NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30/09/2017

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 nine months ended 30 September 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 September 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 September 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 nine months ended 30 September 2016.

NOTE 1 SIGNIFICANT EVENTS

1.1 Significant events of the first nine months of 2017

The principal corporate actions and acquisitions of the first nine months 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 31 March 2017, the conditions had been met and the divestment of the equity interest took effect, generating a provisional gain pending validation of the net cash position of Groupe AB as of that date. The final purchase price was determined in September 2017, and the resulting gain of €14 million was recognised in "Share of net profits/losses of joint ventures and associates" in the consolidated income statement (see Note 3.2).

- 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 September 2017, 700 towers had been transferred for a total of €198 million. "Held-for-sale assets" was reduced to €67 million to reflect the reduction in the number of towers still held by Bouygues; the resulting gain of €144 million is presented in "Other operating income" (see Note 9).

- On 25 July 2017, Bouygues Telecom and Cellnex signed an extension to their agreement of 31 January 2017 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 September 2017, since it was as yet uncertain how many towers would actually be sold.

- 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 generated a gain of €28 million (arising from the divestment of 50% of Nextdoor and the remeasurement of the residual equity interest), recognised in "Other operating income".

- On 30 August 2017, Colas Canada signed an agreement in Toronto under which it is to acquire the entire share capital of the Miller McAsphalt group. Closing of the transaction is expected at the start of 2018. The transaction is subject to various suspensive conditions, including regulatory clearances required under Canadian legislation on competition, investment and transport.

- On 26 September 2017, Siemens and Alstom signed a Memorandum of Understanding that included a reciprocal exclusivity agreement to combine their rail activities. In return for transferring its Mobility and Rail Traction Drives businesses to Alstom, Siemens is to receive newly issued shares representing 50% of the share capital of Alstom on a fully diluted basis. Alstom shareholders are to receive a €4 per share dividend by way of control premium, plus a further dividend of up to €4 per share paid out of the proceeds from the exercise of Alstom's put options over its share of its joint ventures with General Electric.

  In connection with this transaction, the French state terminated its loan of Alstom shares from the Bouygues group on 17 October 2017 without exercising the call option it had been granted by Bouygues in 2014.

  Bouygues fully supports the proposed transaction and will vote in favour of it on the Alstom Board of Directors and at the Extraordinary General Meeting of Alstom shareholders called to approve the transaction. Bouygues has undertaken to retain its Alstom shares until the earlier of (i) the Extraordinary General Meeting or (ii) 31 July 2018.

Closing of the transaction will be subject to clearance from various regulatory authorities, including the European Commission, and to confirmation by the Autorité des Marchés Financiers (AMF) that Siemens will not be required to file a compulsory public tender offer for Alstom following completion of the transfer. Closing is expected at the end of calendar year 2018.

On completion of the transaction, Bouygues would have an equity interest of approximately 14% in the new entity.

1.2 Significant events of the first nine months of 2016

The principal corporate actions and acquisitions of the first nine months 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 September 2016 was €293 million. On 24 February 2016, Newen Studios acquired 100% of the equity capital of Rendez Vous Production Série (RDVPS), which has also been consolidated since 1 January 2016. Both acquisitions were accounted for using the partial goodwill method. The provisional goodwill of €113 million recognised on these acquisitions as of 30 September 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% was loaned to the French state under a stock lending transaction until 17 October 2017.

- 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, enabling the French state to exercise 20% of Alstom's voting rights. Under the terms of the memorandum of understanding, Bouygues:
  - retained a seat on Alstom's Board of Directors;
  - was entitled to the dividends on its entire shareholding in Alstom;

- would recover the voting rights attached to the loaned shares in the event they were not purchased by the French state; and
- retained 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.

- On 11 July 2016, Bouygues Telecom entered into a definitive agreement for the sale of towers to Cellnex. The agreement initially covered 230 towers for a total amount of €80 million, although the number of towers could rise to 500. A gain of €56 million on the sale of the first 230 towers was recognised as of 30 September 2016, in "Other operating income" (see Note 9 to the consolidated financial statements).

  The sale was accompanied by a 20-year hosting and service framework agreement between the parties. The remaining 270 towers were not accounted for as "Held-for-sale assets" in the balance sheet as of 30 September 2016 because they were not ready for sale in their present condition as of that date.

