NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31/12/2017

BOUYGUES

CONTENTS

(Figures expressed in millions of euros unless otherwise indicated)

Declaration of compliance:

The consolidated financial statements of Bouygues and its subsidiaries (the "Group") for the year ended 31 December 2017 were prepared in accordance with International Financial Reporting Standards (IFRS) as 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.

NOTE 1 SIGNIFICANT EVENTS OF THE YEAR

1.1 Scope of consolidation as of 31 December 2017

1,110 entities were consolidated as of 31 December 2017, compared with 1,065 as of 31 December 2016. Entities acquired or divested during the year had no material impact on the 2017 consolidated financial statements.

(31 December)	**2017**	**2016**
Companies controlled by the Group	776	777
Joint operations	163	162
Joint ventures and associates	171	126
	1,110	1,065

1.2 Significant events

1.2.1 Significant events of 2017

The principal corporate actions and acquisitions of 2017 are described below:

- On 30 January 2017, TF1 accepted a conditional offer from Mediawan SA to buy the TF1'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 31 March 2017. 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 to the consolidated financial statements).

- On 31 January 2017, Bouygues Telecom signed an agreement with Cellnex (Spain) covering 3,000 sites 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 sites to Cellnex over a two-year period for €500 million, followed by the joint construction of 1,200 new sites 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 sites were presented in the balance sheet as "Held-for-sale assets", at a carrying amount of €121 million. As of 31 December 2017, 1,085 sites had been transferred for a total of €307 million. "Held-for-sale assets" was reduced to €38 million to reflect the reduction in the number of sites still held by Bouygues; the resulting gain of €223 million is presented in "Other operating income" (see Note 12 to the consolidated financial statements).

- 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 sites at a selling price of up to €170 million. The additional sites did not meet the definition of "Held-for-sale assets" as of 31 December 2017, since it was as yet uncertain how many sites 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 a Memorandum of Understanding in Toronto under which it is to acquire the entire share capital of the Miller and McAsphalt group. Closing of the transaction is expected during the first quarter 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.

- On 6 October 2017, the *Conseil Constitutionnel* (French Constitutional Council) declared the 3% tax on dividends paid by French companies to be unconstitutional. As a result, a tax gain of €90 million (plus late payment interest of €9 million) was recognised in the fourth quarter of 2017.

1.2.2 Reminder of the significant events of 2016

The main acquisitions and corporate actions of 2016 are described 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 31 December 2016 was €293 million. On 24 February 2016, Newen Studios acquired 100% of the equity capital of Rendez Vous Production Séries (RSVPS), which has also been consolidated since 1 January 2016. Both acquisitions were accounted for using the partial goodwill method. The purchase price allocation resulted in the recognition of provisional goodwill of €114 million, after remeasuring acquired production and distribution rights at a provisional fair value of €68 million to be amortised over an average period of three years (depending on the nature of the programme) through "Other operating expenses" (see Note 12 to the consolidated financial statements) 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 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, that would have enabled 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 retained significant influence over Alstom, and the entire equity interest in Alstom continued 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 sites to Cellnex. The agreement covered 500 towers for a total amount of €147 million. This sale generated a gain on disposal of €104 million, recognised in "Other operating income" in the year ended 31 December 2016 (see Note 12 to the consolidated financial statements). The sale was accompanied by a 20-year hosting and service framework agreement between the parties.

- On 9 November 2016, Bouygues sold a 46.1% equity interest in Adelac, the company that holds the concession for the A41 North motorway between Annecy and Geneva. This equity interest, which was owned by subsidiaries of Bouygues Construction (39.2%) and by Colas (6.9%), was sold for €130 million and generated a net gain on disposal of €129 million, recognised in "Share of net profits/losses of joint ventures and associates".

1.3 Significant events and changes in scope of consolidation subsequent to 31 December 2017

- On 12 January 2018, the French government and Arcep (French telecoms regulator) reached an agreement with the four mobile operators to increase mobile coverage in France between now and 2031 (especially on the road and rail networks), and in dead zones and fringe zones between now and 2025. Once finalised, this agreement is expected to result in Bouygues Telecom installing a further 5,000 sites (sharing with the other operators) in dead and fringe zones, and several thousand additional sites on the strategic road and rail networks. In return for this investment, Bouygues Telecom will have its current licences extended for a further ten years, and will be granted a five-year exemption from the flat-rate tax on network operators (*IFER*) for some of the new sites. In addition, Bouygues Telecom will benefit from measures to streamline network roll-out administrative procedures. Before the agreement can be implemented, Arcep must carry out a public consultation during 2018 on the reallocation of the 900, 1800 and 2100 MHz frequencies that are due to expire between 2022 and 2024. The agreement to increase mobile coverage by 2031 cannot be implemented until the consultation has been completed.
- On 17 January 2018, an agreement was signed for the acquisition by TF1 of the Axel Springer group's majority stake of approximately 78% in the aufeminin group for a total of €365 million (subject to customary adjustments at the completion date). Completion of this deal is subject to clearance from the regulatory authorities in France and Austria. Once the acquisition has been completed, TF1 will file a mandatory simplified tender offer for the remaining shares at the same price.

NOTE 2 GROUP ACCOUNTING POLICIES

2.1 Sectors of activity

Bouygues is a diversified industrial group organised into three sectors of activity:

- Construction businesses:
  - Construction and services (Bouygues Construction)
  - Property development (Bouygues Immobilier)
  - Transport infrastructure (Colas)
- Media:
  - The TF1 group ("TF1")
- Telecoms:
  - Mobile, fixed, TV and internet services (Bouygues Telecom)

The Bouygues group also holds an equity interest in Alstom (Transport), which stood at 27.98% as of 31 December 2017.

2.2 Basis of preparation of the financial statements

The consolidated financial statements of the Bouygues group include the financial statements of Bouygues SA and its 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.

The consolidated financial statements were closed off by the Board of Directors on 21 February 2018, and will be submitted for approval by the forthcoming Annual General Meeting on 26 April 2018.

The consolidated financial statements for the year ended 31 December 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 at and for the year ended 31 December 2016.

The Bouygues group applied the same standards, interpretations and accounting policies for the year ended 31 December 2017 as were applied in its consolidated financial statements for the year ended 31 December 2016, except for changes required to meet new IFRS requirements applicable from 1 January 2017 (see below).

- Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption with effect from 1 January 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 between the opening and closing financial positions as regards liabilities included in financing activities, in Note 9 to the consolidated financial statements.

  - **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. The new standard was endorsed by the European Union on 22 November 2016 and 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 as of 1 January 2018 is not material, and is presented in Note 23 to the consolidated financial statements.

  - **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. Bouygues has not early adopted IFRS 15. Bouygues will apply IFRS 15 retrospectively with effect from 1 January 2018, and the 2017 comparatives will be restated to reflect the impacts of the new standard.

    The impacts of applying IFRS 15 on the balance sheet as of 31 December 2016, the interim periods of 2017 and the year ended 31 December 2017 are presented in Note 23 to the consolidated financial statements.

- Standard effective within the European Union and mandatorily applicable from 1 January 2019:

  - **IFRS 16:**

    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. The new standard was endorsed by the European Union on 31 October 2017 and 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. Given the expected changes in lease accounting and uncertainties (including determination of the term of some leases), the detailed information on leases as provided in the notes to the consolidated financial statements for the year ended 31 December 2017 is not indicative of the actual impact that IFRS 16 might have on those financial statements.

- Essential interpretation issued by the IASB but not yet endorsed by the European Union:

  - **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.

- Exercise of judgement and use of estimates:

In preparing consolidated financial statements to comply with IFRS standards and interpretations, the Group uses estimates and assumptions which may have affected the amounts reported for assets, liabilities and contingent liabilities at the end of the reporting period, and the amounts of income and expenses reported for the period.

These estimates and assumptions have been applied consistently on the basis of past experience and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may differ materially from these estimates if different assumptions or conditions apply.

The main items involved are the impairment testing of goodwill and equity investments, share-based payment (stock options), employee benefits (lump-sum retirement benefits, pensions, etc.), the fair value of unlisted financial instruments, deferred tax assets, and provisions.

Where no standard or interpretation applies to specific transactions, events or conditions, Group management exercises its judgement to define and apply accounting policies that will provide relevant information that gives a fair presentation and is comparable between periods, such that the consolidated financial statements:

- represent faithfully the financial position, financial performance and cash flows of the Group;
- reflect the economic substance of the underlying transactions;
- are neutral, prudent, and complete in all material respects.

Disclosures about judgements made by management are provided in the notes to the consolidated financial statements.

- Held-for-sale assets and discontinued or held-for-sale operations:

A non-current asset, or a group of directly-associated assets and liabilities, is regarded as being held for sale if its carrying amount will be recovered primarily through a sale rather than through continuing use. For this to be the case, the asset must be available for sale in its immediate condition, and its sale must be highly probable. Such held-for-sale assets or asset groups are measured at the lower of the carrying amount or the estimated selling price less costs to sell.

An operation that is discontinued or classified as held-for-sale is one that is material to the Group (having been treated as a cash generating unit) and that has either been disposed of or has been classified as a held-for-sale asset. Income statement and cash flow information about such discontinued or held-for-sale operations is reported in separate line items in the consolidated financial statements for all periods presented.

2.3 Consolidation methods

2.3.1 Companies controlled by the Group

Companies over which Bouygues exercises control are consolidated.

- Assessment of exclusive control over TF1:

As of 31 December 2017 Bouygues held, directly or indirectly, 43.81% of the capital and voting rights of TF1. All the factors mentioned below, taken collectively, establish that the Bouygues group has control over TF1:

- Bouygues has the power to direct the relevant activities of TF1. The Bouygues group:
    - has consistently and regularly held a large majority of the voting rights exercised at TF1 general meetings, and no other shareholder directly or indirectly controls a higher share of voting rights than Bouygues;
    - has had exclusive power to determine decisions at TF1 general meetings during at least two consecutive financial years.
- Bouygues has exposure and rights to variable returns. Due to its 43.81% equity interest, the Bouygues group has high exposure to variable returns from TF1 in the form of dividends.
- Bouygues has the ability to affect the returns it obtains through the power it exercises. The Bouygues group:
    - holds five of the 11 seats on the TF1 Board of Directors;
    - has a dominant role in appointing key executives of TF1, given that both members of the Director Selection Committee are representatives of the Bouygues group.

2.3.2 Jointly-controlled companies

A joint venture or joint operation is a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control. In the case of joint operations (which give each party direct rights over the assets and obligations for the liabilities), the assets, liabilities, income and expenses of the joint operation are accounted for in accordance with the interests held in the joint operation. Joint ventures, which give the parties rights over the net assets, are accounted for using the equity method.

2.3.3 Companies over which Bouygues exercises significant influence

An associate is a company over which Bouygues exercises significant influence without exercising control. Significant influence is presumed to exist where Bouygues directly or indirectly holds at least 20% of the entity's voting rights.

The net profit or loss and the assets and liabilities of such entities are accounted for by the equity method.

2.4 Business combinations

Since 1 January 2010, business combinations have been accounted for in accordance with the revised IFRS 3.

In a business combination, goodwill at the acquisition date represents (i) the sum total of the consideration transferred and non-controlling interests minus (ii) the net amount recognised (usually at fair value) for the identifiable assets acquired and liabilities assumed, adjusted to reflect the fair value remeasurement of any previously-acquired equity interest. IFRS 3 allows entities to elect one of two methods of accounting for non-controlling interests in each business combination:

- at fair value (full goodwill method), i.e. the non-controlling interests are allocated their share of goodwill;
- at the non-controlling interests' proportionate share of the acquired entity's identifiable assets and liabilities (partial goodwill method), i.e. no share of goodwill is allocated to the non-controlling interests.

Fair value is the price that would be received for selling an asset or paid for transferring a liability in an arm's length transaction between market participants as of the date of measurement.

Goodwill is allocated to the Cash Generating Unit (CGU) benefiting from the business combination or to the group of CGUs at the level of which return on investment is measured (business segment for the Bouygues group).

The purchase price allocation period is limited to the time required to identify and measure the acquired entity's assets and liabilities, the non-controlling interests, the consideration transferred and the fair value of any previously-held equity interest, subject to a maximum period of 12 months.

Negative goodwill (i.e. gain from a bargain purchase) is taken to the income statement in the period in which the acquisition is made.

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described in the sections on impairment testing in Note 2.7.4 below, in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

In accordance with IFRS 3, the previously-held equity interest in a step acquisition is remeasured at fair value at the date on which control is obtained; the resulting gain or loss is recognised in profit or loss for the period. In the event of loss of control with a retained equity interest, that retained interest is remeasured at fair value; the gain or loss on remeasurement is recognised in profit or loss for the period, along with the gain or loss arising on the disposal.

In the event of a change in percentage interest with no effect on control, the difference between the consideration transferred and the carrying amount of the non-controlling interest is recognised directly in equity attributable to the Group. Consequently, no additional goodwill is recognised.

All acquisition-related costs are recognised as an expense in profit or loss for the period.

In the event of a partial divestment of the component operations of a CGU, the Bouygues group usually allocates the goodwill in proportion to the value of the divested operation relative to the value of the CGU as measured at the date of divestment, unless it can be demonstrated that another method better reflects the goodwill of the divested operation; this policy complies with paragraph 86 of IAS 36.

Goodwill recognised prior to 1 January 2004 continues to be measured using the partial fair value method. Non-controlling interests are measured on the basis of the carrying amount of the relevant items as shown in the balance sheet of the acquired entity.

2.5 Foreign currency translation

2.5.1 Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are translated into euros at the average exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the closing exchange rate. Translation differences are recognised in profit or loss for the period. Non-monetary assets and liabilities denominated in foreign currencies and accounted for at historical cost are translated using the exchange rate on the date of the transaction.

2.5.2 Financial statements of entities with a functional currency other than the euro

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

2.6 Assessment of income taxes

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

- temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
  - items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods, or

- items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes. Such assets are recognised to the extent that it is probable that sufficient taxable profits will be available against which to offset the temporary differences, and are reviewed at the end of each reporting period;

- tax losses available for carry-forward (deferred tax assets), where it is probable that these losses will be recovered in future periods.

Deferred taxes are measured using national tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted in the relevant country by the end of the reporting period. As of 31 December 2017, the temporary differences and tax losses available for carry-forward of French entities were measured at the following rates as approved by the French National Assembly, according to the period in which they are expected to reverse:

- 34.43% for 2018;
- 32.02% for 2019;
- 28.92% for 2020;
- 27.37% for 2021;
- 25.83% for 2022 and later.

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

2.7 Non-current assets

2.7.1 Property, plant and equipment

Property, plant and equipment is measured at acquisition cost net of accumulated depreciation and impairment. Depreciation is recognised on a straight line basis over the estimated useful life of the asset.

2.7.1.1 Principal useful lives by main asset category and sector of activity

	Construction	**Media**	**Telecoms**
- Mineral deposits (quarries)	[a]		
- Non-operating buildings	10 to 40 years	25 to 50 years	
- Industrial buildings	10 to 20 years		30 years
- Plant, equipment and tooling [b]	3 to 15 years	3 to 7 years	10 to 30 years
- Other property, plant and equipment (vehicles and office equipment) [b]	3 to 10 years	2 to 10 years	3 to 10 years

(a) Depreciated on the basis of the rate of depletion, up to a maximum of 40 years (Colas).
(b) Depending on the type of equipment.

In accordance with IAS 16, when an item of property, plant and equipment consists of components with different useful lives, each component is accounted for and depreciated as a separate item of property, plant and equipment.

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognised in the income statement under “Other operating income and expenses” (see Note 2.13.3 to the consolidated financial statements) unless they meet the criteria for classification as non-current income or expenses.

Depreciation periods are reviewed annually, and may be adjusted if expectations differ from previous estimates.

2.7.1.2 Leases

Items of property, plant and equipment held under leases whereby the Bouygues group retains substantially all the risks and rewards of ownership (i.e. finance leases) are recognised as assets in the balance sheet, along with a corresponding liability.

Assets held under finance leases are recognised in the balance sheet in “Property, plant and equipment” at the lower of fair value or the present value of the minimum lease payments, less accumulated depreciation and impairment losses. They are depreciated over their estimated useful lives. The lease obligation is recognised as a liability under “Debt” in the balance sheet.

The amount of the Bouygues group’s irrevocable commitments under operating leases is disclosed in off balance sheet commitments.

2.7.1.3 Grants received

Investment grants received from national, regional or local governments are netted off the value of the assets concerned in the balance sheet, and depreciated at the same rate as those assets once receipt of the grant becomes unconditional.

2.7.2 Intangible assets

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance which is controlled by the entity. An asset is identifiable:

- if it is separable, i.e. capable of being independently sold, transferred, licensed, rented or exchanged;
- or if it is derived from contractual or other legal rights, whether separable or not.

An asset is controlled if the entity has the power to obtain the future economic benefits from that asset and to restrict the access of others to those benefits.

Intangible assets with finite useful lives are depreciable. Intangible assets with indefinite useful lives are not depreciable, but are subject to annual impairment testing and are reviewed at the end of each reporting period to ensure that their useful lives are still indefinite.

Intangible assets include:

- Development expenses
    - Development expenses are capitalised if the IAS 38 criteria are met, i.e. if they are expected to generate future economic benefits and their cost can be reliably measured.
    - In accordance with IFRS, incorporation and research expenses are expensed as incurred.

- Concessions, patents and similar rights

These include the following assets held by Bouygues Telecom:

Type of asset	Amortisation method	Period
UMTS licence	Straight line	17.5 years [a]
IAP-IRU and front fees (Indefeasible Right of Use)	Straight line	25 years
Software, IT developments, office applications, service access costs	Straight line	3 to 8 years
Licence to use the 2.6 GHz, 800 MHz and 700 MHz frequencies	Straight line	20 years [b]

(a) UMTS licence awarded in 2002: amortised from the date on which the broadband network opened (26 May 2005).

(b) The licences acquired in 2011 (2.6 GHz, for €228m) and 2012 (800 MHz, for €683m) were awarded for a 20-year period, and are being amortised from the date on which they came into service (1 October 2013), over 18 and 18.3 years respectively. The dates on which the 700 MHz frequencies are being brought into service depend on the dates of (i) transfer of digital terrestrial television transmission to the telecoms sector, (ii) opening to commercial use and (iii) rate of coverage of the population.

The fee for the UMTS licence, awarded for a 20-year period, comprises:

- a fixed component of €619 million, recognised as an intangible asset on the date the licence was awarded (12 December 2002);
- a variable component, calculated at 1% of sales generated by the operation of the third generation mobile network, recognised as incurred from the date on which the UMTS network opened (November 2007).

2.7.3 Other intangible assets

Other intangible assets recognised by the Group include leasehold rights, and audiovisual rights (TF1).

TF1 audiovisual rights

This item includes shares in films and audiovisual programmes produced or co-produced by TF1 SA, TF1 Films Production, TF1 Vidéo and TF1 Production; audiovisual distribution and trading rights owned by TF1 Droits Audiovisuels and TF1 Entertainment; audiovisual rights produced by Newen Studios; and music rights owned by Une Musique.

Audiovisual rights are recognised as assets, at historical cost.

Amortisation methods for the various categories of audiovisual rights are as follows:

- producer shares in French drama acquired by broadcasters: amortised at least on a straight line basis over the projected period over which the rights will be exploited;
- producer shares in French drama produced by TF1: amortised on a reducing balance basis, taking account of the decline in the expected value of the economic benefits from those shares;
- shares in film co-productions and audiovisual distribution rights: amortised on a reducing balance basis, taking account of the decline in the expected value of the economic benefit;
- audiovisual trading rights: amortised on a straight-line basis over the contract term or expected period of exploitation;
- music rights: amortised over two years, 75% of gross value in the first year and the remaining 25% in the second year.

A provision for impairment of audiovisual rights is recorded individually as required. Impairment testing of audiovisual rights is based on an analysis of the future economic benefits derived from the rights relative to their carrying amount.

2.7.4 Impairment testing of non-current assets and investments in associates

Impairment tests are carried out on the carrying amount of non-current assets and investments in associates if there is objective evidence that they may have become impaired.

The carrying amounts of indefinite-lived intangible assets and goodwill are compared to their recoverable amounts at least at the end of each financial year.

2.7.4.1 Impairment testing of TF1, Bouygues Telecom, Bouygues Construction and Colas

Method applied

In determining the recoverable amount, intangible assets to which independent cash flows cannot be directly allocated are grouped within the Cash Generating Unit (CGU) to which they belong, or within the appropriate group of CGUs representing the lowest level at which management monitors return on investment (business segment level in the case of the Bouygues group). The recoverable amount of CGUs is measured as follows:

- For TF1 and Colas, which are listed on the stock market: on the basis of the quoted share price if this exceeds the carrying amount of the assets (after allowing for a control premium where applicable); or by using the Discounted Cash Flow (DCF) method as described below, taking account of the specific characteristics of the investment.
- For Bouygues Telecom and Bouygues Construction: using the DCF method, taking account of the specific characteristics of each investment.
    - The cash flows used are derived from three-year business plans prepared by the management of the business segment and presented to the subsidiary's Board of Directors and to the Bouygues Board of Directors.
    - The discount rate is determined on the basis of a weighted average cost of capital, in the case of equity by reference to a panel of comparable companies, and in the case of debt by applying two alternative capital structure scenarios: 1/3 debt – 2/3 equity (scenario 1); 2/3 debt – 1/3 equity (scenario 2).
    - The terminal value is calculated by aggregating the discounted cash flows to infinity, based on normative cash flows and a perpetual growth rate.

The recoverable amount of the assets of the CGU as determined above is then compared with their carrying amount in the consolidated balance sheet.

- If the recoverable amount exceeds the carrying amount in both scenarios, we analyse sensitivity to each of the parameters on the basis of both scenarios.
- If the recoverable amount is less than the carrying amount in either or both of the scenarios we carry out a more detailed analysis to determine the recoverable amount, for example by using an independent valuer.

If the carrying amount in the consolidated balance sheet is greater than the recoverable amount, an impairment loss is recognised. Any such losses are allocated in the first instance to any goodwill carried in the balance sheet, and may not be subsequently reversed.

2.7.4.2 Impairment testing of the investment in Alstom

Method applied

Because goodwill included in the carrying amount of a joint venture or associate is not reported separately, it is not tested separately for impairment, in line with IAS 36. An impairment loss is recognised if the carrying amount of the investment exceeds its recoverable amount; this loss is charged against the carrying amount of the investment, and may be reversed.

In principle, the investment in Alstom is tested for impairment using the higher of (i) the quoted market price or (ii) value in use determined using the discounted cash flow (DCF) method based on projections established by Bouygues management, which in turn are derived from forecasts prepared by a panel of financial analysts.

2.7.5 Other non-current financial assets

Other non-current financial assets include loans and receivables (including advances to non-consolidated companies), deposits and caution money, and investments in non-consolidated companies (i.e. those over which the Bouygues group exercises neither control nor significant influence).

Investments in non-consolidated companies are measured at fair value, with changes in fair value taken to shareholders' equity.

Fair value is the market price for listed investments, and estimated value in use for unlisted investments. Value in use is determined using the most appropriate financial criteria for each individual investment.

