

MAKING PROGRESS BECOME REALITY

2018 INTEGRATED REPORT



BOUYGUES

ABOUT THIS INTEGRATED REPORT

This second annual Integrated Report has been written with all our investors, employee shareholders, staff members and other stakeholders in mind.

It describes the Group's environment and presents its strategic fundamentals and pledges, as well as a portrait of its expertise, thereby showing how it creates long-term value for its stakeholders.

This report has been designed to be informative so that the reader may obtain a comprehensive picture of the Group and the challenges it faces. It therefore completes the range of publications produced by Bouygues, by providing access to more detailed content and regulatory information. The report draws inspiration from the benchmark framework proposed by IIRC^(a). It is the result of collaboration between the Group's senior management and departments at the parent company and in each of the five business segments.

The first edition of the Integrated Report in 2018 was submitted to a panel of 30 internal and external stakeholders, including members of the Group's Board of Directors. Panellists were asked to share their opinion and understanding of the document's key messages. In the light of their recommendations, this second edition has been simplified and now highlights the Group's four key pledges.

Publishing this Integrated Report is a further step forward in the Group's endeavour to provide ever-greater transparency and clarity of information. Readers are invited to send their questions and feedback to:



rapport.integre@bouygues.com

OVERVIEW OF PUBLICATIONS



REGISTRATION DOCUMENT

Business, financial, accounting, legal, human resources, environmental and social information for the previous year. Filed with the AMF (the French securities regulator) every year.



AT A GLANCE

A summary of the year (highlights, key indicators) supplemented with corporate information on the Group. Also available via the Bouygues app for tablets (iOS, Android).



INVESTOR PRESENTATIONS

Presentation of the Group's results, strategies and outlook.



BOUYGUES.COM & SOCIAL NETWORKS

All the news, information, publications and job offers of the Bouygues group.

(a) International Integrated Reporting Council.



“Transforming our challenges into opportunities”

Martin Bouygues
Chairman and CEO

From its founding in 1952 Bouygues has been first and foremost a human endeavour, driven by people who have invested their talents and energy to make life better every day.

Our ultimate goal is to ensure our customers' satisfaction. We aim to provide products and services that not only eclipse the very best our competitors have to offer, but which are also constantly raising standards. We strive to conduct our business in a manner that creates long-term value that can be shared with all our shareholders. Finally, we seek to maintain a solid financial position and a reasonable level of debt to safeguard independent decision-making.

Like all other companies, Bouygues is facing challenges from demographic shifts, climate change and digital transformation as well as having to cope with rapidly changing user behaviour.

The Group views these challenges as business opportunities that it can seize by drawing on its substantial strengths. Not only does Bouygues boast a dedicated

workforce based on a strong corporate culture, it also spans the entire value chain in each of its business segments, which benefits both customers and users. Further strengths include selective, long-term expansion abroad as well as a stable ownership structure comprising SCDM^a and the Group's own employees.

The Group is also pursuing its own transformation, guided by four firm pledges made to all its stakeholders. We commit **to promoting each employee's career development, to developing sustainable solutions with and for customers, to simplifying everyday life and to helping build harmonious communities.**

Within this context of transformation, the men and women of Bouygues have never been so instrumental in the Group's success story as they are today.

25 April 2019

(a) A company controlled by Martin and Olivier Bouygues.

1

4-9

Bouygues group overview

What it does, its businesses, its strengths and its culture

2

10-13

Eco-system

The underlying trends that impact the Group's business segments

3

14-25

A long-term strategy

A strategy and governance adapted to a long-term vision

4

26-45

Pledges

What drives the Group and supports its transformation

5

46-51

Strategic priorities of the Group's businesses

Understanding the strategic priorities by sector of activity

6

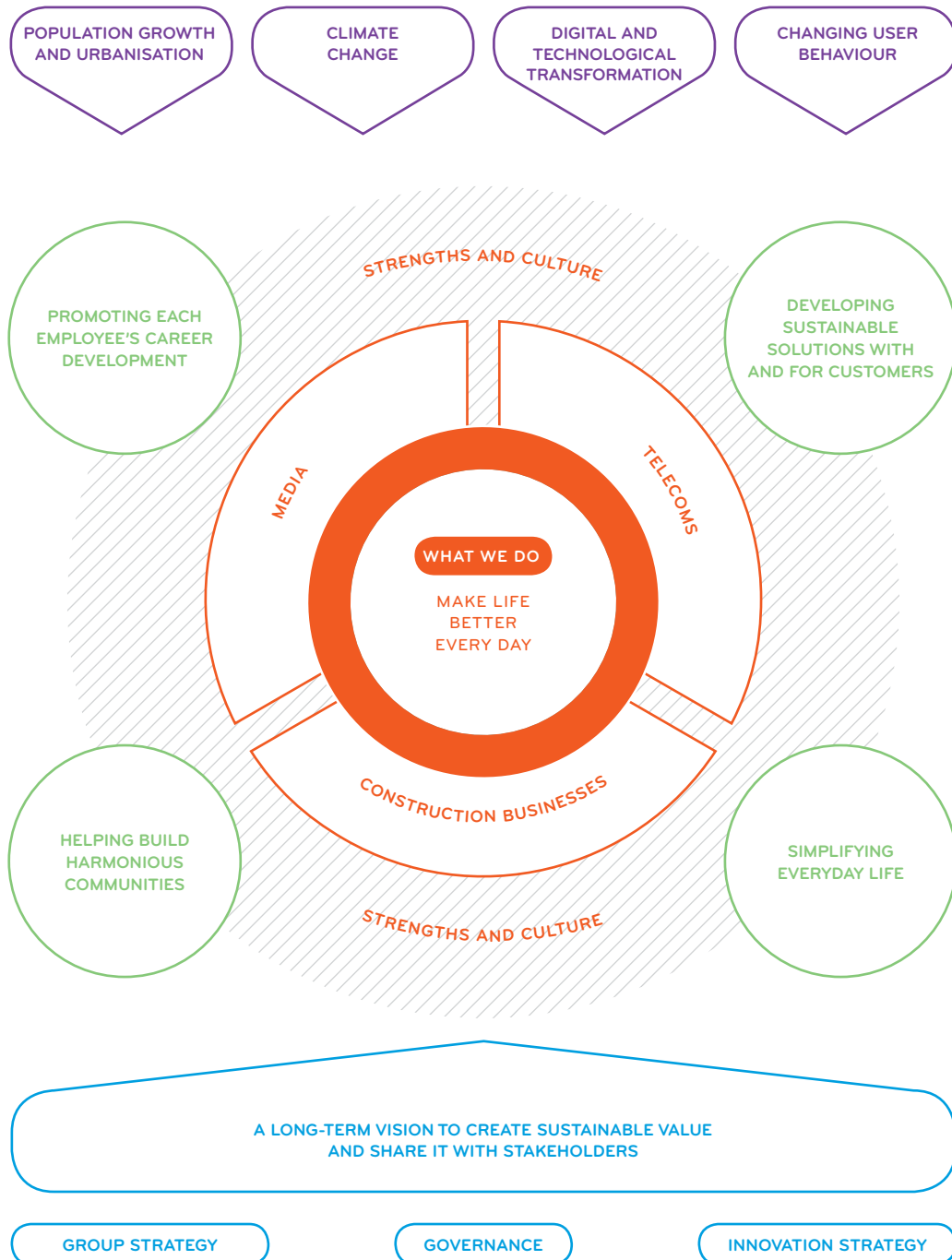
52-57

Results and indicators

Summary of the Group's financial and extra-financial indicators

Reader's guide

The following infographic outlines the report's overall structure. It is presented at the beginning of each section in icon form to remind the reader of the overarching themes and guide them as they read the document. It also summarises the report's main messages and key information.







1

Bouygues group overview

What it does, its businesses,
its strengths and its culture

One objective, three sectors of activity

It is the Group's firmly-held belief that meeting essential day-to-day needs with an ethical and responsible attitude helps drive improvement for society as a whole. Each and every solution offered by Bouygues is designed to enhance people's lives.

The Group's employees come together with the goal of: **making life better every day**. Motivated by challenge and genuine passion, our people apply their talents and expertise through three sectors of activity.



CONSTRUCTION BUSINESSES

Bouygues is the sixth-largest^a construction group in the world. Developing, building and operating, it is active in building and civil works, energy and services, property development and transport infrastructure.



MEDIA

TF1 is a leading integrated group in France, from production through to distribution, that creates media, entertainment and news content both for the general public and each consumer.



TELECOMS

Bouygues Telecom is a major player in the French telecommunications market committed to delivering the best digital experience to as many people as possible.



ALSTOM (A 27.8%^b STAKE)

As a promoter of sustainable mobility, Alstom develops and markets systems, infrastructure and services for the transport sector. It is a world leader in integrated transport systems with a presence in over 60 countries.

(a) ENR 2018 Top 250 International Contractors survey, on the basis of sales outside their home country, excluding the oil sector.

(b) At 31 December 2018.



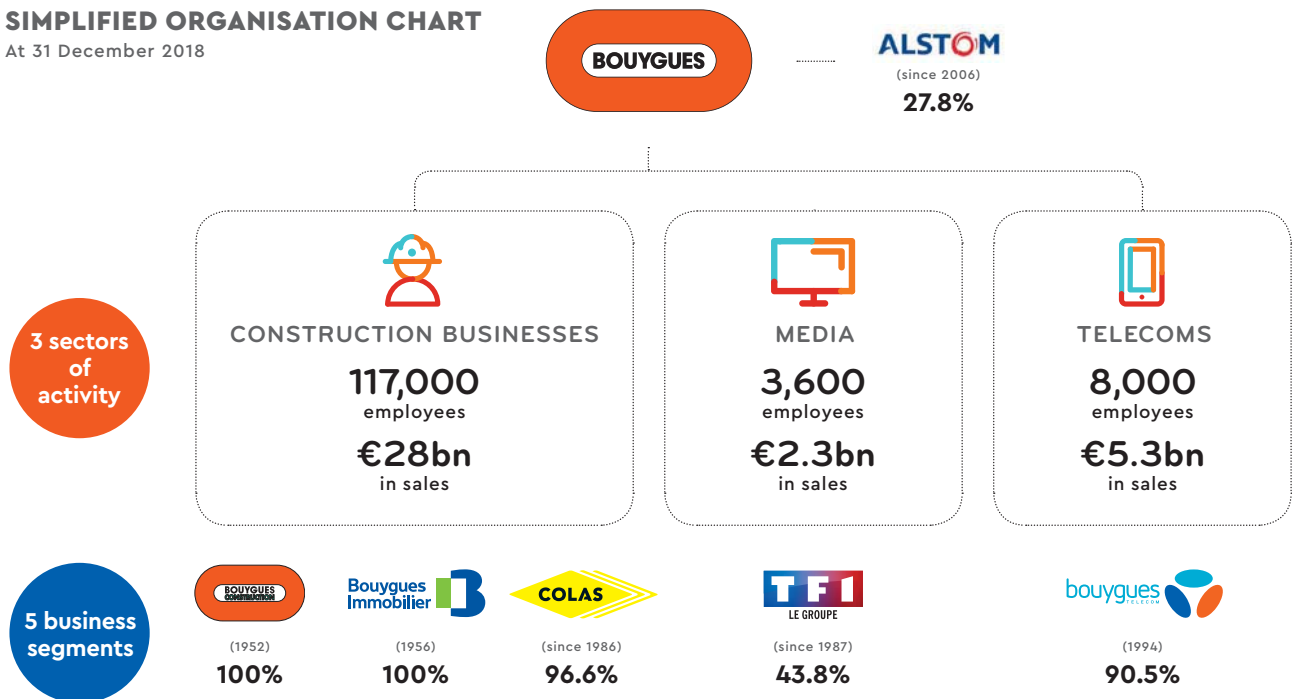
FIND OUT MORE
> Group 2018 Registration Document,
Chapter 2, Business activities

Bouygues at a glance

Bouygues is a diversified services group (Construction, Media and Telecoms). Operating in markets with long-term growth potential and present in over 90 countries, the Group draws on the expertise of its people and on the diversity of its business activities to provide innovative solutions that meet essential needs.

