



CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2017



NOTES

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(Figures in millions of euros unless otherwise indicated)

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Declaration of compliance:

The interim condensed consolidated financial statements of Bouygues and its subsidiaries (“the Group”) for the six months ended 30 June 2017 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 2016.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 June 2017. Those standards (collectively referred to as “IFRS”) comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee – previously the International Financial Reporting Interpretations Committee (IFRIC), itself the successor body to the Standing Interpretations Committee (SIC). The Group has not early adopted as of 30 June 2017 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 2016, and from the interim condensed consolidated financial statements for the six months ended 30 June 2016.

NOTE 1 SIGNIFICANT EVENTS

1.1 SIGNIFICANT EVENTS OF THE FIRST HALF OF 2017

The principal corporate actions and acquisitions of the first half of 2017 are presented below:

- On 30 January 2017, TF1 accepted a conditional offer from Mediawan SA to buy the TF1 group's 33.5% equity interest in Groupe AB. As of 30 June 2017, the conditions had been met and the divestment of the equity interest took effect, generating a provisional gain of €7 million that was recognised in "Share of net profits/losses of joint ventures and associates" in the consolidated income statement. The definitive financial statements of Groupe AB that will form the basis for calculating the price adjustment having not yet been issued, the final amount of the gain will be determined during the second half of 2017.
- On 31 January 2017, Bouygues Telecom signed an agreement with Cellnex (Spain) covering 3,000 towers in France, for a total amount of €854 million. The transaction involves the transfer by Bouygues Telecom of an initial batch of 1,800 existing towers to Cellnex over a two-year period for €500 million, followed by the joint construction of 1,200 new towers over a five-year period for €354 million. In addition, Bouygues Telecom and Cellnex signed a renewable 15-year hosting and services agreement. As of 31 December 2016, the 1,800 towers were presented in the balance sheet as "Held-for-sale assets", at a carrying amount of €121 million. As of 30 June 2017, 350 towers had been transferred for a total of €99 million. "Held-for-sale assets" was reduced to €90 million to reflect the reduction in the number of towers still held by Bouygues; the resulting gain of €72 million is presented in "Other operating income" (see Note 9).

1.2 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 has been consolidated since 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 was 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 as of 30 June 2016 was €293 million. On 24 February 2016, Newen Studios acquired 100% of the equity capital of Rendez Vous Production Serie (RDVPS), which is also consolidated with effect from 1 January 2016. Both acquisitions were accounted for using the

partial goodwill method. The provisional goodwill of €121 million recognised on these acquisitions as of 30 June 2016 was subsequently adjusted to €114 million as of 31 December 2016 after the purchase price allocation, in which acquired production and distribution rights were remeasured at a provisional fair value of €68 million. Those rights began to be amortised in the second quarter of 2016 (with retroactive effect from 1 January 2016) over an average period of three years (depending on the programme), through “Other operating expenses”.

- 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 held an equity interest of 28.3% in Alstom, of which 20% is loaned to the French state under a stock lending transaction.
- 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, including €29 million in the form of a reimbursement of current account advances. The gain on the sale, amounting to €65 million, was recognised in “Other financial income” in the fourth quarter of 2016.
- On 8 February 2016, the French state announced that the memorandum of understanding with Bouygues relating to Alstom had come into effect, along with a stock lending transaction by Bouygues, valid until 17 October 2017, that will enable the French state to exercise 20% of Alstom’s voting rights. Under the terms of the memorandum of understanding, 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
 - retains at least 8.3% of the voting rights.

In addition, Olivier Bouygues retained his seat on the Alstom Board of Directors.

In accordance with paragraphs 6 and 13 of IAS 28, Bouygues retains significant influence over Alstom, and the entire 28.2% equity interest in Alstom continues to be accounted for by the equity method as an investment in an associate.

1.3 Significant events and changes in scope of consolidation subsequent to 30 June 2017

On 25 July 2017, Bouygues Immobilier and AccorHotels announced the formation of a 50/50 joint venture to accelerate the development of Nextdoor in France and Europe. This transaction will result in the recognition of a gain estimated at approximately €25 million in the third quarter of 2017, arising from the divestment of 50% of Nextdoor and the remeasurement of the retained equity interest.