If there is objective evidence that an investment is impaired, the accumulated losses taken to shareholders' equity are recognised in the income statement.

Advances to non-consolidated companies, and other loans and receivables, are accounted for at amortised cost, determined using the effective interest method.

In the case of floating-rate loans and receivables, cash flows are periodically re-estimated to reflect changes in market interest rates, resulting in an adjustment to the effective interest rate and hence to the valuation of the loan or receivable.

Loans and receivables are reviewed for objective evidence of impairment. An impairment loss is recognised if the carrying amount of a financial asset is greater than the estimated recoverable amount as determined by impairment testing. Impairment losses are recognised in the income statement (see Note 3.2.4 to the consolidated financial statements).

Concession arrangements and Public-Private Partnership (PPP) contracts:

The Group (Bouygues Construction and Colas) holds equity interests in entities that have entered into concession arrangements or PPP contracts. These contracts, which are accounted for in accordance with IFRIC 12, are assessed on a case by case basis.

Under the financial receivable method, the initial receivable represents the fair value of the activity undertaken; this receivable is subsequently measured at amortised cost using the effective interest method as defined in IAS 39.

Consequently, the receivable represents the fair value of the activity undertaken, plus cumulative interest calculated using the effective interest method, minus payments received from the grantor.

2.8 Current assets

2.8.1 Inventories

Inventories are stated at the lower of cost (first in first out or weighted average cost, depending on the nature of the business) or market price.

Where the realisable value of inventory is lower than cost, the necessary provision for impairment is recognised.

2.8.2 Property development programmes

Property development programme inventories are measured at cost; this includes land acquisition costs and taxes, construction and fitting-out costs, utilities connection costs, professional fees and ancillary costs.

All advertising costs are recognised in profit or loss as incurred.

Preliminary studies relating to property development programmes are recognised in inventory. If the probability of the programme being completed is low, especially if there is a risk of withdrawal or refusal of planning permission, the amount recognised is written down via a provision for impairment.

2.8.3 Programmes and broadcasting rights

In order to secure broadcasting schedules for future years, TF1 enters into binding contracts, sometimes for a period of several years, under which it acquires (and the other party agrees to deliver) programmes and sports transmission rights.

A programme is treated as ready for transmission and recognised in inventory when the following two conditions are met: technical acceptance (for in-house and external productions), and opening of rights (for external productions).

In the case of rights and programmes for which those two criteria have not been met (programmes not yet delivered, sports rights for which the right to broadcast is not activated until the date of the event, etc.), TF1 takes the view that it does not control the asset, since it has neither the right nor the ability to broadcast the programme. Consequently, these rights are not recognised in the balance sheet.

However, any advance payments made to acquire such rights are treated as supplier prepayments.

The “Programmes and broadcasting rights” line in the balance sheet includes:

- in-house productions, made by TF1 companies for TF1 channels;
- external productions, comprising broadcasting rights acquired for TF1 channels.

The value of programmes and broadcasting rights is measured as follows:

- in-house production: overall production cost (direct costs plus a portion of indirect production costs);
- broadcasting rights and co-productions: purchase cost, less consumption for the year calculated at the end of each reporting period.

TF1 SA programmes are deemed to have been consumed on transmission. If they are acquired for a single transmission, they are regarded as having been consumed in full at the time of this transmission. If they are acquired for two or more transmissions, consumption is calculated according to the type of programme using the rules described below (unless otherwise specified in the acquisition contract):

	Type of programme		
	Dramas with a running time of at least 52 minutes	**Films, TV movies, series and cartoons**	**Other programmes and broadcasting rights**
1st transmission	80%	50%	100%
2nd transmission	20%	50%	-

“Other programmes and broadcasting rights” in the table above refers to children’s programmes (other than cartoons), entertainment shows, plays, factual and documentary programmes, news, sport, and dramas with a running time of less than 52 minutes.

A provision for impairment is recorded once it becomes probable that a programme will not be transmitted, or if the contractual value at which it was recognised in inventory exceeds the value attributable to it using the rules described above. Probability of transmission is assessed on the basis of the most recent programming schedules approved by TF1 management. If rights are resold, a provision is recorded once the sale is probable to cover any excess of the value at which the rights were initially recognised in inventory (or the amount of advance payments) over the actual or estimated selling price.

Programmes that have not been transmitted and the rights to which have expired are written off as a component of current operating profit, at which point any previously-recognised provisions are reversed.

Rights ordered under irrevocable contracts but not yet available for transmission are disclosed in Note 4.1 to the financial statements, and are priced at the contractual amount or the estimated future cash outflow (in the case of output deals), less any advance payments made.

2.8.4 Trade receivables

Trade receivables are carried at face value, net of impairment recorded to reflect the probability of recovery. These receivables are usually short-term and non interest-bearing. They are measured at the original invoice amount, unless application of an implied interest rate would have a material effect.

In line with the percentage of completion method of accounting for long-term contracts, trade receivables include:

- statements issued as works are executed or services provided, and accepted by the project owner;
- unbilled receivables, arising where works are entitled to acceptance but billing or acceptance by the project owner has been temporarily delayed.

2.8.5 Other current receivables

Other receivables are carried at face value, net of impairment recorded to reflect the probability of recovery.

2.9 Financial instruments

Some Group entities use hedging instruments to limit the impact on the income statement of fluctuations in exchange rates and interest rates. The Group's policy on the use of financial instruments is described below.

2.9.1 Risks to which the Group is exposed

2.9.1.1 Currency risk

In general, the Bouygues group has little exposure to currency risk in routine commercial transactions, given that its international operations (primarily Bouygues Construction and Colas) do not involve exports. Where possible, expenses relating to a contract are incurred in the same currency as that in which the contract is billed. This applies to most projects executed outside France, on which local-currency expenses (sub-contracting and supplies) represent a much higher proportion than euro-denominated expenses. Exposure to currency risk is therefore limited to contract margins, and to any design work carried out in France. The Bouygues group also pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

2.9.1.2 Interest rate risk

The Group's financial expenses have low sensitivity to interest rate risk, since the bulk of debt is at fixed-rate either in the form of fixed-rate bond issues, or via a portfolio of hedging instruments that convert floating-rate debt into fixed-rate debt.

Consolidated financial expenses would be only marginally affected by fluctuations in euro interest rates, or by a divergence in interest rate trends between the euro and other major currencies.

On average over the year, the amount of floating-rate debt in the balance sheet is less than the amount of surplus cash invested at floating rates.

2.9.1.3 Commodities risk

In general, the Bouygues group has little exposure to commodities risk. The main exposure is in the roads activity, which is sensitive to movements in the price of petroleum-based products. However, that exposure is relatively limited in that contracts are generally of a short duration or are index-linked. However, hedges may be contracted on an as-needed basis in connection with specific contracts.

2.9.2 Principles applied to all hedging instruments

The only instruments used for hedging purposes are forward currency purchases and sales, currency swaps and purchases of currency options for currency risk hedging purposes; interest rate swaps, future rate agreements, and purchases of caps and collars for interest rate risk hedging purposes; and forward commodity purchases and sales, commodity swaps and commodity options for commodities risk hedging purposes.

These instruments:

- are used solely for hedging purposes;
- are contracted solely with high-quality French and foreign banks;
- carry no liquidity risk in the event of reversal.

Specific reports are prepared for those responsible for the management and supervision of the relevant Group companies describing the use of hedging instruments, the selection of counterparties, and more generally the management of exposure to currency risk, interest rate risk and commodities risk.

2.9.3 Hedging rules

2.9.3.1 Currency risk

Group policy is to hedge systematically all residual currency exposure relating to commercial transactions. If the future cash flow is certain, the currency risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed; if the hedged item ceases to exist (for example, if the service is not provided or the contract is cancelled), the hedge is closed out immediately.

In the interests of efficiency, the currency positions of some Group entities may be managed centrally, which in some cases may result in the offset of matching positions (currency derivatives are used solely for hedging purposes).

2.9.3.2 Interest rate risk

Group policy is for each sub-group to hedge some or all of its financial assets and liabilities, where these are foreseeable and recurring.

The aim is to control future interest expense by fixing the cost of debt using swaps and future rate agreements, or by limiting it through the use of caps, over a period equivalent to that of the financial liabilities to be hedged.

As with currency risk, the interest rate positions of some Group entities may, in the interests of efficiency, be managed centrally and partially offset.

2.9.3.3 Commodities risk

Group policy is for each sub-group to hedge some or all of the exposure to movements in commodity prices on specific contracts, primarily in the roads activity.

2.9.4 Accounting methods

In general, the financial instruments used by the Group qualify for hedge accounting, which means that the hedging relationship is documented in accordance with the requirements of IAS 39. Two types of accounting treatment are used:

- fair value hedges: changes in the fair value of the hedging instrument and changes in the fair value of the hedged item are recognised symmetrically in the income statement;
- cash flow hedges: changes in the fair value of the hedging instrument are recognised in the income statement for the ineffective portion of the hedging relationship, and in shareholders' equity (until the hedge is closed out) for the effective portion.

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

2.10 Consolidated shareholders' equity

Treasury shares are deducted from consolidated shareholders' equity. No expense or income arising on the cancellation of treasury shares is recognised in the income statement.

If a Group subsidiary holds its own shares, an additional percentage interest in that subsidiary is recognised at Group level.

2.10.1 Translation reserve

The translation reserve represents translation differences arising since 1 January 2004, when the reserve was deemed to be zero and the balance transferred to "Retained earnings".

2.10.2 Information about the management of capital

The objective of Bouygues management in managing capital is to maintain consolidated shareholders' equity at a level consistent with:

- maintaining a reasonable gearing ratio (the ratio of net debt, as defined in Note 2.15.4 to the consolidated financial statements, to shareholders' equity);
- distributing regular dividends to shareholders.

However, the level of equity may vary over short periods, especially if a strategically important investment opportunity arises.

The business plan is a key management tool, used by the parent company to assess the financial position of each business segment and of the Group as a whole, and the effects on consolidated shareholders' equity.

Within these overall principles, Group management allows subsidiaries within each segment and their parent company a degree of autonomy to manage their equity in line with their specific objectives and needs, given that equity capital requirements vary from business to business and segment to segment.

2.11 Non-current liabilities

2.11.1 Non-current debt

With the exception of derivative instruments accounted for as financial liabilities measured at fair value (including a counterparty risk component, which is immaterial), all other borrowings and financial liabilities are accounted for at amortised cost using the effective interest method.

Transaction costs directly attributable to the acquisition or issuance of a financial liability are offset against that liability, and amortised over the life of the liability using the effective interest method.

The portion of long-term debt due within less than one year is included in current liabilities.

2.11.2 Non-current provisions

In accordance with IAS 37, “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recorded at the end of the reporting period if the Group has an obligation to a third party resulting from a past event and it is probable that settlement of the obligation will result in a net outflow from the Group of resources embodying economic benefits.

The amount recognised as a provision represents the Group’s best estimate of the net outflow of resources.

Non-current provisions are not usually associated with the normal operating cycle of each segment (see Note 2.12.2, “Current provisions”).

Non-current provisions mainly comprise:

- Provisions established to cover the uninsured portion of risks under two-year and ten-year construction contract guarantees. These provisions are recognised in line with recognition of contract revenues, based on statistical data reflecting actual experience over the long term.
- Provisions related to tax exposures and to fines levied by the competition authorities.
- Provisions for litigation, claims and foreseeable risks relating to the Group’s operations, especially foreign operations, including permanent withdrawal from projects and sundry risks and liabilities.
- Provisions for site rehabilitation and decommissioning costs (e.g. quarries).

Costs incurred as a result of a contractual obligation to remedy immediate environmental damage are covered by a provision.

- Provisions for employee benefits, which comprise:
    - Provisions for long-service awards.
    - Provisions for obligations to employees in respect of lump-sum benefits payable on retirement.

These provisions are calculated using the projected unit credit method based on final salary, and on the basis of the collective agreement for each business segment. The calculation takes account of:

- status, age and length of service for each employee category;
- employee turnover, calculated on the basis of the average number of leavers by business segment, age bracket and employee category;
- average salary and wages including bonuses and benefits in kind, uplifted by a coefficient to reflect the applicable percentage of employer's social security charges;
- a final salary inflation rate;
- a discount rate applied to the obligation over the projected period to the retirement date;
- estimated mortality, based on mortality tables.

- Provisions for pension obligations (depending on the country and terms of the pension plan).

  To cover their pension obligations, Group companies make regular payments to external bodies including public-sector and private-sector pension schemes and independent pension fund managers (defined-contribution plans). There are however some remaining defined-benefit plans still in existence, mainly in the Colas group (United Kingdom, Ireland and Canada). These plans are managed by independent pension fund managers; only a limited number of employees are involved, as it was decided some years ago to close these plans to new entrants. The fair value of the assets held to cover these plans as of the end of the reporting period did not require any material impairment to be recognised in the consolidated financial statements.

The actuarial assumptions used to measure the present value of the pension obligation and the service cost for the period in respect of defined-benefit plans represent the best estimate of the variables that will determine the final cost of the benefits. These assumptions are internally consistent. The discount rate and the rate of return on plan assets are determined by reference to the expected market rate, taking into account the estimated timing of benefit payments; the discount rate applied to the obligation is determined by reference to the market rate for high-quality corporate bonds at the end of the reporting period.

The Bouygues group recognises in consolidated shareholders' equity the effect of changes in actuarial assumptions on the pension obligation.

2.12 Current liabilities

2.12.1 Advances and down-payments received on orders

This item comprises advances and down-payments received from customers on construction contract starts.

2.12.2 Current provisions

- Provisions related to the normal operating cycle of each segment. These mainly comprise:
  - provisions for construction contract risks, including risks relating to construction project companies in the form of *Sociétés en Participation* (SEPs);

- provisions for losses to completion on construction contracts: these relate to construction contracts in progress, and take account of claims accepted by the customer. They are measured on a contract by contract basis, with no netting between them.

2.12.3 Trade payables and other current liabilities

Because of the short-term nature of these liabilities, the carrying amounts shown in the consolidated financial statements are a reasonable estimate of market value.

2.13 Income statement

As allowed under IAS 1, “Presentation of Financial Statements”, the Bouygues group presents an income statement that classifies expenses by nature. In presenting its income statement, the Group has applied ANC Recommendation 2013-03 of 7 November 2013.

2.13.1 Revenue recognition

The Group recognises revenue when:

- it is probable that the future economic benefits of the transaction will flow to the Group;
- the amount of revenue can be reliably measured;
- at the transaction date, it is probable that the amount of the sale will be recovered.

Bouygues Telecom

Bouygues Telecom generates revenue from services, and from sales of handsets and accessories.

- Services:

Plans and commercial services (mobile and fixed) are invoiced one month in advance, and the corresponding revenue is recognised on a straight-line basis over the service period.

Revenues from call charges other than plans, and from roaming and interconnection fees, are recognised as the service is used, based on a best estimate of the pattern of consumption. Revenue earned but not billed at the end of the reporting period is estimated on the basis of actual consumption of services after applying the contractual discount terms.

Revenue generated by prepaid cards is recognised on sale of the card to the distributor or retailer but deferred until the card is activated, and then adjusted for unused minutes.

Services carried out on behalf of content providers in relation to SMS+ services and special numbers are not included in income and expenses for the period. Only the margin charged as consideration for the service is recognised in sales.

- Sales of handsets and accessories:

Sales of handsets and SIM cards are recognised on sale to the distributor or retailer, but the margin on the sale is eliminated until the line is activated by the customer. Since August 2013, retail and business customers have been able to pay for their handsets in instalments; the entire revenue from the sale of the handset is recognised when the customer signs up to the plan.

- Distributor/retailer commission:

All commission payable to distributors and retailers is recognised as an expense, and measured on the basis of a best estimate of the number of transactions attracting commission.

- Consumer loyalty programme:

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

In accordance with IFRIC 13 (paragraphs AG1 to AG3), Bouygues Telecom has measured the fair value of the benefits awarded under its loyalty programmes, and has not deferred any revenues as a result.

2.13.2 Accounting for construction contracts

2.13.2.1 Construction businesses

All activities related to construction contracts are accounted for using the percentage of completion method.

Under this method, the revenue recognised equals the latest estimate of the total selling price of the contract multiplied by the actual completion rate determined by reference to the physical state of progress of the works or to completed works. The latest estimate of the total selling price takes account of claims that have been accepted by the client or are highly probable.

If it is regarded as probable that a contract will generate a loss on completion, a provision for expected losses to completion is recognised as a current provision in the balance sheet. The loss is provided for in full as soon as it is can be reliably measured, irrespective of the completion rate.

2.13.2.2 Property development activities

Revenues and profits are recognised using the percentage of completion method once the following conditions have been met:

- building permit with no appeal;
- signature of notarised deed of sale or development contract;
- construction contract signed (order given to start works).

The percentage of completion represents costs recognised to date as a proportion of the total estimated costs to completion of the project, taking account of the progress towards legal completion of the sale in the case of property sales.

Accrued expenses are recognised for finishing costs on this type of project, based on the percentage of completion; residual expenses on delivered projects are also recognised in “Trade payables”.

Overheads, including sales force costs and all advertising costs, are expensed as incurred.

2.13.3 Other non-current income and expenses

These line items contain a very limited number of income and expense items, which are unusual and occur infrequently but are of particularly large amounts. The Bouygues group reports these items separately in its income statement to give users of the financial statements a better understanding of ongoing operational performance.

For a description of these items, see Note 12 to the consolidated financial statements.

2.13.4 Share-based payment

In accordance with IFRS 2, stock subscription options granted to corporate officers or employees of the Group are accounted for in the financial statements as follows: the fair value of the options granted (corresponding to the fair value of the services rendered by the employees as consideration for the options) is recognised as an employee benefit under "Personnel costs" in the income statement, with the matching entry credited to shareholders' equity.

The amount of the employee benefit is measured at the grant date of the option using the Black & Scholes model, and is charged to the income statement over the vesting period of the rights.

2.14 Cash flow statement

The consolidated cash flow statement is presented in accordance with the amended IAS 7 and with ANC Recommendation 2013-03 of 7 November 2013, using the indirect method.

Consolidated net profit is adjusted to eliminate the impact of transactions with no cash effect, and of income and expenses related to investing or financing activities.

Cash flow is defined as consolidated net profit before: net depreciation and amortisation expense, net charges to non-current provisions and impairment losses, gains and losses on asset disposals, cost of net debt (included in financing activities in the cash flow statement), and net income tax expense for the period.

The cash flow statement explains changes in the Group's net cash position, which is defined as the net total of the following balance sheet items:

- cash and cash equivalents;
- overdrafts and short-term bank borrowings.

2.15 Other financial indicators

2.15.1 EBITDA

EBITDA is defined as current operating profit before net depreciation and amortisation expense, net provisions and impairment losses, reversals of unutilised provisions and impairment losses and before effects of acquisition or loss of control.

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

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

Profits and losses from joint operations represent the Group’s share of profits or losses from non-consolidated companies (SEPs, etc.), for example those that operate asphalt and binder production facilities.

2.15.2 Free cash flow

Free cash flow is defined as cash flow (determined after cost of net debt and net income tax expense, but before changes in working capital related to operating activities), minus capital expenditure (net of disposals) for the period.

2.15.3 Changes in working capital related to operating activities

“Changes in working capital related to operating activities” as presented in the cash flow statement is obtained by aggregating the following items:

- net change in inventories and work in progress;
- net change in advances and down-payments made on orders;
- net change in trade receivables;
- net change in trade payables;
- net change in current provisions;
- net change in other current asset and liability items (excluding taxes, cash and cash equivalents and current debt, hedging instruments, and receivables/liabilities related to property, plant & equipment and intangible assets).

2.15.4 Net debt/Net surplus cash

Net debt (or net surplus cash) is obtained by aggregating the following items:

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

If the aggregate of these items is positive, it represents net surplus cash; if negative, it represents net debt.

NOTE 3 NON-CURRENT ASSETS

For a breakdown of non-current assets by business segment see Note 16 to the consolidated financial statements, “Segment Information”.

3.1 Acquisitions of non-current assets during the year, net of disposals

(€ million)	2017	2016
Property, plant and equipment	1,735	1,660
Intangible assets	301	302
Capital expenditure	**2,036**	**1,962**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	234 [a]	233
Acquisitions of non-current assets	**2,270**	**2,195**
Disposals of non-current assets	(663) [b]	(1,628) [c]
Acquisitions of non-current assets, net of disposals	**1,607**	**567**

(a) Includes €157m of acquisitions made by Colas (mainly operations in North America) and €67m made by TF1 (mainly Studio 71 and the Tuvalu group).

(b) Disposals include the sale of 1,085 sites by Bouygues Telecom (€307m) and the sale of Groupe AB (€90m).

(c) Disposals include the divestment of Alstom shares in the public share buy-back offer (€996m), the sale of 500 towers by Bouygues Telecom (€147m), and the sale of Adelac (€130m) and Atlandes (€67m), net of current account advances reimbursed). See Note 1.2.2 to the consolidated financial statements, “Significant events of 2016”.

3.2 Non-current assets: movements during the period

3.2.1 Property, plant and equipment

(€ million)	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
Gross value					
31/12/2015	**2,359**	**12,545**	**2,996**	**421**	**18,321**
Movements during 2016					
Translation adjustments	5	39	14	(2)	56
Changes in scope of consolidation	(6)	(14)	(25)	(1)	(46)
Acquisitions during the period	47	1,014	344	254	1,659
Disposals, transfers & other movements	(25)	(511)	(170)	(334)	(1,040)
31/12/2016	**2,380**	**13,073**	**3,159**	**338**	**18,950**
of which finance leases	12	95	16		123
Movements during 2017					
Translation adjustments	(55)	(203)	(35)	(3)	(296)
Changes in scope of consolidation	45	37	(5)	(1)	76
Acquisitions during the period	49	1,089	292	305	1,735
Disposals, transfers & other movements	(17)	(682)	(188)	(214)	(1,101)
31/12/2017	**2,402**	**13,314**	**3,223**	**425**	**19,364**
of which finance leases	11	94	17		122
Depreciation and impairment					
31/12/2015	**(887)**	**(8,683)**	**(2,228)**		**(11,798)**
Movements during 2016					
Translation adjustments	(1)	(32)	(11)		(44)
Changes in scope of consolidation	3	9	4		16
Net expense for the period	(76)	(1,003)	(278)		(1,357)
Disposals, transfers & other movements	16	626	157		799
31/12/2016	**(945)**	**(9,083)**	**(2,356)**		**(12,384)**
of which finance leases	(7)	(62)	(11)		(80)
Movements during 2017					
Translation adjustments	20	144	31		195
Changes in scope of consolidation	3	1	(2)		2
Net expense for the period	(76)	(988)	(300)		(1,364)
Disposals, transfers & other movements	26	822	197		1,045
31/12/2017	**(972)**	**(9,104)**	**(2,430)**		**(12,506)**
of which finance leases	(7)	(65)	(11)		(83)
Carrying amount					
31/12/2016	**1,435**	**3,990**	**803**	**338**	**6,566**
of which finance leases	5	33	5		43
31/12/2017	**1,430**	**4,210**	**793**	**425**	**6,858**
of which finance leases	4	29	6		39

Operating commitments not yet recognised involving future outflows of resources

Property, plant and equipment	**Falling due**				
(€ million)	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total 2017**	**Total 2016**
Colas: orders in progress for plant and equipment	24			24	20
Bouygues Telecom: orders in progress for network equipment assets	490			490	395
TOTAL	**514**			**514**	**415**

3.2.2 Intangible assets

(€ million)	Development expenses [a]	Concessions, patents and similar rights	Other intangible assets	Total
Gross value				
31/12/2015	**198**	**2,612**	**1,989**	**4,799**
Movements during 2016				
Translation adjustments		1		1
Changes in scope of consolidation		(5)	1,006	1,001
Acquisitions during the period	41	36	225	302
Disposals, transfers & other movements		(8)	(44)	(52)
31/12/2016	**239**	**2,636**	**3,176**	**6,051**
Movements during 2017				
Translation adjustments		(3)	(4)	(7)
Changes in scope of consolidation		(14)	13	(1)
Acquisitions during the period	58	34	210	302
Disposals, transfers & other movements		174	(139)	35
31/12/2017	**297**	**2,827**	**3,256**	**6,380**
Amortisation and impairment				
31/12/2015	**(153)**	**(1,201)**	**(1,314)**	**(2,668)**
Movements during 2016				
Translation adjustments		(1)		(1)
Changes in scope of consolidation		4	(825)	(821)
Net expense for the period	(12)	(157)	(233)	(402)
Disposals, transfers & other movements		14	7	21
31/12/2016	**(165)**	**(1,341)**	**(2,365)**	**(3,871)**
Movements during 2017				
Translation adjustments		3	3	6
Changes in scope of consolidation		14	(7)	7
Net expense for the period	(16)	(161)	(249)	(426)
Disposals, transfers & other movements		5	31	36
31/12/2017	**(181)**	**(1,480)**	**(2,587)**	**(4,248)**
Carrying amount				
31/12/2016	**74**	**1,295**	**811**	**2,180**
31/12/2017	**116**	**1,347** [b]	**669** [c]	**2,132**

(a) Development expenses:

- Software development expenses are usually capitalised (mainly relates to Bouygues Telecom).