SIMPLIFIED ORGANISATION CHART

At 31 December 2018



2018 KEY FIGURES

€1,511m
Current operating profit

129,000
employees

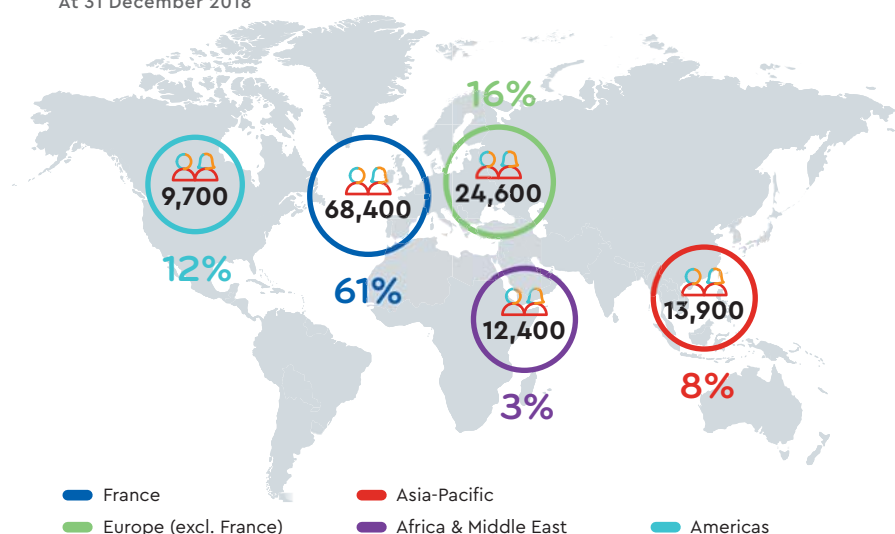
€35,555m
Sales

€1,311m
Net profit attributable to the Group

€(3,657)m
Net debt

SALES AND HEADCOUNT BY GEOGRAPHICAL ZONE

At 31 December 2018



Fundamentals of our culture

At Bouygues, people are our most important resource. This means that their mindset, just as much as their skills, is key to our success and progress. The fundamentals of the Group's culture provide the framework through which each business segment expresses its own values and specific culture. They are the cornerstone – encouraging commitment, passion and a personal touch from all our employees.

RESPECT

Respect is a key value for the Group. Respect fosters dedication and cohesion among Bouygues' employees – an essential component of the Group's success. It shines through in our staff's exemplary conduct, their commitment to keeping their word and to ethical behaviour, and the care they take to ensure everyone's safety. For the Group, each and every person is important.



TRUST

Trust is essential to the Group, since its business segments enjoy a large amount of freedom in managing their operations and in entrepreneurial matters. Closely related to respect, trust flourishes where there is attentiveness, sincerity and transparency at all levels of the company. It promotes job satisfaction and efficiency among employees, enabling them to work more independently and empowering them, resulting in better recognition and more fulfilling career paths.



IMPARTING EXPERTISE

Bouygues' success depends on the skills and expertise of its people, which are gained and maintained by investing in lifelong learning. Learning, developing and imparting knowledge are what drive the relations between people at the Bouygues group. They also allow our employees to progress and develop their talents. On worksites, imparting experience also enables teams to identify the best response to potential risks. This culture of imparting expertise, which strengthens intergenerational bonds, is a key source of pride.



CREATIVITY

Creativity is what drives the Group towards ever greater innovation. It drives the creation of innovative solutions that not only meet our customers' expectations but also reinforce our nimbleness and competitiveness in increasingly complex environments. In addition, creativity enriches our employees' work and galvanises motivation, commitment and sense of initiative.

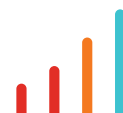
The Group's strengths

Backed by a shared culture, our business segments, on top of their diverse activities, embody four strengths that shape the identity of our unique Group.



129,000
DEDICATED
EMPLOYEES

Every day, the men and women of Bouygues bring an unparalleled sense of dedication, passion and duty to their work. Drawing on a strong Group culture, all of them openly embrace challenges and share uncompromising quality standards. They put these qualities to work for their customers, through both individual and team efforts.



HIGH VALUE-ADDED
PRODUCTS
AND SERVICES

Each business segment aims to stand out from the competition by offering high-added-value solutions and user experiences. This has made Bouygues a benchmark in complex infrastructure and sustainable construction projects. But more than that, the Group strives to be a "creator of better living" in housing, urban environments and mobility, or by simplifying the digital experience for its telecoms customers. Within its media businesses, the Group helps boost the effectiveness of advertisers' campaigns by providing identified target audiences.



SPANS
THE ENTIRE
VALUE CHAIN

In order to maintain direct contact with their customers, the Group's business segments employ their standards of operational excellence and efficiency to span the entire value chain. As a result, they have become highly skilled in incorporating the best internal and external expertise into the Group, engaging with partners of all sizes, ranging from start-ups to major groups.

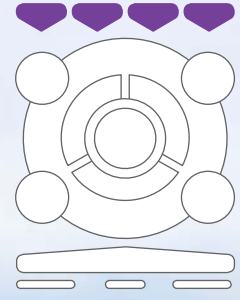


A SELECTIVE
LONG-TERM PRESENCE
WORLDWIDE

In addition to its strong presence in France, the Bouygues group has pursued long-term expansion into international markets. It has done so in a selective manner, for example establishing itself in Switzerland, the UK, the US, Australia and Canada, by taking advantage of only those growth opportunities that meet its risk-management standards. Today it operates in over 90 countries. International business accounts for half of its construction businesses' sales.



The construction in Marrakesh of the Yves Saint Laurent museum, which will conserve and display the late fashion designer's masterpieces, employed young Moroccan engineers trained especially for this project.



2

Eco-system

The underlying trends that impact the Group's business segments

AURENT marrakech



Trends providing opportunities

Bouygues' business is shaped by four underlying trends affecting the world today: population growth and urbanisation, climate change, digital and technological transformation, and changing user behaviour. The Group responds to these challenges as a responsible corporate citizen, but it also considers them to be major business opportunities.



POPULATION GROWTH AND URBANISATION

In 2050, the world's population will reach 9.8 billion individuals, 66% of whom will be living in urban environments and 21% aged over 60^a. This developing urban fabric gives rise to several challenges:

- Traffic congestion and the necessary diversification of mobility solutions
- Strong demand for infrastructure construction and renovation
- Managing more complex flows and networks
- Developing an urban culture that emphasises quality of life (public health, safety, accessibility, social harmony, intergenerational bonds)



CLIMATE CHANGE

Since 1970, annual greenhouse gas (GHG) emissions have increased by over 80%^b, leading to social and environmental disruption. The Paris Agreement calls for these emissions to be cut three-fold globally between now and 2050. This will require:

- Strengthening procedures to reduce GHG emissions and adapt to climate change
- Finding ways of harnessing natural resources – water, fossil fuels and raw materials – that are compatible with protecting ecosystems
- A probable change in regulations
- Taking better account of the impact of fossil fuels, especially on public health

(a) Source: UN.

(b) Source: IPCC (Intergovernmental Panel on Climate Change).



Olivier Roussat

Deputy CEO

3 QUESTIONS FOR...

Why do these trends represent business opportunities for the Bouygues group?

All of these underlying trends shine a spotlight on emerging needs, whether they be explicit, implicit or latent. Once the Group has identified them, we can turn them into business opportunities by co-designing solutions and services in partnership with our customers. For example, in response to the ageing population, we have developed housing units that can be adapted as time goes on to accommodate residents' declining independence. As a result, Bouygues offers homes that are more occupant-friendly, adaptable, connected, safe and secure so that people can live in familiar

surroundings as long as possible.

What enables the Group to respond effectively to these issues?

We are very well positioned as our business segments cover all essential needs. Everyone needs a place to live and ways to get around, communicate and obtain information. And that will not change in the future. Our global presence puts us in prime position to discern market signals. We also embrace a pragmatic approach, focusing on our customers' behaviour and offering them the best solutions in response. Finally, our eco-system of partners enables us to provide full-package solutions.

What challenges does the Group face?

In my view, we face three challenges. The first is to ready our employees for the business models of the future, ensuring that their skills are up to date, especially with respect to digital technology. Secondly, we must ask ourselves how to apply our new solutions and construction models more broadly. For example, even if each of our construction projects is unique, we must try to share our acquired expertise wherever possible and appropriate. Finally, we must adapt our organisational structure to increase agility and become more cross-disciplinary in an increasingly complex world.



DIGITAL AND TECHNOLOGICAL TRANSFORMATION

Today's digital infrastructures enable half of the world's population to access the internet. By 2020, 20 billion connected devices will be in service^a.

These new technologies are revolutionising behaviour at work and home while also changing the way companies conduct business.

- Technology is impacting people and businesses by introducing connected objects, artificial intelligence, blockchain^b, and more besides, into their daily lives
- We have easy and immediate access to information, products and services
- Huge amounts of data are being generated, harvested and processed
- Newcomers capable of shaking up long-established value chains are ramping up

(a) Source: Gartner.

(b) A blockchain is a decentralised, distributed and public digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and the consensus of the network (Wikipedia definition).



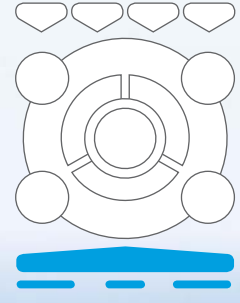
CHANGING USER BEHAVIOUR

In line with the advent of digital technologies and the current societal challenges, consumer expectations and habits are also changing.

- Products and services need to be more adaptable and customised
- The concept of use is becoming increasingly important, alongside ownership, resulting in the increased sharing of goods and services
- People have greater expectations as regards social well-being and inclusion

In addition to these macro-trends, the pressure exerted on public finances, both in Europe and further afield, is leading local authorities to find new funding solutions for their development projects (infrastructure, etc.).





3 A long-term strategy

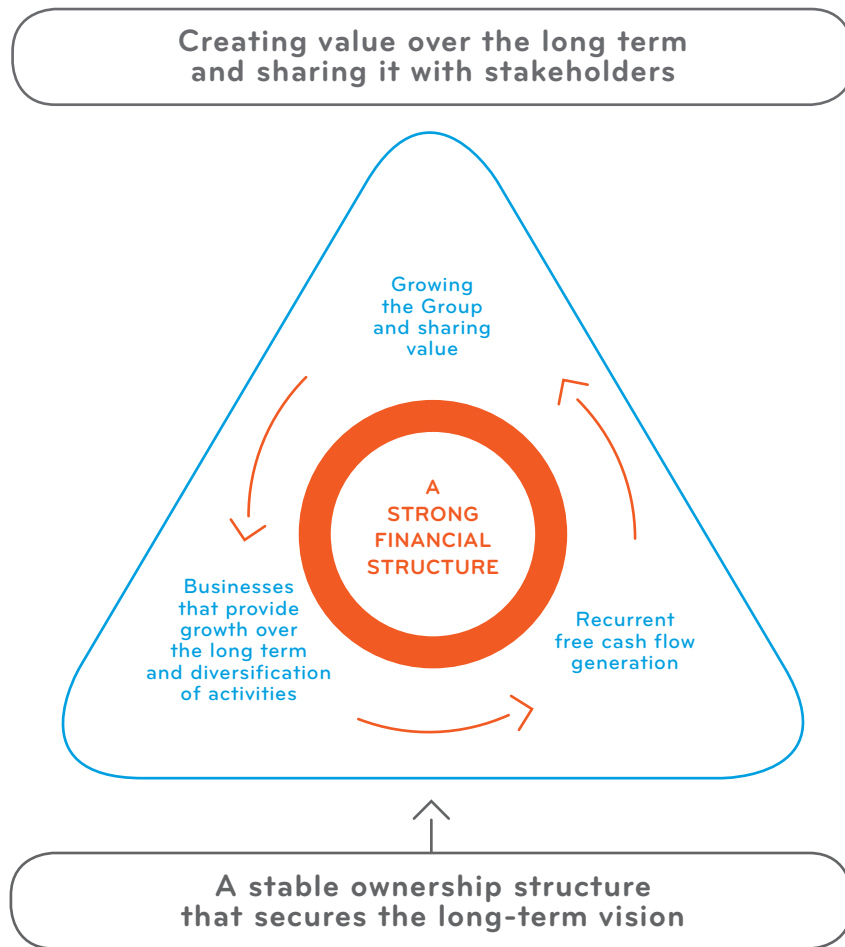
A strategy and governance
adapted to a long-term vision

In the Paris region, the future Line 15 South rapid transport link will run 33 kilometres to connect the Pont de Sèvres station in the west to the Noisy-Champs station in the east by 2022. Shown here is the excavation of a 4.2 km-long single-tube tunnel.

