NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30/09/2018

BOUYGUES

CONTENTS

(Figures in millions of euros unless otherwise indicated)

Declaration of compliance:

The interim condensed consolidated financial statements of Bouygues and its subsidiaries ("the Group") for the nine months ended 30 September 2018 were prepared in accordance with IAS 34, "Interim Financial Reporting", a standard issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. Because they are condensed, these financial statements do not include all the information required under the standards issued by the IASB, and should be read in conjunction with the full-year financial statements of the Bouygues group for the year ended 31 December 2017.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 September 2018. Those standards (collectively referred to as "IFRS") comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee – previously the International Financial Reporting Interpretations Committee (IFRIC), itself the successor body to the Standing Interpretations Committee (SIC). The Group has not early adopted as of 30 September 2018 any standard or interpretation not endorsed by the European Union.

The financial statements are presented in millions of euros (unless otherwise indicated) and comprise the balance sheet, the income statement, the statement of recognised income and expense, the statement of changes in shareholders' equity, the cash flow statement, and the notes to the financial statements.

The comparatives presented are from the consolidated financial statements for the year ended 31 December 2017 (restated for the application of IFRS 9 and IFRS 15) and from the interim condensed consolidated financial statements for the nine months ended 30 September 2017 (restated for the application of IFRS 15).

NOTE 1 SIGNIFICANT EVENTS

1.1 Significant events of the first nine months of 2018

The principal corporate actions and acquisitions of the first nine months of 2018 are presented below:

- 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. To implement the agreement, Arcep launched a public consultation on the reallocation of the 900, 1800 and 2100 MHz frequencies that are due to expire between 2022 and 2024. Following the consultation (which took place in the second quarter of 2018) and the resulting decision, on 2 August 2018 Arcep launched the process for reallocating the frequencies to operators. That process will be completed in the fourth quarter of 2018 with the issuance of new licences to operators. In parallel, on 28 September 2018 the French government issued a new decree on licence fees, which stabilises the level of such fees from now on. Consequently, Bouygues Telecom has reversed out an accrued expense recognised from 2014 to 2017, which covered the risk of a rise in the fixed portion of the 1800 MHz frequency licence fee. The accrued expense, amounting to €110 million, was reversed out in the third quarter of 2018 and recognised in "Other operating income".

- On 17 January 2018, an agreement was signed for the acquisition by the TF1 group of the Axel Springer group's majority equity interest of 78.07% in the aufeminin group, which in its financial year ended 31 December 2017 generated sales of €113 million and an operating profit of €12 million. The acquisition was completed on 27 April 2018 at a price of €39.47 per share, or €294 million in total. On 22 May 2018, TF1 filed a mandatory simplified tender offer for the remaining shares at the same price. That offer closed on 4 July 2018, and was followed by a squeeze-out procedure filed on 3 October 2018. As of 30 September 2018, TF1 held a 95.26% interest in aufeminin. As of the date control was obtained, provisional goodwill of €249 million was recognised and net debt increased by €332 million.

- In line with the memorandum of understanding signed on 30 August 2017, Colas completed the acquisition of the entire share capital of the Miller McAsphalt group on 28 February 2018. The Miller McAsphalt group is a major player in road construction and bitumen distribution in Canada, with a particularly strong presence in Ontario. Over the last three years, it has generated average annual sales of approximately CAD 1.3 billion; it employs 3,300 people. The purchase price paid on the completion date was CAD 953 million, equivalent to €611 million. As of the acquisition date, the Miller McAsphalt group had non-current assets of €248 million, current assets of €384 million, non-current liabilities of €24 million and current liabilities of €220 million. Out of the total purchase price, €410 million was financed by debt. Net debt increased by €529 million, and provisional goodwill of €223 million has been recognised pending finalisation of the purchase price allocation.

- On 26 March 2018, Bouygues Construction and Colas announced the acquisition of the entire share capital of Alpiq Engineering Services, which specialises in hard and soft services in construction and in energy, industrial and transport infrastructures. Alpiq employs nearly 7,650 people and generated sales of approximately CHF 1.7 billion in 2017, mainly in Switzerland (57%), Germany (24%) and Italy (12%). Following clearance from the European and Swiss competition authorities on 11 July 2018, the acquisition was completed on 31 July 2018 on the basis of an enterprise value of CHF 850 million (CHF 700 million for Bouygues Construction and CHF 150 million for Colas Rail). At the acquisition date, and pending receipt of the opening balance sheet from the vendor and finalisation of the purchase price allocation, provisional goodwill of €626 million was recognised representing the excess of the purchase price over the net cash acquired; net debt increased by €626 million as of the same date. The acquired assets and liabilities will be recognised in the fourth quarter of 2018.

- Under the agreement of 31 January 2017 between Bouygues Telecom and Cellnex (Spain), transfers of the 1,800 existing telecoms sites continued during the first nine months of 2018. As of 31 December 2017, 715 sites were presented in the balance sheet as "Held-for-sale assets", at a carrying amount of €38 million. During the first nine months of 2018, 594 sites were transferred to Cellnex for a total of €169 million. "Held-for-sale assets" was reduced to €10 million to reflect the reduction in the number of sites still held by Bouygues; the resulting gain of €120 million was recognised in "Other operating income" in the consolidated income statement for the first nine months of 2018. The sale of the 1,200 new sites is being spread over a five-year period as and when the sites are constructed.

- The TF1 group and the non-controlling shareholders of Newen Studios, a 70%-owned subsidiary of TF1, signed an agreement on 5 April 2018 with a view to the acquisition by TF1 of the remaining 30% of the share capital and voting rights, giving TF1 100% of Newen Studios. This transaction took place on 5 July 2018, following clearance from the French Competition Authority on 3 July 2018. The additional acquisition, amounting to €96 million, had already been recognised as a financial liability as of 31 December 2017.

- On 28 May 2018, Bouygues Construction announced the acquisition of 100% of AW Edwards, a well-established Australian construction company. The acquisition, finalised on 5 July 2018, marks a further step in the Group's development strategy in Australia, and strengthens its position in the construction market. The company generated sales of AUD 277 million in 2017 and employs 250 people. At the acquisition date, provisional goodwill of €40 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was immaterial.

- On 17 July 2018, the Alstom shareholders approved resolutions relating to the proposed merger between Alstom and the Siemens Mobility businesses. The merger is subject to clearance from the competition authorities, and is expected to be finalised in the first half of 2019. The Alstom shareholders also approved the renewal of the terms of office as Directors of Olivier Bouygues and Bouygues SA (standing representative: Philippe Marien). On 17 July 2018, the commitment by Bouygues to retain its Alstom shares (as described in the consolidated financial statements for the year ended 31 December 2017) ended.

1.2 Significant events of the first nine months of 2017

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

- On 30 January 2017, TF1 accepted a conditional offer from Mediawan SA to buy the TF1 group's 33.5% equity interest in Groupe AB. As of 30 September 2017, the conditions had been met and the final purchase price determined, 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 for the first nine months of 2017.

- On 31 January 2017, Bouygues Telecom signed an agreement with Cellnex (Spain) covering 3,000 telecoms 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 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 30 September 2017, 700 sites had been transferred to Cellnex for a total of €198 million. "Held-for-sale assets" was reduced to €67 million to reflect the reduction in the number of sites still held by Bouygues; the resulting gain of €144 million was recognised in "Other operating income" in the consolidated income statement for the first nine months of 2017. 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 was recognised in "Other operating income" in the consolidated income statement for the year ended 31 December 2017.

- On 25 July 2017, Bouygues Telecom and Cellnex signed an extension to their agreement of 31 January 2017, covering up to 600 more telecoms 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 30 September 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 income from operations"and "Other expenses on operations" in the first nine months of 2017.
- On 30 August 2017, Colas Canada signed an agreement in Toronto under which it was to acquire the entire share capital of the Miller McAsphalt group.
- 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 would receive newly issued shares representing 50% of the share capital of Alstom on a fully diluted basis. Alstom shareholders would 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 also committed to retain its Alstom shares until the earlier of (i) the Extraordinary General Meeting or (ii) 31 July 2018.