- Development expenses of a permanent and recurring nature that do not meet the IAS 38 capitalisation criteria are expensed (mainly relates to Colas).

- In accordance with IFRS, research costs are expensed as incurred.

- Research and development costs expensed were €72m in 2017 and €59m in 2016.

(b) Includes for Bouygues Telecom €177m for the UMTS licence, €790m for the 2.6 GHz and 800 MHz frequency user licence, and €128m for the 700 MHz spectrum frequency user licence.

(c) Includes €349m for the portion of 700 MHz frequencies acquired in 2015 that have not yet been brought into use and hence are classified as intangible assets in progress, and €171m for acquisitions of audiovisual rights (TF1).

Operating commitments not yet recognised involving future outflows of resources

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

Intangible assets *(€ million)*	**Falling due** Less than 1 year	1 to 5 years	More than 5 years	**Total 2017**	**Total 2016**
TF1 audiovisual rights	29	1		30	29
TOTAL	**29**	**1**		**30**	**29**

3.2.3 Goodwill

(€ million)	**Gross value**	**Impairment**	**Carrying amount**
31/12/2015	**5,339**	**(78)**	**5,261**
Movements during 2016			
Changes in scope of consolidation	129	1	130
Impairment losses charged during the period		(1)	(1)
Other movements (including translation adjustments)	(25)	2	(23)
31/12/2016	**5,443**	**(76)**	**5,367**
Movements during 2017			
Changes in scope of consolidation	47	3	50
Impairment losses charged during the period			
Other movements (including translation adjustments)	(33)	1	(32)
31/12/2017	**5,457**	**(72)**	**5,385**

Changes in the scope of consolidation during 2017 mainly relate to the acquisition of the Tuvalu group by TF1 as well as acquisitions by Colas in North America (Graymont) and the United Kingdom (Allied Infrastructure).

For goodwill on joint ventures and associates, see Note 3.2.5 to the consolidated financial statements.

3.2.3.1 Consolidated carrying amount of listed shares as of 31 December 2017

(€)	**Consolidated carrying amount per share**	**Closing market price per share on 29/12/2017**
TF1	13.63	12.29
Colas	105.39	181.50

3.2.3.2 Split of goodwill by Cash Generating Unit (CGU)

CGU *(€ million)*	**31/12/2017** Total	**31/12/2017** % Bouygues or subsidiaries	**31/12/2016** Total	**31/12/2016** % Bouygues or subsidiaries
Bouygues Construction [a]	457	99.97	471	99.97
Colas [b]	1,131	96.60	1,118	96.60
TF1 [b]	1,149	43.81	1,130	43.91
Bouygues Telecom [b]	2,648	90.53	2,648	90.53
TOTAL	**5,385**		**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.

Information about impairment testing of goodwill as of 31 December 2017:

- The recoverable amounts of Bouygues Construction, Bouygues Telecom, TF1 and Colas were determined using the method described in Note 2.7.4.1 to the consolidated financial statements, based on three-year cash flow projections corresponding to the business plans of each of the four subsidiaries as presented to the subsidiary's Board of Directors and the Board of Directors of Bouygues SA.
    - Cash flows beyond the projection period were extrapolated using a perpetual growth rate.
    - The discount rates (weighted average cost of capital) and growth rates used as of 31 December 2017 were as follows:

	Discount rate		Perpetual growth rate
	Scenario 1 [a]	Scenario 2 [a]	
- **Bouygues Construction**	4.63%	4.46%	2%
- **Bouygues Telecom**	4.94%	4.74%	2%
- **TF1**	6.09%	5.79%	2%
- **Colas**	5.36%	5.12%	2%

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

For both Bouygues Construction and Colas, there is no reasonably possible scenario that would cause the recoverable amount of the assets to fall below their carrying amount. Consequently, the assumptions used for business plans and sensitivity analyses are presented for Bouygues Telecom and TF1 only.

- Assumptions used in the Bouygues Telecom business plan:
    - The normative cash flows used for Bouygues Telecom rely on the following assumptions:
        - ongoing investment in very-high-speed mobile and fixed, translating into:
            - €1.2 billion of capital expenditure in 2018 to secure long-term leadership in 4G and prepare for the arrival of 5G, and to accelerate roll-out of the FTTH network to meet the growing demand for very-high-speed fixed services in the home,
            - pragmatic infrastructure management, with self-funded investment in key infrastructure backed by sharing, rental or divestment of less strategic infrastructure;
        - an optimised cost structure, the transformation plan having generated more than €400 million of cost savings in 2016 relative to end 2013;
        - the expected benefits, from the end of 2018, of the agreement between Bouygues Telecom and SFR to share their mobile networks in low-density areas , which will give customers the best 4G coverage (target: 99% in 2018) and very high service quality while optimising capital expenditure and operating costs;
        - higher EBITDA/sales from services margin in 2018 than 2017, with sales from services growth of over 3%;
        - profitable growth momentum, generating free cash flow of €300 million in 2019.

- The business plans used for TF1 were prepared on the basis of sales growth rates and operating margins consistent with actual performances over the previous five years. Those business plans take account of factors including:
  - the impacts of the economic situation and competitive environment, and of trends in how content is consumed, on advertising spend;
  - the acceleration of the transformation of TF1, and the organic growth of its activities;
  - average annual cost of programmes reduced to €960 million (excluding major sporting events) for the five unencrypted channels for the 2018-2020 period;
  - the impact of future major sporting events;
  - for 2019, double-digit current operating margin, and non-advertising sales on the five unencrypted channels accounting for at least one-third of consolidated sales;
  - the ongoing implementation of a resolutely multi-channel, multi-media and multi-business strategy that allies mass audience power with targeting across all platforms, plus the expansion of production activities and the development of new monetisation techniques, which is reflected by:
    - securing the stream of core business TV content (including news) and advertising;
    - delivering a high-performance digital offering;
    - ongoing build-up of Newen to reinforce the production side;
    - opening up new distribution channels (platformization, OTT) and exploiting data.

  These plans do not build in future cash flows from the aufeminin group, given that the acquisition had not been completed as of 31 December 2017 (see Note 1.3 to the consolidated financial statements).

Sensitivity analysis

For the Bouygues Telecom and TF1 CGUs, sensitivity analyses were performed to determine the sensitivity of the calculation to key parameters (discount rates, growth rates, normative cash flows), either individually or using combined assumptions for discount rates and normative cash flows (including reasonably possible changes in normative cash flows).

For these CGUs, the recoverable amount would equal the carrying amount of the assets tested if the assumptions shown below (taken individually) were to be applied:

	Change in discount rate		Change in normative cash flows	
	Scenario 1 [a]	**Scenario 2** [a]	**Scenario 1** [a]	**Scenario 2** [a]
- Bouygues Telecom	+153 bp	+173 bp	(37)%	(41)%
- TF1	+428 bp	+458 bp	(56)%	(60)%

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

For Bouygues Telecom, in the event of a 20% reduction in normative cash flows combined with an increase of 100 basis points in the discount rate, the recoverable amount would be €458 million lower than the carrying amount under scenario 1, and €115 million lower than the carrying amount under scenario 2. If the perpetual growth rate applied to the normative cash flows were to be halved and all other assumptions described above were unchanged, the recoverable amount would be greater than the carrying amount by €1,174 million under scenario 1 and by €1,612 million under scenario 2.

For TF1, in the event of a 20% reduction in normative cash flows combined with an increase of 100 basis points in the discount rate, the recoverable amount would be greater than the carrying amount by €901 million under scenario 1, and by €1,115 million under scenario 2. If the perpetual growth rate applied to the normative cash flows were to be halved and all other assumptions described above were unchanged, the recoverable amount would be greater than the carrying amount by €1,706 million under scenario 1 and by €1,976 million under scenario 2.

Conclusion on impairment testing

For all the CGUs tested, the recoverable amounts determined under both capital structure scenarios remain greater than the carrying amount of the assets. Consequently, we have not performed a more in-depth estimate of the recoverable amounts of the CGUs.

3.2.4 Non-current financial assets

As of 31 December 2017, these comprised:

- investments in joint ventures and associates (accounted for by the equity method): €2,502 million;
- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc.): €563 million;
- deferred tax assets: €337 million.

(€ million)	**Investments in joint ventures and associates**	**Investments in non-consolidated companies**	**Other non-current assets**	**Total gross value**	**Amortisation and impairment**	**Carrying amount**	**Deferred tax assets**
31/12/2015	**4,525**	**334**	**456**	**5,315**	**(1,372)**	**3,943**	**352**
Movements during 2016							
Changes in scope of consolidation	2	3	14	19	(6)	13	(1)
Acquisitions and other increases	51	11	34	96		96	
Amortisation and impairment, net					1,094 [a]	1,094	
Disposals and other reductions	(2,398) [a]	(39)	(71)	(2,508)		(2,508)	
Transfers and other allocations	287	20		307	7	314	16
31/12/2016	**2,467**	**329**	**433**	**3,229**	**(277)**	**2,952**	**367**
AMORTISATION & IMPAIRMENT	**(38)**	**(179)**	**(60)**	**(277)**			
CARRYING AMOUNT	**2,429**	**150**	**373**	**2,952**			**367**

(a) Mainly as a result of the Alstom public share buy-back offer (see Note 3.2.5.2 to the consolidated financial statements).

(€ million)	**Investments in joint ventures and associates** [a]	**Investments in non-consolidated companies**	**Other non-current assets**	**Total gross value**	**Amortisation and impairment**	**Carrying amount**	**Deferred tax assets** [b]
31/12/2016	**2,467**	**329**	**433**	**3,229**	**(277)**	**2,952**	**367**
Movements during 2017							
Changes in scope of consolidation	(41)	(5)	(1)	(47)	(1)	(48)	(2)
Acquisitions and other increases		38	5	43		43	2
Amortisation and impairment, net					9	9	
Disposals and other reductions		(34)	(2)	(36)		(36)	(1)
Transfers and other allocations	116	(6)	29	139	6	145	(26)
31/12/2017	**2,542**	**322**	**464**	**3,328**	**(263)**	**3,065** [c]	**337**
AMORTISATION & IMPAIRMENT	**(40)**	**(171)**	**(52)**	**(263)**			
CARRYING AMOUNT	**2,502**	**151**	**412**	**3,065**			**337**

(a) Includes goodwill on associates of €956m as of 31 December 2017.
(b) See Note 7 to the consolidated financial statements.
(c) Includes €2,028m for Alstom.

3.2.5 Investments in joint ventures and associates

(€ million)	**Share of net assets held**	**Share of profit/(loss) for period** [a]	**Goodwill on associates**	**Carrying amount**
31/12/2015	**1,961**	**(108)**	**1,548**	**3,401**
Movements during 2016				
Translation adjustments	33			33
Acquisitions and share issues	51			51
Net profit/(loss) for the period		274		274
Impairment losses charged during the period			(7)	(7)
Appropriation of prior-year profit, disposals, transfers and other movements	(880)	108	(551) [b]	(1,323)
31/12/2016	**1,165**	**274**	**990**	**2,429**
Movements during 2017				
Translation adjustments	(41)		(2)	(43)
Acquisitions and share issues				
Net profit/(loss) for the period		165		165
Impairment losses charged during the period			(2)	(2)
Appropriation of prior-year profit, disposals, transfers and other movements	257	(274)	(30)	(47)
31/12/2017	**1,381**	**165**	**956**	**2,502**

(a) Excluding impairment losses.
(b) Includes reduction of €553m relating to share buy-backs carried out by Alstom.

A list of the joint ventures and associates in which the Bouygues group holds an interest is provided in Note 24 to the consolidated financial statements, "List of principal consolidated companies at 31 December 2017".

As of 31 December 2017, the total carrying amount of €2,502 million included €287 million for joint ventures (see Note 3.2.5.1 to the consolidated financial statements, "Joint ventures") and €2,215 million for investments in associates (see Note 3.2.5.2 to the consolidated financial statements, "Investments in associates").

3.2.5.1 Joint ventures

(€ million)	**31/12/2016**	**Net movement in 2017**	**31/12/2017**	**of which: share of profit/ loss and impairment**
Miscellaneous joint ventures	240	47	287	23
TOTAL	**240**	**47**	**287**	**23**

Most of these joint ventures are industrial entities (quarries, emulsion plants) operated jointly by Colas and partners from outside the Bouygues group.

3.2.5.2 Investments in associates

Principal associates:

(€ million)	**31/12/2016**	**Net movement in 2017**	**31/12/2017**	**of which: share of profit/ loss and impairment**
Alstom	1,938	90	2,028	98
Bouygues Construction				
Concession companies	16	5	21	1
Miscellaneous associates	3	(1)	2	
Colas				
Tipco Asphalt (Thailand)	105	6	111	21
Miscellaneous associates	43	3	46	5
TF1				
Miscellaneous associates	78	(76) [a]	2	14 [a]
Other associates	6	(1)	5	1
TOTAL	**2,189**	**26**	**2,215**	**140**

(a) The reduction of €76m is mainly due to the divestment by TF1 of its stake in Groupe AB for €77m, on which a gain of €14m was recognised.

Alstom:

Given the time-lag between the annual accounting period-ends of Alstom (31 March) and of Bouygues (31 December), no contribution from Alstom to the net profit of Bouygues was recognised in the fourth quarter of 2017.

Alstom's contribution to the net profit of Bouygues for the 2017 financial year includes €105 million in respect of the results published by Alstom for the second half of its 2016/2017 financial year and the first half of its 2017/2018 financial year.

The carrying amount of the interest in Alstom as of 31 December 2017 was €2,028 million, including €865 million of goodwill and €120 million of non-depreciable fair value adjustments relating mainly to the Alstom brand name. This is €90 million more than the carrying amount as of 31 December 2016.

The carrying amount per share as of 31 December 2017 was €32.66, below the quoted market price of €34.61 as of 29 December 2017.

Summary information about the assets, liabilities, income and expenses of Alstom:

	Alstom	
Amounts shown are for 100% of Alstom	**30/09/2017** [a]	**31/03/2017** [a]
(€ million)		
Non-current assets	5,908	5,972
Current assets	8,294	8,379
Held-for-sale assets	9	10
TOTAL ASSETS	**14,211**	**14,361**
Shareholders' equity	3,787	3,713
Non-current liabilities	2,571	2,758
Current liabilities	7,846	7,883
Liabilities related to held-for-sale assets	7	7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**14,211**	**14,361**
Sales	**3,756**	**7,306**
Current operating profit/(loss)	**231**	**421**
Net profit/(loss)	**221**	**303**
Net profit/(loss) attributable to the Group	**213**	**289**

(a) Financial statements published by Alstom for the year ended 31 March 2017 and the six months ended 30 September 2017.

Reconciliation to the carrying amount of the interest held by the Bouygues group:

(€ million)	**31/12/2017**	**31/12/2016**
Alstom: Shareholders' equity attributable to the group as published	**3,726**	**3,367**
Share attributable to Bouygues (27.98% as of 31/12/2017)	**1,043**	**953**
Fair value remeasurements and goodwill recognised at Bouygues group level	985	985
Net assets recognised in the Bouygues consolidated financial statements	**2,028**	**1,938**

Given the time-lag in publication, the amounts reported as of 31 December 2017 are based on the figures published by Alstom as of 30 September 2017.

Information about impairment testing of the investment in Alstom as of 31 December 2017

In principle, the investment in Alstom is tested for impairment using the higher of (i) the quoted share price or (ii) value in use determined using the discounted cash flow (DCF) method. At the end of 2017, given that the quoted market price at 29 December 2017 (€34.61) was 6% higher than the consolidated carrying amount (€32.66), the DCF calculation was not performed. This approach is confirmed by the 3-month consensus forecast for the Alstom share price of €38.50.

Conclusion on impairment testing

The recoverable amount determined on the basis of the quoted market price as of 29 December 2017 is greater than the carrying amount of the Bouygues group's investment in Alstom.

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

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

	31/12/2017								31/12/2016
Investment (€ million)	**Gross value**	**Impairment**	**Carrying amount**	**% interest**	**Total assets**	**Total current & non-current liabilities**	**Total sales**	**Net profit/ (loss)**	**Carrying amount**
French companies									
Colas									
Asphalt, binder and quarry companies [a]	22	(7)	15						17
TF1									
Sofica Valor 7									17
Studio71	28		28	6%					
Sub-total	**50**	**(7)**	**43**						**34**
Foreign companies									
Bouygues Construction									
Hong Kong IEC Limited (Hong Kong)	58		58	15%	111	28	61	(6)	67
VSL Corporation (United States)	22	(22)		100%					
TF1									
A1-international (Netherlands)	13	(13)		50%					
Teads									4
Wibbitz (Israel)	4		4						
Colas									
Asphalt, binder and quarry companies [a]	2	(1)	1						1
Sub-total	**99**	**(36)**	**63**						**72**
Other investments [a]	**173**	**(128)**	**45**						**44**
TOTAL	**322**	**(171)**	**151**						**150**

(a) The information provided for "Asphalt, binder and quarry companies" and "Other investments" relates to a large number of companies, for which individual information is not disclosed on grounds of immateriality.

The net change in investments in non-consolidated companies during 2017 was €1 million. The main movements during the period involved TF1: acquisition of an interest in Studio 71, divestment of an interest in Teads, and merger of Sofica valor 7 into TF1 DA.

Other non-current financial assets	**412**	
• Advances to non-consolidated companies	114	
• Loans receivable	159	
• Other long-term investments	139	
• Deposits and caution money paid (net)		105
• Mutual funds		17
• Other investments with carrying amounts of less than €2 million individually		17

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

(€ million)	Available-for-sale financial assets [a]	Financial assets at fair value through profit or loss	Held-to-maturity assets	Loans and receivables [b]	Total
31/12/2016	**187**		**78**	**258**	**523**
Movements during 2017			13	27	40
31/12/2017	**187**		**91**	**285** [c]	**563**
Due within less than 1 year	1			14	15
Due within 1 to 5 years				80	80
Due after more than 5 years	186		91	191	468

(a) *Impact of fair value remeasurements recognised in equity (except in the event of a significant or prolonged decline in value, in which case an impairment loss is recognised in profit or loss). Mainly relates to investments in non-consolidated companies (€151m at 31 December 2017), the vast majority of which are measured at value in use (level 3 in the fair value hierarchy).*

(b) *Measured at amortised cost.*

(c) *Includes financial receivables relating to Public-Private Partnership (PPP) activities.*

Fair value of financial assets and financial liabilities

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

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

	Level 1 Quoted prices	Level 2 Observable inputs	Level 3 Unobservable inputs	31/12/2017
Available-for-sale financial assets		1	186	**187**
Held-to-maturity assets		91		**91**
Net cash	4,611			**4,611**
Financial instruments, net	(10)			**(10)**

	Level 1 Quoted prices	Level 2 Observable inputs	Level 3 Unobservable Inputs [a]	31/12/2017
Non-current debt			124	**124**
Current debt			4	**4**

(a) *Relates to undertakings to buy out minority interests in TF1.*

NOTE 4 CURRENT ASSETS

4.1 Inventories

(€ million)	31/12/2017			31/12/2016		
	Gross value	Impairment [a]	Carrying amount	Gross value	Impairment [a]	Carrying amount
Property development inventories	1,729	(121)	1,608 [b]	1,605	(118)	1,487
Raw materials and finished goods	896	(65)	831	870	(64)	806
Programmes and broadcasting rights	748	(150)	598	803	(141)	662
TOTAL	**3,373**	**(336)**	**3,037**	**3,278**	**(323)**	**2,955**

	2017	2016
(a) Includes:		
- impairment losses charged in the period	*(102)*	*(132)*
- impairment losses reversed in the period	*88*	*106*

(b) Includes Bouygues Immobilier: properties under construction €1,418m; completed properties €113m.

Operating commitments not yet recognised involving future outflows of resources

(€ million) TF1	Falling due: Less than 1 year	1 to 5 years	More than 5 years	Total 2017	Total 2016
Programmes and broadcasting rights	459	804	31	1,294	1,371
Sports transmission rights	91	131		222	169
FUTURE PROGRAMMING SCHEDULES [a]	**550**	**935**	**31**	**1,516**	**1,540**
Comparative at 31 December 2016	647	817	76	1,540	

(a) 2017: Contracts expressed in foreign currencies: €48m in US dollars.

Bouygues Immobilier	Falling due: Less than 1 year	1 to 5 years	More than 5 years	Total 2017	Total 2016
ACQUISITIONS OF LAND BANKS [b]	**400**			**400**	**374**
Comparative at 31 December 2016	374			374	

(b) Binding commitments signed by Bouygues Immobilier, which is committed to buy the land if the conditions precedent (usually obtaining a building permit) are met.

Bouygues Telecom					
AGREEMENTS TO SECURE HANDSET SUPPLIES [c]	**262**			**262**	**409**
Comparative at 31 December 2016	409			409	

(c) Handset supplies are generally secured under triennial contracts with the handset vendor that specify a minimum order quantity. The vendor commits to supplying the handsets, and Bouygues Telecom commits to buying the specified quantity.