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

- On 6 October 2017, the Conseil Constitutionnel (Constitutional Council) declared the 3% tax on dividends paid by French companies to be unconstitutional. The tax gain arising from this event after the reporting period will be recognised in the fourth quarter of 2017, reflecting the tax arrangements put in place to finance refunds of the dividend tax as part of the 2017 Finance Bill.

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 15 November 2017.

The interim condensed consolidated financial statements for the nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 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 impact of applying IFRS 9 will not be material at Group level.

- 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).

  We do not expect a material impact on consolidated shareholders' equity, which was €9,420 million as of 31 December 2016. As indicated below, the main impacts are on Bouygues Telecom and Bouygues Immobilier. The main types of transaction affected within our sectors of activity 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 commercial 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. The resulting restatement will increase shareholders' equity as of 31 December 2016 by approximately €70 million, net of deferred taxes.

  - Media: distribution contracts, and the date of recognition of revenue generated by rights sales (especially TV and SVoD), with no material impact.

  - 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 currently recognised as an expense in the period or capitalised, which will be recognised as an asset in the balance sheet on signature of the contract and then amortised as an operating expense over the life of the contract. The resulting restatement will increase shareholders' equity as of 31 December 2016 by approximately €180 million, net of deferred taxes.

Neither sales nor net profit for the year ending 31 December 2017 are likely to be materially impacted by restatements resulting from IFRS 15. The new accounting treatment for contract origination costs at Bouygues Telecom will reduce EBITDA (by an immaterial amount at Group level) insofar as depreciation expense (which is excluded from the EBITDA calculation) will be replaced by operating expense (which is included in the EBITDA calculation).

- 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 analogous 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 the standard.

    The impact of IFRS 16 is currently under review.

  - IFRIC 23: Uncertainty Over Income Tax Treatments

    On 7 June 2017, the IFRS Interpretations Committee issued IFRIC 23, which is mandatorily applicable from 1 January 2019 and has not yet been endorsed by the European Union. IFRIC 23 clarifies the accounting treatments used to recognise the fiscal consequences of uncertainties relating to income taxes. The Bouygues group has not elected early adoption of IFRIC 23, and is reviewing the potential consequences of applying it.

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	34 [a]	3	37
Other movements (including translation adjustments)	(26)		(26)
Impairment losses			
30/09/2017	**5,451**	**(73)**	**5,378**

(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	**30/09/2017**		**31/12/2016**	
(€ million)	**Total**	**% Bouygues**	**Total**	**% Bouygues**
Bouygues Construction [a]	459	99.97%	471	99.97%
Colas [b]	1,127	96.60%	1,118	96.60%
TF1 [b]	1,144	43.83%	1,130	43.91%
Bouygues Telecom [b]	2,648	90.53%	2,648	90.53%
Total	**5,378**		**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 indication of impairment, the goodwill recognised as of 30 September 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	151
Translation adjustments	(43)
Other income and expense recognised directly in equity	26
Net profit/(loss) and other recognised income and expense	**134**
Changes in scope of consolidation	(44) [c]
Other movements (dividends, etc.)	(39)
30/09/2017	**2,480** [b]

(a) Includes Alstom: €1,938m.
(b) Includes Alstom: €2,035m.
(c) Primarily €(77)m for the divestment by TF1 of its equity interest in Groupe AB , and the effect of the reclassification of Nextdoor as a joint venture following the divestment of a 50% interest by Bouygues Immobilier.

The profit contribution from Alstom recognised in the Bouygues group's financial statements in third-quarter 2017 is based on the results published by Alstom on 14 November 2017 for the first half of its 2017/18 financial year. Given the time-lag between the annual accounting period-ends of Alstom (31 March) and Bouygues (31 December), Alstom's net profit contribution to the Bouygues group for the second half of Alstom's 2016/17 financial year was recognised in the Bouygues financial statements as of 31 March 2017.

Alstom's contribution to the net profit of Bouygues for the first nine months of 2017 was €105 million, versus €36 million in the first nine months of 2016.

