)**	**(275)**
Other financial income		26	48	18	26	91
Other financial expenses		(24)	(23)	(10)	(14)	(85)
Income tax	10	1	36	(88)	(82)	(118)
Share of net profits/losses of joint ventures and associates	11	32	29	23	20	199
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(26)**	**(11)**	**171**	**137**	**480**
Net profit/(loss) from discontinued and held-for-sale operations						
NET PROFIT/(LOSS)		**(26)**	**(11)**	**171**	**137**	**480**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	11	**(28)**	**(42)**	**152**	**115**	**403**
Net profit/(loss) attributable to non-controlling interests		2	31	19	22	77
Basic earnings per share from continuing operations (€)		**(0,08)**	**(0,12)**	**0,44**	**0,35**	**1,19**
Diluted earnings per share from continuing operations (€)		**(0,08)**	**(0,12)**	**0,44**	**0,34**	**1,18**
(a) Of which sales generated abroad		*5 137*	*5 461*	*2 964*	*3 233*	*12 370*
(b) Of which reversals of unutilised provisions/impairment losses		*178*	*144*	*72*	*76*	*401*

BOUYGUES GROUP CONSOLIDATED FINANCIAL

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE *(€ million)*

	First half		Full year
	2016	2015	2015
NET PROFIT/(LOSS)	**(26)**	**(11)**	**480**
Items not reclassifiable to profit or loss			
Actuarial gains/losses on post-employment benefits	3	(2)	7
Change in remeasurement reserve			
Net tax effect of items not reclassifiable to profit or loss	(2)		(2)
Share of non-reclassifiable income and expense of joint ventures and associates [a]	(17)	(107)	(150)
Items reclassifiable to profit or loss			
Change in cumulative translation adjustment	1	58	87
Net change in fair value of financial instruments used for hedging purposes and of other financial assets (including available-for-sale financial assets)	(29)	(30)	(30)
Net tax effect of items reclassifiable to profit or loss	15	4	7
Share of reclassifiable income and expense of joint ventures and associates [a]	12	29	(52)
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**(17)** [b]	**(48)** [c]	**(133)**
TOTAL RECOGNISED INCOME AND EXPENSE	**(43)**	**(59)**	**347**
Recognised income and expense attributable to the Group	**(43)**	**(92)**	**269**
Recognised income and expense attributable to non-controlling interests	**0**	**33**	**78**

(a) Relates mainly to Alstom (accounted for by the equity method)
(b) Of which income and expense recognised in the second quarter of 2016 = +10
(c) Of which income and expense recognised in the second quarter of 2015 = (13)

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY *(€ million)*

	Share capital & share premium	Reserves related to capital/ retained earnings	Consolidated reserves and profit/(loss)	Treasury shares	Items recognised directly in equity	TOTAL ATTRIBUTABLE TO THE GROUP	Non-controlling interests	TOTAL
POSITION AT 31 DECEMBER 2014	**1 631**	**2 425**	**4 096**		**(298)**	**7 854**	**1 601**	**9 455**
Movements during the first half of 2015								
Capital and reserves transactions, net	47	(124)	124			47		
Acquisitions/disposals of treasury shares			(2)			(2)		
Acquisitions/disposals without loss of control			11			11	2	
Dividend paid			(538)			(538)	(199)	
Other transactions with shareholders			2			2		
Net profit/(loss)			(42)			(42)	31	
Translation adjustment					93	93	3	
Other recognised income and expense					(143)	(143)	(1)	
Total recognised income and expense [b]			**(42)**		**(50)**	**(92)**	**33**	**(59)**
Other transactions (changes in scope of consolidation and other items)			25			25	(12)	13
POSITION AT 30 JUNE 2015	**1 678**	**2 301**	**3 676**		**(348)**	**7 307**	**1 425**	**8 732**
Movements during the second half of 2015								
Capital and reserves transactions, net	175					175		175
Acquisitions/disposals of treasury shares			2			2		2
Acquisitions/disposals without loss of control			(12)			(12)	(35)	(47)
Dividend paid								
Other transactions with shareholders			8			8	1	9
Net profit/(loss)			445			445	46	491
Translation adjustment					(57)	(57)		(57)
Other recognised income and expense					(27)	(27)	(1)	(28)
Total recognised income and expense [b]			**445**		**(84)**	**361**	**45**	**406**
Other transactions (changes in scope of consolidation and other items)		1	23			24	(8)	16
POSITION AT 31 DECEMBER 2015		**1 853**	**2 302**	**4 142**	**(432)**	**7 865**	**1 428**	**9 293**
Movements during the first half of 2016								
Capital and reserves transactions, net		3	(293)	(293)		3		3
Acquisitions/disposals of treasury shares			(4)			(4)		(4)
Acquisitions/disposals without loss of control			(110)			(110)	(62)	(172)
Dividend paid			(552)			(552)	(104)	(656)
Other transactions with shareholders			4			4		4
Net profit/(loss)			(28)			(28)	2	(26)
Translation adjustment					11 [a]	11	(1) [a]	10
Other recognised income and expense					(26)	(26)	(1)	(27)
Total recognised income and expense [b]			**(28)**		**(15)**	**(43)**		**(43)**
Other transactions (changes in scope of consolidation and other items)							(10)	(10)
POSITION AT 30 JUNE 2016	**1 856**	**2 595**	**3 159**		**(447)**	**7 163**	**1 252** [c]	**8 415**