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

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

1.3 Significant events and changes in scope of consolidation subsequent to 30 September 2018

- On 19 October 2018, TF1 launched a squeeze-out to acquire the residual shares in aufeminin not yet held by TF1. The squeeze-out was filed with the AMF on 3 October 2018 and approved on 16 October 2018. The squeeze-out closed on 1 November 2018, giving the TF1 group 100% of the shares and voting rights of the aufeminin group.
- On 25 October 2018, Bouygues Telecom announced that it was in exclusive negotiations with a view to acquiring a 43.6% equity interest in the business-to-business telecoms operator Keyyo Communications, representing an investment of just over €29 million. If this acquisition is completed, a voluntary public tender offer will be launched for all of the remaining shares, taking the overall investment to €67 million. In 2017, Keyyo Communications generated sales of €24 million and EBITDA of €4 million.

NOTE 2 GROUP ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

The interim condensed consolidated financial statements of the Bouygues group include the financial statements of Bouygues SA and its five business segments, along with its investments in joint ventures and associates and its joint operations. The financial statements are presented in millions of euros, the currency in which the majority of the Group's transactions are denominated, and take account of the recommendations on the presentation of financial statements (No. 2013-03 of 7 November 2013, and No. 2016-01 of 2 December 2016) issued by the Autorité des Normes Comptables (ANC), the French national accounting standard-setter.

They were closed off by the Board of Directors on 14 November 2018.

The interim condensed consolidated financial statements for the nine months ended 30 September 2018 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 required under IFRS. They include comparatives as of and for the year ended 31 December 2017 and the nine months ended 30 September 2017, restated to take account of the first-time application of IFRS 9 and IFRS 15 as of 1 January 2018 (see Note 13 to the consolidated financial statements).

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

- Income taxes of consolidated entities for interim periods are assessed in accordance with IAS 34: the income taxes of each entity are recognised on the basis of the best estimate of the average annual effective income tax rate for the financial year (except in the case of holding companies, which recognise income taxes on the basis of the actual tax position at the end of the period).
- Employee benefit expenses for interim periods are recognised pro rata based on the estimated expense for the full year, calculated using the actuarial assumptions and projections applied as of 31 December 2017. An increase of 70 basis points in the discount rate (1.50% as of 31 December 2017) would reduce the provision for retirement benefit obligations by €47 million. That impact would be recognised in the statement of recognised income and expense.

2.2 New accounting standards and interpretations

The Bouygues group applied the same standards, interpretations and accounting policies for the nine months ended 30 September 2018 as were applied in its consolidated financial statements for the year ended 31 December 2017, except for changes required to meet new IFRS requirements applicable from 1 January 2018 as described below.

- Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption with effect from 1 January 2018:
  - **IFRS 9: Financial Instruments**

    On 24 July 2014, the IASB issued a new standard on financial instruments that replaces most of the previous IFRS pronouncements on this subject, in particular IAS 39. The new standard was endorsed by the European Union on 22 November 2016 and is mandatorily applicable from 1 January 2018. Bouygues did not early adopt IFRS 9.

    The Group has applied the classification, measurement and impairment principles of IFRS 9 retrospectively, with no restatement of prior period comparatives. The hedge accounting principles of IFRS 9 are being applied 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 13 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 that replaces most of the previous 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 did not early adopt IFRS 15. The Group has applied IFRS 15 retrospectively with effect from 1 January 2018, with the 2017 nine-month and full-year comparatives restated to reflect the impacts of the new standard.

  The impacts of applying IFRS 15 on the financial statements for the nine months ended 30 September 2017 and the year ended 31 December 2017 are presented in Note 13 to the consolidated financial statements.

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

- **IFRS 16: Leases**

  On 13 January 2016, the IASB issued IFRS 16, "Leases". IFRS 16 will replace IAS 17, along with the associated IFRIC and SIC interpretations, and for lessees will end the distinction previously made between operating leases and finance leases. Lessees will be required to account for all leases with a term of more than one year in a manner similar to that currently specified for finance leases under IAS 17, involving the recognition of an asset for the rights, and a liability for the obligations, arising under the lease. The new standard was endorsed by the European Union on 31 October 2017 and is applicable from 1 January 2019.

  Bouygues has not early adopted IFRS 16, and for first-time application has elected the retrospective approach with presentation of a comparative year. Bouygues intends to use the practical expedients permitted by the standard, and to exclude leases with a term of less than 12 months and leases relating to assets of less than €5,000. Finally, Bouygues intends to account for each lease component within a contract as a lease, separately from the non-lease (service) components of the contract.

  As permitted by IFRS 16, Bouygues has elected not to apply the standard to leases of intangible assets.

  The process of inventorising lease contracts and collecting the related data has been ongoing through 2017 and 2018. The measurement process is currently being finalised.

  Given the expected changes in lease accounting arising from IFRS 16 and the assumptions that are required (including determination of the term of some leases), the detailed information on leases 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 the Group's financial statements.

- **IFRIC 23: Uncertainty Over Income Tax Treatments**

  On 7 June 2017, the IFRS Interpretations Committee issued IFRIC 23. 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. IFRIC 23 was endorsed by the European Union on 23 October 2018 and is applicable from 1 January 2019.

  Based on an initial analysis, IFRIC 23 is not expected to have a material impact on the shareholders' equity of the Bouygues group as of the transition date.

NOTE 3 NON-CURRENT ASSETS

Analyses by business segment of the carrying amount of property, plant and equipment and intangible assets, and of the share of net profits/losses of joint ventures and associates, are provided in Note 11, “Segment information”.

3.1 Goodwill

3.1.1 Movement in the carrying amount of goodwill in the period

	Gross value	Impairment	Carrying amount
31/12/2017 restated	**5,457**	**(72)**	**5,385**
Changes in scope of consolidation	1,156 a		1,156
Other movements (including translation adjustments)	23		23
Impairment losses			
30/09/2018	**6,636**	**(72)**	**6,564**

(a) Includes goodwill arising on the following acquisitions: Alpiq group €626m (€498m Bouygues Construction, €128m Colas); Miller McAsphalt group €223m (Colas); aufeminin group €249m (TF1); AW Edwards PTY €40m (Bouygues Construction).

A total of €16 million has been recognised for acquisition-related costs and for depreciation/amortisation related to business combinations as a result of the principal acquisitions made during the first nine months of 2018.

3.1.2 Split of goodwill by Cash Generating Unit (CGU)

CGU	**30/09/2018**		**31/12/2017 restated**	
	Total	**% Bouygues**	**Total**	**% Bouygues**
Bouygues Construction [a]	1,011	99.97%	457	99.97%
Colas [b]	1,495	96.62%	1,131	96.60%
TF1 [b]	1,410	43.81%	1,149	43.81%
Bouygues Telecom [b]	2,648	90.53%	2,648	90.53%
Total	**6,564**		**5,385**	

(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.

For TF1, the recoverable amount used for goodwill impairment testing purposes as of 31 December 2017, determined on the basis of discounted cash flows, exceeded the carrying amount. The quoted share price has fallen since that date, but actual operating performance to 30 September 2018 does not invalidate the assumptions retained in the end-2017 business plan. The recoverable amount will be reassessed at the end of the year on the basis of the forthcoming business plan prepared by management.

For the other CGUs, given the absence of any evidence of impairment, the goodwill recognised as of 30 September 2018 has not been subject to further impairment testing.

3.2 Investments in joint ventures and associates

	Carrying amount
31/12/2017 restated	**2,502** [a]
Share of net profit/(loss) for the period	253
Translation adjustments	(30)
Other income and expense recognised directly in equity	27
Net profit/(loss) and other recognised income and expense	**250**
Changes in scope of consolidation	11
Other movements (dividends, impacts of IFRS 9 & IFRS 15, etc.)	(212)
30/09/2018	**2,551**

(a) Includes Alstom: €2,028m.

The profit contribution from Alstom recognised in the Bouygues group's financial statements for the first nine months of 2018 is based on the results published by Alstom on 14 November 2018 for the first half of its 2018/19 financial year. Given the time-lag between the accounting year-ends of Alstom (31 March) and Bouygues (31 December), Alstom's net profit contribution to the Bouygues group for the second half of Alstom's 2017/18 financial year was recognised in the Bouygues financial statements as of 31 March 2018.

Alstom's contribution to the net profit of Bouygues for the first nine months of 2018 was €230 million, compared with €105 million in the first nine months of 2017.