NOTE 4 CONSOLIDATED SHAREHOLDERS' EQUITY

Share capital of Bouygues SA

As of 30 September 2017, the share capital of Bouygues SA consisted of 358,606,856 shares with a par value of €1.

		Movements		
	31/12/2016	**Reductions**	**Increases**	**30/09/2017**
Shares	354,908,547		3,698,309 [a]	358,606,856
NUMBER OF SHARES	**354,908,547**		**3,698,309**	**358,606,856**
Par value	€1			€1
SHARE CAPITAL (€)	**354,908,547**		**3,698,309**	**358,606,856**

(a) The increase of 3,698,309 shares was due to new shares being issued on exercise of stock options, resulting in an increase of €109 million in consolidated shareholders' equity.

A share capital increase reserved for Bouygues group employees in France is due to take place in the fourth quarter of 2017 under the Bouygues Confiance n°9 employee share ownership plan. The maximum increase in the share capital will be €150 million, and the maximum number of shares issued will be 4,725,897.

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	(4)	(1)	(3)	(9)	(17)
Changes in scope of consolidation	(1)	(1)	(1)	5	2
Charges to provisions	32	22	45	24	123
Reversals of provisions (utilised or unutilised)	(22)	(65)	(48)	(84)	(219) [e]
Transfers and other movements	1	(1)	2	(31)	(29)
30/09/2017	**770**	**333**	**389**	**567**	**2,059**

(a) Long-term employee benefits	***770***	***Principal segments involved:***	
Lump-sum retirement benefits	*511*	*Bouygues Construction*	*200*
Long-service awards	*152*	*Colas*	*425*
Other long-term employee benefits	*107*	*TF1*	*44*
		Bouygues Telecom	*60*
(b) Litigation and claims	***333***	*Bouygues Construction*	*133*
Provisions for customer disputes	*118*	*Bouygues Immobilier*	*34*
Subcontractor claims	*59*	*Colas*	*100*
Employee-related and other litigation and claims	*156*	*Bouygues Telecom*	*60*
(c) Guarantees given	***389***	*Bouygues Construction*	*300*
Provisions for 10-year construction guarantees	*301*	*Bouygues Immobilier*	*23*
Provisions for additional building/civil engineering/civil works guarantees	*88*	*Colas*	*66*
(d) Other non-current provisions	***567***	*Bouygues Construction*	*118*
Provisions for risks related to official inspections	*169*	*Colas*	*304*
Provisions for miscellaneous foreign risks	*31*	*Bouygues Telecom*	*107*
Provisions for subsidiaries and affiliates	*28*		
Dismantling and site rehabilitation	*249*		
Other non-current provisions	*90*		

(e) Including reversals of unutilised provisions in the first nine months of 2017 ***(114)***

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)	(10)	(7)	(11)	(29)
Changes in scope of consolidation		(1)		(1)	(2)
Charges to provisions	4	101	93	62	260
Reversals of provisions (utilised or unutilised)	(10)	(108)	(181)	(98)	(397) [a]
Transfers and other movements		(5)		(4)	(9)
30/09/2017	**42**	**351**	**190**	**242**	**825**

(a) Including reversals of unutilised provisions in the first nine months of 2017: (109)

NOTE 6 NON-CURRENT AND CURRENT DEBT

6.1 Breakdown of debt

(€ million)	**Current debt**		**Non-current debt**	
	Total 30/09/2017	**Total 31/12/2016**	**Total 30/09/2017**	**Total 31/12/2016**
Bond issues [a]	638	113	4,799	5,296
Bank borrowings	78	102	931	703
Finance lease obligations	6	8	7	9
Other borrowings	20	42	183	172
TOTAL DEBT	**742**	**265**	**5,920**	**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

All bond issues other than that maturing in 2020 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	30/09/2017
Cash and cash equivalents	4,749	(1,328)	2	(80)			3,343
Overdrafts and short-term bank borrowings	(168)	(151)	(8)	(63)		1	(389)
NET CASH POSITION	**4,581**	**(1,479)** [a]	**(6)**	**(143)** [a]		**1** [a]	**2,954**
Non-current debt	6,180	285	(10)	(10)	(5)	(520)	5,920
Current debt	265	(36) [b]		(1)		514	742
Financial instruments, net	2	1			(4)		(1)
TOTAL DEBT	**6,447**	**250**	**(10)**	**(11)**	**(9)**	**(6)**	**6,661**
NET DEBT	**(1,866)**	**(1,729)**	**4**	**(132)**	**9**	**7**	**(3,707)**