4.2 Advances and down-payments made on orders

(€ million)	31/12/2017			31/12/2016		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments made on orders	433	(1)	432	396	(1)	395

4.3 Trade receivables, tax assets and other current receivables

(€ million)	31/12/2017			31/12/2016		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	7,313	(581)	6,732	6,953	(586)	6,367
Current tax assets (tax receivable)	333	(2)	331	287	(2)	285
Other current receivables (employees, social security, government and other)	1,440	(10)	1,430	1,338	(9)	1,329
Sundry receivables	1,051	(198)	853	1,140	(198)	942
Prepaid expenses	298		298	238		238
TOTAL OTHER CURRENT RECEIVABLES	**2,789**	**(208)**	**2,581**	**2,716**	**(207)**	**2,509**
TOTAL	**10,435**	**(791)**	**9,644**	**9,956**	**(795)**	**9,161**

Split of carrying amount of trade receivables between non past due and past due balances

(€ million)	Non past due	Past due by:			Total
		0-6 months	6-12 months	> 12 months	
Trade receivables	5,080	1,231	324	678	7,313
Impairment of trade receivables	(34)	(49)	(83)	(415)	(581)
CARRYING AMOUNT OF TRADE RECEIVABLES: 31/12/2017	**5,046**	**1,182**	**241**	**263** [a]	**6,732**
Carrying amount of trade receivables: 31/12/2016	4,905	1,049	218	195	6,367

(a) Includes €106m for Bouygues Construction, €131m for Colas and €23m for Bouygues Telecom.

An analysis of trade receivables more than 12 months past due and not covered by impairment allowances revealed no additional credit risk (recoverable VAT, offset with trade creditors, etc.).

4.4 Cash and cash equivalents

(€ million)	31/12/2017			31/12/2016		
Cash and cash equivalents	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Cash	4,137		4,137 [a]	3,482		3,482
Cash equivalents	683		683 [b]	1,267		1,267
TOTAL	**4,820**		**4,820**	**4,749**		**4,749**

(a) Includes €1,357m of term deposits with maturities of less than three months recorded in the books of Bouygues SA.
(b) €616m of these cash equivalents are held by Bouygues SA.

Surplus cash is invested with high-quality French and foreign banks.

Cash equivalents are readily convertible into cash.

Cash equivalents are measured at fair value.

All investments of cash and equivalents were accessible as of 31 December 2017.

The net cash position shown in the cash flow statement breaks down by currency as follows:

(€ million)	Euro	Pound sterling	Swiss franc	Other European currencies	US dollar	Other currencies	Total 31/12/2017	Total 31/12/2016
Cash	2,952	134	333	77	99	542	4,137	3,482
Cash equivalents	670		10	3			683	1,267
Overdrafts and short-term bank borrowings	(105)	(21)	(2)	(7)		(74)	(209)	(168)
Total 31/12/2017	**3,517**	**113**	**341**	**73**	**99**	**468**	**4,611**	**4,581**
Total 31/12/2016	3,502	97	307	70	136	469	4,581	

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

(€ million)			Charges and reversals through current operating profit					
	31/12/2016	**Translation adjustments**	**Depreciation, amortisation**	**Impairment losses & provisions, net**	**Reversals (unutilised)**	**Other impairment losses & provisions [b]**	**Other movements [a]**	**31/12/2017**
Depreciation, amortisation & impairment of property, plant and equipment and intangible assets	(16,254)	200	(1,655)	(84)		(23)	1,062 [d]	(16,754)
Impairment of goodwill	(76)						4	(72)
Impairment of investments in non-consolidated companies	(179)	1			1	4	2	(171)
Impairment of other non-current financial assets	(97)	1			2	5	(3)	(92)
Sub-total: non-current assets	**(16,606)**	**202**	**(1,655)** [c]	**(84)** [c]	**3** [c]	**(14)** [c]	**1,065**	**(17,089)**
Impairment of inventories	(323)	1		(36)	21		1	(336)
Impairment of trade receivables	(586)	9		(24)	56		(36)	(581)
Impairment of cash equivalents								
Impairment of other current assets	(208)	1		(1)	2		(2)	(208)
Sub-total: current assets	**(1,117)**	**11**		**(61)**	**79**		**(37)**	**(1,125)**
TOTAL DEDUCTED FROM ASSETS	**(17,723)**	**213**	**(1,655)**	**(145)**	**82** [e]	**(14)**	**1,028**	**(18,214)**
Non-current provisions	(2,199)	19		(77) [c]	167 [c]	22 [c]	(17)	(2,085)
Current provisions	(1,002)	32		(108)	178	(3)	14	(889)
TOTAL LIABILITIES	**(3,201)**	**51**		**(185)**	**345** [e]	**19**	**(3)**	**(2,974)**

(a) Reversals on disposals, and changes in scope of consolidation.

(b) Recognised in "Other operating income and expenses" or "Other financial income and expenses".

(c) The net amount of depreciation, amortisation, non-current provisions and impairment charged against non-current assets is €1,638m (see the cash flow statement).

(d) Mainly a reduction in depreciation following disposals of plant and equipment, including €774m for Bouygues Telecom (Cellnex, Crozon).

(e) Unutilised reversals (total €427m) are shown in a footnote to the income statement, aggregated with the effects of acquisition/loss of control to make a total of €437m.

NOTE 5 CONSOLIDATED SHAREHOLDERS' EQUITY

5.1 Share capital of Bouygues SA (€)

As of 31 December 2017, the share capital of Bouygues SA consisted of 366,125,285 shares with a €1 par value. Movements during 2017 were as follows:

		Movements during 2017		
	31/12/2016	**Reductions**	**Increases**	**31/12/2017**
Shares	354,908,547		11,216,738	366,125,285
NUMBER OF SHARES	**354,908,547**		**11,216,738**	**366,125,285**
Par value	€1			€1
SHARE CAPITAL (€)	**354,908,547**		**11,216,738**	**366,125,285**

The capital increase during the year of €345 million (see the consolidated statement of changes in shareholders' equity) comprised:

- 6,490,841 shares issued on exercise of stock options (€195 million);
- 4,725,897 shares issued under the Bouygues Confiance n°9 employee share ownership plan (€150 million, including €18 million due to be collected in January 2018). Bouygues repurchased 1,157,844 of its own shares for €47 million in connection with this plan on 4 January 2018, and decided on 21 February 2018 to cancel those shares.

5.2 Shareholders' equity at 31 December 2017 attributable to the group and to non-controlling interests

(€ million)	**Share capital**	**Share premium**	**Reserves related to capital**	**Retained earnings**	**Consolidated reserves and profit/(loss) for period**	**Items recognised directly in equity**	**Total 2017**
Attributable to the Group	366	2,039	807	2,192	3,575	(128)	8,851
Attributable to non-controlling interests					1,368	(9)	1,359
TOTAL SHAREHOLDERS' EQUITY	**366**	**2,039**	**807**	**2,192**	**4,943**	**(137)**	**10,210**

5.3 Analysis of income and expense recognised directly in equity

(€ million)	Ref.	2017	2016
Translation reserve of fully consolidated entities	5.3.1	(173) [a]	11
Fair value remeasurement reserve (financial instruments)	5.3.2	13	(2)
Actuarial gains/(losses)	5.3.3	(3)	(76)
Tax on items recognised directly in equity		(5)	21
Share of remeasurements of joint ventures and associates		(17) [b]	6
ATTRIBUTABLE TO THE GROUP		**(185)**	**(40)**
		Non-controlling interests	**Non-controlling interests**
Other expenses and income attributable to non-controlling interests		(11)	
TOTAL		**(196)**	**(40)**

(a) Includes €(79)m reclassified to profit or loss in 2017 following disposals carried out by Bouygues Construction.
(b) Mainly comprises:
- *Alstom: actuarial gains €22m, translation reserve €(25)m.*
- *Colas: translation reserve €(17)m.*

5.3.1 Translation reserve (attributable to the Group)

Principal translation adjustments in the year ended 31 December 2017 arising on the consolidated financial statements of foreign subsidiaries, joint ventures and associates reporting in the following currencies:

	31/12/2016	Movements during 2017	31/12/2017
US dollar	69	(57)	12
Canadian dollar	8	(20)	(12)
Pound sterling	10	(1)	9
Thai baht	11	(6)	5
South African rand	70	(75) [a]	(5)
Swiss franc	39	(9)	30
Czech koruna	5	2	7
Alstom translation reserve	(98)	(25)	(123)
Other currencies	14	(25)	(11)
TOTAL	**128**	**(216)** [b]	**(88)**

(a) Includes €(79)m reclassified to profit or loss in 2017 following disposals carried out by Bouygues Construction.
(b) Split: subsidiaries €(173)m, joint ventures and associates €(43)m.

5.3.2 Fair value remeasurement reserve (attributable to the Group)

This reserve contains amounts recognised directly in equity on the remeasurement at fair value of financial instruments used for hedging purposes and of available-for-sale financial assets.

(€ million)	**31/12/2016**	**Movements during 2017**	**31/12/2017**
Gross movement (fully consolidated entities) [a]	(58)	13	(45)

(a) Mainly relates to cash flow hedges, currency hedges, and fair value remeasurement of available-for-sale financial assets.

5.3.3 Actuarial gains and losses on employee benefits (IAS 19) (attributable to the Group)

(€ million)	**31/12/2016**	**Movements during 2017**	**31/12/2017**
Gross movement (fully consolidated entities)	(181)	(3) [a]	(184)

(a) Mainly the impact in France of the fall in the Iboxx A10+ rate (1.50% at 31 December 2017, versus 1.71% at 31 December 2016), offset by changes in actuarial assumptions for Colas subsidiaries in Anglophone countries.

5.4 Analysis of "Other transactions with shareholders" attributable to the Group

The impact on consolidated shareholders' equity of share-based payment (IFRS 2) is as follows:

(€ million)	**31/12/2017**	**31/12/2016**
Transfer to reserves:		
Expense calculated for plans awarded by TF1 in the last 5 years	2	1
Expense calculated for plans awarded by Bouygues SA in the last 5 years	9	9
Cost of employee benefit for the Bouygues Confiance n°8 employee share ownership plan		3
Cost of employee benefit for the Bouygues Confiance n°9 employee share ownership plan	5	
TOTAL	**16**	**13**

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

The net change of €25 million mainly reflects:

- the remeasurement of liabilities for commitments to buy out non-controlling shareholders of TF1 subsidiaries, in particular Newen Studios; and
- the portion of the tax savings on the Bouygues Confiance n°9 employee share ownership plan recognised in equity, amounting to €13 million.

NOTE 6 NON-CURRENT AND CURRENT PROVISIONS

6.1 Non-current provisions

(€ million)	Long-term employee benefits [a]	Litigation and claims [b]	Guarantees given [c]	Other non-current provisions [d]	Total	
31/12/2015	**692**	**363**	**392**	**713**	**2,160**	
Movements during 2016						
Translation adjustments	(9)	1	(2)	2	(8)	
Changes in scope of consolidation		(1)	2	(19)	(18)	
Charges to provisions	43	111	102	121	377	
Reversals of provisions (utilised or unutilised)	(44)	(94)	(98)	(184)	(420)	e
Actuarial gains and losses	80				80	
Transfers and other movements	2	(1)	(2)	29	28	
31/12/2016	**764**	**379**	**394**	**662**	**2,199**	
Movements during 2017						
Translation adjustments	(4)	(1)	(4)	(11)	(20)	
Changes in scope of consolidation		(2)	(1)	4	1	
Charges to provisions	50	73	101	60	284	
Reversals of provisions (utilised or unutilised)	(43)	(124)	(106)	(131)	(404)	f
Actuarial gains and losses	4				4	
Transfers and other movements	1	(2)	(1)	23	21	
31/12/2017	**772**	**323**	**383**	**607**	**2,085**	

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

(a) Long-term employee benefits (see Note 19.2 to the consolidated financial statements)	***772***	***Principal segments involved:***	
Lump-sum retirement benefits	*517*	*Bouygues Construction*	*210*
Long service awards and other benefits	*153*	*Colas*	*426*
Other long-term employee benefits	*102*	*TF1*	*37*
		Bouygues Telecom	*62*
(b) Litigation and claims	***323***	*Bouygues Construction*	*134*
Provisions for customer disputes	*115*	*Bouygues Immobilier*	*37*
Subcontractor claims	*52*	*Colas*	*92*
Employee-related and other litigation and claims	*156*	*Bouygues Telecom*	*53*
(c) Guarantees given	***383***	*Bouygues Construction*	*295*
Provisions for guarantees given	*292*	*Bouygues Immobilier*	*23*
Provisions for additional building/civil engineering/civil works guarantees	*91*	*Colas*	*65*
(d) Other non-current provisions	***607***	*Bouygues Construction*	*111*
Provisions for miscellaneous foreign risks	*29*	*Colas*	*301*
Provisions for subsidiaries and affiliates	*37*	*Bouygues Telecom*	*157*
Dismantling and site rehabilitation	*301*		
Provisions for social security inspections	*85*		
Other non-current provisions	*155*		

(e) including reversals of unutilised provisions in 2016 ***(161)***

(f) including reversals of unutilised provisions in 2017 ***(201)***

6.2 Current provisions

Provisions relating to the operating cycle amounted to €889 million as of 31 December 2017:

(€ million)	**Provisions for customer warranties**	**Provisions for project risks and project completion** [a]	**Provisions for expected losses to completion** [a]	**Other current provisions** [b]	**Total**	
31/12/2015	**54**	**411**	**334**	**293**	**1,092**	
Movements during 2016						
Translation adjustments	(1)	2		4	5	
Changes in scope of consolidation	(2)			2		
Charges to provisions	16	148	178	134	476	
Reversals of provisions (utilised or unutilised)	(20)	(187)	(227)	(118)	(552)	c
Transfers and other movements	2			(21)	(19)	
31/12/2016	**49**	**374**	**285**	**294**	**1,002**	
Movements during 2017						
Translation adjustments	(1)	(12)	(9)	(10)	(32)	
Changes in scope of consolidation		(3)	(1)	(2)	(6)	
Charges to provisions	12	139	205	105	461	
Reversals of provisions (utilised or unutilised)	(20)	(161)	(206)	(146)	(533)	d
Transfers and other movements	2	(2)		(3)	(3)	
31/12/2017	**42**	**335**	**274**	**238**	**889**	

(a) Mainly Bouygues Construction and Colas.
(Individual project provisions are not disclosed for confidentiality reasons).

(b) Other current provisions:	***238***	***Principal segments involved:***	
Reinsurance costs	*3*	*Bouygues Construction*	*87*
Restructuring provisions	*5*	*Bouygues Immobilier*	*41*
Customer loyalty programmes (Bouygues Telecom)	*5*	*Colas*	*72*
Site rehabilitation (current portion)	*11*	*TF1*	*17*
Miscellaneous current provisions	*214*		

(c) Including reversals of unutilised provisions in 2016 ***(222)***
(d) Including reversals of unutilised provisions in 2017 ***(178)***

NOTE 7 DEFERRED TAX ASSETS AND LIABILITIES

7.1 Deferred tax assets

(€ million)	31/12/2016	Movements during 2017	31/12/2017
Deferred tax assets			
Bouygues Construction	101	(29)	72
Bouygues Immobilier	26	(9)	17
Colas	153	(7)	146
TF1			
Bouygues Telecom			
Bouygues SA & other	87	15	102
TOTAL	**367**	**(30)**	**337**

Deferred tax assets mainly arise from temporary differences (such as provisions temporarily non-deductible for tax purposes), and from tax losses with a genuine probability of recovery.

7.2 Deferred tax liabilities

(€ million)	31/12/2016	Movements during 2017	31/12/2017
Deferred tax liabilities			
Bouygues Construction	7	(3)	4
Bouygues Immobilier	8	1	9
Colas	71	(11)	60
TF1	43	(3)	40
Bouygues Telecom	27	4	31
Bouygues SA & other	3		3
TOTAL	**159**	**(12)**	**147**

The deferred tax position as of 31 December 2017 represented a net asset of €190 million; see Note 7.3 to the consolidated financial statements for a detailed analysis.

7.3 Net deferred tax asset/liability by business segment

(€ million) **Net deferred tax asset/liability by segment/type**	**Net deferred tax asset/ (liability) at 31/12/2016**	**Changes in scope of consolidation**	**Translation adjustments**	**Movements during 2017** **Gain**	 **Expense**	**Other** [a]	**Net deferred tax asset/ (liability) at 31/12/2017**
A – Tax losses							
Bouygues Construction	5			2	(1)		6
Bouygues Immobilier	4				(1)		3
Colas	12				(1)		11
TF1	1				(1)		
Bouygues Telecom	40				(40) [c]		
Bouygues SA	67			33		13 [d]	113 [b]
SUB-TOTAL	**129**			**35**	**(44)**	**13**	**133**
B – Temporary differences							
Bouygues Construction	89				(26)	(1)	62
Bouygues Immobilier	14	(1)			(7)	(1)	5
Colas	70		4	15	(12)	(2)	75
TF1	(44)			15	(10)	(1)	(40)
Bouygues Telecom	(67)			49 [e]	(14)	1	(31)
Bouygues SA & other	17				(23)	(8)	(14)
SUB-TOTAL	**79**	**(1)**	**4**	**79**	**(92)**	**(12)**	**57**
TOTAL	**208**	**(1)**	**4**	**114**	**(136)**	**1**	**190**

(a) Mainly deferred taxes recognised in equity (fair value remeasurements of financial instruments, actuarial gains/losses on employee benefits, Bouygues Confiance n°9 employee share ownership plan, impact of enacted future tax rates, etc.).

(b) Overall tax loss arising on group tax election.

(c) Offset during 2017 of the entire tax loss generated by Bouygues Telecom.

(d) Portion of the tax saving on the Bouygues Confiance n°9 employee share ownership plan recognised in equity (see Note 5.5 to the consolidated financial statements).

(e) Mainly relates to the neutralisation of a timing difference recognised in the Bouygues Telecom individual company financial statements and consequently included in the current tax liability.

- Principal sources of deferred taxation (€ million):

	31/12/2017	**31/12/2016**
• deferred tax assets on employee benefits (mainly lump-sum retirement benefits)	152	172
• deferred tax assets on provisions temporarily non-deductible for tax purposes	35	92
• restricted provisions booked solely for tax purposes	(102)	(150)
• tax losses	133	129
• other items	(28)	(35)
	190	208

7.4 Period to recovery of deferred tax assets

31/12/2017 *(€ million)*	**Less than 2 years**	**2 to 5 years**	**More than 5 years**	**Total**
Estimated period to recovery of deferred tax assets	186	69	82 [a]	337

(a) Mainly Colas (primarily deferred tax assets on employee benefits and tax losses).

7.5 Unrecognised deferred tax assets

Some deferred tax assets were not recognised as of 31 December 2017 due to the low probability of recovery (mainly tax losses, which in the case of France are relevant only to companies not included in the Bouygues SA group tax election).

(€ million)	31/12/2016	Movements during 2017	31/12/2017
Bouygues Construction	144	10	154
Bouygues Immobilier	40	(9)	31
Colas	80	(2)	78
TF1	15	(6)	9
TOTAL UNRECOGNISED DEFERRED TAX ASSETS	**279**	**(7)**	**272**

NOTE 8 NON-CURRENT AND CURRENT DEBT

8.1 Interest-bearing debt by maturity

(€ million)	Current debt				Non-current debt							
	Accrued interest	1 to 3 months	4 to 12 months	Total maturing in less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 6 years	6 or more years	Total 31/12/2017	Total 31/12/2016
Bond issues	121	499		620	987	997		796	695	1,328	4,803	5,296
Bank borrowings		28	59	87	62	481	159	45	19	45	811	703
Finance lease obligations		2	4	6	2	2	2	2	1		9	9
Other borrowings		12	11	23	130	10	12	4	9		165	172
TOTAL DEBT	**121**	**541**	**74**	**736**	**1,181**	**1,490**	**173**	**847**	**724**	**1,373**	**5,788**	**6,180**
Comparative at 31/12/2016	113	51	101	265	601	1,161	1,344	143	840	2,091		6,180

The €500 million bond issue maturing 12 February 2010 was redeemed in full on maturity on 12 February 2018.

The table below lists all outstanding Bouygues bond issues. The quoted price in each case is presented as a percentage of the nominal, on a full price basis (i.e. including accrued interest):

ISIN	Issue date	Maturity	Nominal value on maturity	Interest rate	Quoted price at 31/12/2017, as % of nominal on full price basis [a]
FR0010853226	12/02/2010	12/02/2018	500	4.000%	100.4640
FR0010957662	29/10/2010	29/10/2019	1,000	3.641%	106.7740
FR0010212852	22/07/2005	22/07/2020	1,000	4.250%	110.7990
FR0011193515	09/02/2012	09/02/2022	800	4.500%	117.3550
FR0011332196	02/10/2012	16/01/2023	700	3.625%	116.2580
FR0010379255	06/10/2006	06/10/2026	595	5.500%	125.9840
FR0013222494	07/12/2016	07/06/2027	750	1.375%	102.6320
TOTAL			**5,345**		

(a) Source: Bloomberg.

Finance lease obligations (included in debt) by business segment *(€ million)*	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total**
Non-current: 31/12/2017			**9**				**9**
Current: 31/12/2017			**5**		**1**		**6**
Non-current: 31/12/2016	1		8				9
Current: 31/12/2016			7		1		8

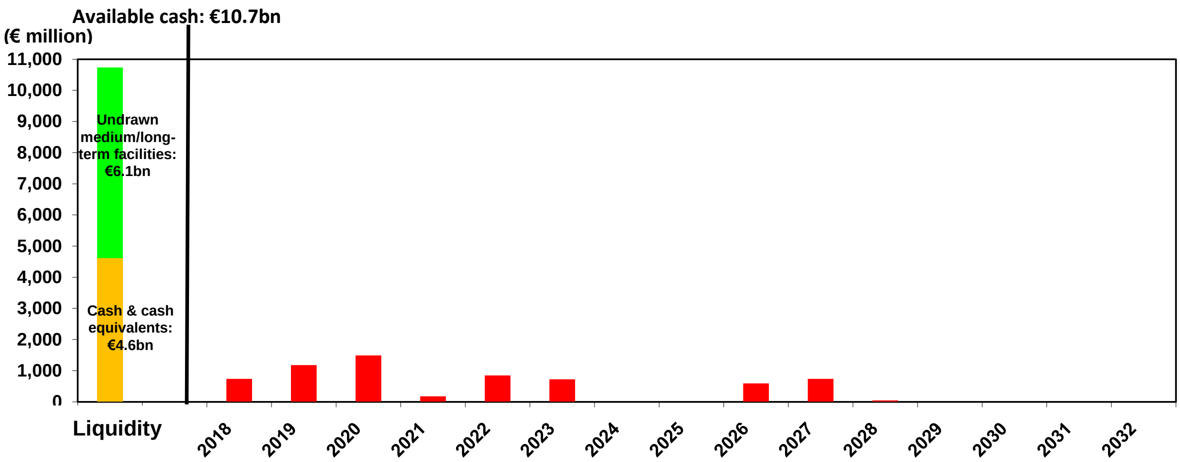
8.2 Confirmed credit facilities and drawdowns

Description	**Confirmed facilities – Maturity**				**Drawdowns – Maturity**			
(€ million)	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Bond issues (mainly Bouygues SA)	620	2,780	2,023	5,423	620	2,780	2,023	5,423
Bank borrowings [a]	669	6,129	220	7,018	87	747	64	898
Finance lease obligations	6	8	1	15	6	8	1	15
Other borrowings	23	156	9	188	23	156	9	188
TOTAL CREDIT FACILITIES	**1,318**	**9,073**	**2,253**	**12,644**	**736**	**3,691**	**2,097**	**6,524**

(a) Confirmed undrawn credit facilities: €6,120m.