Group strategy

The Bouygues group aims to create value over the long term and share it with its stakeholders. To do this, the Group draws on its stable ownership structure and has defined a strategic framework through which its business segments roll out their operational strategies.

THE VIRTUOUS CIRCLE OF THE GROUP'S STRATEGY



The Group has made several distinctive and specific choices in order to create and share value over the long term. Its business segments can provide growth over the long term since they all satisfy constantly evolving and essential needs such as housing, transportation, entertainment and communication. Furthermore, their diversity helps to cushion the impact of the difficulties that some may experience from time to time.

By combining these two features, Bouygues can generate free cash flow over the long term. The value created can then be reinvested to grow the Group and shared with its stakeholders.

Bouygues also strives to maintain a robust financial structure in order to ensure its independence and preserve its model over time. For example, the Group's construction businesses tie up a small amount of capital and generate a high level of cash. Gearing, corresponding to net debt over shareholders' equity, stood at 33% at end-2018. Moody's and Standard & Poor's rate Bouygues A3, stable outlook, and BBB+, positive outlook, respectively.

This strategy can be rolled out over the long term thanks to the stability of its ownership structure.

TWO CORE SHAREHOLDERS

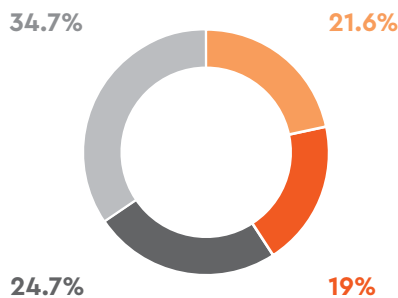
Bouygues' ownership structure is based on two long-standing shareholders:

- SCDM, a company controlled by Martin and Olivier Bouygues;
- its employees, through a number of dedicated mutual funds.

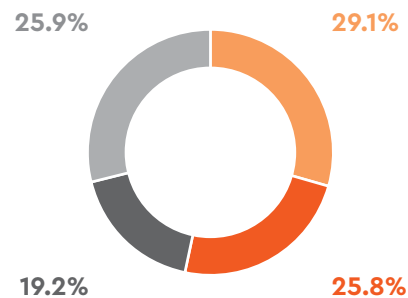
OWNERSHIP STRUCTURE

At 31 December 2018

MAIN SHAREHOLDERS 372,377,939 shares



VOTING RIGHTS 498,684,217 voting rights



SCDM

Employees

Other French shareholders

Foreign shareholders

3 QUESTIONS FOR...



Philippe Marien

Deputy CEO

Why is Bouygues' specific ownership structure an asset to the Group?

For over 30 years, Bouygues has given employees the opportunity to share in the Group's success. To this end, we regularly offer incentives to encourage participation in our employee share ownership plan. To date, 54,500 employees have become shareholders. As a result, Bouygues has the highest level of employee share ownership of all CAC 40 companies. Employees hold 19% of Bouygues' shares, compared with the CAC 40 average of 3.5%^(a). Bouygues thus has a rare and truly remarkable long-standing ownership

structure, enabling us to roll out our strategy over the long term.

How do the business segments' strategies tie in with the Group strategy?

Each business segment enacts its own operational strategic priorities in response to the major trends we have identified. These specific strategies dovetail with the general framework set out by Bouygues. As a result, they contribute to the Group's mission and help deliver on its promise to generate free cash flow over the long term so that it continues to grow and pay regular dividends to shareholders, including employee shareholders.

Why are you so committed to keeping Group debt low?

We strongly believe that the long-term success of the Group and of its business model requires a firm control of debt. Throughout our history, we have experienced times when it was much more difficult and expensive to obtain financing. In addition, a solid financial structure is a definite advantage when responding to calls for tenders in the construction industry.

(a) According to an Eres study based on public data and information made available by the European Federation of Employee Share Ownership on collective employee share ownership schemes (i.e. available to all employees, at least to those in France) as opposed to schemes targeting certain employee groups.

Governance that is adapted to a long-term strategy

Thanks to its ownership structure, Bouygues boasts a stable governance adapted to the structure of a diversified group. As a result, it can implement its value-creation strategy over the long term. Reflecting its culture, the Group focuses on trust and empowerment, as well as on dialogue between the parent company and the business segments.

COMPOSITION OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES

Following the end of the AGM of 25 April 2019

13

DIRECTORS



- SCDM^a
- Directors representing employees/employee shareholders
- Independent directors
- Non-independent director

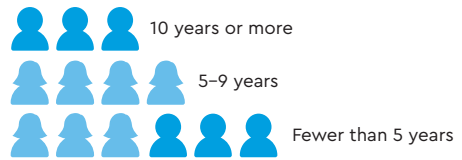
(a) SCDM is a company controlled by Martin and Olivier Bouygues.
 (b) Excluding director representing employees.
 (c) Excluding directors representing employees or employee shareholders.

58%

WOMEN ON THE BOARD^b



SENIORITY



50%

INDEPENDENT DIRECTORS^c

SPECIAL COMMITTEES

Three special committees comprised solely of independent directors and directors representing employees or employee shareholders.

55

AVERAGE AGE OF DIRECTORS

VARIED AND COMPLEMENTARY EXPERIENCE AND SKILL SETS

Given the diversity of the Group's business segments, its Board members must represent a broad range of skills.

SECTOR-SPECIFIC SKILLS

France – International

Banking-Finance
 Construction
 Energy
 Political office
 Industry
 Media
 Healthcare
 Telecoms
 Transport
 Utilities^a

PROFESSIONAL SKILLS

Digital
 Finance
 Executive of a large business group
 Corporate Social Responsibility
 Human resources

(a) Water, electricity and other public services.

THE WORK OF THE BOARD AND ITS COMMITTEES

At the heart of the Group's major strategic challenges

The Board ensures the Group's strategy is followed. All major strategic decisions affecting Bouygues and its business segments are reviewed at the meetings. For example, the Board in 2018 reviewed TF1's acquisition of aufeminin and the acquisition of Alpiq Engineering Services by Bouygues Construction and Colas.

KEY FIGURES FOR THE BOARD

in 2018

91.3%

AVERAGE ATTENDANCE

7

BOARD MEETINGS



THE WORK OF THE THREE SPECIAL COMMITTEES



HELMAN LE PAS DE SÉCHEVAL
Chairman

ACCOUNTS COMMITTEE

- Oversees the financial statements and financial information preparation process
- Verifies the effectiveness of internal control and risk management systems
- Reviews the risk map and major litigation
- Organises the selection of statutory auditors and monitors their work

5 meetings in 2018

85% average attendance



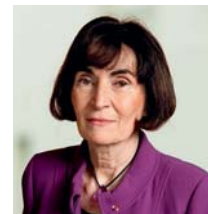
ANNE-MARIE IDRAC
Chairwoman

ETHICS, CSR AND PATRONAGE COMMITTEE

- Ensures compliance with the Group's values and rules of conduct
- Monitors issues relating to compliance, CSR and changes to business models
- Tracks implementation of sustainable development roadmaps by the business segments
- Gives its opinion on patronage actions to the Board
- Approves new compliance programmes and revisions to the Code of Ethics and to existing compliance programmes

5 meetings in 2018

100% average attendance



COLETTE LEWINER
Chairwoman

SELECTION AND REMUNERATION COMMITTEE

- Gives its opinion to the Board on appointments and term-of-office renewals of the directors, the CEO and Deputy CEOs
- Gives its opinion on the composition of committees to the Board
- Presents proposals to the Board on calculation methods and the amount of remuneration paid to corporate officers
- Recommends policy for stock-option grants

4 meetings in 2018

100% average attendance

(a) Corporate Social Responsibility.

THE GROUP'S SENIOR MANAGEMENT

The Group Management Committee is comprised of the four Executive Officers of the parent company and the five heads of the business segments, who all have vast experience within the Group.

Each business segment defines its own strategy within the framework of the overall vision as determined

by the parent company. As such, the business segments work to meet the major challenges facing the Group whilst retaining a great deal of freedom in managing their own operations. Continuous and constructive dialogue between the parent company and the business segments is pivotal in ensuring harmonisation and coordination at the highest level.

SELF-STANDING SUBSIDIARIES COORDINATED BY THE PARENT COMPANY AND BY BUSINESS-SEGMENT HEADS INVOLVED IN THE GROUP'S SENIOR MANAGEMENT

At 31 December 2018

Bouygues SA

The parent company has a significant presence on the Boards of each of the Group's five business segments, enabling it to help define their strategy and play an active part in making their important decisions.



MARTIN BOUYGUES
Chairman and CEO



OLIVIER BOUYGUES
Deputy CEO



OLIVIER ROUSSAT
Deputy CEO



PHILIPPE MARIEN
Deputy CEO



PHILIPPE BONNAVE



PASCAL MINAULT^a



HERVÉ LE BOUC



GILLES PÉLISSON



RICHARD VIEL



(a) Appointed on 13 February 2019.

The business segments' senior management team

Each business-segment head attends all Bouygues group Board meetings.

In line with practices at the parent company, the Boards of Directors of each business segment are supported by committees that enhance their decision-making in areas such as accounts, business ethics and remuneration.

REMUNERATION OF EXECUTIVE OFFICERS IS HEAVILY DEPENDENT ON PERFORMANCE

The remuneration of Bouygues SA Executive Officers has a fixed portion, an annual variable portion and, in the case of Olivier Roussat and Philippe Marien, a multi-year component. The overall package also comprises a capped supplementary pension benefit. The variable portion has three characteristics.

- **It is performance-related.** The remuneration of Executive Officers includes a variable portion indexed to the Group's performance (81% of the total) in relation to the targets set forth in the business plan.
- **It is linked to the Group's financial strength.** One of the quantitative criteria determining annual variable remuneration is change in net debt during the year versus the target in the business plan.

- **It is linked to CSR and compliance performance.** Extra-financial criteria account for 19% of total Executive Officers' variable remuneration.

The multi-year variable component, payment of which is conditional and deferred, consists of Bouygues shares. Because solid share performance is the underlying incentive, this mechanism ensures that the interests of the Group's Executive Officers (Olivier Roussat and Philippe Marien) align with those of other shareholders.



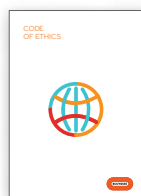
Group 2018 Registration Document, Section 5.4, Remuneration of corporate officers

ETHICS AND COMPLIANCE: A PERMANENT COMMITMENT BY THE GROUP

In 2006, the Bouygues group introduced a Code of Ethics, which sets out the essential values to which the Group and its employees are expected to adhere in performing their professional duties. It is intended to help employees make decisions in real-life situations by reference to clear and precise principles.

Certain major themes have since been expanded on in full compliance programme documents. The Ethics, CSR and Patronage Committee, a driving force within this domain, is systematically informed whenever serious shortcomings are observed and monitors the remedial measures.