The investment in Alstom had a carrying amount of €2,089 million in the Bouygues group financial statements as of 30 September 2018, after taking account of a reduction in Alstom's shareholders' equity following its first-time application of IFRS 9 and IFRS 15 with effect from 1 April 2018. The Bouygues group's share of that reduction is €152 million, including an impact on the income statement of €10 million for the first half of Alstom's 2017/18 financial year and of €21 million for the second half of Alstom's 2017/18 financial year. The effect of this reduction in equity (including the immaterial portion impacting the Alstom income statement for the 2017/18 financial year) was recognised in the shareholders' equity of the Bouygues group as of 30 September 2018, within the line item "Other transactions (changes in scope of consolidation and other items)" in the consolidated statement of changes in shareholders' equity.

NOTE 4 CONSOLIDATED SHAREHOLDERS' EQUITY

Share capital of Bouygues SA

On 30 September 2018, the share capital of Bouygues SA consisted of 366,484,738 shares with a par value of €1.

		Change		
	31/12/2017	**Increases**	**Reductions**	**30/09/2018**
Shares	366,125,285	1,517,297 [a]	(1,157,844) [b]	366,484,738
NUMBER OF SHARES	**366,125,285**	**1,517,297**	**(1,157,844)**	**366,484,738**
Par value	€1			€1
SHARE CAPITAL (€)	**366,125,285**	**1,517,297**	**(1,157,844)**	**366,484,738**

(a) The increase of 1,517,297 shares was due to new shares being issued on exercise of stock options.
(b) Cancellation of treasury shares acquired by Bouygues SA on 8 January 2018, which reduced share capital and share premium by €47m.

A share capital increase reserved for Bouygues group employees in France is due to take place in the fourth quarter of 2018 under the Bouygues Confiance n°10 employee share ownership plan. The maximum increase in the share capital will be €150 million, and the maximum number of shares issued will be 5,116,659.

Acquisitions and disposals without loss of control

The line item "Acquisitions and disposals without loss of control" in the consolidated statement of changes in shareholders' equity for the nine months ended 30 September 2018 mainly relates to the commitments to buy out the remaining shares in aufeminin not yet held by TF1 at the date control was obtained, recorded as a reduction of €85 million in consolidated shareholders' equity.

Other transactions (changes in scope of consolidation and other items)

This line item in the consolidated statement of changes in shareholders' equity for the first nine months of 2018 mainly comprises the €152 million reduction in the shareholders' equity of the Bouygues group arising from the impact of the first-time application of IFRS 9 and IFRS 15 by Alstom from 1 April 2018 (see Note 3.2 to the consolidated financial statements).

NOTE 5 NON-CURRENT AND CURRENT PROVISIONS

5.1 Non-current provisions

	Long-term employee benefits [a]	Litigation and claims [b]	Guarantees given [c]	Other non-current provisions [d]	Total
31/12/2017 restated	**772**	**323**	**383**	**580**	**2,058**
Translation adjustments				1	1
Changes in scope of consolidation	1			5	6
Charges to provisions	32	31	43	24	130
Reversals of provisions (utilised or unutilised)	(24)	(55)	(49)	(66)	(194) [e]
Transfers and other movements		5	(3)	12	14
30/09/2018	**781**	**304**	**374**	**556**	**2,015**

(a) Long-term employee benefits	**781**	**Principal segments involved:**	
Lump-sum retirement benefits	526	Bouygues Construction	207
Long-service awards	157	Colas	432
Other long-term employee benefits	98	TF1	39
		Bouygues Telecom	66
(b) Litigation and claims	**304**	Bouygues Construction	126
Provisions for customer disputes	111	Bouygues Immobilier	26
Subcontractor claims	55	Colas	93
Employee-related and other litigation and claims	138	Bouygues Telecom	52
(c) Guarantees given	**374**	Bouygues Construction	284
Provisions for 10-year construction guarantees	290	Bouygues Immobilier	23
Provisions for additional building/civil engineering/civil works guarantees	84	Colas	67
(d) Other non-current provisions	**556**	Bouygues Construction	76
Provisions for risks related to official inspections	133	Colas	295
Provisions for miscellaneous foreign risks	25	Bouygues Telecom	158
Provisions for subsidiaries and affiliates	34		
Dismantling and site rehabilitation	304		
Other non-current provisions	60		
(e) Including reversals of unutilised provisions during the period	**(86)**		

5.2 Current provisions

Provisions related to the operating cycle	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for expected losses to completion	Other current provisions	Total
31/12/2017 restated	**42**	**335**	**274**	**234**	**885**
Translation adjustments		1	(3)	1	(1)
Changes in scope of consolidation			5	1	6
Charges to provisions	4	64	129	58	255
Reversals of provisions (utilised or unutilised)	(5)	(115)	(127)	(95)	(342) [a]
Transfers and other movements		10	(13)	6	3
30/09/2018	**41**	**295**	**265**	**205**	**806**

(a) Includes reversals of unutilised provisions in the first nine months of 2018: €(116)m.

NOTE 6 NON-CURRENT AND CURRENT DEBT

6.1 Breakdown of debt

	Current debt		Non-current debt	
	Total 30/09/2018	Total 31/12/2017 restated	Total 30/09/2018	Total 31/12/2017 restated
Bond issues	124	620	4,811	4,806
Bank borrowings	148	87	1,900	811
Finance lease obligations	11	6	22	9
Other borrowings	49	23	71	165
TOTAL DEBT	**332**	**736**	**6,804**	**5,791**

Current debt decreased by €404 million, due mainly to the redemption by Bouygues SA on 12 February 2018 of the €500 million February 2010 bond issue.

Non-current debt rose by €1,013 million; this was due mainly to Colas (increase of €1,127 million including the impact of the acquisition of the Miller McAsphalt group, €410 million of which was financed by debt), partially offset by TF1 (reduction of €103 million in non-current debt following the buyout of the remaining 30% equity interest in Newen Studios).

6.2 Covenants and trigger events

All bond issues other than that maturing in 2020 contain a change of control clause relating to Bouygues SA.

The bank credit facilities contracted by Bouygues SA contain no financial covenants or trigger event clauses. The same applies to Bouygues SA subsidiaries, except for the €410 million financing of the acquisition of the Miller McAsphalt group by Colas in Canada which temporarily includes a leveraged covenant clause based on the debt to EBITDA ratio.

NOTE 7 CHANGE IN NET DEBT

	31/12/2017 restated	Cash flows	Changes in scope of consolidation	Translation adjustments	Fair value adjustments	Other movements	30/09/2018
Cash and cash equivalents	4,820	(2,860)	77	1		(22)	2,016
Overdrafts and short-term bank borrowings	(209)	(115)	(98)	26		22	(374)
NET CASH POSITION	**4,611**	**(2,975) a**	**(21) a**	**27 a**	**a**	**a**	**1,642**
Non-current debt	5,791	1,063 b	48	7	(2)	(103)	6,804
Current debt	736	(451) b	8			39	332
Financial instruments, net	1	1			2		4
TOTAL DEBT	**6,528**	**613**	**56**	**7**		**(64)**	**7,140**
NET DEBT	**(1,917)**	**(3,588)**	**(77)**	**20**		**64**	**(5,498)**

(a) Net cash outflow of €2,969m for the first nine months of 2018, as reported in the cash flow statement.
(b) Net cash inflow of €612m for the first nine months of 2018, as reported in the cash flow statement.

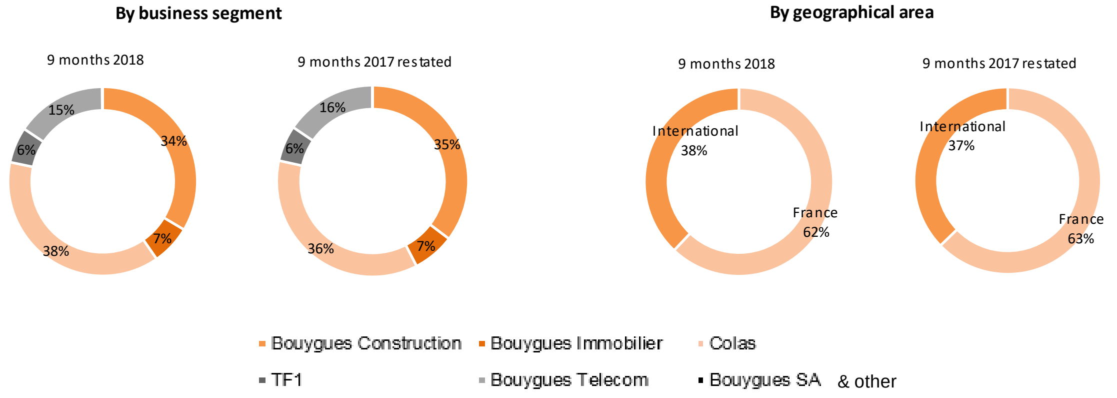
“Other movements” comprise:

- settlement of the €103 million financial liability for the commitment by TF1 to buy out the remaining 30% equity interest in Newen Studios (the buyout was completed in the third quarter of 2018 and included in cash flows for the period);
- the commitment under the squeeze-out procedure to buy out the residual shares in aufeminin (and its subsidiaries) not yet held by TF1 as of 30 September 2018;
- the remeasurement of the put options relating to Newen and its subsidiaries;
- the new finance leases assumed with the Miller McAsphalt group.