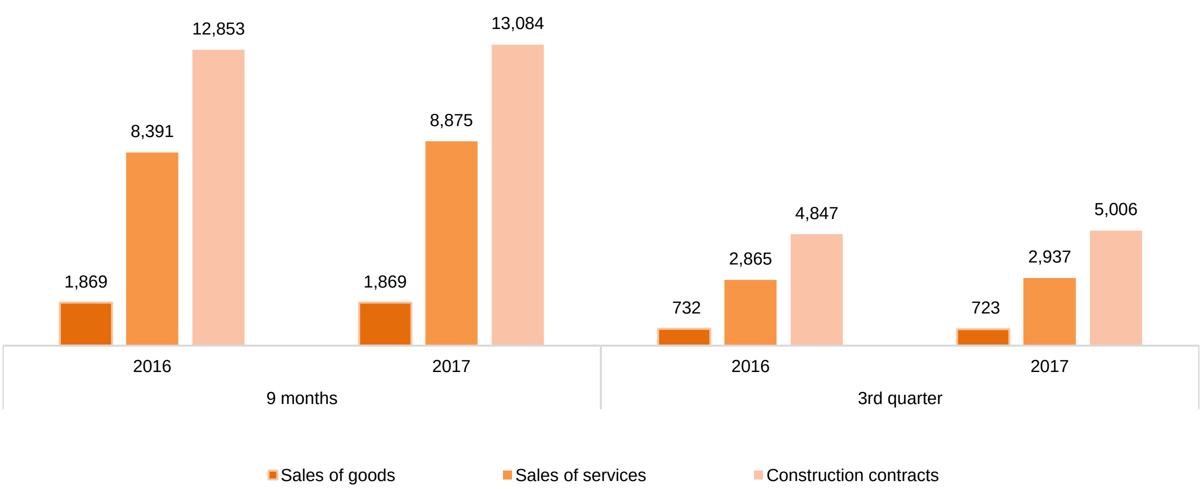
(a) Net cash outflow of €1,627m for the first nine months of 2017, as reported in the cash flow statement.
(b) Net cash inflow of €249m for the first nine months of 2017, as reported in the cash flow statement, corresponding to cash flows for the period excluding the effect of exchange rate fluctuations and other movements.

NOTE 8 ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

8.1 Analysis by accounting classification

(€ million)	9 months		3rd quarter	
	2017	**2016**	**2017**	**2016**
Sales of goods	1,869	1,869	723	732
Sales of services	8,875	8,391	2,937	2,865
Construction contracts	13,084	12,853	5,006	4,847
CONSOLIDATED SALES	**23,828**	**23,113**	**8,666**	**8,444**
OTHER REVENUES FROM OPERATIONS	**120**	**90**	**52**	**25**
TOTAL REVENUES	**23,948**	**23,203**	**8,718**	**8,469**

Consolidated sales (€ million)

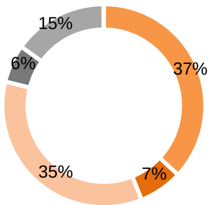


(€ million)	9 months 2017				9 months 2016			
	France	**International**	**Total**	**%**	**France**	**International**	**Total**	**%**
Bouygues Construction	3,833	4,555	8,388	35	3,919	4,620	8,539	37
Bouygues Immobilier	1,653	81	1,734	7	1,542	71	1,613	7
Colas	4,410	4,147	8,557	36	4,209	3,858	8,067	35
TF1	1,378	53	1,431	6	1,360	38	1,398	6
Bouygues Telecom	3,709		3,709	16	3,486		3,486	15
Bouygues SA & other	4	5	9		4	6	10	
CONSOLIDATED SALES	**14,987**	**8,841**	**23,828**	**100**	**14,520**	**8,593**	**23,113**	**100**