CODE OF ETHICS



Code of Ethics

FIVE COMPLIANCE PROGRAMMES



Financial Information and Securities trading



Competition



Anti-corruption



Conflicts of Interest



Embargoes and Export Restrictions

In these compliance programmes, the Group reiterates the main regulations and rules of conduct that are applicable, and specifies the measures for information, prevention, control and penalties that are to be implemented within the business segments.

The Code of Ethics and the compliance programmes, which are disseminated to employees, are updated regularly based on feedback.

In 2017, an extensive review was carried out to update them, concurrent with the publication of a new compliance programme on embargoes and export restrictions. The corporate whistleblowing facility was also revised subsequent to enactment of France's Sapin 2 anti-corruption and transparency law.

In 2018, the Ethics, CSR and Patronage Committee and the Board of Directors reviewed the progress made in implementing the Sapin 2 law throughout the Group.

As with the parent company, each business segment has its own ethics committee and ethics officer.



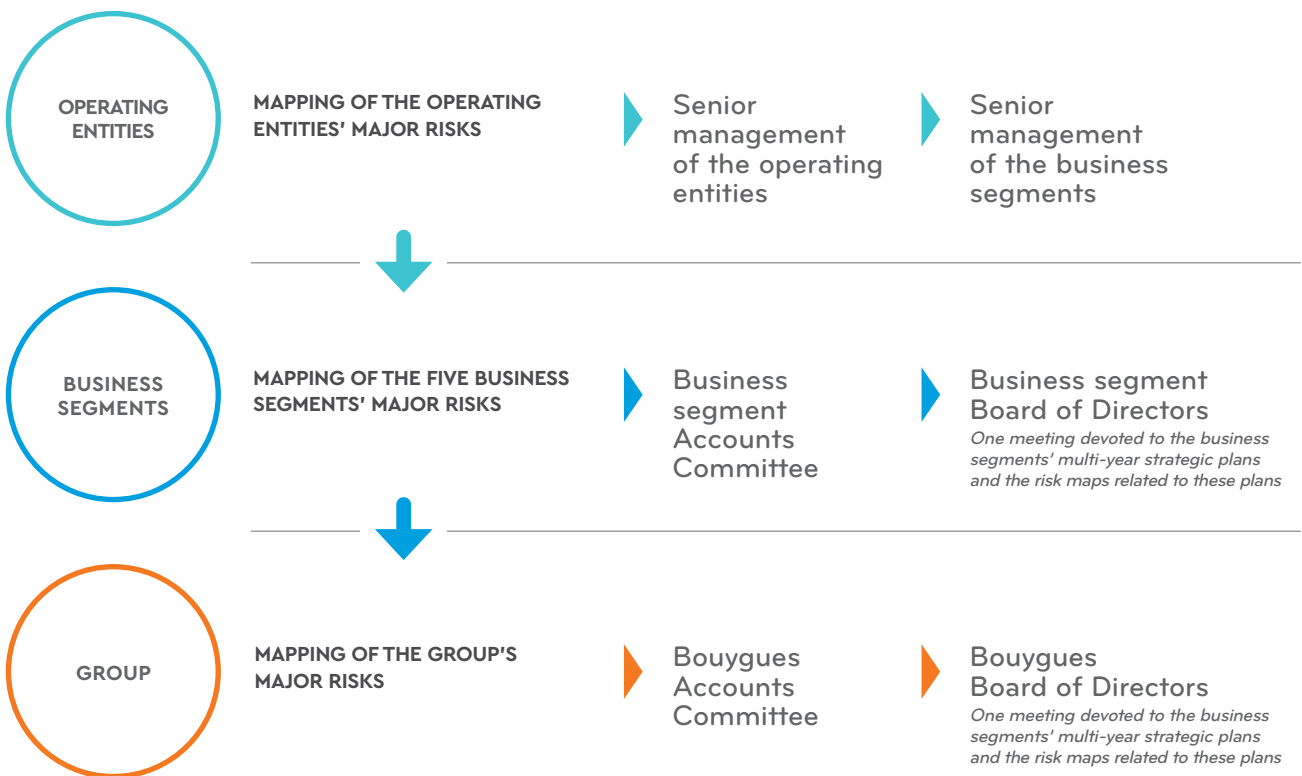
The Group Code of Ethics is available at [bouygues.com](https://lc.cx/m6C7)
<https://lc.cx/m6C7>

Managing the risks inherent to the Group's business activities

Risk management is based on principles that guide how employees act at all corporate levels, namely: prudent thinking, application of experience, pre-emptive action and long-term vision, transparency and collegial decision-making. To coordinate and improve major risk control, the Group has implemented a risk management procedure underpinned by these principles.

RISK MANAGEMENT PROCEDURE

Each year, the major risks – from strategic and operational to financial, legal, IT and ethical risks – are identified and assessed at the operating entity, business segment and Group levels. Action plans are drafted and monitored to improve control over these risks.



This procedure, which follows an annual cycle, involves a large number of operational and support employees who work to supply regular, transparent information to governance bodies and share expertise between generations.

MAJOR RISKS IDENTIFIED^a

DESCRIPTION OF RISKS

EXAMPLES OF ACTIONS IMPLEMENTED

Major construction projects

Major construction projects can incur significant risks:

- In the design phase: design flaws, under-budgeting, poor assessment of the local environment, etc.
- In the execution phase: counterparty business failures, difficulty in recruiting human resources, construction defects leading to cost overruns, quality problems or failure to meet deadlines

- A validation process specific to major projects
- Special monitoring and management structures (e.g. Colas Projects)
- Monitoring of risks specific to major projects, with findings shared with senior management

Compliance and ethics

The Group's business activities are diversified, decentralised and present in many different countries. Consequently, it must work extremely hard to prevent and detect unethical behaviour, such as fraud, failure to comply with competition law and corruption.

- Clear rules are disseminated by means of the Group Code of Ethics, the compliance programmes and the Internal Control Reference Manual
- A visible commitment from senior executives of the Group and of each business segment
- Awareness-raising exercises among employees and regular training of those most exposed

Business continuity and cybersecurity

Cyber-attacks and attempts to hack into networks and information systems may result in critical operating systems becoming unavailable or sensitive data being stolen

- Protective mechanisms for systems and data
- Management of authorisations for accessing information systems
- Supervisory and incident management systems
- Raising awareness among employees
- Security audits
- Cyber-risk insurance

Acquisitions and diversification

Acquisitions entail risks related to identifying and valuing target companies as well as assessing their development potential, and taking into account any regulatory requirements. The integration stage can also be difficult. Acquired companies performing below expectations can in some cases produce impairment charges.

- Investment committees and specific approval bodies
- Clear definition and monitoring of risks associated with planned transactions
- Investment monitoring and full progress reviews

Disintermediation

New digital players have appeared or are emerging in the markets in which the Group operates.

- Property and construction: emerging digital platform operators are offering innovative ways of selling directly or managing the various parts of the value chain
- Media and telecoms: TV viewing is becoming non-linear^a and broadcasters are facing heightened competition from new providers such as web TV channels and GAFAN^b

- More products and services harnessing digital technology, e.g. Dijon smart city
- TF1 is branching out into production (Newen, etc.) and digital content (MYTF1 and aufeminin.com)
- Open innovation

(a) Viewing that does not follow the broadcaster's imposed schedule. Viewers determine when they view content, for example using the catch-up feature or video on demand.

(b) Acronym standing for Google, Apple, Facebook, Amazon and Netflix.

Markets

The Group's business segments operate in markets that are often very competitive and subject to rapid change. For example:

- Construction markets have always been subject to changes and cycles driven by external factors, from economic and political contexts and purchasing power to long-term interest rates, and administrative and tax measures.
- Due to changes in the public's televisual tastes, a mismatch may arise between editorial needs and past programme acquisitions.
- The market for mobile telephony in France is highly competitive. Promotions have become a permanent feature.

- Business line diversification
- Geographical diversification
- Innovation in products and services, maintaining the edge over competitors
- Cautious management of the land bank

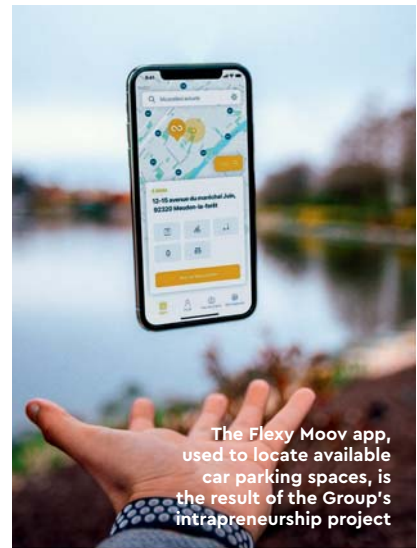


FIND OUT MORE
> Group 2018 Registration Document, Chapter 4, Risk factors

(a) Based on the following criteria: probability and financial impact.

The Group's innovation strategy

Population growth and urbanisation, climate change, digital and technological transformation and changing user behaviour: these 21st century challenges are opportunities for Bouygues. The Group's innovation strategy equips it to capitalise on them in an era of rapidly changing technology.



Innovation is only worthwhile if it can be used to deliver real benefits. The Bouygues group therefore looks ahead to identify its stakeholders' future expectations and conceptualise the technologies and new business models that would best meet them. As a result, we can offer useful products and services whose added value is reaped and appreciated by customers and users alike.

Making technology work for people

The Bouygues group has identified four technologies that it believes will shape its businesses:

- The **Internet of Things**, combined with **Big Data**, can harvest and analyse data on an enormous scale. For example, it can capture building flows in real time using built-in sensors, thereby improving their management and security.
- **Artificial intelligence** makes it possible to predict a building's energy consumption

at different times of the day and year in order to optimise the management of its resources.

- Thanks to **virtual and augmented reality**, customers can see their future homes in 3D and choose their fittings and interior decoration.
- Finally, **blockchain**^a is currently used when signing complex contracts to make these transactions more secure, more transparent and faster.

A vibrant eco-system with unique advantages

The Group has compelling, unique advantages that enhance its potential to innovate.

One of these is a large eco-system linking internal and external partners, not just in France but also abroad, thanks to the Group's strong international presence and its two technology-intelligence units^b. This structure is fertile ground for generating fresh ideas and developing new types of business.