(a) Change in translation reserve:

Attributable to:	*Group*	*Non-controlling interests*	*Total*
Controlled entities	*2*	*(1)*	*1*
Joint ventures and associates	*9*		*9*
Total	***11***	***(1)***	***10***

(b) See statement of recognised income and expense.

(c) Includes TF1: 839

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT *(€ million)*

	Note	First half 2016	First half 2015	Full year 2015
I - CASH FLOW FROM CONTINUING OPERATIONS				
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES				
Net profit/(loss) from continuing operations		(26)	(11)	480
Share of profits/losses reverting to joint ventures and associates, net of dividends received		(8)	(1)	(74)
Elimination of dividends (non-consolidated companies)		(11)	(12)	(17)
Charges to/(reversals of) depreciation, amortisation, impairment & non-current provisions		795	700	1 539
Gains and losses on asset disposals		(31)	(98)	(251)
Miscellaneous non-cash charges			2	(3)
Sub-total		**719**	**580**	**1 674**
(Income from net surplus cash)/cost of net debt		118	146	275
Income tax		(1)	(36)	118
Cash flow	**11**	**836**	**690**	**2 067**
Income taxes paid		(139)	(65)	(194)
Changes in working capital related to operating activities [a]		(1 378)	(1 274)	203
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		**(681)**	**(649)**	**2 076**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES				
Purchase price of property, plant and equipment and intangible assets	11	(845)	(613)	(2 028)
Proceeds from disposals of property, plant and equipment and intangible assets	11	56	60	138
Net liabilities related to property, plant and equipment and intangible assets		(237)	(78)	517
Purchase price of non-consolidated companies and other investments		(9)	(14)	(25)
Proceeds from disposals of non-consolidated companies and other investments		2		6
Net liabilities related to non-consolidated companies and other investments		1	6	6
Effects of changes in scope of consolidation				
Purchase price of investments in consolidated activities		(200)	(16)	(28)
Proceeds from disposals of investments in consolidated activities		1 079	45	703
Net liabilities related to consolidated activities		16	3	6
Other effects of changes in scope of consolidation (cash of acquired and divested companies)		72	(34)	(30)
Other cash flows related to investing activities (changes in loans, dividends received from non-consolidated companies)		29	4	39
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		**(36)**	**(637)**	**(696)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES				
Capital increases/(reductions) paid by shareholders & non-controlling interests and other transactions between shareholders		(13)	48	173
Dividends paid				
Dividends paid to shareholders of the parent company		(552)	(538)	(538)
Dividends paid by consolidated companies to non-controlling interests		(104)	(199)	(199)
Change in current and non-current debt		30	1 076	(994)
Income from net surplus cash/(cost of net debt)		(118)	(146)	(275)
Other cash flows related to financing activities			(11)	(10)
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES		**(757)**	**230**	**(1 843)**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS		**(49)**	**152**	**143**
CHANGE IN NET CASH POSITION (A + B + C + D)		**(1 523)**	**(904)**	**(320)**
Net cash position at start of period	**7**	**3 589**	**3 910**	**3 910**
Net cash flows	7	(1 523)	(904)	(320)
Other non-monetary flows		1	(1)	(1)
Net cash position at end of period	**7**	**2 067**	**3 005**	**3 589**
II - CASH FLOWS FROM DISCONTINUED AND HELD-FOR-SALE OPERATIONS				
Net cash position at start of period				
Net cash flows				
Net cash position at end of period				

(a) Definition of change in working capital related to operating activities: Current assets minus current liabilities (excluding income taxes paid, which are reported separately).