On 25 July 2017, Bouygues Telecom and Cellnex signed an extension to their agreement of 31 January 2017 (see Note 1.1) concerning the addition of up to 600 more towers at a selling price of

up to €170 million. The additional towers did not meet the definition of “Held-for-sale assets” as of 30 June 2017, since it is as yet uncertain how many towers will actually be sold.

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 five business segments, along with 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 closed off by the Board of Directors on 30 August 2017.

The interim condensed consolidated financial statements for the six months ended 30 June 2017 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 2016 and the six months ended 30 June 2016.

Accounting policies specific to the interim condensed consolidated 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 2016. A reduction of 70 basis points in the discount rate (1.71% as of 31 December 2016) would increase the provision for retirement benefit obligations by €47 million. That impact would be recognised in the 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 2017 as applied in its financial statements for the year ended 31 December 2016, except for changes required to meet new IFRS requirements applicable from 1 January 2017 as described below.

- Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption with effect from 1 January 2017:

▪ **Amendments to IAS 7: Statement of Cash Flows**

These amendments lay down the principle that an entity should provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

These amendments are applicable to annual reporting periods beginning on or after 1 January 2017, and were early adopted in the Bouygues consolidated financial statements for the year ended 31 December 2016.

Consequently, the Bouygues group provides a reconciliation (in Note 7) between the opening and closing financial positions as regards liabilities included in financing activities.

▪ **IFRS 9: Financial Instruments**

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. The new standard, which was endorsed by the European Union on 22 November 2016, is applicable from 1 January 2018. The Bouygues group has decided not to early adopt this standard.

The Group will apply the classification, measurement and impairment principles of IFRS 9 retrospectively with effect from 1 January 2018, with no restatement of prior period comparatives on first time application. The hedge accounting principles of IFRS 9 will also be applied by the Group with effect from 1 January 2018, using a prospective approach in accordance with the standard.

The impacts of applying this standard are currently under review.

▪ **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. The new standard was endorsed by the European Union on 29 October 2016 and is applicable from 1 January 2018. The Bouygues group has not early adopted IFRS 15, which it will apply retrospectively with effect from 1 January 2018; the 2017 figures presented in 2018 will also be restated to reflect the impacts of IFRS 15 (presentation of a comparative reporting period).

The process of implementing IFRS 15 within the Bouygues group is ongoing, as is the assessment of the impacts of the new standard. The key issues being assessed are:

- Construction: the method used to recognise revenue over time. Based on the principal contracts analysed to date, the method used to calculate the recognition of revenue over time is consistent with IFRS 15.

- Property: the principle of recognising revenue and margin over time, especially on off-plan sales under “VEFA” (*Ventes en l’État Futur d’Achèvement*) contracts in France, is not called into question by IFRS 15. However, the calculation of the percentage of completion on residential and business property development projects will now have to incorporate land-related costs. This means that more revenue and margin will be recognised at the start of the project as compared with current practice.

- Media: distribution contracts, and the date of recognition of revenue generated by rights sales (especially TV and SVoD).
 - Telecoms: identifying performance obligations, especially on contracts that combine a subscription with a subsidised handset; such contracts will have to be split into separate components. Under IFRS 15, both the revenue recognition pattern and the split between the sale of the handset and the supply of the service will change, and the accelerated revenue recognition will result in a contract asset being reported in the balance sheet. A further impact relates to some contract origination costs, which will be recognised as an asset in the balance sheet on signature of the contract and then amortised over the life of the contract.
- Key standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union:
 - **IFRS 16: Leases**

On 13 January 2016, the IASB issued IFRS 16, “Leases”. IFRS 16 will replace IAS 17, along with the associated IFRIC and SIC interpretations, and for lessees will end the distinction previously 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.

The Bouygues group has elected to use the retrospective approach for the first time application of IFRS 16.

The impact of IFRS 16 is currently under review.