NOTE 8 ANALYSIS OF SALES - FRANCE & INTERNATIONAL

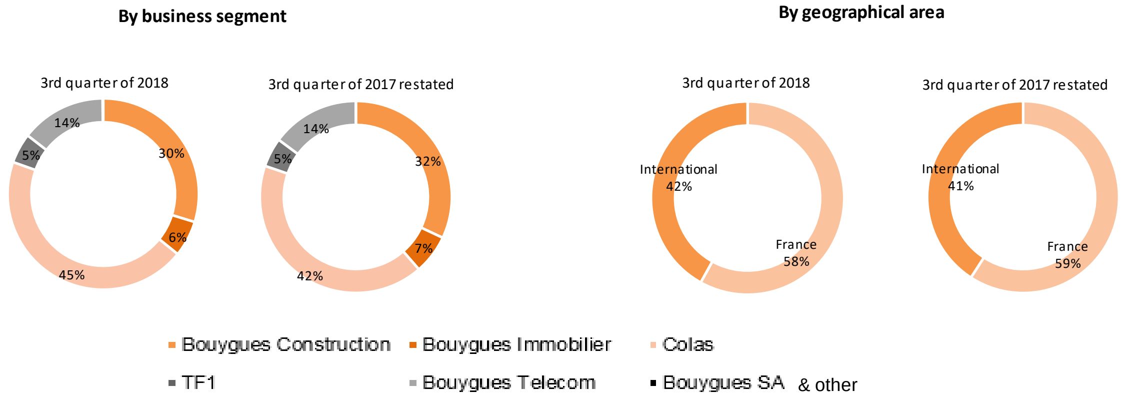
	Nine months 2018				Nine months 2017 restated			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	3,967	4,493	8,460	34	3,833	4,555	8,388	35
Bouygues Immobilier	1,650	65	1,715	7	1,602	81	1,683	7
Colas	4,653	4,908	9,561	38	4,410	4,147	8,557	36
TF1	1,457	86	1,543	6	1,386	53	1,439	6
Bouygues Telecom	3,916	0	3,916	15	3,677	0	3,677	16
Bouygues SA & other	3	21	24		3	5	8	
CONSOLIDATED SALES	**15,646**	**9,573**	**25,219**	**100**	**14,911**	**8,841**	**23,752**	**100**

Split of total sales



	3rd quarter of 2018				3rd quarter of 2017 restated			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	1,303	1,515	2,818	30	1,251	1,515	2,766	32
Bouygues Immobilier	564	12	576	6	534	37	571	7
Colas	1,823	2,404	4,227	45	1,643	1,957	3,600	42
TF1	448	33	481	5	404	20	424	5
Bouygues Telecom	1,365	0	1,365	14	1,282	0	1,282	14
Bouygues SA & other	0	9	9		0	1	1	
CONSOLIDATED SALES	**5,503**	**3,973**	**9,476**	**100**	**5,114**	**3,530**	**8,644**	**100**

Split of total sales



NOTE 9 OPERATING PROFIT AND EBITDA

	Nine months				3rd quarter	
	2018		2017 restated		2018	2017 restated
CURRENT OPERATING PROFIT/(LOSS)	**820**		**933**		**517**	**586**
Other operating income	242	a	153	b	133	72
Other operating expenses	(44)	a	(71)	b	(15)	(22)
OPERATING PROFIT/(LOSS)	**1,018**		**1,015**		**635**	**636**

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

(a) Relates to:
Bouygues Telecom: €214 million, comprising a €120 million gain on the transfer of 594 sites to Cellnex plus the €110 million reversal of the accrued expense previously recognised for Arcep licence fees and €12 million of other operating income, partly offset by a €28 million expense on the roll-out of network sharing.
TF1: Amortisation of €16 million charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation.

(b) Relates mainly to:
Bouygues Telecom: €105 million, mainly comprising a €144 million gain on the transfer of 700 sites to Cellnex plus a €9 million net reversal of provisions, partly offset by a €48 million expense on the roll-out of network sharing.
TF1: Amortisation of €17 million charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation.
Colas: Costs of €5 million incurred on the discontinuation of the Dunkirk refinery (SRD).

The Bouygues group reported EBITDA of €1,924 million for the first nine months of 2018, up €27 million relative to the first nine months of 2017. EBITDA is calculated on the basis of current operating profit, to which the following adjustments are made:

	Nine months		3rd quarter	
	2018	2017 restated	2018	2017 restated
CURRENT OPERATING PROFIT/(LOSS)	**820**	**933**	**517**	**586**
Elimination of net depreciation & amortisation expense and net charges to provisions and impairment losses:				
• Net depreciation & amortisation expense	1,244	1,135	441	414
• Charges to provisions and impairment losses, net of reversals due to utilisation	112	76	78	74
Elimination of items included in "Other income from operations":				
• Reversals of unutilised provisions and impairment and other items	(252)	(247)	(44)	(91)
EBITDA	**1,924**	**1,897**	**992**	**983**

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

NOTE 10 INCOME TAXES

	Nine months		3rd quarter	
	2018	2017 restated	2018	2017 restated
Tax payable to the tax authorities	(285)	(228)	(169)	(127)
Deferred taxes, net	19	(11)	(40)	(28)
INCOME TAX GAIN/(EXPENSE)	**(266)**	**(239)**	**(209)**	**(155)**

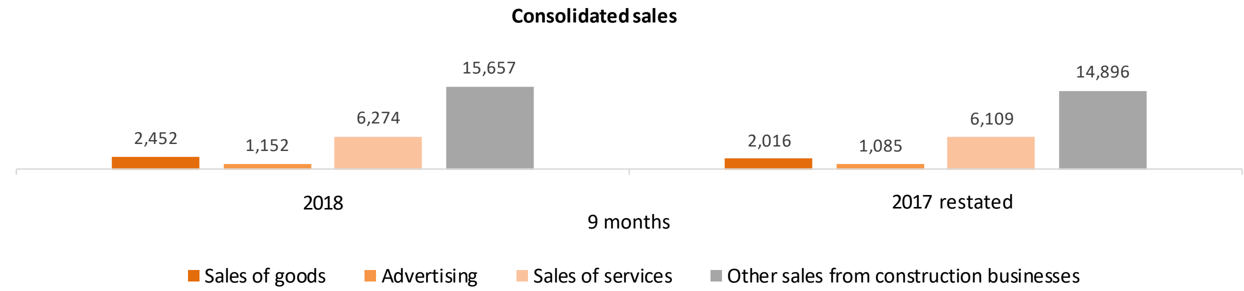
The effective tax rate for the first nine months of 2018 was 30%, versus 28% for the first nine months of 2017.