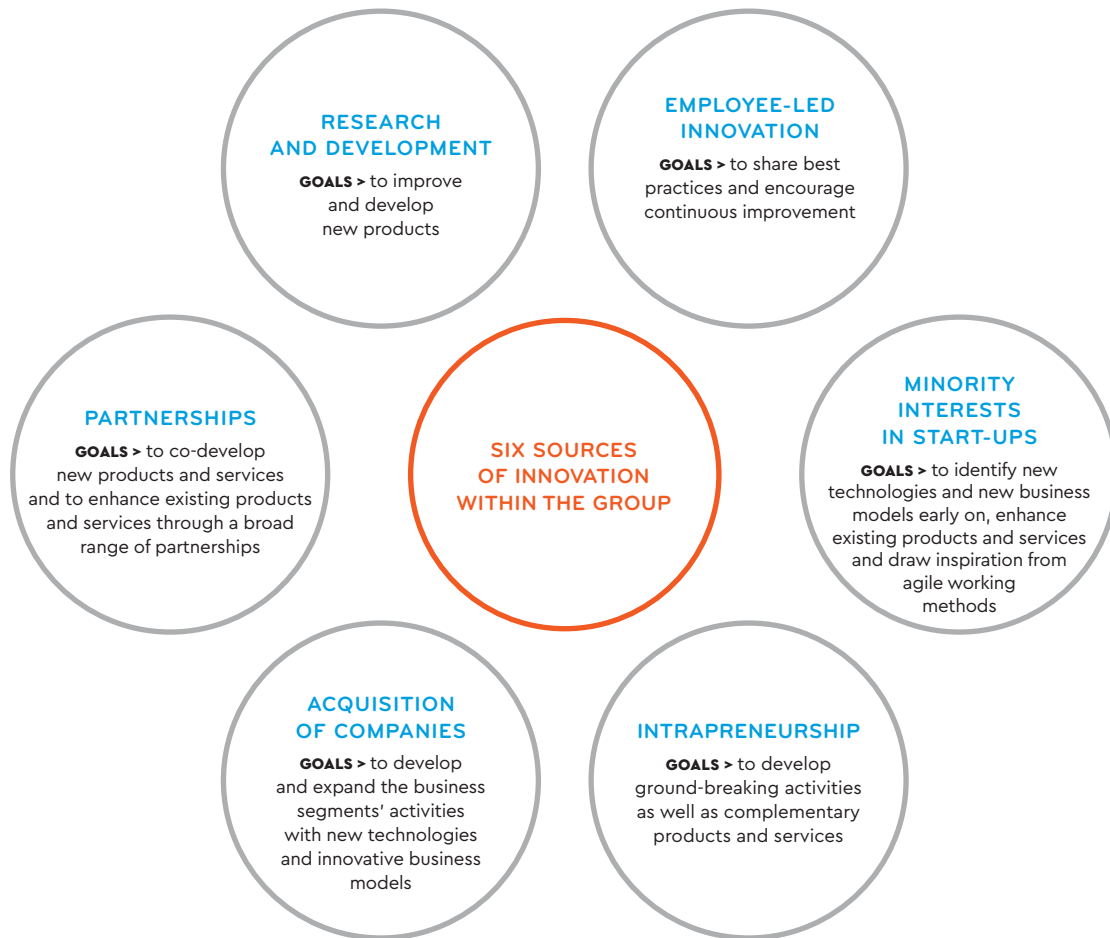
In addition, the diversity of the business segments unlocks synergies when working on cross-disciplinary themes that aim to address a variety of future usage types. This unique structure is an advantage that bolsters the Group's competitive position. For example, Bouygues believes that the advent of 5G will impact all its business segments. The Group will be able to leverage it to capitalise on the complementarity of its business segments. An internal accelerator, SmartX 5G, will group together all initiatives relating to 5G technology and assemble business partners, customers and research laboratories to test and develop uses to improve quality of life for everyone.

Bouygues itself is also pursuing its digital transformation, by digitising its working methods and processes to boost productivity and efficiency. By fostering a digital culture within the Group, Bouygues is giving free reign to its employees' creativity, turning each one into an innovator.

(a) A blockchain is a decentralised, distributed and public digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and the consensus of the network (Wikipedia definition).

(b) Winnovation in San Francisco and Bouygues Asia in Tokyo.

SOURCES OF INNOVATION WITHIN THE GROUP



CONNECTED URBAN ENVIRONMENTS

The Bouygues group's five business segments are innovating to revitalise urban environments and make them more collaborative, ecological and smart, thereby generating progress. A brief overview.



Dijon is set to become France's first smart city. Following the design phase, which involved all stakeholders, Bouygues Energies & Services and its business partners^(a) will manage all public services and infrastructure in real time. Among other benefits, the local authority will obtain a 65% reduction in street lighting energy consumption.



Colas offers smart mobility solutions, integrating services for both the road user and road-network manager. The Moov'Hub app, developed by Mobility by Colas, aggregates data from various sources to help drivers find available car parking spots, guide them there and facilitate payment for parking in Paris-Saclay university campus. It also facilitates getting there using public transport.



Thanks to its nationwide network of connected objects, Bouygues Telecom offers local authorities a range of solutions adapted to their needs and budgets. For example, municipalities can track the air quality of nurseries and schools, monitor the water level of a river, keep an eye on energy costs and more besides.

(a) Consortium consisting of Bouygues Energies & Services and Citelum, with Suez and Capgemini.



Ginko, the eco-neighbourhood
on Bordeaux Lake



4

Pledges

What drives the Group and supports its transformation



Top CSR priorities

Bouygues' top CSR priorities are defined on the basis of an analysis of the underlying trends^a and stakeholder expectations, which are identified during consultations held regularly by the Group.

As part of its CSR policy, and to ensure the longevity of its business models, the Group is in constant communication with its stakeholders, which include employees, trade unions, customers, local authorities, administrations, NGOs, extra-financial ratings agencies, the financial community and others.

Dialogue takes place at Group and business-segment level as well as locally, serving as an important source of input during the materiality assessments^b that identify the top CSR priorities.

Priority issues meet three criteria:

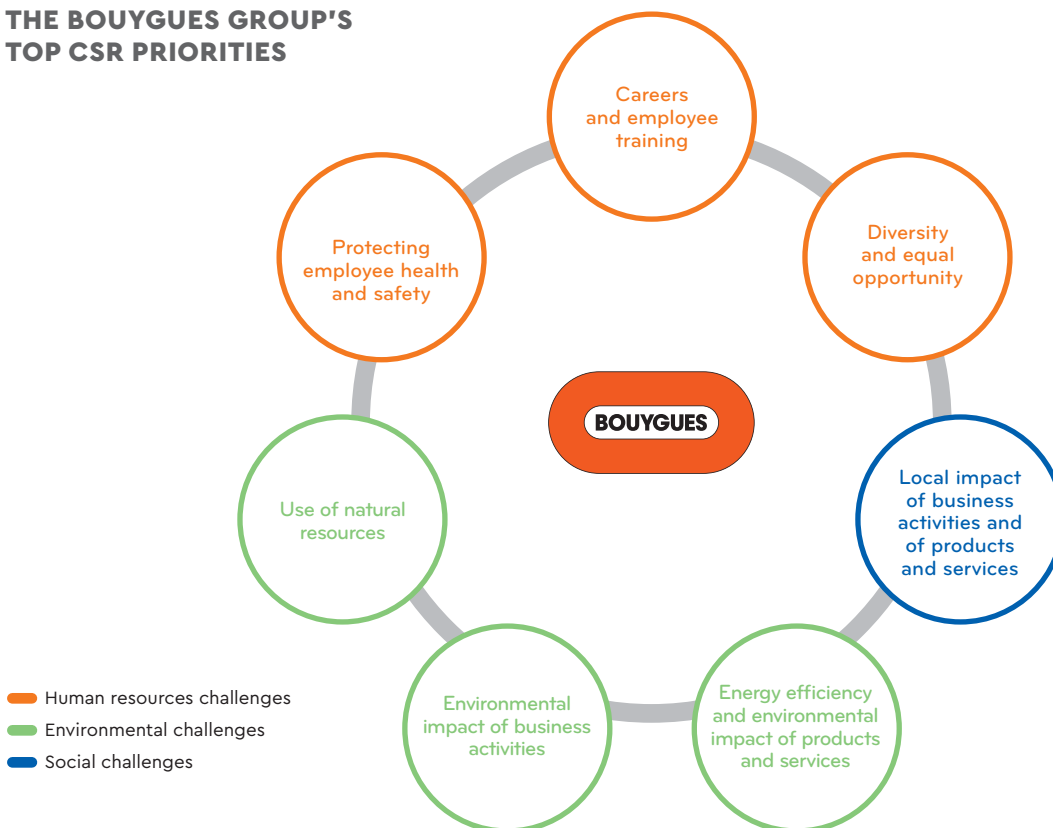
- they have a significant impact on the Group's businesses and can also be a source of opportunity;
- stakeholders have high expectations regarding them;
- they will become increasingly important, serving also as sources of short- and medium-term transformation.



FIND OUT MORE

- > Group 2018 Registration Document, Chapter 3, Statement on Extra-Financial Performance (SEFP)
- > Sustainable development section at bouygues.com

THE BOUYGUES GROUP'S TOP CSR PRIORITIES



(a) See p. 12 and 13 "Trends providing opportunities".

(b) The purpose of these assessments is to establish a suitable hierarchy of issues relating to sustainable-development strategy, taking into account both corporate priorities and the expectations of the various stakeholders. In 2018, the Group's five business segments launched materiality assessments for their respective business areas. These are scheduled to be completed in 2019 and reinforce the efforts of the Group and business segments to listen ever more attentively to their stakeholders.

THE BOUYGUES GROUP'S FOUR PLEDGES

To maximise its response to these issues, capitalise on the related opportunities and guide its transformation, the Group has committed itself to four key pledges.



**Olivier
Bouygues**

Deputy CEO

THREE QUESTIONS FOR...

Why is it important for the Bouygues group to set CSR priorities?

For our solutions to be credible and effective, we must focus our efforts and resources on the areas in which we can most make a difference. This is even more important given the diversity of our business activities. Once we have identified our top priorities, we can then invest in R&D, begin changing the way we operate, build our expertise by hiring or training staff, forge partnerships and more besides. We review our priorities regularly to adapt them to changes in our environment and stakeholders' expectations.

Is it possible to define common strategic priorities in a group as diverse as Bouygues?

Yes. Although some business segments deal with specific issues, such as the environmental impact of quarries at Colas or better representation of diversity in broadcast content at TF1, there are issues that span all the Group's activities. These include supporting our employees' career development and ensuring that our businesses have a strong local foothold.

How do you dialogue with stakeholders?

We set up panels and ask them for their opinion of the Group as a responsible corporate citizen. Their responses inform our deliberations and shape our subsequent actions. We can then consult them again later to ask how we are doing, thereby pursuing constant improvement.

1. Promoting each employee's career development

Because of how, why and where it operates, the Bouygues group's people are its most important resource. Their dedication is what drives our performance. The Group therefore makes it a priority to encourage them in their careers and value everyone's contribution, regardless of background, education or profession.

Bouygues endeavours to provide its employees with regular opportunities for building their skills with a view to furthering their ambitions and meeting the Group's future needs.

Moreover, the success of Bouygues' businesses is underpinned by the creativity of its teams and an ability to reinvent itself. Diversity is a true driving force that must be encouraged accordingly.

To inspire its people and attract new talent, the Bouygues group aims to:

- offer rewarding careers;
- adapt to changes in the world of work;
- speed up the advancement of women within its companies.



STRONG LABOUR RELATIONS AS THE KEY TO QUALITY HUMAN INTERACTION



From its outset, the Bouygues group has been known for its comprehensive, high-quality labour relations, which it considers essential to its cohesion. These relations are nurtured by active engagement with employee representatives, open and constructive dialogue, and consideration

for shared ambitions. This systematic approach ensures harmonious human interaction within the Group.

In France, the Group's high turnout in workplace elections bears witness to the robust state of its labour relations. In 2018, 82.33% of employees voted, which

is substantially more than the national average^a.

Outside France, the Group also has employee consultation bodies. As a result, 67% of the Group's companies outside France have official employee representation.

(a) 42.76% in 2017 according to France's national council on labour relations.



1



2

1. Since 2018, all employees have access to the Netexplor online training platform, which enables them to learn more about issues relating to digital transformation and what this means for their job. 2. "Innovate Like a Start-Up" is the Group's intrapreneurship scheme, open to all Group employees.

OFFERING REWARDING CAREERS

Thanks to the diversity of its business activities, the Bouygues group can offer varied and inspiring career paths in France and further afield. Over time, employees gain diverse skill sets, thereby ensuring a rewarding experience throughout their working lives.

Employability is a key component of our employees' sense of fulfilment and success. The Group's human resources policy strengthens employability through promotion, training and job mobility. For example, more than 226,000 days of training were dispensed in 2018, 16% more than in the previous year.

Internal job mobility, particularly between the five business segments, is an outstanding opportunity for Bouygues staff to develop their talents by working in very different environments. The Group is aware that, to enrich its employees' careers, it must leverage its unique structure. Through a highly dynamic, concerted policy, Bouygues is committed to removing the barriers to intra-Group mobility.

True to its corporate culture, the Group also seeks to spur employee creativity by

encouraging innovation through intrapreneurship programmes that support home-grown projects and initiatives. Such programmes catalyse employee involvement as they energise and give meaning to their efforts.

Group objective: increase internal job mobility between the business segments.