Contents

(Figures in millions of euros unless otherwise indicated)

Declaration of compliance:

The interim condensed consolidated financial statements of Bouygues and its subsidiaries (the "Group") for the six months ended 30 June 2016 were prepared in accordance with IAS 34, "Interim Financial Reporting", a standard issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. Because they are condensed, these financial statements do not include all the information required under the standards issued by the IASB, and should be read in conjunction with the full-year financial statements of the Bouygues group for the year ended 31 December 2015.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 June 2016. Those standards comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee – previously the International Financial Reporting Interpretations Committee (IFRIC), itself the successor body to the Standing Interpretations Committee (SIC). The Group has not early adopted as of 30 June 2016 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 2015, and from the interim condensed consolidated financial statements for the six months ended 30 June 2015.

NOTE 1 SIGNIFICANT EVENTS

1.1 Significant events of the first half of 2016

The principal corporate actions and acquisitions of the first half of 2016 are presented below:

- On 5 January 2016, Bouygues announced that it had started preliminary discussions with Orange to explore all possible options, and that Bouygues and Orange had signed a confidentiality agreement. After three months of discussions, it was not possible to reach an agreement. As a result, at its meeting of 1 April 2016, Bouygues' Board of Directors decided unanimously to bring the negotiations to an end.

- On 26 January 2016, TF1 acquired a 70% equity interest in FLCP (renamed Newen Studios), the holding company of the Newen production company. The parties signed a shareholders' agreement setting out rules governing the operational management of Newen, and providing for call and put options relating to the residual equity interest. The vendors have a put option, and TF1 has a call option, over the residual equity interest, exercisable during a five-year period starting in 2018. Newen Studios is consolidated with effect from 1 January 2016. The commitment entered into by TF1 to buy out the 30% non-controlling interest was measured at fair value on the basis of discounted cash flow projections and the resulting amount has been recognised as a non-current financial liability, with the corresponding entry recorded as a deduction from consolidated shareholders' equity. The impact of this acquisition on the net debt of the Bouygues group is €293 million. On 24 February 2016, Newen Studios acquired 100% of the equity capital of Rendez Vous Production Serie, which is also consolidated with effect from 1 January 2016. Both acquisitions were accounted for using the partial goodwill method. The purchase price allocation resulted in the recognition of (i) provisional goodwill of €121 million, and (ii) acquired production and distribution rights, which were remeasured at a provisional fair value of €68 million and are to be amortised over an average period of three years (depending on the programme) through "Other operating expenses" starting on 1 January 2016.

- On 28 January 2016, Alstom repurchased 91.5 million of its own shares, including 28,457,641 from Bouygues. The disposal of the shares held by Bouygues generated cash proceeds of €996 million. Following this transaction, Bouygues holds an equity interest of 28.33% in Alstom.

- On 2 February 2016, Colas announced the sale of its 15.56% equity interest in Atlandes (the company that holds the concession for the A63 motorway in France) to various investment funds for €96 million. Colas hopes to be able to complete the sale in early 2017, once all the conditions precedent have been met.

- On 8 February 2016, the French state announced that the agreements with Bouygues relating to Alstom had come into effect, along with a stock lending transaction by Bouygues, valid for a period of approximately 20 months, that will enable the French state to exercise 20% of Alstom's voting rights. Bouygues:
  - retains a seat on Alstom's Board of Directors;
  - is entitled to the dividends on its entire shareholding in Alstom;
  - will recover the voting rights attached to the loaned shares in the event they are not purchased by the French state; and
  - will retain at least 8.33% of the voting rights.

In accordance with paragraphs 6 and 13 of IAS 28, Bouygues retains significant influence over Alstom, and the entire 28.33% equity interest in Alstom continues to be accounted for as an associate by the equity method.

1.2 Significant events of the first half of 2015

The principal corporate action of the first half of 2015 is presented below:

- On 31 March 2015, Eurosport SAS, 49% owned by TF1, acquired 100% of the capital of Eurosport France, which was previously 80% owned by TF1. As a result of this transaction, which generated a non-taxable capital gain of €34 million, the Eurosport group (including Eurosport France) came to be owned 51% by Discovery Communications and 49% by TF1.

1.3 Significant events and changes in scope of consolidation subsequent to 30 June 2016

- On 11 July 2016, Bouygues Telecom entered into a definitive agreement for the sale of towers to Cellnex. The agreement initially covers 230 towers for a total amount of €80 million, although the number of towers could rise to 500.
  The sale, which is accompanied by a 20-year hosting and service agreement between the two parties, has not been accounted for as a held-for-sale operation in the balance sheet because the towers included in the sale were not ready for sale in their present condition as of 30 June 2016.