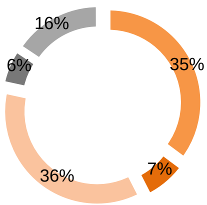
Split of total sales

By business segment

9 months 2016

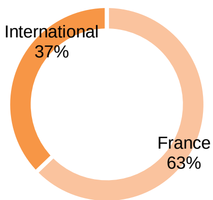


9 months 2017

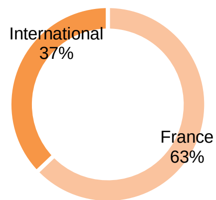


By geographical area

9 months 2016



9 months 2017



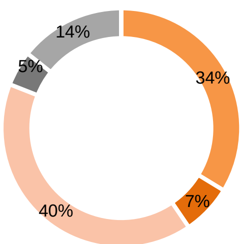
- Bouygues Construction
- Bouygues Immobilier
- Colas
- TF1
- Bouygues Telecom
- Bouygues SA & other

(€ million)	3rd quarter 2017				3rd quarter 2016			
	France	**International**	**Total**	**%**	**France**	**International**	**Total**	**%**
Bouygues Construction	1,251	1,515	2,766	32	1,257	1,589	2,846	34
Bouygues Immobilier	553	37	590	7	539	34	573	7
Colas	1,643	1,957	3,600	41	1,598	1,819	3,417	40
TF1	402	20	422	5	387	13	400	5
Bouygues Telecom	1,286		1,286	15	1,206		1,206	14
Bouygues SA & other	1	1	2		1	1	2	
CONSOLIDATED SALES	**5,136**	**3,530**	**8,666**	**100**	**4,988**	**3,456**	**8,444**	**100**

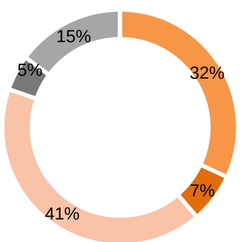
Split of total sales

By business segment

3rd quarter 2016

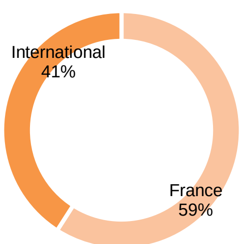


3rd quarter 2017

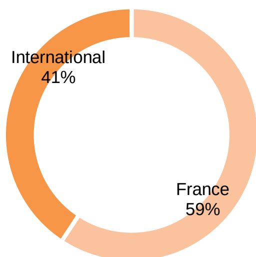


By geographical area

3rd quarter 2016



3rd quarter 2017



8.2 Analysis by business segment

(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total 9 months 2017	Total 3rd quarter 2017
Total sales	8,521	1,746	8,617	1,466	3,727	105	24,182	8,767
Inter-segment sales	(133)	(12)	(60)	(35)	(18)	(96)	(354)	(101)
THIRD-PARTY SALES	**8,388**	**1,734**	**8,557**	**1,431**	**3,709**	**9**	**23,828**	**8,666**

(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total 9 months 2016	Total 3rd quarter 2016
Total sales	8,698	1,626	8,115	1,427	3,503	101	23,470	8,556
Inter-segment sales	(159)	(13)	(48)	(29)	(17)	(91)	(357)	(112)
THIRD-PARTY SALES	**8,539**	**1,613**	**8,067**	**1,398**	**3,486**	**10**	**23,113**	**8,444**

NOTE 9 OPERATING PROFIT AND EBITDA

	9 months		3rd quarter	
(€ million)	**2017**	**2016**	**2017**	**2016**
CURRENT OPERATING PROFIT	**976**	**714**	**591**	**508**
Other operating income	153 [a]	64 [b]	72	58
Other operating expenses	(71) [a]	(208) [b]	(22)	(53)
OPERATING PROFIT	**1,058**	**570**	**641**	**513**

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

(a) Mainly comprises:
<u>Bouygues Telecom</u>: Net income of €105m, mainly comprising a €144m gain on the transfer of 700 towers to Cellnex plus €9m of net reversals of provisions, partly offset by a €48m expense on the roll-out of network sharing.
<u>TF1</u>: Amortisation of €17m charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation.
<u>Colas</u>: Costs of €5m incurred on discontinuation of activity at the refinery in Dunkirk in 2016.