2.3 Seasonal fluctuations

Sales and operating profit are subject to strong 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

Analyses by business segment of the carrying amount of property, plant and equipment and intangible assets, and of the share of net profits/losses of joint ventures and associates, are provided in 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
31/12/2016	5,443	(76)	5,367
Changes in scope of consolidation	32 ^a	3	35
Other movements (including translation adjustments)	(11)		(11)
Impairment losses			
30/06/2017	5,464	(73)	5,391

(a) Includes an increase of €16m following the acquisition of Groupe Tuvalu by TF1.

3.1.2 Split of goodwill by Cash Generating Unit (CGU)

CGU (€ million)	30/06/2017		31/12/2016	
	Total	% Bouygues	Total	% Bouygues
Bouygues Construction (subsidiaries) ^a	467	99.97%	471	99.97%
Colas ^b	1,131	96.60%	1,118	96.60%
TF1 ^b	1,145	43.86%	1,130	43.91%
Bouygues Telecom ^b	2,648	90.53%	2,648	90.53%
Total	5,391		5,367	

(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 as of 30 June 2017 has not been subject to further impairment testing.

3.2 Joint ventures and associates

(€ million)	Carrying amount
31/12/2016	2,429 ^a
Share of net profit/(loss) for the period	85
Translation adjustments	12
Other income and expense recognised directly in equity	14
Net profit/(loss) and other recognised income and expense	111
Changes in scope of consolidation	(69) ^c
Other movements (dividends, etc.)	(22)
30/06/2017	2,449 ^b

(a) Includes Alstom: €1,938m.

(b) Includes Alstom: €2,018m.

(c) Primarily divestment by TF1 of its equity interest in Groupe AB.

The profit contribution from Alstom recognised in the Bouygues group's financial statements for the first half of 2017 is based on the results published by Alstom on 4 May 2017 for its 2016/17 financial year, which ended on 31 March 2017. Given the time-lag between the annual accounting periods of Alstom (31 March) and Bouygues (31 December), Alstom's net profit contribution to the Bouygues group for the first half of Alstom's 2016/17 financial year was recognised in the Bouygues financial statements for the nine months ended 30 September 2016.

Alstom's contribution to the net profit of Bouygues for the first half of 2017 was €45 million, compared with a zero contribution in the first half of 2016.

NOTE 4 CONSOLIDATED SHAREHOLDERS' EQUITY

Share capital of Bouygues SA

As of 30 June 2017, the share capital of Bouygues SA consisted of 357,317,462 shares with a par value of €1.

	31/12/2016	Movements		30/06/2017
		Reductions	Increases	
Shares	354,908,547		2,408,915 ^a	357,317,462
NUMBER OF SHARES	354,908,547		2,408,915	357,317,462
Par value	€1			€1
SHARE CAPITAL (€)	354,908,547		2,408,915	357,317,462

(a) The increase of 2,408,915 shares was due to new shares being issued on exercise of stock options, resulting in an increase of €69 million in consolidated shareholders' equity.

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
31/12/2016	764	379	394	662	2,199
Translation adjustments	(2)	(1)	(1)	(6)	(10)
Changes in scope of consolidation		(2)		5	3
Charges to provisions	22	13	29	26	90
Reversals of provisions (utilised or unutilised)	(15)	(39)	(26)	(60)	(140) ^e
Actuarial gains and losses					
Transfers and other movements	1			(33)	(32)
30/06/2017	770	350	396	594	2,110
(a) Long-term employee benefits		770	Principal segments involved:		
Lump-sum retirement benefits		509	Bouygues Construction		202
Long-service awards		152	Colas		425
Other long-term employee benefits		109	TF1 Bouygues Telecom		43 60
(b) Litigation and claims		350	Bouygues Construction		151
Provisions for customer disputes		129	Bouygues Immobilier		34
Subcontractor claims		62	Colas		100
Employee-related and other litigation and claims		159	Bouygues Telecom		59
(c) Guarantees given		396	Bouygues Construction		306
Provisions for 10-year construction guarantees		303	Bouygues Immobilier		23
Provisions for additional building/civil engineering/civil works guarantees		93	Colas		67
(d) Other non-current provisions		594	Bouygues Construction		135
Provisions for risks related to official inspections		179	Colas		313
Provisions for miscellaneous foreign risks		36	Bouygues Telecom		108
Provisions for subsidiaries and affiliates		28			
Dismantling and site rehabilitation		251			
Other non-current provisions		100			
(e) Including reversals of unutilised provisions during the first half of 2017		(67)			