NOTE 2 GROUP ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

The interim condensed consolidated financial statements of the Bouygues group include the financial statements of Bouygues SA and its subsidiaries, its investments in joint ventures and associates, and its joint operations. The financial statements are presented in millions of euros, the currency in which the majority of the Group's transactions are denominated, and take account of the recommendations on the presentation of financial statements (Recommendation 2013-03) issued on 7 November 2013 by the Autorité des Normes Comptables (ANC), the French national accounting standard-setter.

They were adopted by the Board of Directors on 30 August 2016.

The interim condensed consolidated financial statements for the six months ended 30 June 2016 were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives as of and for the year ended 31 December 2015 and the six months ended 30 June 2015.

Accounting policies specific to the interim condensed financial statements are as follows:

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

- Employee benefit expenses for interim periods are recognised pro rata based on the estimated expense for the full year, calculated using the actuarial assumptions and projections applied as of 31 December 2015. A reduction of 70 basis points in the discount rate (2.09% as of 31 December 2015) would increase the provision for retirement benefit obligations by €44 million. That impact would be recognised in the consolidated statement of recognised income and expense.

2.2 New accounting standards and interpretations

The Bouygues group applied the same standards, interpretations and accounting policies for the six months ended 30 June 2016 as applied in its financial statements for the year ended 31 December 2015, except for changes required to meet new IFRS requirements applicable from 1 January 2016 as described below.

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

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

    On 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 2018.

  - **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.

  - **IFRS 16**

    On 16 January 2016, the IASB issued IFRS 16, "Leases". IFRS 16 will replace IAS 17, along with the associated IFRIC and SIC interpretations, and will end the distinction currently made between operating leases and finance leases. Lessees will be required to account for all leases with a term of more than one year in a manner similar to that currently specified for finance leases under IAS 17, involving the recognition of an asset for the rights, and a liability for the obligations, arising under the lease. IFRS 16, which has not yet been endorsed by the European Union, is applicable from 1 January 2019.

2.3 Seasonal fluctuations

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

NOTE 3 NON-CURRENT ASSETS

For an analysis of the carrying amount of property, plant and equipment and intangible assets by business segment see Note 11, “Segment information”.

3.1 Goodwill

3.1.1 Movement in the carrying amount of goodwill in the period

(€ million)	Gross	Impairment	Carrying amount
31/12/2015	**5,339**	**(78)**	**5,261**
Changes in scope of consolidation	125[a]		125
Other movements (including translation adjustments)	(11)		(11)
Impairment losses			
30/06/2016	**5,453**	**(78)**	**5,375**

(a) Essentially an increase of €118m following the acquisition of 70% of Newen Studios by TF1 on 26 January 2016.

3.1.2 Split of goodwill by Cash Generating Unit (CGU)

CGU	**30/06/2016**		**31/12/2015**	
(€ million)	**Total**	**% Bouygues**	**Total**	**% Bouygues**
Bouygues Construction (subsidiaries) [a]	479	99.97%	488	99.97%
Colas [b]	1,116	96.60%	1,125	96.60%
TF1 [b]	1,132	43.69%	1,000	43.98%
Bouygues Telecom [b]	2,648	90.53%	2,648	90.53%
Other				
Total	**5,375**		**5,261**	

(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.

Given the absence of any evidence of impairment, the goodwill recognised for Bouygues Telecom and Colas as of 30 June 2016 has not been subject to further impairment testing.

As regards TF1, the recoverable amount used for goodwill impairment testing purposes as of 31 December 2015, determined on the basis of discounted cash flows, exceeded the carrying amount. A fall in the share price has been observed since 31 March 2016. Operations at 30 June 2016 do not call to question the assumptions retained in the business plans at end-2015. The recoverable amount will be reassessed at the end of the year on the basis of the forthcoming business plan prepared by management.

3.2 Joint ventures and associates

(€ million)	Carrying amount
31/12/2015	**3,401[a]**
Share of net profit/(loss) for the period	32
Translation adjustments	9
Other income and expense recognised directly in equity	(14)
Net profit/(loss) and other recognised income and expense	**27**
Changes in scope of consolidation	(3)
Other movements	(1,080)[c]
30/06/2016	**2,345[b]**

(a) Includes Alstom: €2,977m, net of impairment of €1,091m.
(b) Includes Alstom: €1,914m.
(c) Essentially a €996m reduction related to the impact of the Alstom public share buyback offer on net assets at 30 June 2016.