(b) Comprises:
<u>TF1</u>: Expense of €69m related to:
- *one-off additional expense of €21m related to a change in the accounting treatment of French drama;*
- *amortisation of €19m charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation;*
- *other costs of €29m incurred on the reorganisation of the TF1 group and LCI's migration to freeview.*

<u>Colas</u>: Costs of €39m incurred on discontinuation of activity at the refinery in Dunkirk.
<u>Bouygues Construction</u>: Adaptation costs of €15m arising from the ongoing implementation of the new organisation that began in 2015.
<u>Bouygues Telecom</u>: Net expense of €7m, mainly comprising €65m of accelerated depreciation arising from the roll-out of network sharing, partly offset by a €56m gain on the transfer of 230 towers to Cellnex.
<u>Bouygues Immobilier</u>: Expense of €2m for adaptation costs relating to the new organisation.
<u>Bouygues SA</u>: Expense of €12m relating to costs incurred on the proposed transaction with Orange.

The Bouygues group reported EBITDA of €1,987 million in the first nine months of 2017, up €236 million year-on-year. EBITDA is calculated on the basis of current operating profit, to which the following adjustments are made:

(€ million)	9 months 2017	9 months 2016	3rd quarter 2017	3rd quarter 2016
CURRENT OPERATING PROFIT	**976**	**714**	**591**	**508**
Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses				
. Net depreciation & amortisation expense	1,182	1,144	432	401
. Charges to provisions and impairment losses, net of reversals due to utilisation	76	127	74	96
Elimination of items included in other income from operations:				
. Reversals of unutilised provisions and impairment and other items	(247)	(234)	(91)	(56)
EBITDA	**1,987**	**1,751**	**1,006**	**949**

For a breakdown of EBITDA by business segment see Note 11, "Segment Information".

NOTE 10 INCOME TAXES

(€ million)	9 months 2017	9 months 2016	3rd quarter 2017	3rd quarter 2016
Tax payable to the tax authorities	(229)	(142)	(129)	(84)
Deferred taxes, net	(28)	4	(28)	(55)
INCOME TAX GAIN/(EXPENSE)	**(257)**	**(138)**	**(157)**	**(139)**

Income tax expense for the first nine months of 2017 was €257 million, compared with €138 million in the first nine months of 2016, the rise being due mainly to the improvement in pre-tax profits.

The effective tax rate for the first nine months of 2017 was 29%, compared with 34% for the first nine months of 2016.

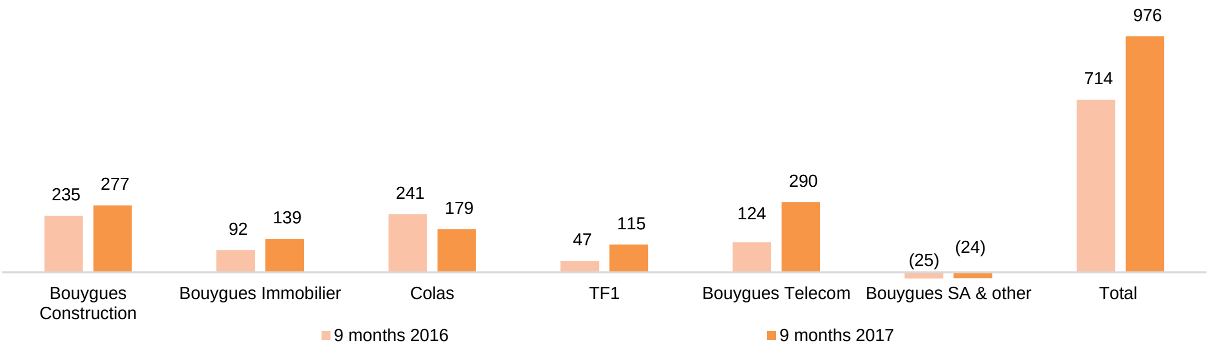
NOTE 11 SEGMENT INFORMATION

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 - first 9 months of 2017								
Current operating profit/(loss)	**277**	**139**	**179**	**115**	**290**	**(24)**	**976**	
Operating profit/(loss)	**277**	**139**	**174**	**98**	**395**	**(25)**	**1,058**	
Share of profits/(losses) of joint ventures and associates		**(7)**	**43**	**14**		**101**	**151**	
Net profit/(loss) attributable to the Group	**233**	**81**	**154**	**37**	**229**	**(21)**	**713**	a
Income statement - first 9 months of 2016								
Current operating profit/(loss)	**235**	**92**	**241**	**47**	**124**	**(25)**	**714**	
Operating profit/(loss)	**220**	**90**	**202**	**(22)**	**117**	**(37)**	**570**	
Share of profits/(losses) of joint ventures and associates	**10**		**40**	**4**		**37**	**91**	
Net profit/(loss) attributable to the Group	**165**	**53**	**161**	**(6)**	**57**	**(85)**	**345**	b