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
31/12/2016	49	374	285	294	1,002
Translation adjustments	(1)	(4)	(3)	(5)	(13)
Changes in scope of consolidation		(1)		(1)	(2)
Charges to provisions	3	52	73	38	166
Reversals of provisions (utilised or unutilised)	(7)	(80)	(142)	(75)	(304) ^a
Transfers and other movements		(5)		(2)	(7)
30/06/2017	44	336	213	249	842

(a) Of which: reversals of unutilised provisions during the first half of 2017: (74)

NOTE 6 NON-CURRENT AND CURRENT DEBT

6.1 Breakdown of debt

(€ million)

	Current debt		Non-current debt	
	Total 30/06/2017	Total 31/12/2016	Total 30/06/2017	Total 31/12/2016
Bond issues ^a	627	113	4,799	5,296
Bank borrowings	85	102	1,200	703
Finance lease obligations	7	8	8	9
Other borrowings	39	42	175	172
TOTAL DEBT	758	265	6,182	6,180

(a) A Bouygues SA bond issue of €500m maturing February 2018 has been transferred from non-current to current debt.

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)

	31/12/2016	Cash flows	Changes in scope of consolidation	Translation adjustments	Fair value adjustments	Other movements	30/06/2017
Cash and cash equivalents	4,749	(1,580)	13	(33)			3,149
Overdrafts and short-term bank borrowings	(168)	(275)	(8)	(23)		1	(473)
NET CASH POSITION	4,581	(1,855) ^a	5 ^a	(56) ^a		1 ^a	2,676
Non-current debt	6,180	523	5	(17)	(2)	(507)	6,182
Current debt	265	(15)		7		501	758
Financial instruments, net	2				3	(4)	1
TOTAL DEBT	6,447	508 ^b	5	(10)	1	(10)	6,941
NET DEBT	(1,866)	(2,363)		(46)	(1)	11	(4,265)

(a) Net cash outflow of €1,905m for the first half of 2017, as reported in the cash flow statement.

(b) Net cash inflow of €508m for the first half of 2017 as reported in the cash flow statement, corresponding to cash flows for the period excluding the effect of exchange rate fluctuations and other movements.

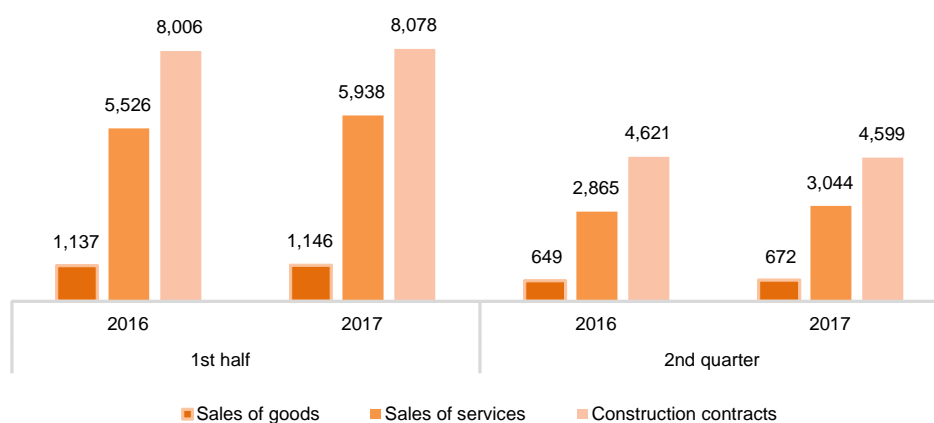
NOTE 8 ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

8.1 Analysis by accounting classification

(€ million)

	1st half		2nd quarter	
	2017	2016	2017	2016
Sales of goods	1,146	1,137	672	649
Sales of services	5,938	5,526	3,044	2,865
Construction contracts	8,078	8,006	4,599	4,621
CONSOLIDATED SALES	15,162	14,669	8,315	8,135
OTHER REVENUES FROM OPERATIONS	68	65	30	36
TOTAL REVENUES	15,230	14,734	8,345	8,171