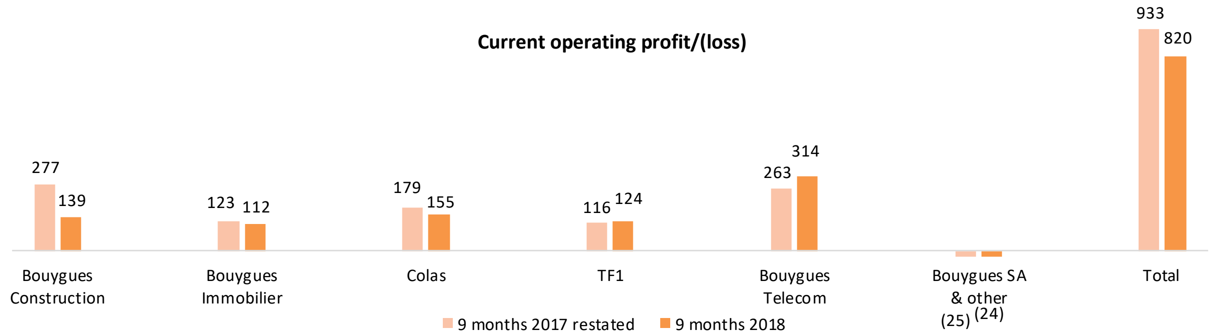
The net cash outflow for “Income taxes paid” in the cash flow statement has been restated for the first nine months of 2017 and full year 2017 to exclude movements related to tax credits, which are now presented within “Changes in working capital related to operating activities”.

NOTE 11 SEGMENT INFORMATION

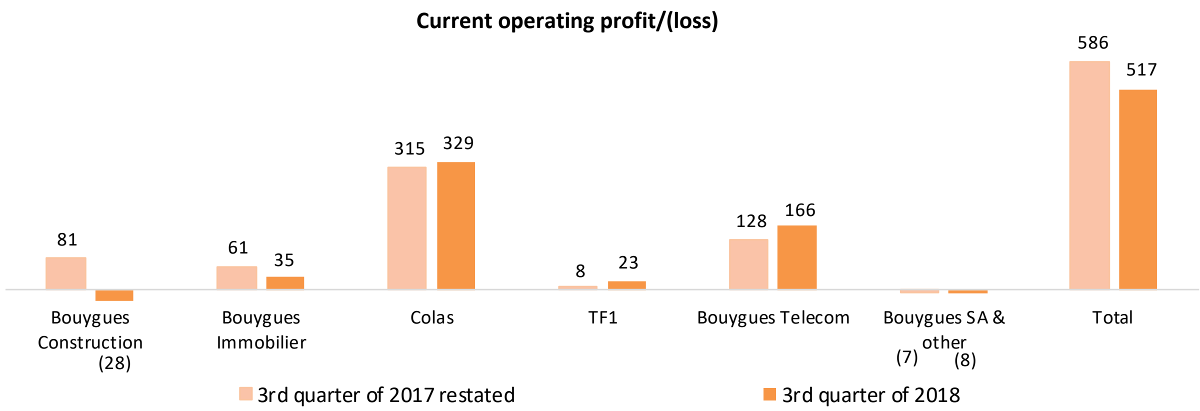
The tables below show the contribution made by each business segment to key items in the income statement, balance sheet and cash flow statement:

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Income statement: 9 months 2018							
Sales of goods	99		1,735	91	527		**2,452**
Advertising				1,152			**1,152**
Sales of services	2,114	30	272	333	3,407	118	**6,274**
Other sales from construction businesses	6,376	1,686	7,595				**15,657**
Total sales	8,589	1,716	9,602	1,576	3,934	118	**25,535**
Inter-segment sales	(129)	(1)	(41)	(33)	(18)	(94)	**(316)**
Third-party sales	**8,460**	**1,715**	**9,561**	**1,543**	**3,916**	**24**	**25,219**
Current operating profit/(loss)	**139**	**112**	**155**	**124**	**314**	**(24)**	**820**
Operating profit/(loss)	**139**	**112**	**155**	**108**	**528**	**(24)**	**1,018**
Share of net profits/(losses) of joint ventures and associates	**4**	**(2)**	**22**			**229**	**253**
Net profit/(loss) attributable to the Group	**109**	**62**	**107**	**36**	**311**	**147**	**772**
Income statement: 9 months 2017 restated							
Sales of goods	89		1,342	86	499		**2,016**
Advertising				1,085			**1,085**
Sales of services	2,212	31	263	303	3,196	104	**6,109**
Other sales from construction businesses	6,220	1,664	7,012				**14,896**
Total sales	8,521	1,695	8,617	1,474	3,695	104	**24,106**
Inter-segment sales	(133)	(12)	(60)	(35)	(18)	(96)	**(354)**
Third-party sales	**8,388**	**1,683**	**8,557**	**1,439**	**3,677**	**8**	**23,752**
Current operating profit/(loss)	**277**	**123**	**179**	**116**	**263**	**(25)**	**933**
Operating profit/(loss)	**277**	**123**	**174**	**99**	**368**	**(26)**	**1,015**
Share of net profits/(losses) of joint ventures and associates		**(7)**	**43**	**14**		**101**	**151**
Net profit/(loss) attributable to the Group	**233**	**70**	**154**	**37**	**216**	**(21)**	**689**



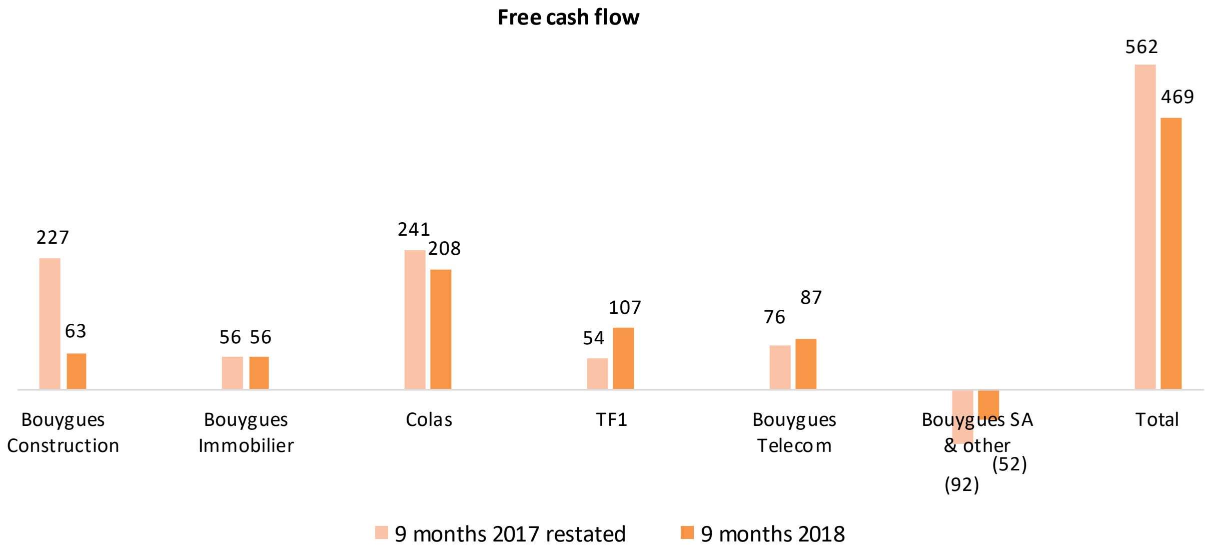


	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Income statement: 3rd quarter of 2018							
Sales of goods	23		784	38	189		**1,034**
Advertising				340			**340**
Sales of services	699	11	103	114	1,182	42	**2,151**
Other sales from construction businesses	2,141	565	3,354				**6,060**
Total sales	2,863	576	4,241	492	1,371	42	**9,585**
Inter-segment sales	(45)		(14)	(11)	(6)	(33)	**(109)**
Third-party sales	**2,818**	**576**	**4,227**	**481**	**1,365**	**9**	**9,476**
Current operating profit/(loss)	**(28)**	**35**	**329**	**23**	**166**	**(8)**	**517**
Operating profit/(loss)	**(28)**	**35**	**329**	**18**	**289**	**(8)**	**635**
Share of net profits/(losses) of joint ventures and associates	**3**	**(1)**	**5**			**157**	**164**
Net profit/(loss) attributable to the Group	**(30)**	**20**	**233**	**7**	**170**	**112**	**512**
Income statement: 3rd quarter of 2017 restated							
Sales of goods	25		541	32	178		**776**
Advertising				301			**301**
Sales of services	729	6	87	98	1,111	31	**2,062**
Other sales from construction businesses	2,053	566	2,987				**5,606**
Total sales	2,807	572	3,615	431	1,289	31	**8,745**
Inter-segment sales	(41)	(1)	(15)	(7)	(7)	(30)	**(101)**
Third-party sales	**2,766**	**571**	**3,600**	**424**	**1,282**	**1**	**8,644**
Current operating profit/(loss)	**81**	**61**	**315**	**8**	**128**	**(7)**	**586**
Operating profit/(loss)	**81**	**61**	**314**	**3**	**185**	**(8)**	**636**
Share of net profits/(losses) of joint ventures and associates		**(6)**	**10**	**7**		**55**	**66**
Net profit/(loss) attributable to the Group	**74**	**40**	**239**	**4**	**108**	**4**	**469**