- Pursue the roll-out of career committees at Group level to cover all cross-company departments, such as legal, IT, HR and finance.
- Offer an optimised, more enhanced version of the online platform Moby clic^a (to be accessible from PCs, smartphones and tablets), to give employees easier access to internal job vacancies.
- Organisation of a specific event, called Opportunity, mainly devoted to the promotion of intra-Group job mobility. The main aim is to encourage employees to pursue a multi-faceted career within the Group's various subsidiaries.

IN 2018

3,330 EMPLOYEES chose an internal job mobility within the Group.

1,000 INTERNAL JOB VACANCIES were available at any given time for employees to consult on Moby clic^a.

35 INTRAPRENEURSHIP PROJECTS were under development.

(a) An extranet site dedicated to internal job mobility within the Bouygues group.

ADAPTING TO CHANGES IN THE WORLD OF WORK

Employees today expect their workplace to support enhanced well-being at work, a better work/life balance and new types of organisational structures.

The Group is proposing new, tangible responses to these demands while still maintaining employee health and safety as its top priority. Office spaces are being redesigned to adapt to the latest working methods, which are now more collaborative and agile. In addition, particular attention is paid to time management and work organisation. For example, certain business segments are increasing accommodating arrangements that allow employees to work from home or other

remote locations. Furthermore, in addition to raising awareness about the "right to switch off", they regularly conduct anonymous employee satisfaction surveys.

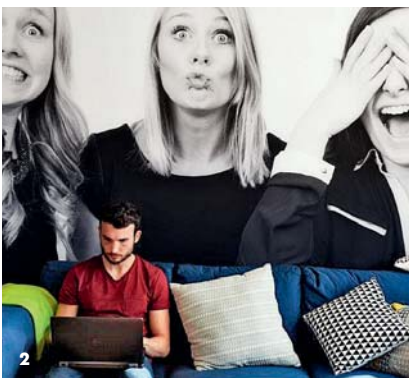
For Bouygues, these are essential steps for improving both individual and team performance. It therefore wants to expand these practices and extend them to all business segments.

Group objective: improve each business segment's annual HR performance score awarded by the Top Employers Institute since 2018.

In 2019 and for the second year in a row, Bouygues was the only group to be awarded Top Employer France certification for all its business segments.

Bouygues Construction has expanded its certification scope to Europe.

Bouygues Construction offers 6,000 employees in France the opportunity to work remotely at different locations for a few days each month. A mobile app provides access to work spaces throughout France, both on Group premises, such as agencies and worksites, and elsewhere, such as coworking spaces^a.



1. Bouygues Immobilier has launched an HR Lab devoted to trialling new working methods and organisational structures based on collective intelligence.
2. In 2015, the head offices of Bouygues group companies began redesigning all their office spaces to accommodate new working methods.

(a) Shared office space.



1. One of TF1's major focal points is to represent women more fairly and to use more female experts in news programmes.



2. A female employee working on the NorthConnex worksite in Australia.

SPEEDING UP THE ADVANCEMENT OF WOMEN WITHIN ITS COMPANIES

Bouygues firmly believes that gender equality fosters creativity and cohesion, thereby significantly improving performance and accelerating the Group's transformation.

The Group's workforce counts more men than women, given the predominance of its construction businesses. Hence Bouygues operates a proactive gender-equality policy, with a view to closing the gap, especially in the professions where they are currently under-represented.

The Group does not simply want to hire more women, it also supports them over the long term, focusing in particular on their career development and encouraging their advancement in order to achieve a higher proportion of women managers.

To this end, each business segment is rolling out a specific action plan to raise awareness about gender stereotypes, conduct mentoring programmes and develop both female-only and mixed male/female networks within the Group.

Group objective: bring more women on board at all levels.

- Increase the proportion of women in our workforce from 18.4% in 2018 to 21% in 2020
- Increase the proportion of women in executive bodies in France from 18.8% in 2018 to 23% in 2020

IN 2018

470 WOMEN MENTORED since the launch of the Group's mentoring programmes

2,000 MEMBERS OF FEMALE-ONLY OR MIXED FEMALE/MALE NETWORKS within the Group

8,000 VISITS to Bouygues Construction's platform for the "And why not you?" recruitment campaign, aimed primarily at women

For the fourth year in a row, **12 FEMALE EMPLOYEES FROM BOUYGUES' BUSINESS SEGMENTS PARTICIPATED IN THE WOMEN'S FORUM "FOR ECONOMY & SOCIETY"**

2. Developing sustainable solutions with and for customers

Tackling environmental issues is a key element of the Bouygues group's strategy. It is a necessary requirement for ensuring the Group's long-term survival. Beyond that, it represents an opportunity for the Group to position itself as a provider of solutions that respond to the challenges of climate disruption and resource scarcity.

The Group translates its commitment into action by constructing energy-saving housing units, choosing innovative and environmentally friendly materials such as wood, producing energy, for example through positive-energy buildings, and adopting the principles of the circular economy. Bouygues' commercial offerings, which are increasingly co-designed, prove that the Group can meet not only customer expectations, but also the environmental standards connected with its business activities.

Consequently, wherever permitted by tendering rules, Bouygues consistently offers even higher-performing solutions than those recommended by law.

In developing its sustainable solutions, the Bouygues group aims in particular to:

- support customers in moving towards energy transition;
- safeguard resources;
- contribute to the ramp-up of building energy renovation.



In Grenoble, the future business campus of Schneider Electric will include a 4,000 m² photovoltaic power plant, two roof-top wind turbines and a geothermal energy system using groundwater.

A PARTICIPATORY APPROACH TO DESIGNING SUSTAINABLE NEIGHBOURHOODS

Bouygues is a major player in the design of sustainable neighbourhoods. It participates in consortiums made up of urban stakeholders such as companies, start-ups, academic institutions, charities and local government authorities, working to strike a balance between improving residents'

quality of life and reducing the environmental footprint of neighbourhoods.

The Group supports local authorities with the aim of better understanding the area and its specific circumstances. Through outreach and co-design initiatives, projects are designed to satisfy residents'

aspirations while responding to their expectations. As a result, the Group is able to offer integrated solutions combining sustainable construction, energy efficiency, functional diversity, soft mobility, biodiversity and new technologies adapted to residents' needs. These stem from the collaborative approach taken by its

business segments, backed up by industrial partnerships.

The Bouygues group has over 40 eco-neighbourhoods to its name, both in France and abroad. One such eco-neighbourhood is École Évangile, situated on 30,000 m² in north-east Paris, which was designed in consultation with local communities.

SUPPORTING CUSTOMERS IN MOVING TOWARDS ENERGY TRANSITION

Low-carbon construction is one of Bouygues' major growth priorities. In addition to raising awareness of energy consumption among its customers, the Group promotes highly ambitious sustainable-construction standards, namely low-carbon, passive-energy and positive-energy buildings.

With this in mind, Bouygues Construction and Bouygues Immobilier helped launch the first-of-its-kind BBCA^a label, which recognises initiatives that reduce the carbon footprint of buildings throughout their life cycles.

Since 2007, Bouygues and its business partners have also offered solutions for producing renewable energy. Several innovations have already been introduced,

such as positive-energy buildings and the Wattway^b solar road.

Finally, Objenius^c and its business partners offer solutions for energy optimisation, carbon-footprint reduction and soft mobility.

Group objective: support the energy transition by reducing its greenhouse gas emissions and by helping customers improve their energy efficiency.

- At Bouygues Construction: 20% fewer greenhouse gas emissions by 2030 versus 2015.
- At Bouygues Immobilier: 30% fewer greenhouse gas emissions by 2030 versus 2017.

IN 2018

The Bouygues group returned to the Carbon Disclosure Project's Climate Change A List

13% OF THE ORDER INTAKE at Bouygues Energies & Services included contractual commitments on energy performance

29 SOLAR FARMS were under construction or being connected, bringing the total number of solar farms built by the Group to over 190

(a) The BBCA low-carbon label certifies that a building has an exemplary carbon footprint.

(b) The world's first photovoltaic road surface, developed by Colas.

(c) A Bouygues Telecom subsidiary specialised in connected objects.



1. In Strasbourg, Bouygues Immobilier initiated construction of the Sensations development, which has been recognised with a BBCA label for excellence in the design phase as well as the "Trophée Habitat" award (FimbACTE). Boasting 11 storeys, it is currently the largest high-rise residential tower whose structure is made entirely of timber. **2.** The Noheji solar farm in Japan is expected to supply around 3,000 households with energy. **3.** A 70-m² Wattway photovoltaic road surface pilot site was installed near Chambéry in the French Alps region to supply energy to a hydrogen production plant. The energy will power a fleet of new-generation bicycles as well as two electric vehicle charge points.



1. 97% of the material demolished on a former industrial site in Bagneux (near Paris) was re-used, including all the concrete from buildings. **2.** Laying the foundation stone of the ABC (Autonomous Building for Citizens) in Grenoble. This innovative building is designed to be more independent from utility networks by producing its own energy, limiting water consumption and recycling the majority of its waste. **3.** While rehabilitating 9 km of the E34 motorway, Colas Belgium recycled all the material recovered from the previous infrastructure, incorporating it into the new road pavement.

SAFEGUARDING RESOURCES

IN 2018

COLAS RECYCLES MORE THAN 15 MILLION TONNES OF MATERIAL every year.

270,000 USED MOBILE HANDSETS COLLECTED BY BOUYGUES TELECOM for reconditioning or recycling.

(a) Source: Ademe (the French environment and energy management agency).

The construction industry generates 70% of the 324 million tonnes of waste produced every year in France^a. The increasing scarcity and rational use of natural resources are therefore particularly important issues for the Group. Bouygues is therefore rethinking its processes, products and services to incorporate the principles of the circular economy and reap the environmental and economic benefits that this will afford.

The Group's construction businesses are implementing solutions centred around four priorities. The first is selecting sustainable and easily recyclable materials during the design phase; the second is reducing the amount of resources used during construction; the third is recovering and re-using materials on site, and the fourth is recycling waste material from construction worksites or demolition projects.

Other current projects involve the design of reversible buildings, e.g. office space that can easily modulate into housing units if required.

Group objective: help reduce the consumption of finite resources.

- At Bouygues Construction: in 2019, the definition and roll-out of a group strategy that includes quantified goals and performance indicators related to the circular economy and responsibly-sourced supplies
- At Colas: the objective of recycling all its worksite materials with the help of Premys, a Colas subsidiary in mainland France specialised in demolition
- At Bouygues Telecom: encouraging the collection, reconditioning and sale of used mobile handsets



1. Cité Curial-Cambrai in north-east Paris, whose 1,772 housing units were renovated without requiring residents to leave. This was done notably by improving insulation from the outside. 2. Bouygues Construction is renovating the building at 17 boulevard Morland in the centre of Paris. Renovation of the offices at this location is due to be certified by the HQE™ Excellent, BREEAM Bespoke International Very Good and BBC-effinergie® labels. The housing units carry the labels HQE™ Excellent and BBC-effinergie® Rénovation. 3. Sways (Smart Ways to Work), the Rehagreen renovation project to provide flexible office space, in Issy-les-Moulineaux.

IN 2018

11 NEW OR RENOVATED DEVELOPMENTS AWARDED THE BBCA LABEL^b in the Paris region (Bouygues Construction).

BBCA RENOVATION LABEL AWARDED for the headquarters of the Groupe des Industries Métallurgiques in Neuilly-sur-Seine, west of Paris, which was renovated by Linkcity Île-de-France.

CONTRIBUTING TO THE RAMP-UP OF BUILDING ENERGY RENOVATION

According to the European Union, nearly 110 million buildings in Europe must undergo thermal renovation in order to reach European energy-saving targets between now and 2050^a. These poorly insulated buildings represent an opportunity for the Group, which has developed solutions and recognised expertise in the energy renovation of buildings.

Bouygues Immobilier and Bouygues Construction offer renovation services through Rehagreen and Wizom

Réhabilitation, respectively. These include, for example, smart systems that reduce energy consumption while improving the comfort of residents.