A segmental analysis of the share of net profit for the first half of 2016 is provided in Note 11, "Segment information".

The profit contribution from Alstom recognised in the Bouygues group's financial statements for the first half of 2016 was based on the results published by Alstom on 11 May 2016 for its 2015/16 financial year, which ended on 31 March 2016. Given the time-lag between the accounting year-ends of Alstom (31 March) and Bouygues (31 December), Alstom's contribution to the Bouygues group's profits for the first half of Alstom's 2015/16 financial year was recognised in the Bouygues financial statements for the nine months ended 30 September 2015.

Because Alstom has not published any profit figures for periods ending later than 31 March 2016, the profit contribution for the first half of 2016 was zero, as was the profit contribution for the first quarter of 2016, during which the following elements were taken into account:

- the income statement published by Alstom;
- the derecognition (based on relative values) of the fair value adjustments and goodwill allocated to Alstom's Energy activities, which have been sold;
- the effects of the public share buyback offer carried out by Alstom in January 2016; and
- the reversal of the residual balance of the impairment loss recognised as of 31 December 2015.

The carrying amount of the interest in Alstom as of 30 June 2016 is €1,914 million, including €865 million of goodwill and €120 million of non-depreciable fair value adjustments relating mainly to the Alstom brand name. This is €1,063 million lower than the carrying amount as of 31 December 2015, reflecting (i) the €996 million payment made to Bouygues in connection with the public share buyback offer and (ii) a net change of €67 million in expenses recognised directly in equity at Group level.

The impairment loss recognised against Alstom as of 31 December 2015 was reduced to zero as of 31 March 2016, essentially as a result of the derecognition of goodwill following the sale of Alstom's Energy activities and the calculation of the effects of the public share buyback offer. The residual balance was released to profit or loss, resulting in a carrying amount of €30.83 per share in the balance sheet as of 30 June 2016. This is below the range of recoverable amounts estimated by Bouygues.

NOTE 4 CONSOLIDATED SHAREHOLDERS' EQUITY

Share capital of Bouygues SA

As of 30 June 2016, the share capital of Bouygues SA consisted of 345,281,992 shares with a par value of €1.

		Movements		
	31/12/2015	**Reductions**	**Increases**	**30/06/2016**
Shares	345,135,316		146,676	345,281,992
NUMBER OF SHARES	**345,135,316**		**146,676**	**345,281,992**
Par value	€1			€1
SHARE CAPITAL (€)	**345,135,316**		**146,676**	**345,281,992**

NOTE 5 NON-CURRENT AND CURRENT PROVISIONS

5.1 Non-current provisions

(€ million)	**Long-term employee benefits [a]**	**Litigation and claims [b]**	**Guarantees given [c]**	**Other non-current provisions [d]**	**Total**
31/12/2015	**692**	**363**	**392**	**713**	**2,160**
Translation adjustments	(3)		(2)		(5)
Changes in scope of consolidation	(1)				(1)
Charges to provisions	17	19	30	37	103
Reversals of provisions (utilised or unutilised)	(16)	(45)	(26)	(46)	(133)[e]
Actuarial gains and losses	(3)				(3)
Transfers and other movements			3	4	7
30/06/2016	**686**	**337**	**397**	**708**	**2,128**

(a) Long-term employee benefits	***686***	***Principal segments involved:***	
Lump-sum retirement benefits	*480*	*Bouygues Construction*	*196*
Long-service awards	*145*	*Colas*	*363*
Other long-term employee benefits	*61*	*TF1*	*40*
		Bouygues Telecom	*52*
(b) Litigation and claims	***337***	*Bouygues Construction*	*157*
Provisions for customer disputes	*123*	*Bouygues Immobilier*	*33*
Subcontractor claims	*69*	*Colas*	*86*
Employee-related and other litigation and claims	*145*		
(c) Guarantees given	***397***	*Bouygues Construction*	*301*
Provisions for 10-year construction guarantees	*301*	*Bouygues Immobilier*	*24*
Provisions for additional building/civil engineering/civil works guarantees	*96*	*Colas*	*72*
(d) Other non-current provisions	***708***	*Bouygues Construction*	*172*
Provisions for risks related to official inspections	*226*	*Colas*	*311*
Provisions for miscellaneous foreign risks	*8*	*Bouygues Telecom*	*149*
Provisions for subsidiaries and affiliates	*46*		
Dismantling and site rehabilitation	*265*		
Other non-current provisions	*163*		
(e) Of which: reversals of unutilised provisions during the first half of 2016	***(63)***		