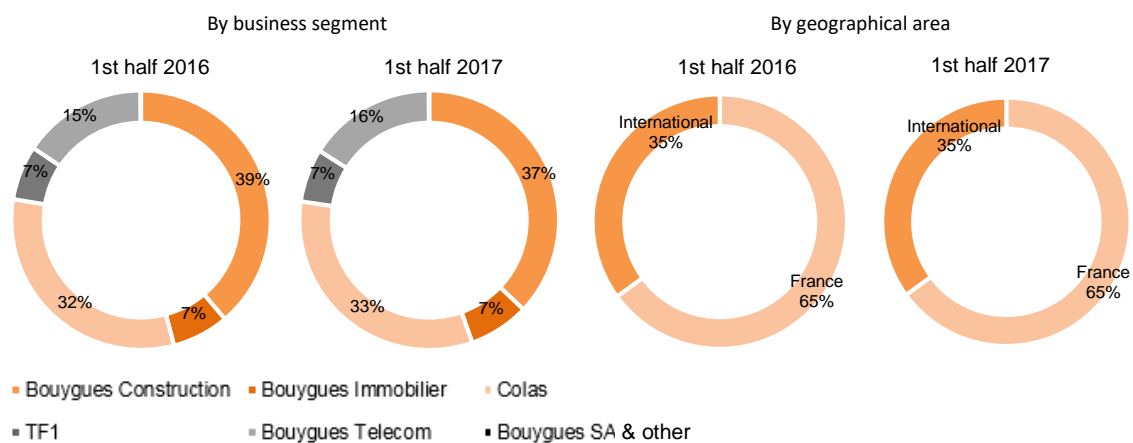
Consolidated sales (€ million)



(€ million)

	1st half of 2017				1st half of 2016			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	2,582	3,040	5,622	37	2,662	3,031	5,693	39
Bouygues Immobilier	1,100	44	1,144	7	1,003	37	1,040	7
Colas	2,767	2,190	4,957	33	2,611	2,039	4,650	32
TF1	976	33	1,009	7	973	25	998	7
Bouygues Telecom	2,423		2,423	16	2,280		2,280	15
Bouygues SA & other	3	4	7		3	5	8	
CONSOLIDATED SALES	9,851	5,311	15,162	100	9,532	5,137	14,669	100

Split of total sales



8.2 Analysis by business segment

(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total 1st half 2017	Total 2nd quarter 2017
Total sales	5,714	1,155	5,002	1,037	2,434	73	15,415	8,441
Inter-segment sales	(92)	(11)	(45)	(28)	(11)	(66)	(253)	(126)
THIRD-PARTY SALES	5,622	1,144	4,957	1,009	2,423	7	15,162	8,315

(€ 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

NOTE 9 OPERATING PROFIT/(LOSS) AND EBITDA

(<i>€ million</i>)	1st half		2nd quarter	
	2017	2016	2017	2016
CURRENT OPERATING PROFIT	385	206	452	346
Other operating income	81 ^a	6 ^b	75	3
Other operating expenses	(49) ^a	(155) ^b	(26)	(65)
OPERATING PROFIT	417	57	501	284

See Note 11, "Segment information", for an analysis by business segment.

(a) Comprises:

Bouygues Telecom: Net income of €48m, mainly comprising a €72m gain on the transfer of 350 towers to Cellnex plus €8m of net reversals of provisions, partly offset by a €33m expense on the roll-out of network sharing.

TF1: Amortisation of €12m charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation.

Colas: Costs of €4m incurred on discontinuation of activity at the refinery in Dunkirk.

(b) Mainly comprises:

TF1: Expense of €55m, comprising costs incurred on the reorganisation of TF1 and on the migration of LCI to freeview plus a one-off additional expense related to a change in the accounting treatment of French drama.

Bouygues Telecom: Expense of €43m, essentially on the roll-out of network sharing.

Colas: Costs of €30m incurred on discontinuation of activity at the refinery in Dunkirk.