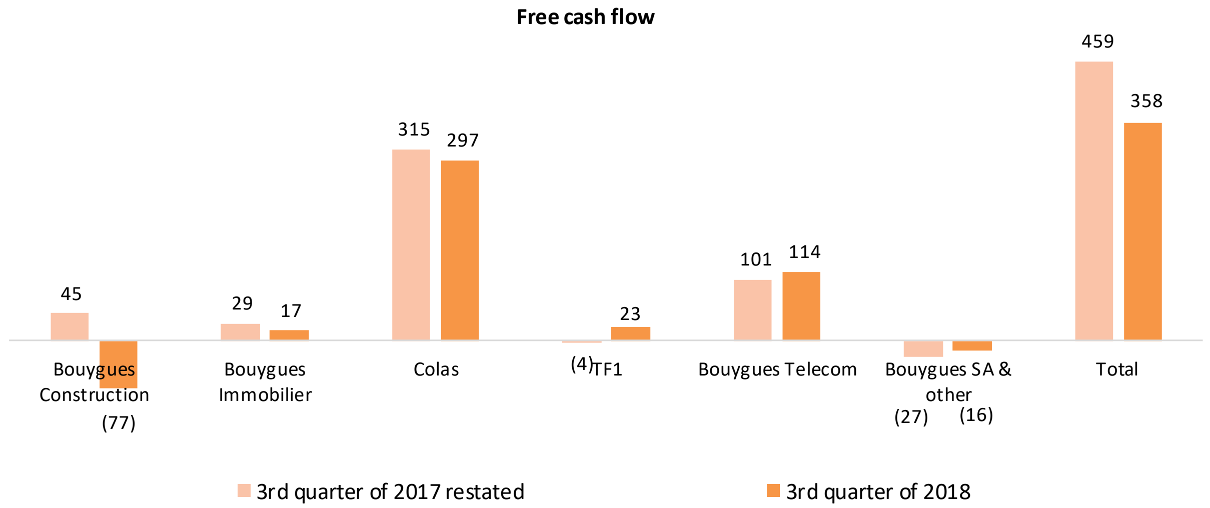


	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Balance sheet: 30 September 2018							
Property, plant and equipment	**541**	**21**	**2,563**	**180**	**3,672**	**166**	**7,143**
Intangible assets	**36**	**33**	**100**	**213**	**1,637**	**53**	**2,072**
Net debt	**2,356**	**(458)**	**(1,293)**	**(51)**	**(1,173)**	**(4,879)**	**(5,498)**
Balance sheet: 31 December 2017 restated							
Property, plant and equipment	**573**	**20**	**2,383**	**178**	**3,338**	**166**	**6,658**
Intangible assets	**40**	**37**	**90**	**231**	**1,682**	**52**	**2,132**
Net debt	**3,409**	**(86)**	**433**	**257**	**(976)**	**(4,954)**	**(1,917)**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 9 months 2018							
Cash flow after cost of net debt and income tax (I)	**160**	**62**	**419**	**252**	**801**	**(46)**	**1,648**
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	**(97)**	**(6)**	**(211)**	**(145)**	**(714)**	**(6)**	**(1,179)**
Free cash flow (I) + (II)	**63**	**56**	**208**	**107**	**87**	**(52)**	**469**
Cash flow	**218**	**99**	**486**	**283**	**979**	**12**	**2,077**
EBITDA	**222**	**85**	**408**	**299**	**931**	**(21)**	**1,924**
Other financial indicators: 9 months 2017 restated							
Cash flow after cost of net debt and income tax (I)	**292**	**68**	**434**	**208**	**610**	**(87)**	**1,525**
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	**(65)**	**(12)**	**(193)**	**(154)**	**(534)**	**(5)**	**(963)**
Free cash flow (I) + (II)	**227**	**56**	**241**	**54**	**76**	**(92)**	**562**
Cash flow	**359**	**103**	**491**	**240**	**734**	**7**	**1,934**
EBITDA	**317**	**110**	**423**	**257**	**808**	**(18)**	**1,897**



	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 3rd quarter of 2018							
Cash flow after cost of net debt and income tax (I)	**(44)**	**19**	**356**	**80**	**367**	**(12)**	**766**
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	**(33)**	**(2)**	**(59)**	**(57)**	**(253)**	**(4)**	**(408)**
Free cash flow (I) + (II)	**(77)**	**17**	**297**	**23**	**114**	**(16)**	**358**
Cash flow	**(21)**	**31**	**451**	**82**	**466**	**22**	**1,031**
EBITDA	**49**	**32**	**455**	**76**	**382**	**(2)**	**992**
Other financial indicators: 3rd quarter of 2017 restated							
Cash flow after cost of net debt and income tax (I)	**76**	**30**	**370**	**59**	**230**	**(27)**	**738**
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	**(31)**	**(1)**	**(55)**	**(63)**	**(129)**		**(279)**
Free cash flow (I) + (II)	**45**	**29**	**315**	**(4)**	**101**	**(27)**	**459**
Cash flow	**96**	**41**	**446**	**57**	**294**	**14**	**948**
EBITDA	**117**	**57**	**424**	**70**	**318**	**(3)**	**983**


Free cash flow
45
(77)
29
17
315
297
(4)
23
101
114
(27)
(16)
459
358
Bouygues Construction
Bouygues Immobilier
Colas
TF1
Bouygues Telecom
Bouygues SA & other
Total
3rd quarter of 2017 restated
3rd quarter of 2018

NOTE 12 OFF BALANCE SHEET COMMITMENTS

The principal changes in the Bouygues group's off balance sheet commitments during the first nine months of 2018 are described in Note 1.1 to the consolidated financial statements:

- ending of the Group's commitment to retain its Alstom shares;
- acquisition by Colas of the entire share capital of the Miller McAsphalt group;
- acquisition by TF1 of the residual shares in the Newen Studios group.

There have been no material changes in the Bouygues group's other off balance sheet commitments since 31 December 2017.

NOTE 13 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 is applying IFRS 15 with effect from 1 January 2018, with retrospective application and presentation of comparatives. The impacts on the balance sheet as of 31 December 2016, and on the financial statements as of 30 September 2017 and 31 December 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 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 now incorporates land-related costs. This means that more revenue and margin are recognised at the start of the project as compared with previous practice. The resulting restatement increases 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 are changes to (i) the split between the sale of the handset and the supply of the service and (ii) the revenue recognition pattern. This leads to accelerated revenue recognition on sales of handsets, resulting in a trade receivable 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 is charged to profit or loss over the average life of the contract. Further impacts relate to certain contract origination and execution costs previously recognised as an expense in the period or capitalised, which under IFRS 15 are recognised in "Customer contract assets" and "Customer contract liabilities" 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 increases shareholders' equity as of 31 December 2016 by €165 million, net of deferred taxes.

- 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.

In addition, two new line items have been added to the consolidated balance sheet:

- "**Customer contract assets**", which consists of the following items:
  - Assets previously recognised in "Trade receivables", representing sales recognised on a percentage of completion basis for which there is no immediate right to invoice the customer.
  - Customer contract origination and execution costs, previously recognised as an expense in the period or capitalised.

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

	30/09/2018	31/12/2017 restated
Customer contract origination costs	204	190
Customer contract execution costs	246	186
Differences relating to percentage of completion on a contract	1,889	1,194
CUSTOMER CONTRACT ASSETS	**2,339**	**1,570**

- "**Customer contract liabilities**", comprising liabilities previously recognised in "Advances and down-payments received on orders" or "Other current liabilities", representing the amount of goods and services not yet supplied but for which payment has already been received from the customer.

	30/09/2018	31/12/2017 Restated
Advances and down-payments received on orders	1,396	959 [a]
Differences relating to percentage of completion on a contract	2,189	2,225
CUSTOMER CONTRACT LIABILITIES	**3,585**	**3,184**

(a) "Advances and down-payments received on orders" amounts to €959m, after IFRS 15 restatements.

The Bouygues group is applying 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 are also being applied with effect from 1 January 2018, using a prospective approach in accordance with the standard.