5.2 Current provisions

Provisions related to the operating cycle *(€ million)*	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for expected losses to completion	Other current provisions	Total
31/12/2015	**54**	**411**	**334**	**293**	**1,092**
Translation adjustments	(1)	(3)	(2)	(2)	(8)
Changes in scope of consolidation				3	3
Charges to provisions	6	47	77	46	176
Reversals of provisions (utilised or unutilised)	(7)	(105)	(107)	(67)	(286)[a]
Transfers and other movements		(1)		(8)	(9)
30/06/2016	**52**	**349**	**302**	**265**	**968**

(a) Of which: reversals of unutilised provisions during the first half of 2016 (84)

NOTE 6 NON-CURRENT AND CURRENT DEBT

6.1 Breakdown of debt

(€ million)	Current debt		Non-current debt	
	Total 30/06/2016	**Total 31/12/2015**	**Total 30/06/2016**	**Total 31/12/2015**
Bond issues [a]	125	729	4,568	4,548
Bank borrowings	133	76	724	691
Finance lease obligations	7	7	9	12
Other borrowings [a & b]	594	19	200	54
TOTAL DEBT	**859**	**831**	**5,501**	**5,305**

(a) Current debt: mainly relates to Bouygues SA, and includes redemption of a €600m bond issue maturing May 2016 and subscription to commercial paper of €575m.
(b) Non-current debt: the increase in "Other borrowings" is mainly due to the recognition of the commitment to buy out the 30% non-controlling interest in Newen Studios.

6.2 Covenants and trigger events

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

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

NOTE 7 CHANGE IN NET DEBT

(€ million)	31/12/2015	Cash flows	Changes in scope of consolidation	Translation adjustments	Other items	30/06/2016
Cash and cash equivalents	3,785	(1,432)	64	(24)	(3)	2,390
Overdrafts and short-term bank borrowings	(196)	(114)	8	(25)	4	(323)
NET CASH POSITION	**3,589**	**(1,546)[a]**	**72[a]**	**(49)[a]**	**1[a]**	**2,067**
Non-current debt	5,305	66	37	(7)	100	5,501
Current debt	831	(36)	8	(2)	58	859
Financial instruments, net	14	0	0	1	46	61
TOTAL DEBT	**6,150**	**30[b]**	**45**	**(8)**	**204**	**6,421**
NET DEBT	**(2,561)**	**(1,576)**	**27**	**(41)**	**(203)**	**(4,354)**

(a) Net cash flows as reported in the cash flow statement for the period.
(b) Net cash inflow of €30m as reported in the cash flow statement for the period, corresponding to cash flows for the period excluding the effect of exchange rate fluctuations and other movements.

NOTE 8 ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

8.1 Analysis by accounting classification

(€ million)	1st half		2nd quarter	
	2016	2015	2016	2015
Sales of goods	1,137	1,326	649	794
Sales of services	5,526	5,331	2,865	2,732
Construction contracts	8,006	8,441	4,621	4,841
CONSOLIDATED SALES	**14,669**	**15,098**	**8,135**	**8,367**
OTHER REVENUES FROM OPERATIONS	**65**	**50**	**36**	**39**
TOTAL REVENUES	**14,734**	**15,148**	**8,171**	**8,406**

	1st half of 2016				1st half of 2015			
(€ million)	France	International	Total	%	France	International	Total	%
Bouygues Construction	2,662	3,031	5,693	39	2,773	2,991	5,764	38
Bouygues Immobilier	1,003	37	1,040	7	1,006	45	1,051	7
Colas	2,611	2,039	4,650	32	2,778	2,390	5,168	34
TF1	973	25	998	7	932	29	961	7
Bouygues Telecom	2,280		2,280	15	2,146		2,146	14
Bouygues SA & other	3	5	8		2	6	8	0
CONSOLIDATED SALES	**9,532**	**5,137**	**14,669**	**100**	**9,637**	**5,461**	**15,098**	**100**

	2nd quarter of 2016				2nd quarter of 2015			
(€ million)	France	International	Total	%	France	International	Total	%
Bouygues Construction	1,410	1,558	2,968	36	1,427	1,602	3,029	36
Bouygues Immobilier	549	18	567	7	528	16	544	7
Colas	1,542	1,369	2,911	36	1,607	1,600	3,207	38
TF1	513	18	531	7	483	12	495	6
Bouygues Telecom	1,156		1,156	14	1,089		1,089	13
Bouygues SA & other	1	1	2			3	3	
CONSOLIDATED SALES	**5,171**	**2,964**	**8,135**	**100**	**5,134**	**3,233**	**8,367**	**100**