8.3 Liquidity at 31 December 2017

As at 31 December 2017, available cash stood at €4,610 million, net of a €1 million liability in respect of financial instruments contracted to hedge net debt. The Group also had €6,120 million of undrawn confirmed bank credit facilities as at the same date.



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.

8.4 Split of current and non-current debt by interest rate type

Split of current and non-current debt, including the effect of all open interest rate hedges at the end of the reporting period:

(%)	**31/12/2017**	**31/12/2016**
Fixed rate debt [a]	97	95
Floating rate debt	3	5

(a) Rates fixed for more than one year.

8.5 Interest rate risk

The split of financial assets and financial liabilities by type of interest as of 31 December 2017 is shown below:

(€ million)	**Floating rate**	**Fixed rate**	**Total**
Financial liabilities (debt) [a]	(1,094)	(5,430)	(6,524)
Financial assets (net cash) [b]	4,610		4,610
Net pre-hedging position	**3,516**	**(5,430)**	(1,914)
Interest rate hedges	877	(877)	
Net post-hedging position	**4,393**	**(6,307)**	(1,914)
Adjustment for seasonal nature of some activities [c]	(653)		
Net post-hedging position after adjustment	**3,740**		

(a) Call options and contingent consideration recognised as financial liabilities under IAS 39 are treated as fixed rate.
(b) Net of a €1m liability in respect of the fair value of financial instruments contracted to hedge net debt.
(c) Colas: operations, and cash flows from operations, are subject to marked seasonal fluctuations. This adjustment gives an approximation of the average cash position over the full year, which is used as the basis for analysing the sensitivity of interest expense to changes in interest rates. It corresponds to the difference between the average cash position over the full year, and the net cash position in the balance sheet at 31 December.

The effect of an immediate 1% rise in short-term interest rates on the net post-hedging position after adjustment (as presented above) would be to reduce the cost of net debt by €37 million over a full year.

8.6 Split of current and non-current debt by currency

	Europe						
(€ million)	**Euro**	**Pound sterling**	**Other currencies**	**US dollar**	**Hong Kong dollar**	**Other currencies**	**Total**
Non-current: 31/12/2017	**5,098**	**640**	**14**	**19**	**3**	**14**	**5,788**
Current: 31/12/2017	**698**	**6**			**2**	**30**	**736**
Non-current: 31/12/2016	5,463	645	10	30	4	28	6,180
Current: 31/12/2016	221	7	2		3	32	265

An analysis of debt by business segment is provided in Note 16 to the consolidated financial statements.

Details by segment of collateral and pledges given by the Bouygues group are provided in Note 18.1. to the consolidated financial statements.

NOTE 9 MAIN COMPONENTS OF CHANGE IN NET DEBT

9.1 Change in net debt

9.1 Change in net debt

(€ million)	31/12/2016	Cash flows	Changes in scope of consolidation	Translation adjustments	Fair value adjustments	Other movements	31/12/2017
Cash and cash equivalents	4,749	168	5	(107)		5	4,820
Overdrafts and short-term bank borrowings	(168)	57	(14)	(80)		(4)	(209)
NET CASH POSITION (A)	**4,581**	**225** [a]	**(9)** [a]	**(187)** [a]		**1** [a]	**4,611**
Non-current debt	6,180	182[b]	(7)	(7)	(6)	(554)	5,788
Current debt	265	(59)[b]		(2)		532	736
Financial instruments, net	2	1			(2)		1
TOTAL DEBT (B)	**6,447**	**124**	**(7)**	**(9)**	**(8)**	**(22)** [c]	**6,525**
NET DEBT (A)-(B)	**(1,866)**	**101**	**(2)**	**(178)**	**8**	**23**	**(1,914)**

(a) Net cash position as analysed in the 2017 cash flow statement (net cash flows + non-monetary movements).

(b) Net cash flow from financing activities as analysed in the cash flow statement: €123m.

(c) Mainly relating to call options over non-controlling interests at TF1 for €9m, and the buyout of non-controlling interests by Bouygues Construction for €16m (matching entry in "Cash flows" column).

9.2 Principal changes in net debt during 2017

NET DEBT AT 31 DECEMBER 2016	**(1,866)**
Acquisitions/disposals of consolidated activities, non-consolidated companies and other investments including changes in scope of consolidation and commitments to buy out non-controlling interests	(21)
Transactions involving the share capital of Bouygues SA	343 [a]
Bouygues Confiance n°8 2016 employee share ownership plan – amounts collected in 2017	38
Bouygues Confiance n°9 2017 employee share ownership plan – amounts to be collected in 2018	(18)
Dividends paid	(606)
Payment for frequencies in 700 MHz band	(117)
Operating items	333
NET DEBT AT 31 DECEMBER 2017	**(1,914)**

(a) Mainly comprises increase in the share capital of Bouygues SA (exercise of stock options and Bouygues Confiance n°9 employee share ownership plan).

NOTE 10 CURRENT LIABILITIES

(€ million)	**31/12/2017**	**31/12/2016**
Advances and down-payments received on orders [a]	1,101	1,010
Current debt [b]	736	265
Current taxes payable	115	109
Trade payables	7,349	7,140
Current provisions [c]	889	1,002
Other current liabilities:		
. Other operating liabilities (employees, social security, government)	2,869	2,625
. Deferred income	1,772	2,073
. Other non-financial liabilities	2,468	2,461
Overdrafts and short-term bank borrowings	209	168
Financial instruments – liabilities	16	19
Other current financial liabilities	24	24
TOTAL	**17,548**	**16,896**

(a) As of 31 December 2017, "Advances and down-payments received on orders" included €166m (€215m as of 31 December 2016) received from customers on signature of deeds of sale in respect of off-plan sales under property development programmes. These sums are not refundable and are used to finance work on the programmes; virtually all of these sums had been disbursed as of 31 December 2017.

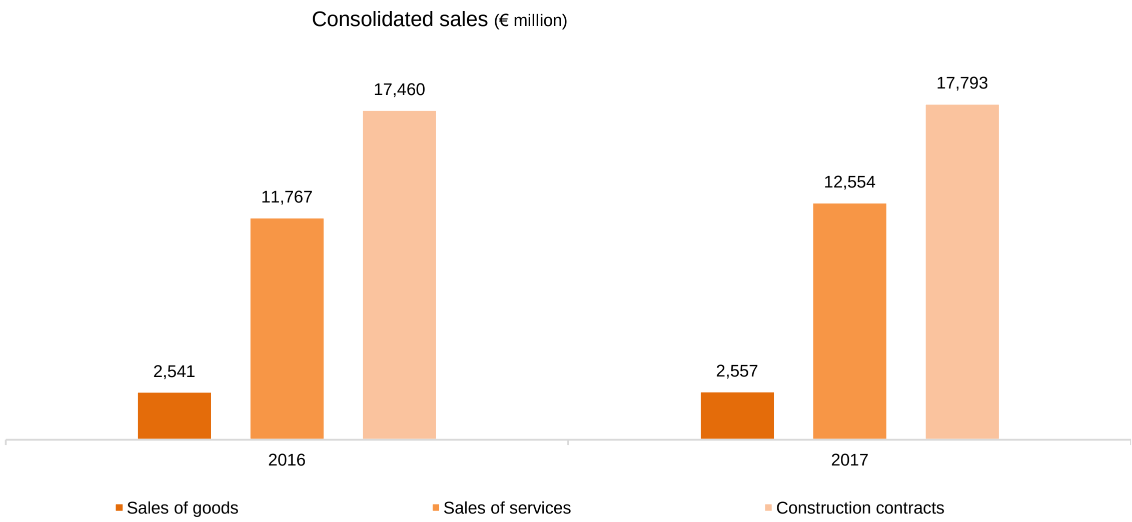
(b) See analysis in Note 8 to the consolidated financial statements, "Non-current and current debt".

(c) See analysis in Note 6.2 to the consolidated financial statements, "Current provisions".

NOTE 11 ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

11.1 Analysis by accounting classification

(€ million)	**2017**	**2016**
Sales of goods	2,557	2,541
Sales of services	12,554	11,767
Construction contracts	17,793	17,460
TOTAL SALES	**32,904**	**31,768**
OTHER REVENUES FROM OPERATIONS	**150**	**132**
TOTAL REVENUES	**33,054**	**31,900**



There were no material exchanges of goods or services in the years ended 31 December 2017 and 2016.

Consolidated balance sheet: information about construction contracts

(€ million)	**Bouygues Construction**	**Colas**	**Total**
Works not yet billed	623	539	1,162
Warranty retentions	198	99	297
Works billed in advance	(1,276)	(300)	(1,576)
Advance payments received	(382)	(78)	(460)

11.2 Analysis by business segment

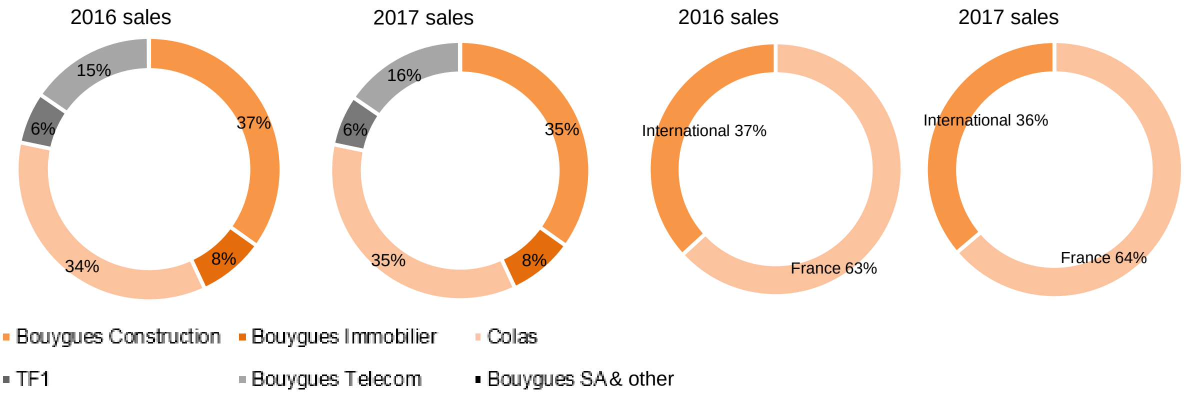
Sales by geographical area are allocated to the territory in which the sale is generated.

(€ million)	2017 sales			2016 sales		
	France	International	Total	France	International	Total
Bouygues Construction	5,408	6,065	11,473	5,297	6,273	11,570
Bouygues Immobilier	2,539	161	2,700	2,414	129	2,543
Colas	5,980	5,600	11,580	5,662	5,226	10,888
TF1	1,995	82	2,077	1,957	63	2,020
Bouygues Telecom	5,061		5,061	4,736		4,736
Bouygues SA & other	6	7	13	5	6	11
CONSOLIDATED SALES	**20,989**	**11,915**	**32,904**	**20,071**	**11,697**	**31,768**

Split of total sales

By business segment

By geographical area



11.3 Analysis by geographical area

(€ million)	2017 sales		2016 sales	
	Total	**%**	**Total**	**%**
France	20,989	64	20,071	63
European Union (28 members)	3,522	11	3,400	11
Rest of Europe	1,469	5	1,313	4
Africa	1,136	3	1,203	4
Middle East	161	0	184	1
North America	2,982	9	3,016	9
Central and South America	217	1	331	1
Asia-Pacific	1,620	5	1,864	6
Oceania	808	2	386	1
TOTAL	**32,904**	**100**	**31,768**	**100**

The Bouygues group has operations in the United Kingdom, mainly in construction. These operations are carried out locally within the United Kingdom, and have no material exposure to uncertainties relating to imports and exports. Sales generated in 2017 amounted to £1,640 million (€1,870 million), compared with £1,631 million (€1,991 million) in 2016. This year-on-year fall of €121 million reflects the 7% fall in the average euro/sterling exchange rate (from €1.22 in 2016, to €1.14 in 2017) following the vote by the United Kingdom to leave the European Union, which had a negative impact of €132 million.

11.4 Split by type of contract, France/International

(%)	2017			2016		
	France	**International**	**Total**	**France**	**International**	**Total**
Public-sector contracts [a]	27	49	35	28	51	37
Private-sector contracts	73	51	65	72	49	63

(a) Sales billed directly to government departments, local authorities and public enterprises (mainly works and maintenance contracts) in France and internationally.

NOTE 12 OPERATING PROFIT AND EBITDA

(€ million)	2017	2016
CURRENT OPERATING PROFIT/(LOSS)	**1,420**	**1,121**
Other operating income	233	113
Other operating expenses	(120)	(287)
OPERATING PROFIT/(LOSS)	**1,533**	**947**

See Note 16 to the consolidated financial statements for an analysis by business segment.

The main components of “Other operating income” and “Other operating expenses” are:

2017

Bouygues Telecom: Net income of €141 million, mainly comprising a €223 million gain on the transfer of 1,085 sites to Cellnex plus €10 million of net reversals of provisions, partly offset by a €79 million expense on the roll-out of network sharing.
TF1: Amortisation of €23 million charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation.
Colas: Expense of €5 million on the discontinuation of the Société de la Raffinerie de Dunkerque (SRD) refinery at Dunkirk.

2016

Bouygues Telecom: Net income of €20 million, mainly comprising a €104 million gain on the sale of 500 towers to Cellnex, partly offset by €84 million of accelerated depreciation arising from the roll-out of network sharing.
TF1: Net expense of €84 million comprising:

- one-off additional expense of €25 million related to a change in the accounting treatment of French drama;
- amortisation of €25 million charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation;
- other costs of €34 million incurred on the reorganisation of TF1 and the freeview migration of LCI.

Colas: Expense of €62 million, comprising €51 million on the discontinuation of the SRD refinery and €11 million of miscellaneous adaptation costs.
Bouygues Construction: Adaptation costs of €23 million arising from the ongoing implementation of the new organisational structure that began in 2015.
Bouygues Immobilier: adaptation costs of €13 million.
Bouygues SA: Expense of €12 million relating to costs incurred on the proposed transaction with Orange.

Current operating profit includes rental expenses of €1,618 million, including expenses relating to leases with a service component, short-term leases and leases for low-value assets.

The Group generated EBITDA of €2,968 million in 2017, up €211 million year-on-year. EBITDA is calculated on the basis of current operating profit, to which the following adjustments are made:

(€ million)	**2017**	**2016**
CURRENT OPERATING PROFIT/(LOSS)	**1,420**	**1,121**
Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses:		
. Net depreciation & amortisation expense	1,655	1,599
. Net charges to provisions & impairment losses	330	461
Elimination of items included in "Other income from operations":		
. Reversals of unutilised provisions and impairment and other items	(437)	(424)
EBITDA	**2,968**	**2,757**

See Note 16 to the consolidated financial statements for an analysis by business segment.

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

13.1 Analysis of cost of net debt

(€ million)	**2017**	**2016**
Financial expenses, comprising:	**(251)**	**(248)**
Interest expense on debt	(230)	(232)
Interest expense related to treasury management	(20)	(16)
Negative impact of financial instruments	(1)	
Financial income, comprising:	**25**	**26**
Interest income from cash and cash equivalents	22	23
Income and gains on disposal from cash and cash equivalents	3	3
COST OF NET DEBT	**(226)**	**(222)**

13.2 Other financial income and expenses

(€ million)	**2017**	**2016**
Other financial income	113	125
Other financial expenses	(75)	(84)
OTHER FINANCIAL INCOME/(EXPENSES), NET	**38**	**41**

"Other financial income and expenses" include gains or losses on disposals of investments in non-consolidated companies, interest paid to investors on calls for funds (commercial property), commitment fees, changes in the fair value of "Other current financial assets", dividends received from non-consolidated companies, and other items.

The amount is virtually unchanged year-on-year, with the non-recurrence of the €65 million gain on the Colas disposal of Atlandes in 2016 compensated for in 2017 by items of net financial income (late payment interest on the 3% dividend tax reimbursement, gains on disposals, reversals of provisions, etc.) none of which was individually material.

NOTE 14 INCOME TAXES

14.1 Analysis of income tax expense

(€ million)	2017			2016		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(188)	(93)	(281)	(58)	(143)	(201)
- Change in deferred tax liabilities	13		13	(46)	9	(37)
- Change in deferred tax assets	(33)	(2)	(35)	(14)	3	(11)
TOTAL	**(208)**	**(95)**	**(303)**	**(118)**	**(131)**	**(249)**

See Note 16 to the consolidated financial statements for an analysis by business segment.

14.2 Tax proof (reconciliation between standard tax rate and effective tax rate)

Differences between the standard corporate income tax rate applicable in France and the effective tax rate based on the consolidated financial statements are explained as follows:

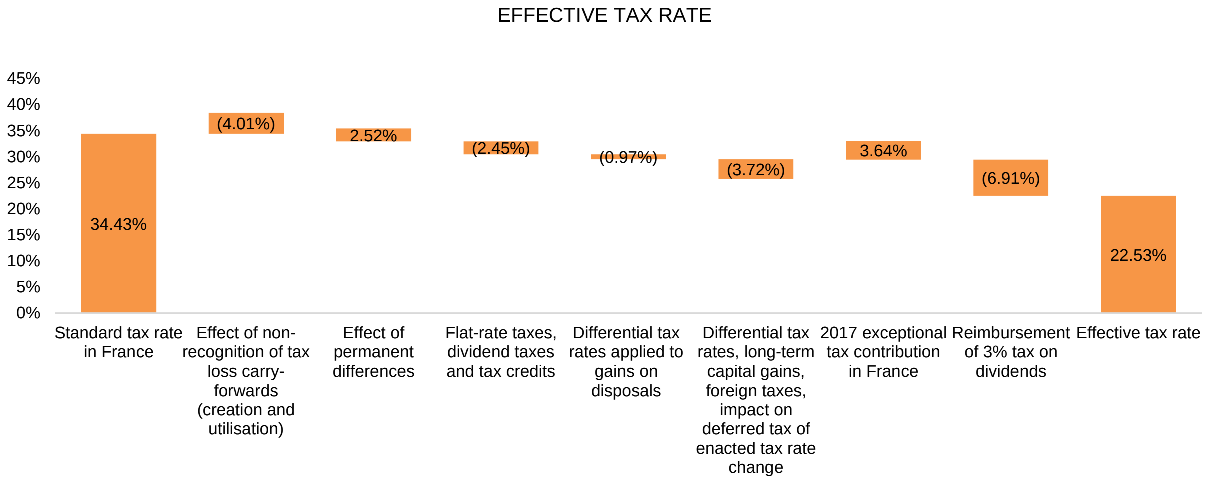
(€ million)	2017	2016
NET PROFIT/(LOSS) FOR THE PERIOD (100%)	**1,205**	**784**
Eliminations:		
Income tax	303	249
Net (profit)/loss of discontinued and held-for-sale operations	None	None
Share of net (profits)/losses of joint ventures and associates	(163)	(267)
NET PRE-TAX PROFIT FROM CONTINUING OPERATIONS EXCLUDING JOINT VENTURES AND ASSOCIATES	**1,345**	**766**
Standard tax rate in France	34.43%	34.43%
Effect of non-recognition of tax loss carry-forwards (creation and utilisation)	(4.01%)	1.04%
Effect of permanent differences	2.52%	2.67%
Flat-rate taxes, dividend taxes and tax credits	(2.45%)	(2.37%)
Differential tax rates applied to gains on disposals [a]	(0.97%)	(2.61%)
Differential tax rates, long-term capital gains, foreign taxes, impact on deferred tax of enacted tax rate change [d]	(3.72%)	(0.65%)
2017 exceptional tax contribution in France	3.64%	
Reimbursement of 3% tax on dividends	(6.91%)	
EFFECTIVE TAX RATE	**22.53%** [b]	**32.51%** [c]

(a) Includes disposals of Nextdoor and Ossabois in 2017, and of Atlandes in 2016.

(b) Effective tax rate after stripping out the tax gain arising from reimbursement of the 3% dividend tax and non-taxable late payment interest: 29%.

(c) Effective tax rate after stripping out the sale of Atlandes: 35%.

(d) The enactment of tax rate cuts in France and the United States has reduced net deferred tax assets by €4m.



NOTE 15 NET PROFIT FROM CONTINUING OPERATIONS AND BASIC/DILUTED EARNINGS PER SHARE

Basic earnings per share from continuing operations is calculated by dividing net profit from continuing operations attributable to the Group by the weighted average number of shares outstanding during the year, excluding the average number of ordinary shares bought and held as treasury shares.

	2017	2016
Net profit from continuing operations attributable to the Group *(€ million)*	1,085	732
Weighted average number of shares outstanding	357,914,334	346,559,092
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**3.03**	**2.11**

Diluted earnings per share from continuing operations is calculated by reference to the weighted average number of shares outstanding, adjusted for the conversion of all potentially dilutive shares (i.e. stock subscription options legally exercisable and in the money at the end of the reporting period).

	2017	2016
Net profit from continuing operations attributable to the Group *(€ million)*	1,085	732
Weighted average number of shares outstanding	357,914,334	346,559,092
Adjustment for potentially dilutive effect of stock options	2,571,741	1,361,620
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**3.01**	**2.10**

NOTE 16 SEGMENT INFORMATION

Segment information is provided in two forms:

1. Analysis by business segment (CGU): Bouygues Construction (Construction), Bouygues Immobilier (Property), Colas (Roads), TF1 (Media), Bouygues Telecom (Telecoms), and Bouygues SA & other.

2. Analysis by geographical area: France (including overseas departments), European Union, Rest of Europe, Africa, Asia-Pacific-Oceania, Americas and Middle East.

Inter-segment sales are generally conducted on an arm's length basis.

An analysis of sales by geographical area is provided in Note 11.3.

The operating segments used in reporting by business segment are those reviewed by the chief operational decision-maker of the Group, and are not aggregated for segment reporting purposes. This information is used to allocate resources to operating segments, and to monitor their performance.

Operating segment information is compiled using the same accounting policies as used in the preparation of the consolidated financial statements, as described in the notes to the financial statements.

The "Bouygues SA and other" segment includes contributions from corporate holding companies, and from entities dedicated to the centralised financing of the Group.