Bouygues SA: Expense of €11m relating to costs incurred on the proposed transaction with Orange.

The Bouygues group reported EBITDA of €981 million for the first half of 2017, up €179 million year-on-year. EBITDA is calculated on the basis of current operating profit, to which the following adjustments are made:

(<i>€ million</i>)	1st half		2nd quarter	
	2017	2016	2017	2016
CURRENT OPERATING PROFIT	385	206	452	346
Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses				
. Net depreciation & amortisation expense	750	743	375	389
. Charges to provisions and impairment losses, net of reversals due to utilisation	2	31	22	69
Elimination of items included in other income from operations:				
. Reversals of unutilised provisions and impairment	(156)	(178)	(72)	(72)
EBITDA	981	802	777	732

NOTE 10 INCOME TAXES

(<i>€ million</i>)	1st half		2nd quarter	
	2017	2016	2017	2016
Tax payable to the tax authorities	(100)	(58)	(96)	(77)
Deferred taxes, net		59	(46)	(11)
INCOME TAX GAIN/(EXPENSE)	(100)	1	(142)	(88)

Income tax expense for the first half of 2017 was €100 million, versus an income tax gain of €1m a year earlier, due mainly to the improvement in pre-tax profits.

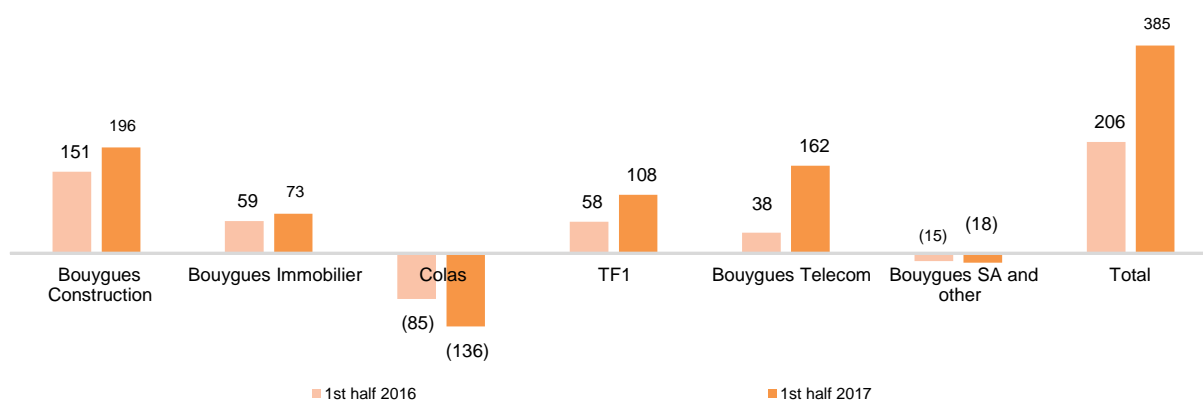
The effective tax rate for the first half of 2017 was 32%, compared with 2% for the first half of 2016 (which was not a meaningful figure, due to a negative taxable base close to zero).

NOTE 11 SEGMENT INFORMATION

The tables below show 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 2017							
Current operating profit/(loss)	196	73	(136)	108	162	(18)	385
Operating profit/(loss)	196	73	(140)	96	210	(18)	417
Share of profits/(losses) of joint ventures and associates		(1)	33	7		46	85
Net profit/(loss) attributable to the Group	159	37	(85)	33	122	(26)	240 ^a
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) ^b

Current operating profit/(loss) (€ million)