8.2 Analysis by business segment

(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total 1st half 2016	Total 2nd quarter 2016
Total sales	5,800	1,047	4,678	1,025	2,291	73	14,914	8,261
Inter-segment sales	(107)	(7)	(28)	(27)	(11)	(65)	(245)	(126)
THIRD-PARTY SALES	**5,693**	**1,040**	**4,650**	**998**	**2,280**	**8**	**14,669**	**8,135**

(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total 1st half 2015	Total 2nd quarter 2015
Total sales	5,850	1,058	5,204	981	2,156	75	15,324	8,478
Inter-segment sales	(86)	(7)	(36)	(20)	(10)	(67)	(226)	(111)
THIRD-PARTY SALES	**5,764**	**1,051**	**5,168**	**961**	**2,146**	**8**	**15,098**	**8,367**

NOTE 9 OPERATING PROFIT/(LOSS)

(€ million)	1st half		2nd quarter	
	2016	**2015**	**2016**	**2015**
CURRENT OPERATING PROFIT/(LOSS)	**206**	**119**	**346**	**313**
Other operating income	6[a]	23[b]	3	9
Other operating expenses	(155)[a]	(97)[b]	(65)	(61)
OPERATING PROFIT/(LOSS)	**57**	**45**	**284**	**261**

(a) Mainly comprises:
Bouygues Telecom: net expense of €43m, essentially costs of €44m incurred on the roll-out of network sharing with SFR.
Colas: costs of €30m incurred on discontinuation of operations at Société de la Raffinerie de Dunkerque.
TF1: expense of €55m, relating to (i) the reorganisation of TF1, (ii) the freeview switchover of LCI, (iii) amortisation of the fair value of rights remeasured as part of the Newen Studios purchase price allocation, and (iv) a one-off additional charge related to a change in the accounting treatment of French drama.
Bouygues SA: expense of €11m relating to costs incurred on the proposed transaction with Orange.

(b) relates to:
Bouygues Telecom: other operating income of €23m (reversals of miscellaneous provisions) and other operating expenses of €78m (essentially costs of €52m incurred on the roll-out of network sharing with SFR).
TF1: charge of €12m, mainly on adaptation costs in news operations associated with the discontinuation of the print edition of Metro France.
Bouygues Construction: charge of €7m for costs incurred on the new organisational structure put in place during the first half of 2015.

NOTE 10 INCOME TAXES

(€ million)	1st half		2nd quarter	
	2016	**2015**	**2016**	**2015**
Tax payable to the tax authorities	(58)	(83)	(77)	(91)
Deferred taxes, net	59	119	(11)	9
INCOME TAX GAIN/(EXPENSE)	**1**	**36**	**(88)**	**(82)**

In the first half of 2016, the effective tax rate calculation shows a rate of 2%, which is not meaningful and not representative of the Bouygues group's full-year effective tax rate.

NOTE 11 SEGMENT INFORMATION

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

(€ million)

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Income statement - 1st half of 2016							
Current operating profit/(loss)	151	59	(85)	58	38	(15)	206
Operating profit/(loss)	143	57	(115)	3	(5)	(26)	57
Share of profits/(losses) of joint ventures and associates	1		31				32
Net profit/(loss) attributable to the Group	100	34	(69)		(12)	(81)	(28)[a]
Income statement - 1st half of 2015							
Current operating profit/(loss)	148	59	(119)	97	(54)	(12)	119
Operating profit/(loss)	141	59	(119)	85	(109)	(12)	45
Share of profits/(losses) of joint ventures and associates	(5)		30	1	1	2	29
Net profit/(loss) attributable to the Group	110	34	(66)	27	(66)	(81)	(42)[b]
Income statement - 2nd quarter of 2016							
Current operating profit/(loss)	69	34	138	43	71	(9)	346
Operating profit/(loss)	65	33	123	22	50	(9)	284
Share of profits/(losses) of joint ventures and associates	3		18	2			23
Net profit/(loss) attributable to the Group	53	18	97	6	28	(50)	152
Income statement - 2nd quarter of 2015							
Current operating profit/(loss)	77	32	125	69	8	2	313
Operating profit/(loss)	70	32	125	57	(25)	2	261
Share of profits/(losses) of joint ventures and associates	(1)		18		1	2	20
Net profit/(loss) attributable to the Group	59	19	98	13	(17)	(57)	115
Balance sheet - 30 June 2016							
Property, plant and equipment	712	23	2,305	174	3,168	136	6,518
Intangible assets	39	36	78	235	1,784	48	2,220
Net debt	2,707	(240)	(316)	133	(1,267)	(5,371)	(4,354)
Balance sheet - 31 December 2015							
Property, plant and equipment	717	22	2,396	170	3,081	137	6,523
Intangible assets	40	30	70	124	1,820	47	2,131
Net debt	3,272	5	560	701	(890)	(6,209)	(2,561)