In addition, Bouygues Construction's energy renovations for social housing – helping such landlords combat fuel poverty – can be completed without requiring residents to move out. It also participates in the European EnergieSprong programme, which aims to encourage this type of renovation for social housing on a large scale.

Group objective: contribute to the ramp-up of energy renovation in France and abroad.

• Improve the Group's renovation solutions by taking into account the geographic and climate specificities of the regions in

which renovation is performed.

- Increase the Group's investment in recognised initiatives for designing and testing new renovation solutions such as EnergieSprong procedures and the BBCA^b Renovation label.
- At Bouygues Immobilier: to have 70% of the total surface area of office buildings rehabilitated through Rehagreen^c or Green Office^d between now and 2020 (59% in 2018).

(a) Source: 2016 study by the European Parliament's Committee on Industry, Research and Energy.

(b) The BBCA low-carbon label certifies that a new or renovated building has an exemplary carbon footprint.

(c) Bouygues Immobilier's commercial property rehabilitation service, launched in 2009.

(d) Bouygues Immobilier's brand of positive-energy office buildings, launched in 2007

3. Simplifying everyday life

The Bouygues group's mission is to improve the lives of customers and users through the solutions it offers. All its products and services are designed to make everyday life easier and more enjoyable, whether at home, neighbourhood or city level, or in transport, communication, news or entertainment.

The innovative solutions developed and marketed by the Group's business segments enhance users' experience and also enable them to save time and money.

To simplify everyday life, the Bouygues group commits to:

- streamlining the experience of residential customers;
- making it easier to access media content and communication networks;
- facilitating mobility in both urban and rural areas.



1. Inside a Bouygues Telecom store. **2.** In Toulouse, Colas built infrastructure for the Envol (T2) line of the city's tram network.

DELIVERING THE SIMPLEST CUSTOMER EXPERIENCE POSSIBLE



Bouygues adapts its processes to different types of clientele and digitises its services to offer customers a simple and efficient experience.

For example, Bouygues Immobilier has opened BI Stores where potential buyers can immerse themselves in their future home. Through 3D models (viewed using a virtual reality headset) and a range

of digital resources, they can explore what it would be like to live in their next home.

Bouygues Telecom offers customers more options and a more seamless experience across all its channels as 65% of customer actions can be performed digitally.

TF1 has created the "Box TF1 Publicité", a digital solution that makes it easier for media agencies to

communicate with the group and purchase advertising slots. By offering agencies a fast, standardised and secure solution for submitting scheduling requests, TF1's advertising sales unit offers customers an enhanced experience, especially with respect to the time it saves.



1. Bouygues Construction has already tested and validated the efficiency of the "Wizom for Life" offer on several developments such as Azaïs in Sanguinet (south-west France), Résidences Vertes in Pulnoy (north-east France) and Ivry Confluences in Ivry-sur-Seine (Paris region). 2. The IntAIRieur label, which certifies indoor air quality in new builds, was applied to Oreka, a development of 174 housing units located in the Séqué éco-neighbourhood in Bayonne.

STREAMLINING THE RESIDENTIAL CUSTOMER EXPERIENCE

Housing as we know it is undergoing a radical transformation, both in appearance and function, driven by increasing urbanisation, an ageing population, digital advancements and new habits. Aware of these changes, the Group designs housing units that strike a balance between personalisation, user-friendliness, health considerations and the ability to adapt to residents' needs as they age.

For example, the Group's connected home solutions offer occupants the following:

- more convenience, thanks to central and remote control of lighting, heat and rolling shutters;
- increased energy savings and performance. Because residents can monitor their consumption in real time and remotely control devices, they can reduce their utility bills and save water, gas and electricity;

- safety and security thanks to sensors that can detect leaks, fires, open windows, doors left ajar or not closed or locked properly, and more besides;
- good health through sensors that indicate indoor air quality.

Technology is therefore used to make life better every day.

Bouygues also offers housing units that can be adapted to meet the changing needs of its residents, precipitated for example by a new baby or the need for home healthcare.

Group objective: roll out Wizom^a and Flexom^b housing units on a greater scale.

- At Bouygues Construction: from 2019, incorporate "Wizom Connected" into 20% of housing units constructed worldwide
- At Bouygues Immobilier: equip all housing units with Flexom digital technologies by 2020

IN 2018

WIZOM SOLUTIONS LAUNCHED by Bouygues Construction.

4,000 HOMES EQUIPPED WITH THE FLEXOM SOLUTION handed over in 2018, versus 600 in 2017.

(a) A housing solution developed by Bouygues Construction to usher in a new era of connected, adaptable, resource-saving and customisable homes. Wizom also offers rehabilitation services without requiring residents to move out.

(b) Bouygues Immobilier's connected-home solution.

MAKING IT EASIER TO ACCESS MEDIA CONTENT AND COMMUNICATION NETWORKS

EN 2018

No.1: Bouygues Telecom ranked top for the quality of its mobile network in rural areas, according to a 2018 survey by Arcep, the French telecoms regulator.

FIBRE OPTIC NETWORK IN 79 FRENCH DEPARTMENTS.

1.4 BILLION videos viewed on MYTF1.

Communication is a fundamental societal need and how we go about it is rapidly changing. People today expect to be able to access content and services instantly – anywhere, anytime and on any device. Data consumption requires top-quality service. In addition, consumers are being offered increasingly personalised content.

The Group strives to deliver a communications experience that meets customers' expectations. To do so, it continues to invest in expanding the availability, quality and reliability of its very-high-speed fixed and mobile networks. It is also streamlining and simplifying access to content at home or on mobile devices, at all times of the day.

In addition, the Group is working to ensure that everyone, even people living

in rural areas, have equal access to all its services.

Group objective: offer everyone reliable, seamless access to content and communication networks.

- 12 million households covered by Bouygues Telecom's fibre optic network by end-2019
- Launch of the Salto^a platform by TF1, France Télévisions and M6 in 2019, offering a full range of non-linear^b content and first-class service



1. In late 2018, Bouygues Telecom signed a partnership with CityFast (a consortium between Bouygues Construction subsidiary Axione and Mirova) to roll out FTTH^c infrastructure in very dense areas of France. **2.** In Bordeaux, Bouygues Telecom has been trialling France's first 5G project under real-life conditions, placing the first 5G phone call in the streets of Lyon.

(a) Subject to authorisation by the competent authorities.

(b) Viewing that does not follow the broadcaster's imposed schedule. Viewers determine when they view content, for example using the catch-up feature or video on demand.

(c) Fibre-To-The-Home.



1. Flowell, the dynamic road-marking solution developed by Colas' R&D department, ensures pedestrian safety, optimises urban spaces, regulates traffic flow and facilitates the shared use of roads by different modes of transport. 2. A tunnel boring machine with a diameter of nearly 10 metres is used on package T2A of Metro Line 15 South of the Grand Paris Express rapid transit link. 3. Electric vehicle charge points provided by Alizé.

FACILITATING MOBILITY IN BOTH URBAN AND RURAL AREAS

IN 2018

WATTWAY WON THE SILVER SMART CITY AWARD and the second Grand Jury Prize at the 2019 CES in Las Vegas.

16 TUNNELS UNDER CONSTRUCTION worldwide.

10,000 ELECTRIC VEHICLE CHARGE POINTS ACCESSIBLE on the networks managed by Bouygues Energies & Services.

Under the twin pressures of population growth and urbanisation, large metropolitan areas are grappling with the traffic congestion caused by insufficient infrastructure while also dealing with the increasing need for mobility inside and outside of urban areas.

The Group offers a broad range of solutions to these issues.

First and foremost, it is continuing to pursue its long-standing business of building new infrastructure – including tunnels, bridges, roads, railways and bicycle routes – to improve the mobility of people and goods.

In addition, Bouygues maintains roads, railways, bridges, airport runways and breakwaters throughout France and abroad.

The Group is now introducing digital technology into urban spaces. Colas is leveraging the power of connected objects to invent smart roads that provide innovative services to enhance safety, streamline traffic and make it easier to find parking. Connected objects also ensure that preventive maintenance is carried out so that infrastructure continues to function properly.

In addition, Wojo^a, Bouygues Immobilier's coworking^b offering, is helping to optimise commutes to and from work.

Group objective: provide more solutions that promote safer, more sustainable, more connected and better shared mobility.

- Begin marketing Wattway^c in 2019
- Open 1,200 Wojo^a coworking spaces in France and Europe between now and 2022

(a) Wojo is the new name of Nextdoor since March 2019.

(b) Shared work spaces.

(c) The world's first photovoltaic road surface, developed by Colas.

4. Helping build harmonious communities

Modern society is becoming more and more collaborative, driven by the development of new technologies. At the local level, people are increasingly wanting closer social ties. Energised by its vision of making life better, Bouygues serves as a key contributor to societal change.

Bouygues believes that reinforcing social ties and interpersonal communication helps to enhance daily life. The Group wants to bring people together wherever it can to promote mutual assistance, harmonious relationships and community cohesion, thereby fostering a greater sense of social inclusion.

Motivated by this vision, the Group and its business segments design products and services that provide positive inspiration and cultivate a sharing mindset. Neighbourhoods and residential developments are built around spaces that serve as social hubs, where residents can meet up and enjoy

shared services. Digital technology – a powerful driver of interpersonal communication – adds a further dimension. As a media group, TF1 takes seriously its responsibility to break down social barriers and shine a spotlight on the benefits of diversity.

Moreover, in France, Bouygues implemented arrangements in 2017 making it easier for employees to run for elections and exercise their official political mandates, irrespective of their views. In this way, the Group is contributing to improving the democratic process.

To help build harmonious communities, the Bouygues group commits to:

- reinforcing social ties;
- opening up dialogue and co-design efforts to a greater audience;
- encouraging local initiatives that help others within the community.



TF1's fictional drama *Red band club* tells a heart-warming story of friendship between teenagers battling serious illness. It takes a refreshingly honest approach to a genuine social issue.

CONTRIBUTING TO LOCAL SOCIO-ECONOMIC GROWTH BY PROMOTING OCCUPATIONAL INTEGRATION AND COMBATING SOCIAL EXCLUSION

The Group's business segments play an important role in the area of occupational integration. In France, in order to fulfil the occupational integration requirements included in public sector contracts as effectively as possible, Bouygues Construction and Colas partner with local or nationwide specialist

bodies. For example, Colas partners with CNCE-GEIQ^(a) to combat discrimination in access to employment via actions applied locally. Outside France, the Group endeavours to source site workers and supervisory employees locally, which strengthens its position in terms of direct and indirect employment, fosters the transfer of expertise and supports

local communities. For example, in the Philippines, VSL (a Bouygues Construction subsidiary) joined the Youth Inclusion Network, a network of companies committed to fostering the occupational integration of underprivileged young people as a means of fighting social exclusion. TF1 is working to promote diversity and occupational

integration by hiring 120 young people through integration programmes on two-year contracts.

(a) French national committee for coordinating and evaluating groups of employers that promote occupational integration and vocational training.

REINFORCING SOCIAL TIES

All the Bouygues group's business segments leverage their specific characteristics to help strengthen social ties and create an environment of harmonious co-existence.

This is especially true for TV programmes, which spark debate, promote worthwhile causes and enable people to share in soul-stirring events together. TF1's channels strive to support societal transformation in a conscientious manner, representing France's diversity in all its forms and providing an arena for all types of opinion and difference to be heard without preconditions.

Telecommunications, by their very nature, forge social ties by connecting people in a way that eliminates the physical distance between them.

Construction businesses build spaces for everyday interaction between people and social groups. Social diversity is therefore a key consideration when designing eco-neighbourhoods. On a smaller scale, shared spaces and services within apartment buildings energise relations between residents, as do neighbourhood social-media platforms. The Group today believes it has a duty to reinforce social cohesion by fighting discrimination and fostering mutual assistance and harmonious co-existence.

Group objective: take existing initiatives to the next level and develop new solutions.