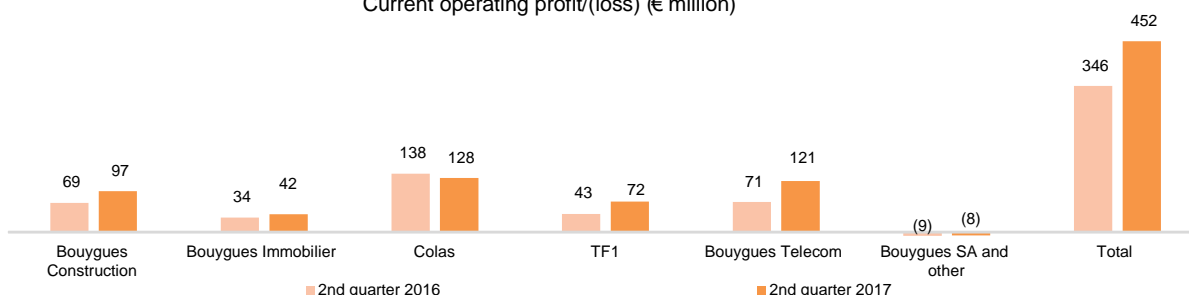


(a) Net profit attributable to the Group excluding exceptional items amounts to €217m, and corresponds to the net profit attributable to the Group adjusted by €(23)m to exclude non-current income net of taxes.

(b) Net profit attributable to the Group excluding exceptional items amounts to €46m, and corresponds to the net profit attributable to the Group adjusted by €74m to exclude non-current expenses net of taxes.

(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Income statement - 2nd quarter of 2017							
Current operating profit/(loss)	97	42	128	72	121	(8)	452
Operating profit/(loss)	97	42	128	66	176	(8)	501
Share of profits/(losses) of joint ventures and associates			10				10
Net profit/(loss) attributable to the Group	80	21	104	21	104	(52)	278 ^a
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 ^b

Current operating profit/(loss) (€ million)



(a) Net profit attributable to the Group excluding exceptional items amounts to €247m, and corresponds to the net profit attributable to the Group adjusted by €(31m) to exclude non-current income net of taxes.

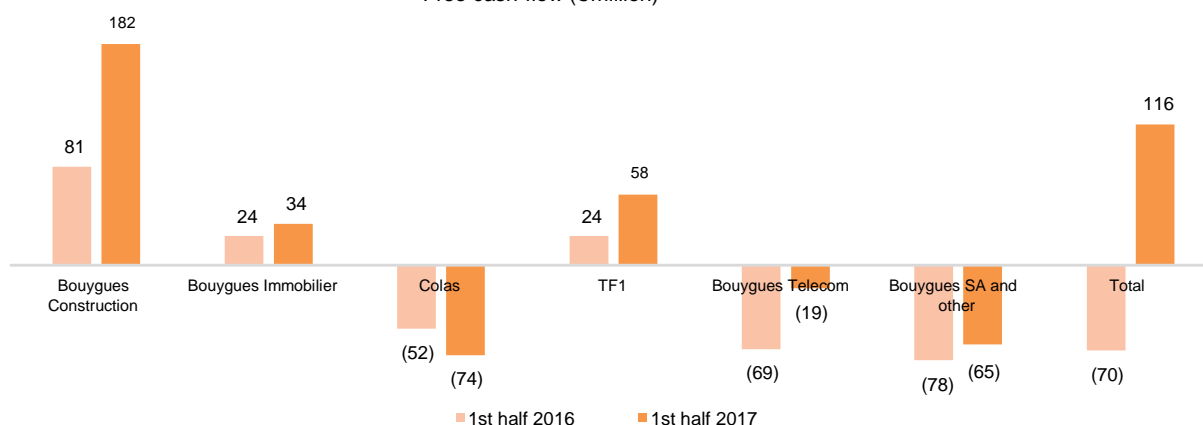
(b) Net profit attributable to the Group excluding exceptional items amounts to €183m, and corresponds to the net profit attributable to the Group adjusted by €31m to exclude non-current expenses net of taxes.

(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Balance sheet - 30 June 2017							
Property, plant and equipment	598	33	2,401	177	3,315	165	6,689
Intangible assets	41	42	77	246	1,715	50	2,171
Net debt	2,765	(454)	(570)	248	(1,010)	(5,244)	(4,265)
Balance sheet - 31 December 2016							
Property, plant and equipment	680	32	2,396	174	3,117	167	6,566
Intangible assets	43	37	74	236	1,743	47	2,180
Net debt	3,387	(124)	517	187	(1,012)	(4,821)	(1,866)

(€ million)

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators - 1st half of 2017							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	34	11	138	91	444	4	722
EBITDA	200	64	(1)	187	547	(16)	981
Cash flow	263	73	45	183	497	(8)	1,053
Free cash flow	182	34	(74)	58	(19)	(65)	116
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)