16.1 Analysis by business segment – year ended 31 December2017

(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total 2017
Income statement							
Total sales	11,660	2,712	11,705	2,125	5,086	142	33,430
Inter-segment sales	(187)	(12)	(125)	(48)	(25)	(129)	(526)
THIRD-PARTY SALES	**11,473**	**2,700**	**11,580**	**2,077**	**5,061**	**13**	**32,904**
Net depreciation & amortisation expense	(214)	(12)	(407)	(173)	(841)	(8)	(1,655)
Net charges to provisions & impairment losses	(146)	(19)	(88)	(54)	(13)	(10)	(330)
CURRENT OPERATING PROFIT/(LOSS)	**363**	**223**	**362**	**185**	**329**	**(42)**	**1,420**
Other operating income					233		233
Other operating expenses			(5)	(23)	(92)		(120)
OPERATING PROFIT/(LOSS)	**363**	**223**	**357**	**162**	**470**	**(42)**	**1,533**
Cost of net debt	12	(2)	(14)	(2)	(8)	(212)	(226)
Income tax	(103)	(65)	(75)	(45)	(193)	178	(303)
Share of profits/(losses) of joint ventures and associates	2	(12)	61	14		98	163
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**323**	**127**	**330**	**136**	**260**	**29**	**1,205**
Net profit of discontinued and held-for-sale operations							
NET PROFIT/(LOSS)	**323**	**127**	**330**	**136**	**260**	**29**	**1,205**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**319**	**125**	**317**	**60**	**235**	**29**	**1,085** [a]
Balance sheet							
Property, plant and equipment	573	20	2,383	178	3,537	167	6,858
Intangible assets	40	37	90	231	1,682	52	2,132
Goodwill	457		1,131	1,149	2,648		5,385
Investments in joint ventures and associates	30	26	396	22		2,028 [b]	2,502
Other non-current financial assets	268	10	197	47	10	31	563
Deferred tax assets and non-current tax receivable	59	17	154			107	337
Cash and cash equivalents	956	88	450	64	58	3,204	4,820
Other assets							13,181
TOTAL ASSETS							**35,778**
Non-current debt	511	19	126	232	993	3,907	5,788
Non-current provisions	750	101	884	39	272	39	2,085
Deferred tax liabilities and non-current tax liabilities	4	9	60	40	31	3	147
Current debt	2	18	40	6	41	629	736
Other liabilities							27,022
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY							**35,778**
Net surplus cash/(net debt) [c]	**3,409**	**(86)**	**433**	**257**	**(976)**	**(4,951)**	**(1,914)**
Cash flow statement							
Cash flow	**484**	**199**	**764**	**372**	**1,048**	**17**	**2,884**
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**(119)**	**(14)**	**(355)**	**(198)**	**(830)**	**(11)**	**(1,527)**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**20**	**2**	**(134)**	**32**			**(80)**
Other indicators							
EBITDA	**472**	**231**	**736**	**392**	**1,162**	**(25)**	**2,968**
Free cash flow	**274**	**118**	**320**	**127**	**17**	**(28)**	**828**

(a) Net profit attributable to the Group excluding exceptional items amounts to €936m, and corresponds to net profit attributable to the Group excluding €(87)m for the reimbursement of the 3% dividend surtax and €(62)m for non-current items net of taxes.

(b) Comprises €2,028m for Alstom.

(c) Contribution at business segment level, including Bouygues Relais and Uniservice intra-Group current accounts (these intra-Group accounts are eliminated in the "Bouygues SA & other" column).

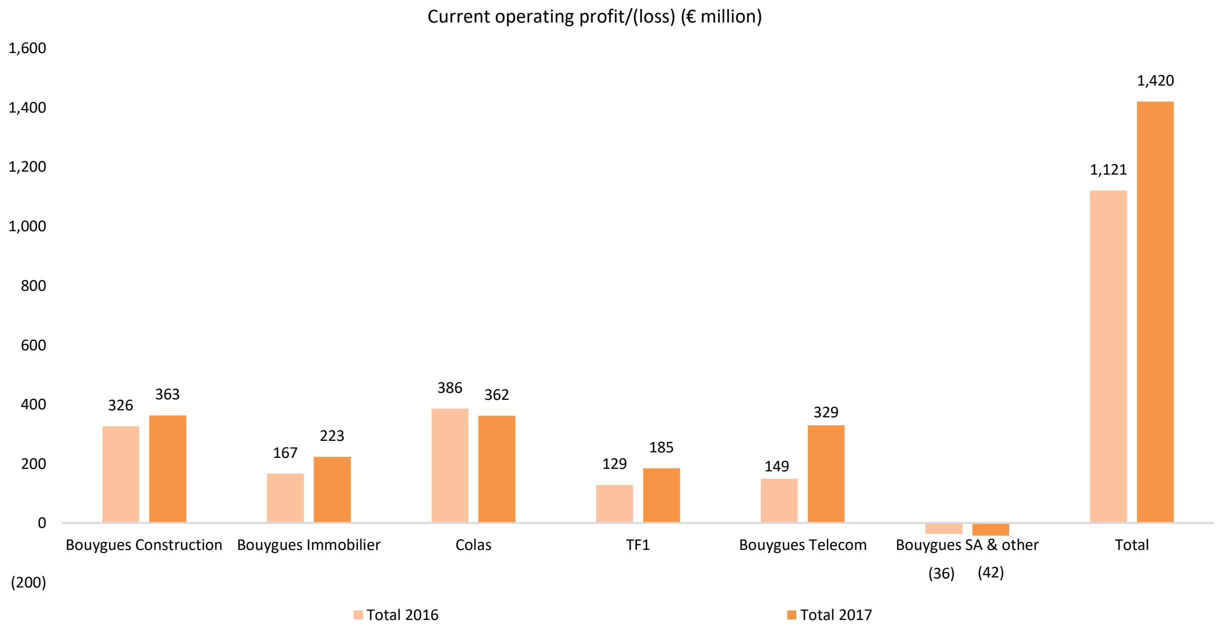
16.2 Analysis by business segment – year ended 31 December 2016

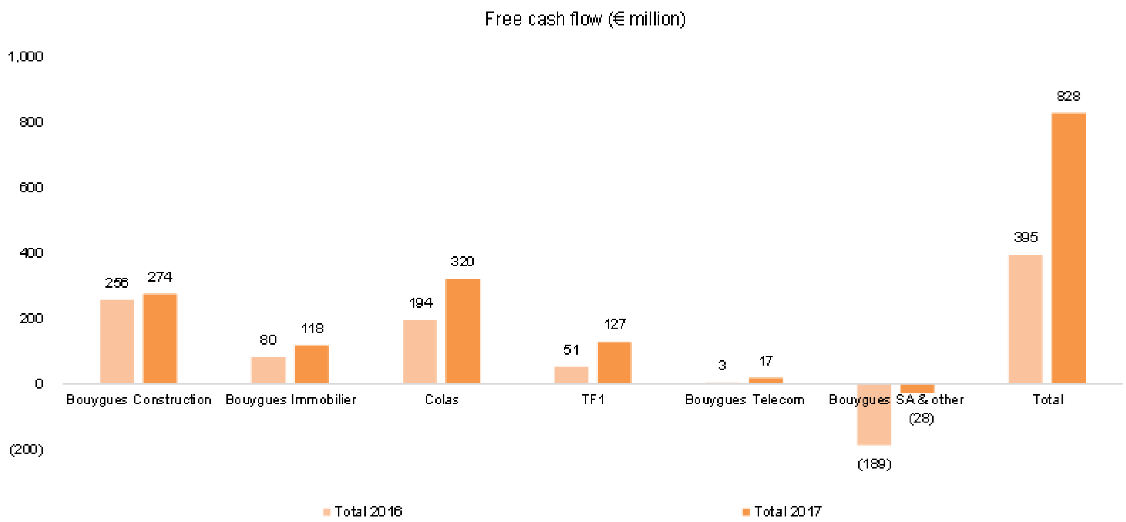
(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total 2016
Income statement							
Total sales	11,815	2,568	11,006	2,063	4,761	133	32,346
Inter-segment sales	(245)	(25)	(118)	(43)	(25)	(122)	(578)
THIRD-PARTY SALES	**11,570**	**2,543**	**10,888**	**2,020**	**4,736**	**11**	**31,768**
Net depreciation & amortisation expense	(225)	(7)	(402)	(177)	(782)	(6)	(1,599)
Net charges to provisions & impairment losses	(193)	(35)	(155)	(80)	(1)	3	(461)
CURRENT OPERATING PROFIT/(LOSS)	**326**	**167**	**386**	**129**	**149**	**(36)**	**1,121**
Other operating income					113		113
Other operating expenses	(23)	(13)	(62)	(84)	(93)	(12)	(287)
OPERATING PROFIT/(LOSS)	**303**	**154**	**324**	**45**	**169**	**(48)**	**947**
Cost of net debt	14	(2)	(13)	(1)	(8)	(212)	(222)
Income tax	(119)	(51)	(108)	(6)	(60)	95	(249)
Share of profits/(losses) of joint ventures and associates	121	(1)	82	10		55	267
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**322**	**91**	**359**	**44**	**92**	**(124)**	**784**
Net profit of discontinued and held-for-sale operations							
NET PROFIT/(LOSS)	**322**	**91**	**359**	**44**	**92**	**(124)**	**784**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**320**	**91**	**343**	**18**	**83**	**(123)**	**732** [a]
Balance sheet							
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
Goodwill	471		1,118	1,130	2,648		5,367
Investments in joint ventures and associates	22	5	375	89		1,938 [b]	2,429
Other non-current financial assets	252	12	185	32	10	32	523
Deferred tax assets and non-current tax receivable	73	26	172			96	367
Cash and cash equivalents	890	90	417	53	23	3,276	4,749
Other assets							12,673
TOTAL ASSETS							**34,854**
Non-current debt	546	34	125	224	995	4,256	6,180
Non-current provisions	853	89	917	57	247	36	2,199
Deferred tax liabilities and non-current tax liabilities	7	8	71	43	27	3	159
Current debt	19	4	73	8	40	121	265
Other liabilities							26,051
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY							**34,854**
Net surplus cash/(net debt) [c]	**3,387**	**(124)**	**517**	**187**	**(1,012)**	**(4,821)**	**(1,866)**
Cash flow statement							
Cash flow	**534**	**161**	**699**	**267**	**873**	**(30)**	**2,504**
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**(173)**	**(28)**	**(384)**	**(209)**	**(802)**	**(42)**	**(1,638)**
Acquisitions of investments in consolidated companies and other investments, net of disposals	**139**	**(18)**	**135**	**(182)**		**997**	**1,071**
Other indicators							
EBITDA	**537**	**178**	**801**	**364**	**916**	**(39)**	**2,757**
Free cash flow	**256**	**80**	**194**	**51**	**3**	**(189)**	**395**

(a) Net profit attributable to the Group excluding exceptional items amounts to €632m, and corresponds to net profit attributable to the Group excluding (i) the gains of €(129)m and €(60)m arising on the sale of Adelac and Atlandes respectively and (ii) non-current expenses of €89m net of taxes.

(b) Comprises €1,938m for Alstom.

(c) Contribution at business segment level, including Bouygues Relais and Uniservice intra-Group current accounts (these intra-Group accounts are eliminated in the "Bouygues SA & other" column).


Current operating profit/(loss) (€ million)
1,600
1,400
1,200
1,000
800
600
400
200
0
(200)
326
363
167
223
386
362
129
185
149
329
(36)
(42)
1,121
1,420
Bouygues Construction
Bouygues Immobilier
Colas
TF1
Bouygues Telecom
Bouygues SA & other
Total
Total 2016
Total 2017


Free cash flow (€ million)
1,000
800
600
400
200
0
(200)
256
274
80
118
194
320
51
127
3
17
(189)
(28)
395
828
Bouygues Construction
Bouygues Immobilier
Colas
TF1
Bouygues Telecom
Bouygues SA & other
Total
Total 2016
Total 2017

16.3 Analysis by geographical area

Non-currents assets are allocated by the location of assets as of 31 December.

(€ million)	**France [a]**	**European Union**	**Rest of Europe**	**Africa**	**Asia-Pacific-Oceania**	**Americas**	**Middle East**	**Total**
Balance sheet								**31/12/2017**
Property, plant and equipment [b]	5,443	371	59	107	176	693	9	6,858
Intangible assets	2,089	23		1	2	16		2,132
Cash flow statement								
Purchase price of property, plant & equipment and intangible assets	(1,724)	(88)	(28)	(34)	(43)	(116)	(3)	(2,036)

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

(€ million)	**France [a]**	**European Union**	**Rest of Europe**	**Africa**	**Asia-Pacific-Oceania**	**Americas**	**Middle East**	**Total**
Balance sheet								**31/12/2016**
Property, plant and equipment [b]	5,046	299	97	149	256	702	17	6,566
Intangible assets	2,134	24		2	3	17		2,180
Cash flow statement								
Purchase price of property, plant & equipment and intangible assets	(1,572)	(70)	(23)	(54)	(98)	(130)	(15)	(1,962)

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

NOTE 17 FINANCIAL INSTRUMENTS

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

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

17.1.1 Analysis by business segment

(€ million)	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total 31/12/2017**	**Total 31/12/2016**
Forward purchases	258		478	78	33		847	685
Forward sales	335		102				437	501
Currency swaps	31			14		736	781	603
Interest rate swaps [a]	12		61		1,050	45	1,168	908
Commodities derivatives			4				4	4

(a) Of which pay fixed rate €1,170m, and pay floating rate €40m.

17.1.2 Analysis by maturity and original currency

(€ million)	Maturity			Total	Original currency				
	< 1 year	1 to 5 years	> 5 years		EUR	USD	CAD	HKD	Other
Forward purchases	804	43		847	96	251	222	7	272
Forward sales	336	101		437	23	123	12	55	224
Currency swaps	781			781		102	158	230	290
Interest rate swaps	290	819	59	1,168	1,105			5	58
Commodities derivatives	4			4	3	1			

17.2 Market value of hedging instruments

Derivatives recognised as assets (€ million)	Original currency					Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	USD	CAD	HKD	Other currencies				
Forward purchases	1				1	2		2	
Forward sales	2	6		1	1	10		10	
Currency swaps		1				1			1
Interest rate swaps	1					1		1	
Commodities derivatives									
Total assets	**4**	**7**		**1**	**2**	**14**		**13**	**1**

Derivatives recognised as liabilities (€ million)	Original currency					Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	USD	CAD	HKD	Other currencies				
Forward purchases	(2)	(9)	(4)		(1)	(16)		(16)	
Forward sales					(1)	(1)		(1)	
Currency swaps		(1)	(2)	(2)	(a)	(5)		(5)	
Interest rate swaps	(1)				(14)	(15)		(15)	
Commodities derivatives									
Total liabilities	**(3)**	**(10)**	**(6)**	**(2)**	**(16)**	**(37)**		**(37)**	
Total	**1**	**(3)**	**(6)**	**(1)**	**(14)**	**(23)** (b)		**(24)**	**1**

(a) Primarily GBP.

(b) The difference from the value shown in the balance sheet is mainly due at Colas to the €14m negative market value of the interest rate swap contracted for the City of Portsmouth contract, which is entirely offset by the €14m positive market value of the derivative embedded in the fixed contractual fee paid by the customer.

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a negative market value of €5 million; in the event of a -1.00% movement, it would have a negative market value of €41 million.

In the event of a +1.00% movement in the exchange rate of the euro against the other currencies, the hedging instruments portfolio would have a negative market value of €26 million; in the event of a -1.00% movement, it would have a negative market value of €19 million.

These calculations were prepared by the Bouygues group, or obtained from the banks with which the instruments were contracted.

NOTE 18 OFF BALANCE SHEET COMMITMENTS

This note supplements the disclosures provided in Notes 3, 4 and 8 to the consolidated financial statements.

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

18.1 Guarantee commitments

(€ million)	31/12/2017	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Falling due			31/12/2016
								Less than 1 year	1 to 5 years	More than 5 years	
Pledges, mortgages and collateral	67	4		63				17	24	26	74
Guarantees and endorsements given	114	43		57	14			33	55	26	137
TOTAL GUARANTEE COMMITMENTS GIVEN	**181**	**47**		**120**	**14**			**50**	**79**	**52**	**211**
Guarantees and endorsements received	1		1						1		12
TOTAL GUARANTEE COMMITMENTS RECEIVED	**1**		**1**						**1**		**12**
NET BALANCE	**180**	**47**	**(1)**	**120**	**14**			**50**	**78**	**52**	**199**

In connection with its ordinary activities, the Bouygues group grants multi-year guarantees (such as ten-year building guarantees), which are usually covered by statistically-based provisions on the liabilities side of the balance sheet. Contract guarantees provided by banks to Group customers represent off balance sheet commitments for those banks; where such guarantees are liable to result in payments being made, a provision is recognised by Bouygues in the consolidated balance sheet.

18.2 Miscellaneous contractual commitments

(€ million)	31/12/2017	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Falling due			31/12/2016
								Less than 1 year	1 to 5 years	More than 5 years	
Image transmission	82				82			25	57		91
Network	1,687					1,687		191	706	790	987
Other items	655				477	178		609	46		353
TOTAL SUNDRY CONTRACTUAL COMMITMENTS GIVEN	**2,424**				**559**	**1,865**		**825**	**809**	**790**	**1,431**
Image transmission	82				82			25	57		91
Network	1,687					1,687		191	706	790	987
Other items	655				477	178		609	46		351
TOTAL SUNDRY CONTRACTUAL COMMITMENTS RECEIVED	**2,424**				**559**	**1,865**		**825**	**809**	**790**	**1,429**
NET BALANCE											**2**

"Sundry contractual commitments given" relates mainly to service agreements entered into by Bouygues Telecom with owners of towers (TDF, FPS, Infracos and Cellnex), and commitments in respect of equity interests.

In 2017, commitments relating to equity interests at TF1 amounted to €365 million, and include commitments relating to the acquisition of the aufeminin group (see "Significant events of the year", in Note 1.3 to the consolidated financial statements).

Contractual commitments given by Bouygues Telecom amounted to €1,865 million, a net increase of €584 million, mostly relating to service agreements following the divestments to Cellnex during 2017.

18.3 Operating leases

Operating lease commitments represent the minimum future lease payments due until the normal renewal date of the lease under operating leases relating to current operations (land, buildings, plant & equipment, etc.). After revaluation (projected increase in rentals), these amounts mainly take account of a discounting calculation (incremental borrowing rate).

(€ million)	31/12/2017	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Falling due			31/12/2016
								Less than 1 year	1 to 5 years	More than 5 years	
Operating lease commitments											
Commitments given	**1,223**	49	43	224	78	829		171	543	509	1,332
Commitments received	**1,223**	49	43	224	78	829		171	543	509	1,332
Operating lease commitments, net											

Operating lease commitments fell by a net €109 million during the year, reflecting the following factors:

- a decrease of €101 million at Bouygues Telecom due to the sale of sites to Cellnex (the new service agreements are included in "Sundry contractual commitments");
- a decrease of €37 million at Bouygues Immobilier following the partial divestment of Nextdoor (controlled by Bouygues Immobilier in 2016, this entity became a joint venture in 2017).

Bouygues Telecom's operating lease commitments of €829 million mainly relate to commercial leases of property and land intended to house technical installations for the network (includes network site rentals of €287 million, property and other rentals of €47 million, rentals for the Technopôle site of €97 million, and fibre optic and other miscellaneous commitments of €398 million).

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

(€ million)	31/12/2017	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Falling due			31/12/2016
								Less than 1 year	1 to 5 years	More than 5 years	
Finance leases	**15**			14		1		6	8	1	19

18.5 Other commitments

18.5.1 Bouygues Telecom

Licences to use frequencies in the 800 MHz and 700 MHz bands

The 20-year licences to use frequencies in the 800 MHz and 700 MHz bands awarded to Bouygues Telecom in 2012 (800 MHz) and 2015 (700 MHz) are subject to an obligation to open the frequencies to Mobile Virtual Network Operators (MVNOs), and to roll out coverage of the French population (excluding overseas territories) progressively (98% within 12 years, 99.6% within 15 years).

These coverage obligations include a priority roll-out zone defined by Arcep (the French telecoms regulator) to be covered simultaneously by the 700 MHz and 800 MHz frequencies (97.7% within 15 years), and an obligation to provide coverage in each French administrative department (90% within 12 years, 95% within 15 years).

The 700 MHz licence includes a new obligation to provide coverage of 90% of daily trains within 15 years.

Licence to use frequencies in the 2600 MHz band

The 20-year licence to use frequencies in the 2600 MHz band awarded to Bouygues Telecom in 2011 is subject to an obligation to open the frequencies to MVNOs, and to roll out coverage of the French population (excluding overseas territories) progressively (25% within four years, 60% within eight years, 75% within 12 years).

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

Authorisation to refarm frequencies in the 1800 MHz and 2100 MHz bands for technologies other than GSM and UMTS

Arcep decision 2013-0514, issued on 4 April 2013, amended Bouygues Telecom's licence to allow for the possibility of refarming frequencies in the 1800 MHz band for technologies other than GSM, and in particular to meet its 4G coverage obligations.

Arcep decision 2017-0734, issued on 13 April 2017, amended Bouygues Telecom's licence to allow for the possibility of refarming frequencies in the 2100 MHz band for technologies other than UMTS, and in particular to meet its 4G coverage obligations.

On 1 October 2013, Bouygues Telecom opened its national 4G network: by the end of 2017, 95% of the population had 4G coverage in the 2600, 1800 or 800 MHz bands.

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

The licence to transmit in the 900 MHz and 1800 MHz bands, renewed on 9 December 2009 for a period of 15 years, imposed on Bouygues Telecom an obligation to cover 99% of the population by 31 December 2010. Bouygues Telecom complied with this obligation.

The obligation includes coverage of blind spots and the main roads in each administrative department.

Blind spots

The law of 6 August 2015 on growth, business and equality of economic opportunity required the blind spots programme (initially launched in 2004) to be extended to additional municipalities that currently have no coverage in the town or village centre, as well as reducing the residual blind spots identified in previous laws passed in 2004 and 2008. The law also introduced a new programme aimed at providing coverage in areas with concentrations of businesses, tourist sites and public facilities that currently have no network access. For both these programmes, local authorities will make high ground available to the operators for mast sites.

The four mobile operators signed an agreement in February 2016 under which each will contribute its fair share in reducing residual blind spots and extending the original programme. At the third Inter-Ministerial Rural Affairs Committee session of 2016, the mobile operators undertook to expand the existing priority zones programme to 1,300 sites. A new agreement was signed in February 2017.

As of 31 December 2017, the progress made by Bouygues Telecom on its commitments was in compliance with the deadlines stipulated in the law and with the timetable issued by Arcep.

18.5.2 Alstom

Further to the Memorandum of Understanding signed by Siemens and Alstom on 26 September 2017 that included a reciprocal exclusivity agreement to combine their rail activities (see Note 1.2 to the consolidated financial statements), 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.

18.5.3 Colas

On 30 August 2017, a Memorandum of Understanding was signed with a view to acquiring 100% of the share capital of the Miller and McAsphalt group, a roadbuilding and bitumen distribution group with average annual sales of approximately CAD 1.3 billion over the last three years and an average operating margin of 7% over the same period. The Miller and McAsphalt group employs 3,300 people. Acquiring the Miller and McAsphalt group will extend Colas Canada's geographical footprint, giving it a stronger presence in Ontario and significantly reinforcing its bitumen storage and distribution capacity across the whole of Canada. Closing of the transaction is expected during the first quarter of 2018. The purchase price, payable on closing and subject to certain adjustments, is expected to give a multiple of approximately 12x the average operating profit over the last three years. The acquisition will be financed by debt (see Note 1.2 to the consolidated financial statements).

18.6 Contingent assets and liabilities

Bouygues Telecom

Guarantees received:

On the sale of Darty Telecom on 2 May 2012, Établissements Darty et Fils provided a vendor's asset and liability guarantee to Bouygues Telecom.

This guarantee is capped, and may be called in at any time within 18 months from the date of the sale, subject to exceptions arising from statutes of limitation.