(a) In the first half of 2016, net profit attributable to the Group excluding exceptional items amounted to €46m, equivalent to the net loss attributable to the Group as reported above after eliminating non-current items (net of taxes) of €74m.
(b) In the first half of 2015, the net loss attributable to the Group excluding exceptional items amounted to €4m, equivalent to the net loss attributable to the Group as reported above after eliminating non-current items (net of taxes) of €38m.

(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators - 1st half of 2016							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	89	10	128	96	464	2	789
EBITDA	185	32	39	162	408	(24)	802
Cash flow	225	53	61	121	401	(25)	836
Free cash flow	81	24	(52)	24	(69)	(78)	(70)
Other financial indicators - 1st half of 2015							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	66	6	84	15	380	2	553
EBITDA	228	38	49	102	323	(12)	728
Cash flow	236	50	38	87	273	6	690
Free cash flow	125	24	(26)	50	(67)	(79)	27
Other financial indicators - 2nd quarter of 2016							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	54	6	87	47	226	3	423
EBITDA	122	24	226	108	262	(10)	732
Cash flow	109	33	238	91	253	(5)	719
Free cash flow	31	15	112	34	9	(49)	152
Other financial indicators - 2nd quarter of 2015							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	34	4	46	10	173	(1)	266
EBITDA	156	23	222	76	205	2	684
Cash flow	113	24	231	87	188	6	649
Free cash flow	53	9	144	50	24	(53)	227

NOTE 12 OFF BALANCE SHEET COMMITMENTS

There have been no material changes in off balance sheet commitments since 31 December 2015 other than the commitment by TF1 to buy out the non-controlling interests in Newen Studios (see Note 1.1, "Significant events of the first half of 2016").

NOTE 13 RELATED PARTY DISCLOSURES

Transaction (€ million)	Expenses		Income		Receivables		Payables	
	1st half 2016	1st half 2015	1st half 2016	1st half 2015	30/06/16	31/12/15	30/06/16	31/12/15
Parties with an ownership interest	2	3						
Joint operations	29	45	167	171	371	338	231	292
Joint ventures and associates	16	34	40	33	55	50	33	31
Other related parties	24	22	78	138	89	91	72	79
Total	**71**	**104**	**285**	**342**	**515**	**479**	**336**	**402**
. Maturity								
less than 1 year					486	445	336	400
1 to 5 years						20		2
more than 5 years					29	14		
. Of which impairment of doubtful receivables								
(mainly non-consolidated companies)					74	74		

4. AUDITORS' REPORT ON FIRST-HALF FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' review report half-yearly financial information issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the group's half-yearly management report.
This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

Bouygues

Period from January 1 to June 30, 2016

Statutory auditors' review report on the half-yearly financial information

MAZARS
61, rue Henri Regnault
92075 Paris-La Défense Cedex
S.A. au capital de € 8.320.000

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Bouygues

Period from January 1 to June 30, 2016

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Bouygues, for the period from January 1 to June 30, 2016,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, August 30, 2016

The statutory auditors
French original signed by

MAZARS	ERNST & YOUNG Audit
Guillaume Potel	Laurent Vitse

5. DECLARATION BY THE PERSON RESPONSIBLE FOR THE FIRST-HALF 2016 FINANCIAL REPORT

I certify that to the best of my knowledge the condensed consolidated first-half financial statements for the past half-year have been prepared in accordance with the relevant accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of affiliated undertakings and that the attached first-half review of operations provides an accurate representation of significant events in the first six months of the year and of their impact on the first-half financial statements, of the main related-party transactions and of the main risks and uncertainties for the remaining six months.

Done at Paris,
30 August 2016

Chairman and CEO

Martin Bouygues

Retrouvez également
l'intégralité du Rapport semestriel 2016 sur
www.bouygues.com

The First-half 2016 Financial Report is also available on
www.bouygues.com

31 August 2016
32 Hoche - Paris

BUILDING THE FUTURE IS OUR GREATEST ADVENTURE