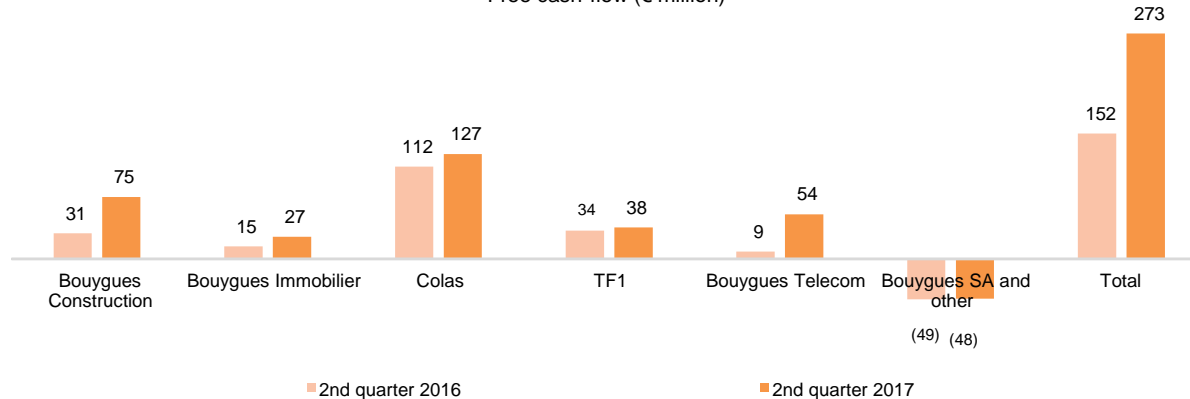
Free cash flow (€ million)



(€ million)

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators - 2nd quarter of 2017							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	16	5	90	39	162	2	314
EBITDA	106	51	211	113	304	(8)	777
Cash flow	115	50	248	101	276	(3)	787
Free cash flow	75	27	127	38	54	(48)	273
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

Free cash flow (€ million)



NOTE 12 OFF BALANCE SHEET COMMITMENTS

There have been no material changes in total off balance sheet commitments since 31 December 2016.

The shares in Alstom held by Bouygues that are callable by the French state (see Note 18.5.2 to the Bouygues group consolidated financial statements for the year ended 31 December 2016) are not classified as available for sale as of 30 June 2017 because it is not highly probable that the option will be exercised by the French state.

If the French state were to exercise its call option over 20% of Alstom's shares (as of 28 January 2016) at any time up to and including 5 October 2017, Bouygues would:

- receive a cash inflow for the proceeds from the disposal of 43,825,360 Alstom shares; and
- recognise a gain or loss on disposal per share equivalent to the difference between the exercise price (minimum €35) and the carrying amount per share in the consolidated financial statements.

If the French state were to exercise its call option over 15% of Alstom's shares (as of 28 January 2016) between 6 October 2017 and 17 October 2017, Bouygues would:

- receive a cash inflow for the proceeds from the disposal of 32,869,020 Alstom shares; and
- a gain or loss on disposal per share equivalent to the difference between 98% of the average share price for the 60 preceding trading days (which was €30.16 on 29 August 2017) and the carrying amount per share in the consolidated financial statements.

For information, the carrying amount per share in the Bouygues consolidated financial statements as of 30 June 2017 was €32.50.

NOTE 13 RELATED PARTY DISCLOSURES

Transaction (€ million)	Expenses		Income		Receivables		Payables	
	1st half 2017	1st half 2016	1st half 2017	1st half 2016	30/06/17	31/12/16	30/06/17	31/12/16
Parties with an ownership interest	3	2						
Joint operations	45	29	156	167	459	441	268	279
Joint ventures and associates	14	16	48	40	39	42	25	26
Other related parties	21	24	62	78	102	86	73	65
Total	83	71	266	285	600	569	366	370
. Maturity								
less than 1 year					576	534	366	370
1 to 5 years					3	19		
more than 5 years					21	16		
. Of which impairment of doubtful receivables (mainly non-consolidated companies)					70	72		