The principal restatements arising from the first-time application of IFRS 9 as of 31 December 2017 relate to:

- Investments in non-consolidated companies measured at fair value, for which the Group may elect, for each investment, to recognise changes in fair value either in shareholders' equity or in profit or loss.
- Impairments charged against trade receivables, which are based on expected losses.

The finalisation of the transition project confirmed the income statement impacts as presented in Note 23 to the consolidated financial statements for the year ended 31 December 2017, and led to a few reclassifications in the interim balance sheets within line items that impact on working capital related to operating activities.
Finally, shareholders' equity as of 31 December 2017 after application of IFRS 9 and IFRS 15 amounts to €10,416 million, compared with €10,409 million as presented in Note 23 to the consolidated financial statements for the year ended 31 December 2017. The difference is due to the finalisation of the IFRS 9 transition project.

Consolidated financial statements as of 31 December 2016, restated for IFRS 15

Balance sheet

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
Intangible assets	2,180					2,180
Goodwill	5,367					5,367
Investments in joint ventures and associates	2,429					2,429
Other non-current financial assets	523					523
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	(191)			(191)	2,764
Advances and down-payments made on orders	395					395
Trade receivables	6,367	(777)	229		(548)	5,819
Customer contract assets		1,128	311		1,439	1,439
Tax asset (receivable)	285					285
Other current receivables and prepaid expenses	2,509	(19)			(19)	2,490
Cash and cash equivalents	4,749					4,749
Financial instruments – Hedging of debt	17					17
Other current financial assets	24					24
CURRENT ASSETS	**17,301**	**141**	**540**		**681**	**17,982**
Held-for-sale assets and operations	121					121
TOTAL ASSETS	**34,854**	**122**	**386**		**508**	**35,362**
LIABILITIES AND SHAREHOLDERS' EQUITY	**31/12/2016 published**	**Construction businesses [a]**	**Bouygues Telecom**	**TF1 & other**	**Total IFRS 15 impacts**	**31/12/2016 restated**
Share capital	355					355
Share premium and reserves	6,925	64	149		213	7,138
Translation reserve	128					128
Treasury shares						
Consolidated net profit/(loss)	732					732
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 debt	6,180					6,180
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**
Advances and down-payments received on orders	1,010	(1,002)	(5)	(3)	(1,010)	
Current debt	265					265
Current taxes payable	109					109
Trade payables	7,140	124			124	7,264
Customer contract liabilities		3,221	210	17	3,448	3,448
Current provisions	1,002		(8)		(8)	994
Other current liabilities	7,159	(2,279)	(94)	(13)	(2,386)	4,773
Overdrafts and short-term bank borrowings	168					168
Financial instruments – Hedging of debt	19					19
Other current financial liabilities	24					24
CURRENT LIABILITIES	**16,896**	**64**	**103**	**1**	**168**	**17,064**
Liabilities related to held-for-sale operations						
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**34,854**	**122**	**386**		**508**	**35,362**
NET SURPLUS CASH/(NET DEBT)	**(1,866)**					**(1,866)**

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

Consolidated financial statements as of 30 September 2017, restated for 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
Intangible assets	2,161					2,161
Goodwill	5,378					5,378
Investments in joint ventures and associates	2,480					2,480
Other non-current financial assets	578					578
Deferred tax assets and non-current tax receivable	372	(8)		1	(7)	365
NON-CURRENT ASSETS	**17,576**	**(8)**	**(179)**	**1**	**(186)**	**17,390**
Inventories	3,172	(174)		2	(172)	3,000
Advances and down-payments made on orders	447					447
Trade receivables	7,630	(1,255)	218	(2)	(1,039)	6,591
Customer contract assets		1,569	341		1,910	1,910
Tax asset (receivable)	278					278
Other current receivables and prepaid expenses	2,789	(16)			(16)	2,773
Cash and cash equivalents	3,343					3,343
Financial instruments – Hedging of debt	16					16
Other current financial assets	27					27
CURRENT ASSETS	**17,702**	**124**	**559**		**683**	**18,385**
Held-for-sale assets and operations	67					67
TOTAL ASSETS	**35,345**	**116**	**380**	**1**	**497**	**35,842**
LIABILITIES AND SHAREHOLDERS' EQUITY	**30/09/2017 published**	**Construction businesses [a]**	**Bouygues Telecom**	**TF1 & other**	**Total IFRS 15 impacts**	**30/09/2017 restated**
Share capital	359					359
Share premium and reserves	7,256	64	149		213	7,469
Translation reserve	12					12
Treasury shares						
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 debt	5,920					5,920
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**
Advances and down-payments received on orders	1,011	(1,003)	(4)	(4)	(1,011)	
Current debt	742					742
Current taxes payable	175					175
Trade payables	7,298	113			113	7,411
Customer contract liabilities		2,826	246	25	3,097	3,097
Current provisions	825		(9)		(9)	816
Other current liabilities	7,046	(1,873)	(108)	(22)	(2,003)	5,043
Overdrafts and short-term bank borrowings	389					389
Financial instruments – Hedging of debt	15					15
Other current financial liabilities	19					19
CURRENT LIABILITIES	**17,520**	**63**	**125**	**(1)**	**187**	**17,707**
Liabilities related to held-for-sale operations						
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**35,345**	**116**	**380**	**1**	**497**	**35,842**
NET SURPLUS CASH/(NET DEBT)	**(3,707)**					**(3,707)**

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

Income statement

	Nine months 2017 published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	Nine months 2017 restated
SALES	**23,828**	**(51)**	**(32)**	**7**	**(76)**	**23,752**
Other revenues from operations	120					120
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)
Taxes other than income tax	(503)					(503)
Net depreciation and amortisation expense	(1,182)		47		47	(1,135)
Charges to provisions and impairment losses, net of reversals due to utilisation	(76)					(76)
Changes in production and property development inventories	140	(3)		(1)	(4)	136
Other income from operations	1,048					1,048
Other expenses on operations	(526)					(526)
CURRENT OPERATING PROFIT/(LOSS)	**976**	**(16)**	**(27)**		**(43)**	**933**
Other operating income	153					153
Other operating expenses	(71)					(71)
OPERATING PROFIT/(LOSS)	**1,058**	**(16)**	**(27)**		**(43)**	**1,015**
Financial income	17					17
Financial expenses	(187)					(187)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)	**(170)**					**(170)**
Other financial income	53					53
Other financial expenses	(41)					(41)
Income tax	(257)	5	12	1	18	(239)
Share of net profits/(losses) of joint ventures and associates	151					151
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**794**	**(11)**	**(15)**	**1**	**(25)**	**769**
Net profit/(loss) from discontinued and held-for-sale operations						
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

	Nine months 2017 published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	Nine 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
Adjustments:						
Share of profits/losses reverting to joint ventures and associates, net of dividends received	(84)					(84)
Dividends from non-consolidated companies	(18)					(18)
Net charges to/(reversals of) depreciation, amortisation and non-current impairment and provisions	1,156		(47)		(47)	1,109
Gains and losses on asset disposals	(235)					(235)
Miscellaneous non-cash charges	(16)					(16)
Cash flow after income from net surplus cash/(cost of net debt) and income tax	**1,597**	**(11)**	**(62)**	**1**	**(72)**	**1,525**
Reclassification of (income from net surplus cash)/cost of net debt	170					170
Elimination of income tax	257	(5)	(12)	(1)	(18)	239
Cash flow	**2,024**	**(16)**	**(74)**		**(90)**	**1,934**
Income taxes paid	(67)					(67)
Changes in working capital related to operating activities (including current impairment and provisions)	(1,895)	16	3	(1)	18	(1,877)
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 and equipment and intangible assets	(1,372)		71	1	72	(1,300)
Proceeds from disposals of property, plant and equipment and intangible assets	337					337
Net liabilities related to property, plant and equipment and intangible assets	(79)					(79)
Purchase price of non-consolidated companies and other investments	(39)					(39)
Proceeds from disposals of non-consolidated companies and other investments	10					10
Net liabilities related to non-consolidated companies and other investments	67					67
Purchase price of investments in consolidated activities	(147)					(147)
Proceeds from disposals of investments in consolidated activities	120					120
Net liabilities related to consolidated activities	(3)					(3)
Other effects of changes in scope of consolidation: cash of acquired or divested companies	(6)					(6)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies	(40)					(40)
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	**(1,152)**		**71**	**1**	**72**	**(1,080)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES						
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders	93					93
Dividends paid to shareholders of the parent company	(568)					(568)
Dividends paid by consolidated companies to non-controlling interests	(38)					(38)
Change in current and non-current debt	249					249
Income from net surplus cash/(cost of net debt)	(170)					(170)
Other cash flows related to financing activities	39					39
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 flows	(1,628)					(1,628)
Non-monetary flows	1					1
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.