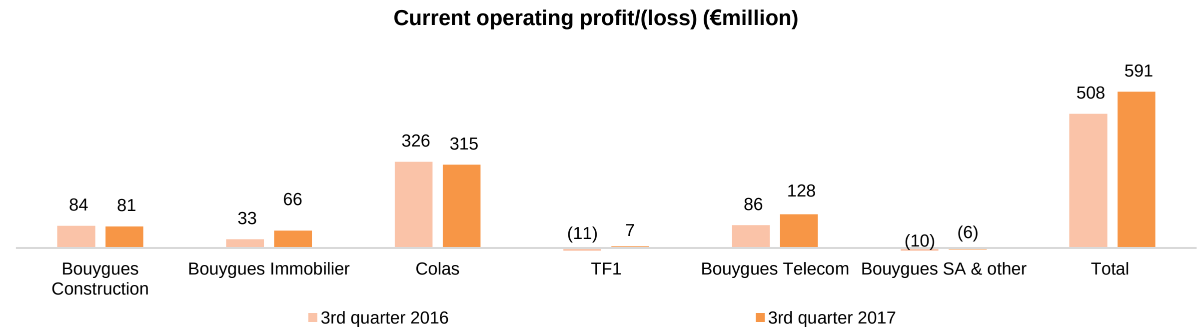
Current operating profit/(loss) (€ million)



(a) Net profit attributable to the Group excluding exceptional items amounts to €659m, and corresponds to the net profit attributable to the Group adjusted by €(54)m to exclude non-current income net of taxes.
(b) Net profit attributable to the Group excluding exceptional items amounts to €412m, and corresponds to the net profit attributable to the Group adjusted by €67m to exclude non-current expenses net of taxes.

(€ million)

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Income statement - 3rd quarter of 2017							
Current operating profit/(loss)	**81**	**66**	**315**	**7**	**128**	**(6)**	**591**
Operating profit/(loss)	**81**	**66**	**314**	**2**	**185**	**(7)**	**641**
Share of profits/(losses) of joint ventures and associates		**(6)**	**10**	**7**		**55**	**66**
Net profit/(loss) attributable to the Group	**74**	**44**	**239**	**4**	**107**	**5**	**473** a
Income statement - 3rd quarter of 2016							
Current operating profit/(loss)	**84**	**33**	**326**	**(11)**	**86**	**(10)**	**508**
Operating profit/(loss)	**77**	**33**	**317**	**(25)**	**122**	**(11)**	**513**
Share of profits/(losses) of joint ventures and associates	**9**		**9**	**4**		**37**	**59**
Net profit/(loss) attributable to the Group	**65**	**19**	**230**	**(6)**	**69**	**(4)**	**373** b



(a) Net profit attributable to the Group excluding exceptional items amounts to €442m, and corresponds to the net profit attributable to the Group adjusted by €(31)m to exclude non-current income net of taxes.

(b) Net profit attributable to the Group excluding exceptional items amounts to €366m, and corresponds to the net profit attributable to the Group adjusted by €(7)m to exclude non-current income net of taxes.