NOTE 19 EMPLOYEE BENEFIT OBLIGATIONS AND EMPLOYEE SHARE OWNERSHIP

19.1 Average headcount

	2017	2016
Managerial staff	22,335	21,442
Technical, supervisory & clerical staff	19,417	19,483
Site workers	24,987	25,490
SUB-TOTAL - HEADCOUNT FRANCE	**66,739**	**66,415**
Expatriate staff and local employment contracts	53,097	56,200
TOTAL AVERAGE HEADCOUNT	119,836	122,615

19.2 Employee benefit obligations

(€ million)	31/12/2016	Movements during 2017	31/12/2017
Lump-sum retirement benefits	502	15	517
Long service awards and other benefits	149	4	153
Other post-employment benefits (pensions)	113	(11)	102
TOTAL	**764**	**8**	**772**

These obligations are covered by non-current provisions.

19.3 Employee benefit obligations and pension obligations (post-employment benefits) excluding long-service awards

The tables below give details about the Group's post-employment benefit obligations.

19.3.1 Defined-contribution plans

(€ million)	2017	2016
Amount recognised as an expense	(1,774)	(1,727)

This defined-contribution expense consists of contributions to:

- the public health insurance scheme and the supplementary health insurance scheme;
- pension funds (compulsory and supplementary schemes);
- unemployment insurance funds.

19.3.2 Defined-benefit plans

19.3.2.1 Amounts recognised in the balance sheet

(€ million)	**Lump-sum retirement benefits**		**Pensions**		**Total**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**	**31/12/2017**	**31/12/2016**
Present value of obligation	524	507	498	508	1,022	1,015
Fair value of plan assets (dedicated funds)	(7)	(5)	(396)	(395)	(403)	(400)
NET OBLIGATION RECOGNISED AS A PROVISION	**517**	**502**	**102**	**113**	**619**	**615**
Ratio of plan assets to present value of obligation			80%	78%		

(€ million)	**Lump-sum retirement benefits**		**Pensions**	
	2017	**2016**	**2017**	**2016**
START OF PERIOD	**501**	**477**	**113**	**69**
Service cost	23	24	3	(7)
Interest cost on the obligation	8	8	1	6
Net expense/(gain) recognised in profit or loss	**31**	**32**	**4**	**(1)**
Reversals of provisions (utilised)	(27)	(27)	(2)	(4)
Changes in scope of consolidation and effect of exchange rates	(1)		(4)	(9)
Actuarial gains and losses recognised in equity	14	21	(10)	59
Transfers and other movements	(1)	(1)	1	(1)
END OF PERIOD	**517**	**502**	**102**	**113**

19.3.2.2 Analysis by business segment: 31 December 2017

(€ million)	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total**
Income statement impact of change in provision for lump-sum retirement benefits, net of reversals	(2)	1	6	(6)	4	1	4
Income statement impact of change in provision for pensions, net of reversals			2				2
Non-current provisions (balance sheet):							
• lump-sum retirement benefits	171	16	227	37	48	18	517
• pensions	9		93				102

19.3.2.3 Analysis by geographical area: 31 December 2017

(€ million)	**France [a]**	**European Union**	**Rest of Europe**	**Africa**	**Americas**	**Asia-Pacific**	**Middle East**	**Total**
Income statement impact of change in provision for lump-sum retirement benefits, net of reversals	4							4
Income statement impact of change in provision for pensions, net of reversals	1	2			(1)			2
Non-current provisions (balance sheet):								
• lump-sum retirement benefits	509		1	4	(1)	3	1	517
• pensions	3	86			13			102

(a) Including French overseas departments.

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

	2017	2016
Discount rate [a]	1.50% (iBoxx A10+)	1.71% (iBoxx A10+)
Mortality table	INSEE	INSEE
Retirement age (depending on business segment):		
• Managerial staff	62/65 years	62/65 years
• Technical, supervisory & clerical staff, and site workers	62/65 years	62/65 years
Salary inflation rate (depending on business segment) [b]	1% to 2.8%	1% to 2.5%

(a) A reduction of 70 basis points in the discount rate would increase the obligation by €50m as of 31 December 2017. Under Group accounting policies, any such actuarial losses would have been recognised directly in equity.

(b) Includes general inflation.

19.4 Employee share ownership

Stock options

Total number of effectively exercisable options: 9,172,625.

Quoted share price at 29 December 2017: €43.31

Plan grant date	Outstanding options at 31/12/2017	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price *(€)*	Number of effectively exercisable options
14/06/2011	1,100,375	14/06/2015	14/06/2012	31.43	1,100,375
13/06/2012	1,102,594	14/06/2016	14/06/2013	20.11	1,102,594
28/03/2013	1,432,514	29/03/2017	27/03/2014	22.28	1,432,514
27/03/2014	2,605,239	28/03/2018	27/03/2015	30.32	1,953,929
28/05/2015	2,272,144	29/05/2017	29/05/2016	37.11	2,272,144
30/05/2016	2,622,139	31/05/2018	30/05/2017	29.00	1,311,069
01/06/2017	2,570,800	02/06/2019	01/06/2018	37.99	
TOTAL	**13,705,805**				**9,172,625**

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

- they must be legally exercisable as of 31 December 2017, either by normal exercise (two or four years after the plan grant date) or by partial exercise ahead of the normal exercise date under the terms of the company savings scheme;
- they must be in the money as of 31 December 2017, in other words the exercise price must be less than the closing share price on that date (€43.31).

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

20.1 Related party disclosures

Transaction	Expenses		Income		Receivables		Payables	
(€ million)	2017	2016	2017	2016	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Parties with an ownership interest	5	3						
Joint operations	117	65	334	346	260	441	268	279
Joint ventures and associates	31	36	130	68	145	42	29	26
Other related parties	48	53	88	147	91	86	51	65
TOTAL	**201**	**157**	**552**	**561**	**496**	**569**	**348**	**370**
Maturity								
• less than 1 year					457	534	345	370
• 1 to five years					22	19	3	
• more than 5 years					17	16		
of which impairment of doubtful receivables (mainly non-consolidated companies)					71	72		

Identity of related parties:

- parties with an ownership interest: SCDM (a company controlled by Martin and Olivier Bouygues);
- joint operations: primarily construction project companies;
- joint ventures and associates: includes transactions with concession companies, quarry companies and Alstom;
- other related parties: mainly transactions with non-consolidated companies in which the Group has an interest.

20.2 Disclosures about remuneration and benefits paid to directors and senior executives (Bouygues)

Direct remuneration:

Direct remuneration in respect of the 2017 financial year for key executives (members of the Group Management Committee in post on 31 December 2017) amounted to €18,042,781, comprising basic remuneration of €7,029,881, and variable remuneration of €11,012,900 paid in 2018 on the basis of 2017 performance. Directors' fees paid to key executives in respect of directorships held at Bouygues SA and various subsidiaries amounted to €390,467.

Directors' fees paid to non-executive directors in respect of directorships held at Bouygues SA and various subsidiaries amounted to €660,040.

Short-term benefits: none.

Post-employment benefits: Members of the Group Management Committee belong to a top-up retirement plan based on 0.92% of their reference salary for each year's membership of the plan. This annual supplementary pension is capped at eight times the annual French social security ceiling, and management of the scheme is contracted out to an insurance company. Contributions paid into the fund managed by the insurance company amounted to €4,000,000 in 2017.

Long-term benefits: none.

Termination benefits: The provision for lump-sum retirement benefits payable to members of the Group Management Committee in post as of 31 December 2017 was increased by €171,143.

Share-based payment: 320,000 stock options were awarded to members of the Group Management Committee on 31 May 2017, at an exercise price of €37.993 each. The earliest exercise date is 31 May 2019, and the expense recognised in the year ended 31 December 2017 was €307,693.

NOTE 21 ADDITIONAL CASH FLOW STATEMENT INFORMATION AND CALCULATION OF FREE CASH FLOW

21.1 Cash flows of acquired and divested subsidiaries

Breakdown by business segment of net cash flows resulting from acquisitions and divestments of subsidiaries.

(€ million)	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total 31/12/2017**
Cash	5	3	10	(9)			9
Inventories		(19)	(8)				(27)
Trade and other receivables	22	(1)	(46)	(25)			(50)
Non-current assets (other than goodwill)		4	(112)	61			(47)
Goodwill			(25)	(25)			(50)
Trade payables & other current liabilities	(25)	16	47	61		1	100
Non-current liabilities	(1)	(1)		(5)			(7)
Non-current provisions		(1)	2				1
Non-current taxes		1					1
NET ACQUISITION/DIVESTMENT COST – CONSOLIDATED ACTIVITIES	**1**	**2**	**(132)**	**58**		**1**	**(70)**
Cash of acquired or divested companies	(5)	(3)	(10)	9			(9)
Net liabilities related to consolidated activities	(4)	3	(1)				(2)
NET CASH INFLOW/(OUTFLOW) FROM ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES	**(8)**	**2**	**(143)**	**67**		**1**	**(81)**

The principal acquisitions and divestments in the period were as follows:

- Colas: acquisitions of Graymont (USA), Meloche (Canada), Carrières Malet (France); divestments of Cermark and Prakan (Czech Republic), etc.
- TF1: divestment of Groupe AB; acquisitions of the Tuvalu group (Netherlands), Mayane Communication (France), etc.

21.2 Calculation of free cash flow

(€ million)	2017	2016
CASH FLOW	**2,884**	**2,504**
Cost of net debt	(226)	(222)
Income tax	(303)	(249)
Cash flow after cost of net debt and income tax	**2,355**	**2,033**
Purchase price of property, plant & equipment and intangible assets	(2,036)	(1,962)
Proceeds from disposals of property, plant & equipment and intangible assets	509	324
Net capital expenditure	**(1,527)**	**(1,638)**
FREE CASH FLOW	**828**	**395**

21.3 Changes in working capital related to operating activities

Changes in working capital include current provisions recognised in the balance sheet.

(€ million)	2017	2016
ASSETS		
Inventories/Programmes/Broadcasting rights	(65)	73
Advances and down-payments made on orders	(46)	46
Trade receivables	(570)	(514)
Other current receivables and current financial assets	(77)	124
sub-total	**(758)**	**(271)**
LIABILITIES		
Advances and down-payments received on orders	127	(159)
Trade payables	370	592
Current provisions	(67)	(77)
Other current liabilities and current financial liabilities	(67)	109
sub-total	**363**	**465**
Changes in working capital related to operating activities [a]	**(395)**	**194**

a) Assets: decrease/(increase)
Liabilities: (decrease)/increase

NOTE 22 AUDITORS’ FEES

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of Bouygues and fully consolidated companies, as expensed through the income statement in 2017.

(€ '000)	**Mazars network**				**EY network**				**Other firms [a]**				**Total**	
	Amount (*)		**%**	**%**	**Amount (*)**		**%**	**%**	**Amount (*)**		**%**	**%**		
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
A – Audit														
Audit of consolidated and individual company financial statements	(6,962)	(6,714)	95%	95%	(5,110)	(4,751)	89%	88%	(5,418)	(5,549)	80%	80%	(17,490)	(17,014)
• Bouygues SA	(262)	(233)			(263)	(234)							(525)	(467)
• Fully consolidated subsidiaries	(6,700)	(6,481)			(4,847)	(4,517)			(5,418)	(5,549)			(16,965)	(16,547)
Related engagements	(390)	(299)	5%	4%	(524)	(589)	9%	11%	(323)	(1,041)	5%	15%	(1,237)	(1,929)
• Bouygues SA	(22)	(20)			(91)	(62)							(113)	(82)
• Fully consolidated subsidiaries	(368)	(279)			(433)	(527)			(323)	(1,041)			(1,124)	(1,847)
SUB-TOTAL	**(7,352)**	**(7,013)**	**100%**	**99%**	**(5,634)**	**(5,340)**	**98%**	**99%**	**(5,741)**	**(6,590)**	**85%**	**95%**	**(18,727)**	**(18,943)**
B – Other services														
Legal, tax, employment law	(1)	(38)	0%	1%	(95)	(72)	2%	1%	(929)	(243)	13%	3%	(1,025)	(353)
Other items									(88)	(102)	2%	2%	(88)	(102)
SUB-TOTAL	**(1)**	**(38)**	**0%**	**1%**	**(95)**	**(72)**	**2%**	**1%**	**(1,017)**	**(345)**	**15%**	**5%**	**(1,113)**	**(455)**
TOTAL FEE EXPENSE	**(7,353)**	**(7,051)**	**100%**	**100%**	**(5,729)**	**(5,412)**	**100%**	**100%**	**(6,758)**	**(6,935)**	**100%**	**100%**	**(19,840)**	**(19,398)**

(*) Excluding VAT.

(a) In the interests of comprehensiveness, this table includes fees paid to other firms (mainly KPMG for Colas).

“Related engagements” and “Other services” as shown in the table above for the Mazars and EY networks include all services other than statutory audit and mainly comprise assurance or agreed-upon procedure engagements relating to financial data; CSR and acquisition due diligence; and reviews of the first-time application of new accounting standards.

NOTE 23 IMPACTS OF FIRST-TIME APPLICATION OF IFRS 15, "REVENUE FROM CONTRACTS WITH CUSTOMERS" AND IFRS 9, "FINANCIAL INSTRUMENTS"

This note presents the effect of first-time application of IFRS 15 and IFRS 9 on the consolidated financial statements and key performance indicators of the Bouygues group.

The Bouygues group will apply IFRS 15 with effect from 1 January 2018, with retrospective application and presentation of a comparative period. The impacts on the balance sheets as of 31 December 2016 and 2017, and on the interim periods of 2017, are presented below.

The principal restatements arising from the first-time application of IFRS 15 relate to:

- Construction businesses (Bouygues Construction, Bouygues Immobilier and Colas), and especially at Bouygues Immobilier, in particular on off-plan sales under "*VEFA*" (*Ventes en l'État Futur d'Achèvement*) contracts in France. The principle of recognising revenue and margin over time 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 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 €64 million, net of deferred taxes.

  For Bouygues Construction and Colas, the method used to recognise revenue over time is consistent with IFRS 15.

- Bouygues Telecom, as a result of the identification of two performance obligations on business and consumer contracts that combine a subscription with a subsidised handset; such contracts have to be split into separate components. Under IFRS 15, there will be changes to (i) the split between the sale of the handset and the supply of the service and (ii) the revenue recognition pattern. This will lead to accelerated revenue recognition, resulting in a contract asset being reported in the balance sheet for the difference between (i) the price paid by the customer on initial subscription and (ii) the transaction price. This asset will be charged to profit or loss over the average life of the contract. Further impacts relate to certain contract origination and execution costs currently recognised as an expense in the period or capitalised, which under IFRS 15 will be recognised as an asset in the balance sheet on signature of the contract and then charged as an operating expense over the average life of the contract. The resulting restatement will increase shareholders' equity as of 31 December 2016 by €165 million, net of deferred taxes.

  The Bouygues Telecom CGU has been subject to impairment testing as of 31 December 2016 to take account of the IFRS 15 restatements. The results do not call into question the conclusions described in Note 2.7.4.1 ("Impairment testing of TF1, Bouygues Telecom and Colas") to the Bouygues consolidated financial statements for the year ended 31 December 2016.

- TF1, where IFRS 15 changes the accounting treatment of distribution contracts, and the date of recognition of revenue generated by rights sales (especially TV and SVoD[a]), but with no material impact.

(a) Subscription Video on Demand, where users have unlimited access to a video catalogue in return for a monthly subscription.

The Bouygues 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.

An initial estimate of the effect of IFRS 9 on the balance sheet as of 31 December 2017 is also presented below.

The Bouygues group's interim periods are unaudited, but are subject to a review by the statutory auditors.

Balance sheet line items as of 31 December 2016 impacted by IFRS 15

ASSETS	31/12/2016 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	31/12/2016 Restated
Property, plant and equipment	6,566		(154)		(154)	6,412
Deferred tax assets and non-current tax receivable	367	(19)			(19)	348
NON-CURRENT ASSETS	**17,432**	**(19)**	**(154)**		**(173)**	**17,259**
Inventories	2,955	9			9	2,964
IFRS 15: Contracts with customers			311		311	311
Trade receivables	6,367	89	229		318	6,685
CURRENT ASSETS	**17,301**	**98**	**540**		**638**	**17,939**
TOTAL ASSETS	**34,854**	**79**	**386**		**465**	**35,319**
LIABILITIES AND SHAREHOLDERS' EQUITY	**31/12/2016 Published**					**31/12/2016 Restated**
Share premium and reserves	6,925	64	149		213	7,138
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**8,140**	**64**	**149**		**213**	**8,353**
Non-controlling interests	1,280		16	(1)	15	1,295
SHAREHOLDERS' EQUITY	**9,420**	**64**	**165**	**(1)**	**228**	**9,648**
Non-current provisions	2,199	(21)			(21)	2,178
Deferred tax liabilities and non-current tax liabilities	159	15	118		133	292
NON-CURRENT LIABILITIES	**8,538**	**(6)**	**118**		**112**	**8,650**
IFRS 15: Liabilities on customer contracts			70	1	71	71
Current provisions	1,002		(8)		(8)	994
Other current liabilities	7,159	21	41		62	7,221
CURRENT LIABILITIES	**16,896**	**21**	**103**	**1**	**125**	**17,021**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**34,854**	**79**	**386**		**465**	**35,319**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

Financial statement line items as of 31 March 2017 impacted by IFRS 15

Balance sheet

ASSETS	31/03/2017 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	31/03/2017 Restated
Property, plant and equipment	6,602		(159)		(159)	6,443
Deferred tax assets and non-current tax receivable	413	(16)			(16)	397
NON-CURRENT ASSETS	**17,593**	**(16)**	**(159)**		**(175)**	**17,418**
Inventories	3,231	8			8	3,239
IFRS 15: Contracts with customers			318		318	318
Trade receivables	6,433	90	228	1	319	6,752
CURRENT ASSETS	**16,593**	**98**	**546**	**1**	**645**	**17,238**
TOTAL ASSETS	**34,307**	**82**	**387**	**1**	**470**	**34,777**
LIABILITIES AND SHAREHOLDERS' EQUITY	**31/03/2017 Published**					**31/03/2017 Restated**
Share premium and reserves	7,690	64	149		213	7,903
Consolidated net profit/(loss)	(38)		(4)	1	(3)	(41)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**8,139**	**64**	**145**	**1**	**210**	**8,349**
Non-controlling interests	1,289		15		15	1,304
SHAREHOLDERS' EQUITY	**9,428**	**64**	**160**	**1**	**225**	**9,653**
Non-current provisions	2,174	(21)			(21)	2,153
Deferred tax liabilities and non-current tax liabilities	159	18	113		131	290
NON-CURRENT LIABILITIES	**8,174**	**(3)**	**113**		**110**	**8,284**
IFRS 15: Liabilities on customer contracts			79		79	79
Current provisions	902		(8)		(8)	894
Other current liabilities	7,179	21	43		64	7,243
CURRENT LIABILITIES	**16,705**	**21**	**114**		**135**	**16,840**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**34,307**	**82**	**387**	**1**	**470**	**34,777**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

Income statement

	1st quarter 2017 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	1st quarter 2017 Restated
SALES	**6,847**	**(3)**	**(12)**	**5**	**(10)**	**6,837**
Purchases used in production	(3,137)	3			3	(3,134)
External charges	(1,729)	1	(12)	(4)	(15)	(1,744)
Net depreciation & amortisation expense	(375)		15		15	(360)
Change in production and property development inventories	121	(1)			(1)	120
CURRENT OPERATING PROFIT/(LOSS)	**(67)**		**(9)**	**1**	**(8)**	**(75)**
OPERATING PROFIT/(LOSS)	**(84)**		**(9)**	**1**	**(8)**	**(92)**
COST OF NET DEBT	**(57)**					**(57)**
Income tax	42		4		4	46
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**(26)**		**(5)**	**1**	**(4)**	**(30)**
NET PROFIT/(LOSS)	**(26)**		**(5)**	**1**	**(4)**	**(30)**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**(38)**		**(4)**	**1**	**(3)**	**(41)**
Net profit/(loss) attributable to non-controlling interests	12		(1)		(1)	11
Basic earnings per share from continuing operations (€)	**(0.11)**					**(0.11)**
Diluted earnings per share from continuing operations (€)	**(0.10)**					**(0.11)**
EBITDA	**204**		**(24)**	**1**	**(23)**	**181**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

Cash flow statement

	1st quarter 2017 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	1st quarter 2017 Restated
I - CASH FLOW FROM CONTINUING OPERATIONS						
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES						
Net profit/(loss) from continuing operations	(26)		(5)	1	(4)	(30)
Depreciation, amortisation, non-current impairment & provisions: net charges/(reversals)	375		(15)		(15)	360
Cash flow after cost of net debt and income tax	**251**		**(20)**	**1**	**(19)**	**232**
Income tax	(42)		(4)		(4)	(46)
Cash flow	**266**		**(24)**	**1**	**(23)**	**243**
Changes in working capital related to operating activities (including current impairment and provisions)	(1,227)		5	(1)	4	(1,223)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	**(1,029)**		**(19)**		**(19)**	**(1,048)**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES						
Purchase price of property, plant & equipment and intangible assets	(453)		19		19	(434)
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	**(394)**		**19**		**19**	**(375)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES						
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	**136**					**136**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**(9)**					(9)
CHANGE IN NET CASH POSITION (A + B + C + D)	**(1,296)**					**(1,296)**
Net cash position at start of period	**4,581**					**4,581**
Net cash position at end of period	**3,285**					**3,285**
FREE CASH FLOW	**(157)**		**(1)**	**1**		**(157)**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

Financial statement line items as of 30 June 2017 impacted by IFRS 15

Balance sheet

ASSETS	30/06/2017 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	30/06/2017 Restated
Property, plant and equipment	6,689		(163)		(163)	6,526
Deferred tax assets and non-current tax receivable	403	(15)			(15)	388
NON-CURRENT ASSETS	**17,669**	**(15)**	**(163)**		**(178)**	**17,491**
Inventories	3,363	7			7	3,370
IFRS 15: Contracts with customers			320		320	320
Trade receivables	7,372	80	219		299	7,671
CURRENT ASSETS	**17,302**	**87**	**539**		**626**	**17,928**
TOTAL ASSETS	**35,061**	**72**	**376**		**448**	**35,509**
LIABILITIES AND SHAREHOLDERS' EQUITY	**30/06/2017 Published**					**30/06/2017 Restated**
Share premium and reserves	7,186	64	149		213	7,399
Consolidated net profit/(loss)	240	(7)	(13)		(20)	220
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**7,884**	**57**	**136**		**193**	**8,077**
Non-controlling interests	1,289		14		14	1,303
SHAREHOLDERS' EQUITY	**9,173**	**57**	**150**		**207**	**9,380**
Non-current provisions	2,110	(21)			(21)	2,089
Deferred tax liabilities and non-current tax liabilities	193	15	106	(1)	120	313
NON-CURRENT LIABILITIES	**8,485**	**(6)**	**106**	**(1)**	**99**	**8,584**
IFRS 15: Liabilities on customer contracts			85	1	86	86
Current provisions	842		(8)		(8)	834
Other current liabilities	7,192	21	43		64	7,256
CURRENT LIABILITIES	**17,403**	**21**	**120**	**1**	**142**	**17,545**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**35,061**	**72**	**376**		**448**	**35,509**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