Consolidated financial statements as of 31 December 2017, restated for IFRS 15 and IFRS 9

Balance sheet

ASSETS	31/12/2017 published	Construction businesses [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
Intangible assets	2,132						2,132
Goodwill	5,385						5,385
Investments in joint ventures and associates	2,502						2,502
Other non-current financial assets	563			(1)	(1)	6	568
Deferred tax assets and non-current tax receivable	337	(14)			(14)		323
NON-CURRENT ASSETS	**17,777**	**(14)**	**(199)**	**(2)**	**(215)**	**6**	**17,568**
Inventories	3,037	(215)			(215)		2,822
Advances and down-payments made on orders	432						432
Trade receivables	6,732	(812)	233		(579)	(23)	6,130
Customer contract assets		1,194	376		1,570		1,570
Tax asset (receivable)	331						331
Other current receivables and prepaid expenses	2,581	(21)		2	(19)		2,562
Cash and cash equivalents	4,820						4,820
Financial instruments – Hedging of debt	15						15
Other current financial assets	15						15
CURRENT ASSETS	**17,963**	**146**	**609**	**2**	**757**	**(23)**	**18,697**
Held-for-sale assets and operations	38						38
TOTAL ASSETS	**35,778**	**132**	**410**		**542**	**(17)**	**36,303**

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/2017 published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	IFRS 9 impacts	31/12/2017 restated
Share capital	366						366
Share premium and reserves	7,488	64	149		213	(23)	7,678
Translation reserve	(88)						(88)
Treasury shares							
Consolidated net profit/(loss)	1,085	1	(4)		(3)		1,082
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**8,851**	**65**	**145**		**210**	**(23)**	**9,038**
Non-controlling interests	1,359		15		15	4	1,378
SHAREHOLDERS' EQUITY	**10,210**	**65**	**160**		**225**	**(19)**	**10,416**
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	(1,093)	(4)	(4)	(1,101)		
Current debt	736						736
Current taxes payable	115						115
Trade payables	7,349	140			140		7,489
Customer contract liabilities		2,895	266	23	3,184		3,184
Current provisions	889	1	(5)		(4)		885
Other current liabilities	7,109	(1,869)	(120)	(19)	(2,008)		5,101
Overdrafts and short-term bank borrowings	209						209
Financial instruments – Hedging of debt	16						16
Other current financial liabilities	24						24
CURRENT LIABILITIES	**17,548**	**74**	**137**		**211**		**17,759**
Liabilities related to held-for-sale operations							
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**35,778**	**132**	**410**		**542**	**(17)**	**36,303**
NET SURPLUS CASH/(NET DEBT)	**(1,914)**					**(3)**	**(1,917)**

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

The impacts of IFRS 9 relate primarily to Colas, and to the recognition of impairment of trade receivables on the basis of expected losses.

The tables below show financial assets and impairment losses by category in accordance with IFRS 9:

Non-current financial assets

	Available-for-sale financial assets	Financial assets at fair value through profit or loss	Held-to-maturity assets	Loans and receivables	Total
31/12/2016 published	**187**		**78**	**258**	**523**
Movements during 2017			13	27	40
31/12/2017 published	**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 restated	**Fair value through OCI [a]**	**Fair value through profit or loss**	**Amortised cost**	**Fair value through profit or loss**	**Amortised cost**	**Amortised cost**	**Total**
CARRYING AMOUNT	129	57	7	0	91	284	568

31/12/2017 restated	**Total fair value through OCI [a]**	**Total fair value through profit or loss**	**Total amortised cost**	**Total**
CARRYING AMOUNT	129	57	382	568

(a) Movements recognised in "Other Comprehensive Income" (consolidated statement of recognised income and expense).

Current financial assets

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

	31/12/2017 restated		
	Gross value	**Impairment**	**Carrying amount**
Trade receivables	6,734	(604)	6,130
Customer contract assets	1,570		1,570
Current tax assets (tax receivable)	333	(2)	331
Other current receivables and prepaid expenses			
• Employees, social security, government and other	1,421	(10)	1,411
• Other receivables	1,051	(198)	853
• Prepaid expenses	298		298
TOTAL OTHER CURRENT RECEIVABLES & PREPAID EXPENSES	**2,770**	**(208)**	**2,562**
TOTAL	**11,407**	**(814)**	**10,593**

Income statement

	2017 published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	2017 restated
SALES	**32,904**	**37**	**(26)**	**8**	**19**	**32,923**
Other revenues from operations	150					150
Purchases used in production	(15,287)	(16)			(16)	(15,303)
Personnel costs	(7,336)					(7,336)
External charges	(7,280)		(39)	(8)	(47)	(7,327)
Taxes other than income tax	(668)	(1)		1		(668)
Net depreciation and amortisation expense	(1,655)		59		59	(1,596)
Charges to provisions and impairment losses, net of reversals due to utilisation	(330)					(330)
Changes in production and property development inventories	85	(25)			(25)	60
Other income from operations	1,672		(3)	(1)	(4)	1,668
Other expenses on operations	(835)					(835)
CURRENT OPERATING PROFIT/(LOSS)	**1,420**	**(5)**	**(9)**		**(14)**	**1,406**
Other operating income	233					233
Other operating expenses	(120)					(120)
OPERATING PROFIT/(LOSS)	**1,533**	**(5)**	**(9)**		**(14)**	**1,519**
Financial income	25					25
Financial expenses	(251)					(251)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)	**(226)**					**(226)**
Other financial income	113					113
Other financial expenses	(75)					(75)
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) from discontinued and held-for-sale operations						
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)**	**(65)**		**(70)**	**2,898**

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

Cash flow statement

	2017 published	Construction businesses [a]	Bouygues Telecom	TF1 & other	Total IFRS 15 impacts	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
Adjustments:						
Share of profits/losses reverting to joint ventures and associates, net of dividends received	(87)	(6)			(6)	(93)
Dividends from non-consolidated companies	(19)					(19)
Net charges to/(reversals of) depreciation, amortisation and non-current impairment and provisions	1,638		(59)		(59)	1,579
Gains and losses on asset disposals	(367)					(367)
Miscellaneous non-cash charges	(15)					(15)
Cash flow after income from net surplus cash/(cost of net debt) and income tax	**2,355**	**(5)**	**(64)**		**(69)**	**2,286**
Reclassification of (income from net surplus cash)/cost of net debt	226					226
Elimination of income tax	303		(4)		(4)	299
Cash flow	**2,884**	**(5)**	**(68)**		**(73)**	**2,811**
Income taxes paid	(236)					(236)
Changes in working capital related to operating activities (including current impairment and provisions)	(484)	5	(36)	(1)	(32)	(516)
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 and equipment and intangible assets	(2,036)		104	1	105	(1,931)
Proceeds from disposals of property, plant and equipment and intangible assets	509					509
Net liabilities related to property, plant and equipment and intangible assets	6					6
Purchase price of non-consolidated companies and other investments	(43)					(43)
Proceeds from disposals of non-consolidated companies and other investments	33					33
Net liabilities related to non-consolidated companies and other investments	65					65
Purchase price of investments in consolidated activities	(191)					(191)
Proceeds from disposals of investments in consolidated activities	121					121
Net liabilities related to consolidated activities	(2)					(2)
Other effects of changes in scope of consolidation: cash of acquired or divested companies	(9)					(9)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies	(39)					(39)
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	**(1,586)**		**104**	**1**	**105**	**(1,481)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES						
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders	326					326
Dividends paid to shareholders of the parent company	(568)					(568)
Dividends paid by consolidated companies to non-controlling interests	(38)					(38)
Change in current and non-current debt	123					123
Income from net surplus cash/(cost of net debt)	(226)					(226)
Other cash flows related to financing activities	21					21
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 flows	29					29
Non-monetary flows	1					1
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.