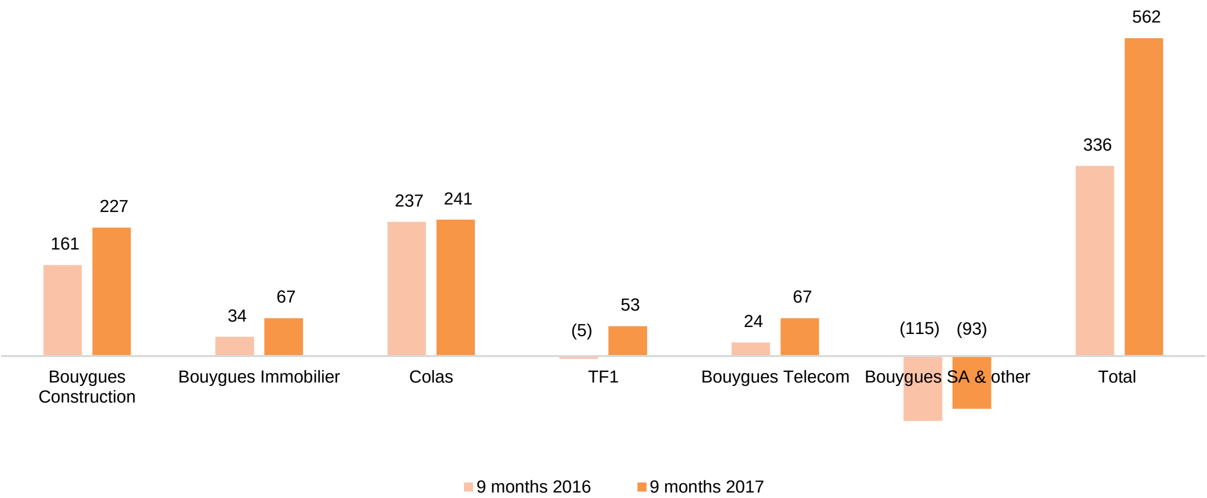
(€ million)

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Balance sheet at 30 September 2017							
Property, plant and equipment	**568**	**24**	**2,289**	**175**	**3,385**	**166**	**6,607**
Intangible assets	**39**	**38**	**77**	**253**	**1,702**	**52**	**2,161**
Net debt	**2,698**	**(409)**	**(270)**	**297**	**(834)**	**(5,189)**	**(3,707)**
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 – first 9 months of 2017							
Cash flow after cost of net debt and income taxes (I)	**292**	**79**	**434**	**207**	**672**	**(87)**	**1,597**
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	**(65)**	**(12)**	**(193)**	**(154)**	**(605)**	**(6)**	**(1,035)**
Free cash flow (I) + (II)	**227**	**67**	**241**	**53**	**67**	**(93)**	**562**
Cash flow	**359**	**119**	**491**	**239**	**808**	**8**	**2,024**
EBITDA	**317**	**126**	**423**	**256**	**882**	**(17)**	**1,987**
Other financial indicators – first 9 months of 2016							
Cash flow after cost of net debt and income taxes (I)	**288**	**51**	**413**	**142**	**629**	**(112)**	**1,411**
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	**(127)**	**(17)**	**(176)**	**(147)**	**(605)**	**(3)**	**(1,075)**
Free cash flow (I) + (II)	**161**	**34**	**237**	**(5)**	**24**	**(115)**	**336**
Cash flow	**366**	**81**	**489**	**135**	**678**	**(29)**	**1,720**
EBITDA	**335**	**68**	**488**	**193**	**697**	**(30)**	**1,751**

Free cash flow (€ million)



(€ million)

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators - 3rd quarter of 2017							
Cash flow after cost of net debt and income taxes (I)	**76**	**34**	**370**	**58**	**247**	**(26)**	**759**
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	**(31)**	**(1)**	**(55)**	**(63)**	**(161)**	**(2)**	**(313)**
Free cash flow (I) + (II)	**45**	**33**	**315**	**(5)**	**86**	**(28)**	**446**
Cash flow	**96**	**46**	**446**	**56**	**311**	**16**	**971**
EBITDA	**117**	**62**	**424**	**69**	**335**	**(1)**	**1,006**
Other financial indicators - 3rd quarter of 2016							
Cash flow after cost of net debt and income taxes (I)	**118**	**17**	**337**	**22**	**234**	**(36)**	**692**
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	**(38)**	**(7)**	**(48)**	**(51)**	**(141)**	**(1)**	**(286)**
Free cash flow (I) + (II)	**80**	**10**	**289**	**(29)**	**93**	**(37)**	**406**
Cash flow	**141**	**28**	**428**	**14**	**277**	**(4)**	**884**
EBITDA	**150**	**36**	**449**	**31**	**289**	**(6)**	**949**