Income statement

	1st half 2017 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	1st half 2017 Restated
SALES	**15,162**	**(32)**	**(28)**	**6**	**(54)**	**15,108**
Purchases used in production	(6,993)	17			17	(6,976)
Personnel costs	(3,673)	2			2	(3,671)
External charges	(3,488)	4	(29)	(5)	(30)	(3,518)
Net depreciation & amortisation expense	(750)		30	(1)	29	(721)
Change in production and property development inventories	107	(2)			(2)	105
CURRENT OPERATING PROFIT/(LOSS)	**385**	**(11)**	**(27)**		**(38)**	**347**
OPERATING PROFIT/(LOSS)	**417**	**(11)**	**(27)**		**(38)**	**379**
COST OF NET DEBT	**(115)**					**(115)**
Income tax	(100)	4	12		16	(84)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**294**	**(7)**	**(15)**		**(22)**	**272**
NET PROFIT/(LOSS)	**294**	**(7)**	**(15)**		**(22)**	**272**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**240**	**(7)**	**(13)**		**(20)**	**220**
Net profit/(loss) attributable to non-controlling interests	54		(2)		(2)	52
Basic earnings per share from continuing operations (€)	**0.67**					**0.62**
Diluted earnings per share from continuing operations (€)	**0.67**					**0.61**
EBITDA	**981**	**(11)**	**(57)**	**1**	**(67)**	**914**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

Cash flow statement

	1st half 2017 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	1st half 2017 Restated
I - CASH FLOW FROM CONTINUING OPERATIONS						
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES						
Net profit/(loss) from continuing operations	294	(7)	(15)		(22)	272
Depreciation, amortisation, non-current impairment & provisions: net charges/(reversals)	746		(30)	1	(29)	717
Cash flow after cost of net debt and income tax	**838**	**(7)**	**(45)**	**1**	**(51)**	**787**
Income tax	100	(4)	(12)		(16)	84
Cash flow	**1,053**	**(11)**	**(57)**	**1**	**(67)**	**986**
Changes in working capital related to operating activities (including current impairment and provisions)	(1,853)	11	18		29	(1,824)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	**(926)**		**(39)**	**1**	**(38)**	**(964)**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES						
Purchase price of property, plant & equipment and intangible assets	(911)		39	(1)	38	(873)
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	**(816)**		**39**	**(1)**	**38**	**(778)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES						
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	**(108)**					**(108)**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**(56)**					(56)
CHANGE IN NET CASH POSITION (A + B + C + D)	**(1,906)**					**(1,906)**
Net cash position at start of period	**4,581**					**4,581**
Net cash position at end of period	**2,676**					**2,676**
FREE CASH FLOW	**116**	**(7)**	**(6)**		**(13)**	**103**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

Financial statement line items as of 30 September 2017 impacted by IFRS 15

Balance sheet

ASSETS	30/09/2017 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	30/09/2017 Restated
Property, plant and equipment	6,607		(179)		(179)	6,428
Deferred tax assets and non-current tax receivable	372	(8)			(8)	364
NON-CURRENT ASSETS	**17,576**	**(8)**	**(179)**		**(187)**	**17,389**
Inventories	3,172	6			6	3,178
IFRS 15: Contracts with customers			341		341	341
Trade receivables	7,630	76	218	1	295	7,925
CURRENT ASSETS	**17,702**	**82**	**559**	**1**	**642**	**18,344**
TOTAL ASSETS	**35,345**	**74**	**380**	**1**	**455**	**35,800**
LIABILITIES AND SHAREHOLDERS' EQUITY	**30/09/2017 Published**					**30/09/2017 Restated**
Share premium and reserves	7,256	64	149		213	7,469
Consolidated net profit/(loss)	713	(11)	(13)		(24)	689
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**8,340**	**53**	**136**		**189**	**8,529**
Non-controlling interests	1,314		14	1	15	1,329
SHAREHOLDERS' EQUITY	**9,654**	**53**	**150**	**1**	**204**	**9,858**
Non-current provisions	2,059	(21)			(21)	2,038
Deferred tax liabilities and non-current tax liabilities	192	21	105	1	127	319
NON-CURRENT LIABILITIES	**8,171**		**105**	**1**	**106**	**8,277**
IFRS 15: Liabilities on customer contracts			92		92	92
Current provisions	825		(8)	(1)	(9)	816
Other current liabilities	7,046	21	41		62	7,108
CURRENT LIABILITIES	**17,520**	**21**	**125**	**(1)**	**145**	**17,665**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**35,345**	**74**	**380**	**1**	**455**	**35,800**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

Income statement

	9 months 2017 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	9 months 2017 Restated
TOTAL SALES	**23,828**	**(51)**	**(32)**	**7**	**(76)**	**23,752**
Purchases used in production	(10,963)	28			28	(10,935)
Personnel costs	(5,520)	3		1	4	(5,516)
External charges	(5,390)	7	(42)	(7)	(42)	(5,432)
Net depreciation & amortisation expense	(1,182)		47		47	(1,135)
Change in production and property development inventories	140	(3)		(1)	(4)	136
CURRENT OPERATING PROFIT/(LOSS)	**976**	**(16)**	**(27)**		**(43)**	**933**
OPERATING PROFIT/(LOSS)	**1,058**	**(16)**	**(27)**		**(43)**	**1,015**
COST OF NET DEBT	**(170)**					**(170)**
Income tax	(257)	5	12	1	18	(239)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**794**	**(11)**	**(15)**	**1**	**(25)**	**769**
NET PROFIT/(LOSS)	**794**	**(11)**	**(15)**	**1**	**(25)**	**769**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**713**	**(11)**	**(13)**		**(24)**	**689**
Net profit/(loss/ attributable to non-controlling interests	81		(2)	1	(1)	80
Basic earnings per share from continuing operations (€)	**2.00**					**1.93**
Diluted earnings per share from continuing operations (€)	**1.98**					**1.92**
EBITDA	**1,987**	**(16)**	**(74)**		**(90)**	**1,897**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

Cash flow statement

	9 months 2017 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	9 months 2017 Restated
I - CASH FLOW FROM CONTINUING OPERATIONS						
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES						
Net profit/(loss) from continuing operations	794	(11)	(15)	1	(25)	769
Depreciation, amortisation, non-current impairment & provisions: net charges/(reversals)	1,156		(47)		(47)	1,109
Cash flow after cost of net debt and income tax	**1,597**	**(11)**	**(62)**	**1**	**(72)**	**1,525**
Income tax	257	(5)	(12)	(1)	(18)	239
Cash flow	**2,024**	**(16)**	**(74)**		**(90)**	**1,934**
Changes in working capital related to operating activities (including current impairment and provisions)	(1,798)	16	3	(1)	18	(1,780)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	**62**		**(71)**	**(1)**	**(72)**	**(10)**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES						
Purchase price of property, plant & equipment and intangible assets	(1,372)		71	1	72	(1,300)
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	**(1,152)**		**71**	**1**	**72**	**(1,080)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES						
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	**(395)**					**(395)**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**(143)**					(143)
CHANGE IN NET CASH POSITION (A + B + C + D)	**(1,628)**					**(1,628)**
Net cash position at start of period	**4,581**					**4,581**
Net cash position at end of period	**2,954**					**2,954**
FREE CASH FLOW	**562**	**(11)**	**9**	**2**		**562**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

Financial statement line items as of 31 December 2017 impacted by IFRS 15 and IFRS 9

Balance sheet

ASSETS	31/12/2017 Published	Construction activities [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	IFRS 9 impacts	31/12/2017 Restated
Property, plant and equipment	6,858		(199)	(1)	(200)		6,658
Other non-current financial assets	563			(1)	(1)	(1)	561
Deferred tax assets and non-current tax receivable	337	(14)			(14)		323
NON-CURRENT ASSETS	**17,777**	**(14)**	**(199)**	**(2)**	**(215)**	**(1)**	**17,561**
Inventories	3,037	(215)			(215)		2,822
IFRS 15: Contracts with customers			376		376		376
Trade receivables	6,732	382	233		615	(23)	7,324
Other current receivables & prepaid expenses	2,581	(21)		2	(19)		2,562
CURRENT ASSETS	**17,963**	**146**	**609**	**2**	**757**	**(23)**	**18,697**
TOTAL ASSETS	**35,778**	**132**	**410**		**542**	**(24)**	**36,296**

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2017 Published	Construction activities [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	IFRS 9 impacts	31/12/2017 Restated
Share premium and reserves	7,488	64	149		213	(26)	7,675
Consolidated net profit/(loss)	1,085	1	(4)		(3)		1,082
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**8,851**	**65**	**145**		**210**	**(26)**	**9,035**
Non-controlling interests	1,359		15		15		1,374
SHAREHOLDERS' EQUITY	**10,210**	**65**	**160**		**225**	**(26)**	**10,409**
Non-current debt	5,788					3	5,791
Non-current provisions	2,085	(27)			(27)		2,058
Deferred tax liabilities and non-current tax liabilities	147	20	113		133	(1)	279
NON-CURRENT LIABILITIES	**8,020**	**(7)**	**113**		**106**	**2**	**8,128**
Advances and down-payments received on orders	1,101	(141)		(1)	(142)		959
IFRS 15: Liabilities on customer contracts		140	99	1	240		240
Current provisions	889	1	(5)		(4)		885
Other current liabilities	7,109	74	43		117		7,226
CURRENT LIABILITIES	**17,548**	**74**	**137**		**211**		**17,759**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**35,778**	**132**	**410**		**542**	**(24)**	**36,296**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

IFRS 9 impacts relate mainly to Colas, and to the recognition of impairment losses on trade receivables using the expected loss model.

The financial asset categories affected, and related impairment losses under IFRS 9, are shown below:

NON-CURRENT FINANCIAL ASSETS

(€ million)	Available-for-sale financial assets [a]			Financial assets at fair value through profit or loss	Held-to-maturity assets	Loans and receivables	Total
31/12/2016 Published (IAS 39)	**187**				**78**	**258**	**523**
Movements during 2017					13	27	40
31/12/2017 Published (IAS 39)	**187**			**0**	**91**	**285**	**563**
Due within less than 1 year	1					14	15
Due within 1 to 5 years						80	80
Due after more than 5 years	186				91	191	468
31/12/2017 (IFRS 9)	**Fair value through other comprehensive income**	**Fair value through profit or loss**	**Amortised cost**	**Fair value through profit or loss**	**Amortised cost**	**Amortised cost**	**Total**
Carrying amount (IFRS 9)	50	130	7	0	91	285	563

31/12/2017 (IFRS 9)	**Total fair value through other comprehensive income**	**Total fair value through profit or loss**	**Total amortised cost**	**Total**
Carrying amount (IFRS 9)	50	130	383	563

CURRENT FINANCIAL ASSETS

(€ million)	31/12/2017 Published		
	Gross value	**Impairment**	**Carrying amount**
Trade receivables (including unbilled receivables)	7,313	(581)	6,732
Current tax assets (tax receivable)	333	(2)	331
Other current receivables	1,440	(10)	1,430
(employees, social security, government and other)			
Other receivables	1,051	(198)	853
Prepaid expenses	298		298
TOTAL OTHER CURRENT RECEIVABLES & PREPAID EXPENSES	**2,789**	**(208)**	**2,581**
TOTAL (IAS 39)	**10,435**	**(791)**	**9,644**

(€ million)	31/12/2017 Restated		
	Gross value	**Impairment**	**Carrying amount**
Trade receivables (including unbilled receivables)	7,928	(604)	7,324
IFRS 15: contracts with customers	376		376
Current tax assets (tax receivable)	333	(2)	331
Other current receivables	1,421	(10)	1,411
(employees, social security, government and other)			
Other receivables	1,051	(198)	853
Prepaid expenses	298		298
TOTAL OTHER CURRENT RECEIVABLES & PREPAID EXPENSES	**2,770**	**(208)**	**2,562**
TOTAL (IFRS 9)	**11,407**	**(814)**	**10,593**

Income statement

	FY 2017 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	FY 2017 Restated
TOTAL SALES	**32,904**	**37**	**(26)**	**8**	**19**	**32,923**
Purchases used in production	(15,287)	(16)			(16)	(15,303)
External charges	(7,280)		(39)	(8)	(47)	(7,327)
Taxes other than income taxes	(668)	(1)		1		(668)
Net depreciation & amortisation expense	(1,655)		59		59	(1,596)
Change in production and property development inventories	85	(25)			(25)	60
Other current operating income	1,672		(3)	(1)	(4)	1,668
CURRENT OPERATING PROFIT/(LOSS)	**1,420**	**(5)**	**(9)**		**(14)**	**1,406**
OPERATING PROFIT/(LOSS)	**1,533**	**(5)**	**(9)**		**(14)**	**1,519**
COST OF NET DEBT	**(226)**					**(226)**
Income tax	(303)		4		4	(299)
Share of net profits/(losses) of joint ventures and associates	163	6			6	169
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**1,205**	**1**	**(5)**		**(4)**	**1,201**
NET PROFIT/(LOSS)	**1,205**	**1**	**(5)**		**(4)**	**1,201**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**1,085**	**1**	**(4)**		**(3)**	**1,082**
Net profit/(loss) attributable to non-controlling interests	120		(1)		(1)	119
Basic earnings per share from continuing operations (€)	**3.03**					**3.02**
Diluted earnings per share from continuing operations (€)	**3.01**					**3.00**
EBITDA	**2,968**	**(5)**	**(68)**		**(73)**	**2,895**

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

Order book (IFRS 15)

The Group's order book stood at €32,761 million as of 31 December 2017.

Cash flow statement

	FY 2017 Published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	FY 2017 Restated
I - CASH FLOW FROM CONTINUING OPERATIONS						
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES						
Net profit/(loss) from continuing operations	1,205	1	(5)		(4)	1,201
Share of profits/losses reverting to joint ventures and associates, net of dividends received	(87)	(6)			(6)	(93)
Depreciation, amortisation, non-current impairment & provisions: net charges/(reversals)	1,638		(59)		(59)	1,579
Cash flow after cost of net debt and income tax	**2,355**	**(5)**	**(64)**		**(69)**	**2,286**
Income tax	303		(4)		(4)	299
Cash flow	**2,884**	**(5)**	**(68)**		**(73)**	**2,811**
Changes in working capital related to operating activities (including current impairment and provisions)	(395)	5	(36)	(1)	(32)	(427)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	**2,164**		**(104)**	**(1)**	**(105)**	**2,059**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES						
Purchase price of property, plant & equipment and intangible assets	(2,036)		104	1	105	(1,931)
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	**(1,586)**		**104**	**1**	**105**	**(1,481)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES						
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	**(362)**					**(362)**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**(187)**					(187)
CHANGE IN NET CASH POSITION (A + B + C + D)	**29**					**29**
Net cash position at start of period	**4,581**					**4,581**
Net cash position at end of period	**4,611**					**4,611**
FREE CASH FLOW	**828**	**(5)**	**40**	**1**	**36**	**864**

(a) *Comprises Bouygues Construction, Bouygues Immobilier and Colas.*

NOTE 24 LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT 31 DECEMBER 2017

		% interest		% direct and indirect control [a]	
Company	**City/Country**	**2017**	**2016**	**2017**	**2016**
FRANCE					
Companies controlled by Bouygues					
Construction					
Bouygues Construction SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment Ile-de-France SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment International SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues TP SA	Saint-Quentin-en-Yvelines	99.97	99.97		
BYTP Régions France SA	Labège	99.97	99.97		
Axione	Malakoff	99.97	99.97		
Brézillon SA	Margny-lès-Compiègne	99.97	99.32		
Challenger SNC	Saint-Quentin-en-Yvelines	99.97	99.97		
DTP SAS	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment Centre Sud Ouest (formerly DV Construction SA)	Mérignac	99.97	99.97		
Bouygues Energies & Services SAS	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues E&S FM France	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment Sud-Est (formerly GFC Construction SA)	Colombier Saugnieu	99.97	99.97		
Bouygues Bâtiment Grand Ouest (formerly Quille Construction SA)	Nantes	99.97	99.97		
Kohler Investment	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment Nord Est (formerly Pertuy Construction)	Nancy	99.97	99.97		
Quille SA	Rouen	Merged	99.97		
Linkcity IDF (formerly Sodéarif SA)	Saint-Quentin-en-Yvelines	99.97	99.96		
Bouygues Bâtiment IDF PPP SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Linkcity Sud-Est (formerly Cirmad Grand Sud)	Colombier Saugnieu	99.97	99.97		
Property					
Bouygues Immobilier SAS	Issy-les-Moulineaux	100.00	100.00		
SCCV Lavoisier	Issy-les-Moulineaux	100.00	100.00		
SLC SA	Lyon	100.00	100.00		
Urbis Réalisations SA	Toulouse	100.00	100.00		
Roads					
Colas SA and its regional subsidiaries	Boulogne-Billancourt	96.60	96.60		
Aximum	Chatou	96.60	96.59	100.00	100.00
Colas Rail and its subsidiaries	Maisons-Laffitte	96.60	96.59	100.00	100.00
Grands Travaux Océan Indien *(GTOI)* SA	Le Port (Reunion Island)	96.60	96.59	100.00	99.99
Smac and its subsidiaries	Boulogne-Billancourt	96.60	96.59	100.00	100.00
Spac and its subsidiaries	Clichy	96.60	96.59	100.00	100.00
Media					
Télévision Française 1 SA	Boulogne-Billancourt	43.81	43.91		
Dujardin and its subsidiaries	Cestas	43.81	43.91		100.00
E-TF1	Boulogne-Billancourt	43.81	43.91		100.00
HD1	Boulogne-Billancourt	43.81	43.91		100.00
La Chaîne Info	Boulogne-Billancourt	43.81	43.91		100.00
Newen Studios and its subsidiaries	Paris	43.81	43.91		100.00
NT1	Boulogne-Billancourt	43.81	43.91		100.00
Télé Monte Carlo	Monaco	43.81	43.91		100.00
Téléshopping	Boulogne-Billancourt	43.81	43.91		100.00
TF1 Droits Audiovisuels	Boulogne-Billancourt	43.81	43.91		100.00
TF1 Entertainment (formerly Entreprises)	Boulogne-Billancourt	43.81	43.91		100.00
TF1 Publicité	Boulogne-Billancourt	43.81	43.91		100.00
TF1 Vidéo	Boulogne-Billancourt	43.81	43.91		100.00
Telecoms					
Bouygues Telecom SA and its subsidiaries	Paris	90.53	90.53		
Other subsidiaries					
Bouygues Relais SNC	Paris	100.00	100.00		
GIE 32 Hoche	Paris	90.00	90.00		
Société Française de Participation & Gestion *(SFPG)* SA and its subsidiaries	Paris	99.80	99.80		

(a) Where percentage control differs from percentage interest.

Company		% interest 2017	2016	% direct and indirect control [a] 2017	2016
Joint operations					
Construction					
Evesa	Paris	47.48 [b]	47.48		47.99
Oc'via Construction	Saint-Quentin-en-Yvelines	73.15 [c]	73.15	74.00	74.00
Joint ventures and associates					
Construction					
Consortium Stade de France SA	Saint-Denis	33.32	33.32		
Property					
SAS NDH	Issy-les-Moulineaux	50.00	N/A		
Media					
Groupe AB	La Plaine Saint-Denis	Disposal	14.71		
Other subsidiaries					
Alstom	Levallois-Perret	27.98	28.28		
INTERNATIONAL					
Companies controlled by Bouygues					
Construction					
Americaribe Inc.	Miami/United States	99.97	99.97		
Bouygues Development Ltd	London/United Kingdom	99.97	99.97		
Bouygues Thai Ltd	Nonthaburi/Thailand	84.97	48.99		
Bouygues UK Ltd	London/United Kingdom	99.97	99.97		
Bymaro	Casablanca/Morocco	99.97	99.96		
Dragages et TP (Hong Kong) Ltd	Hong Kong/China	99.97	99.97		
BYME Engineering (Hong Kong)	Hong Kong/China	99.97	89.97		
DTP Singapore Pte Ltd	Singapore	99.97	99.97		
Bouygues E&S Contracting UK	East Kilbride/Scotland	99.97	99.97		
Bouygues E&S FM UK	London/United Kingdom	99.97	99.97		
Karmar SA	Warsaw/Poland	99.97	99.97		
Bouygues E&S Schweiz AG (formerly Mibag)	Zurich/Switzerland	99.97	99.97		
Losinger Marazzi AG	Köniz/Switzerland	99.97	99.97		
Losinger Holding AG	Lucerne/Switzerland	99.97	99.97		
Plan Group Inc. and its subsidiaries	Toronto/Canada	99.97	84.97		
Thomas Vale Group and its subsidiaries	Worcestershire/United Kingdom	Merged	99.97		
VCES Holding SRO and its subsidiaries	Prague/Czech Republic	99.97	99.97		
VSL International Ltd	Köniz/Switzerland	99.97	99.97		
Property					
Bouygues Immobilier Polska Sarl	Warsaw/Poland	100.00	100.00		
Roads					
Colas Australia	Sydney/Australia	96.60	96.60	100.00	100.00
Colas Belgium and its subsidiaries	Brussels/Belgium	96.60	96.59	100.00	100.00
Colas Canada Inc. and its subsidiaries	Montreal, Quebec/Canada	96.60	96.60	100.00	100.00
Colas Cz	Prague/Czech Republic	95.73	95.73	99.10	99.10
Colas Danmark A/S	Glostrup/Denmark	96.60	96.60	100.00	100.00
Colas Hungaria and its subsidiaries	Budapest/Hungary	96.60	96.60	100.00	100.00
Colas Inc. and its subsidiaries	Morristown, New Jersey/United States	96.60	96.60	100.00	100.00
Colas Ltd and its subsidiaries	Rowfant, Crawley/United Kingdom	96.60	96.60	100.00	100.00
Colas du Maroc and its subsidiaries	Casablanca/Morocco	96.60	96.60	100.00	100.00
Colas Suisse Holding SA and its subsidiaries	Lausanne/Switzerland	95.85	95.85	99.22	99.22
ISK	Kosice/Slovakia	96.60	96.60	100.00	100.00
Other subsidiaries					
Challenger Réassurance	Luxembourg	99.99	99.99		
Uniservice	Geneva/Switzerland	99.99	99.99		
Joint operations					
Construction					
Bombela Civils Jv Ltd	Johannesburg/South Africa	Disposal	44.99		

(a) Where percentage control differs from percentage interest.

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

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

N/A: non applicable

Company	City/Country	% interest 2017	% interest 2016	% direct and indirect control [a] 2017	% direct and indirect control [a] 2016
Joint ventures and associates					
Construction					
Bina Fincom	Zagreb/Croatia	44.99	44.99		
Hermes Airports Ltd	Nicosia/Cyprus	21.99	21.99		
Roads					
Gamma Materials	Beau Bassin/Mauritius	48.30	48.24	50.00	49.94
Tipco Asphalt	Bangkok/Thailand	30.33	30.52	31.40	31.60

A full list of consolidated entities is available from Karine Adam-Gruson, Investor Relations Director.

(a) Where percentage control differs from percentage interest.