- At Bouygues Construction: develop fab lab^a services and so-called third spaces to enhance social ties within neighbourhoods, offices and university campuses
- At Bouygues Immobilier: incorporate the "Entre Voisins"^b app into every multi-unit housing development marketed in 2019
- At TF1: help combat cyber-violence by partnering with Respect Zone, a charity

IN 2018

19.3 MILLION viewers tuned in to TF1 to watch the French soccer team win the 2018 FIFA World Cup Russia™ final, a joyous moment shared by all.

KOUMKWAT WAS LAUNCHED as Bouygues Immobilier's first co-living^c offering, which rethinks housing for young professionals. At the heart of these communities are common areas that residents can use for activities of their choosing.



1. During summer 2018, TF1 broadcast the short magazine programme *C'est quoi cette question ?*, aimed at changing how people view each other's differences. **2.** In Marseille, Bouygues Construction and Bouygues Immobilier (through their respective subsidiaries Linkcity and UrbanEra) are developing Les Fabriques, a future eco-neighbourhood. It includes Europe's largest collaborative and socially responsible makerspace, ICI Marseille, which was inaugurated in 2018.



(a) Short for fabrication laboratory, these are DIY spaces, usually open to the public, where people can use traditional tools, laser cutters, milling machines and 3D printers.

(b) Through "Entre Voisins", a social media app via which neighbours can exchange services, Bouygues Immobilier is working to foster friendly atmospheres in its apartment buildings.

(c) Housing solution offering small, individual bedrooms and shared spaces (kitchens, living rooms and outdoor areas).

OPENING UP DIALOGUE AND CO-DESIGN EFFORTS TO A GREATER AUDIENCE

Bringing together all stakeholders – whether elected officials, local residents, students, senior citizens or first-time buyers – before a project is launched provides an opportunity to design and offer more suitable and more broadly accepted solutions. For this reason, all the Group's business segments welcome dialogue and consultation, making every effort to listen to the ideas and concerns voiced.

For certain projects, Bouygues Construction and Bouygues Immobilier shape the co-design process using various methods such as interviews with stakeholders and users, digital co-design platforms and even role-playing.

At the local level, site and worksite managers communicate openly with local residents to ensure better acceptance of construction sites and other operations. For example, Colas' efforts to engage in

local dialogue, which it began in 2006, now cover almost half of its materials production activities.

Bouygues Telecom calls on a customer committee – the only one of its kind in the telecoms sector – tasked with helping its employees improve the customer experience by providing opinions and suggestions about offers and products and submitting new ideas.

This has proven effective and will be continued.

Group objective: expand the use of resources aiding in co-design and local dialogue.

- At Bouygues Construction: encourage the use of City Play^a to increase the proportion of property developments designed in consultation with local stakeholders

1,200 MESSAGES AND NEARLY 14,000 COMMENTS POSTED ON THE PRIVATE FORUM in the four years since Bouygues Telecom launched its customer committee

25 CITY PLAY SESSIONS held by Bouygues Construction in conjunction with 19 local authorities in France

COLAS USES TELLMYCITY, A CONNECTED APP that allows the public to report road issues to their municipal authorities.



1. A customer committee meets in Bouygues Telecom's offices. **2.** The Madeinvote app, managed by a civic-tech^b start-up, was used as part of the Sways project in Issy-les-Moulineaux to consult local residents and users on which commercial offerings they would find most relevant.

(a) City Play is a resource for co-designing future neighbourhoods with the help of all stakeholders – including residents, municipal authorities, non-profit organisations, local authorities, architects and local retailers – to obtain a result that meets their expectations.

(b) Civic Tech: technology that enables engagement, participation or enhances the relationship between citizens and government (Source: Wikipedia).





1. In the past 14 years, the Francis Bouygues Foundation has awarded grants to 789 deserving young students (of 36 different nationalities), 375 of whom had graduated by the end of 2018. 2. Bouygues Construction's Terre Plurielle Foundation supports over 250 community projects promoting access to education, the labour market and healthcare, both in France and abroad. One beneficiary is the charity Acta Vista, which helps to provide employment and job training on worksites where historical monuments are being restored.

ENCOURAGING INITIATIVES THAT HELP OTHERS WITHIN THE COMMUNITY

Patronage policy is implemented at Bouygues group level, within business segments and through community initiatives. The patronage policy of the parent company, Bouygues SA, focuses on three themes: education, health and social initiatives. Each of the Group's five business segments also carries out its own patronage initiatives.

The Group helps and supports all kinds of initiatives, small-scale or otherwise, giving priority to long-term actions. It does so around the world, wherever it operates, participating in local life and paying particular attention to projects supported by its employees. Their dedication helps

extend Bouygues' positive impact to local communities. Whenever possible, the Group's business segments give tangible expression to their societal commitment by volunteering their knowledge and expertise. For example, TF1 donates airtime to a broad variety of causes and charitable organisations.

Group objective: reinforce the roll-out of community initiatives and support employees in implementing their socially responsible projects.

- At Bouygues Construction: forge community partnerships in each region where it is present
- At Bouygues Immobilier: support one social innovation project at each residential property agency
- At Colas: roll out the "Colas s'engage" programme nationwide following a successful trial in the Paris region. This programme allows volunteer employees to dedicate a part of their worktime (up to six days per year) to seven partner non-profit organisations

IN 2018

€47 MILLION spent on patronage and sponsorship initiatives at Group level

ANNUAL INTAKE INCREASES FROM 60 TO 100 STUDENTS AT THE FRANCIS BOUYGUES FOUNDATION. The foundation's board has decided to increase the number of beneficiaries from 2019

1,300 EMPLOYEES VOLUNTEERED for activities supported by the Bouygues Telecom Corporate Foundation

Colas is continuing its selective expansion abroad, notably in North America. In 2018, Colas completed the acquisition of the Miller McAsphalt group, a major player in road construction in Ontario and in bitumen distribution in Canada.



5

Strategic priorities of the Group's businesses

Understanding the strategic priorities
by sector of activity

Strategic priorities of the Group's businesses

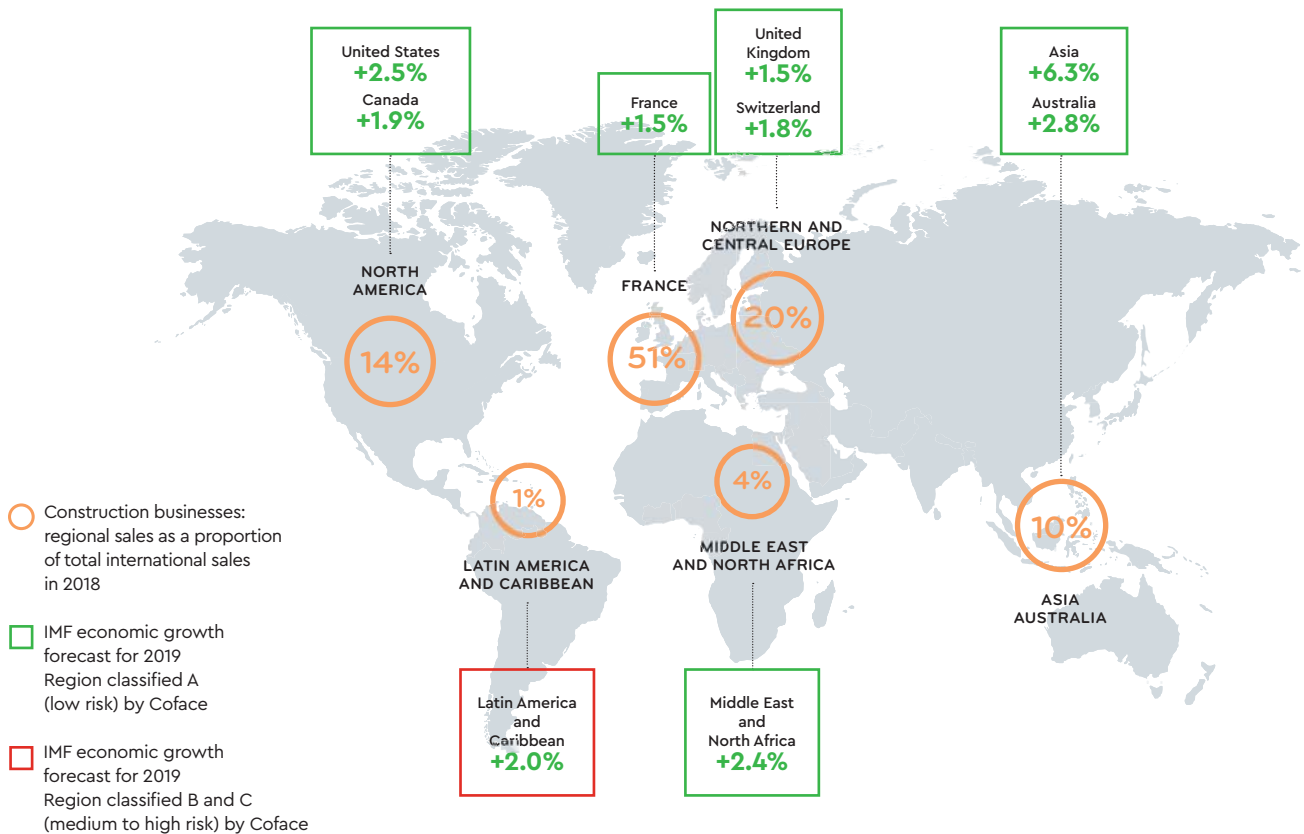


CONSTRUCTION BUSINESSES

Bouygues is the sixth^a largest construction group in the world. As a developer, builder and operator, it is active in building and civil works, energy and services, property development and transport infrastructure.

Population growth, urbanisation and new environmental imperatives are generating significant needs worldwide in terms of complex buildings and infrastructure. Furthermore, digitisation is transforming the way customers use technology and what they expect from it. As a result, Bouygues is in a good position to provide full-service solutions as well as innovative and high value-added services. Its positioning and many strengths mean that it continues to be a key partner for its customers.

A STRONG AND SELECTIVE INTERNATIONAL PRESENCE



(a) ENR 2018 Top 250 International Contractors survey, on the basis of sales outside their home country, excluding the oil sector.



Team meeting in Casablanca.

The Bouygues group's strategic priorities in its construction businesses are the following:

Controlling key resources

Control of key resources enables the three construction businesses to manage supply availability and quality, and it also leads to improved competitiveness and margins. Aware of how important it is to safeguard natural resources and the increasing difficulty of accessing primary deposits, the Group is implementing a circular-economy strategy as a way of securing supply and protecting the environment.

Leading the markets for the construction and renovation of buildings and infrastructure

Bouygues builds and maintains a wide range of infrastructure designed to meet the needs arising from urbanisation and population growth. This includes buildings of all sizes and uses, transport infrastructure, and power and telecommunications networks. Furthermore, in order to cope with ageing infrastructure, the Group has developed expertise in renovating assets, even whilst they remain in operation.

Helping customers control energy consumption and designing less carbon-intensive construction methods

The Group works to optimise the energy efficiency of structures throughout their entire lifecycle. During construction, customers are offered the option of bioclimatic design, bio-sourced materials and embedded technologies generating renewable energy from solar, wind or other sources. Once the asset is operational, having the capacity to generate renewable energy on site can reduce customers' charges and even generate income for them.

Leading the market for urban design and development – from the individual housing unit, to the neighbourhood and smart city

Bouygues is a market leader in the design and development of sustainable neighbourhoods. The Group consults customers and local people, and works hand in hand with local stakeholders to develop projects that promote well-being and harmonious living (soft mobility and services), as well as protection of the environment (preservation of biodiversity, recycling of waste and protection of water, etc.).

Offering customers an enhanced, personalised experience and scalable products that can adapt to changing needs

The Group's strategy is to develop a range of personalised products that better meet customers' expectations, such as connected buildings, modular and reversible housing units that evolve in line with occupants' changing needs, as well as collaborative and shared workspaces (Wojo^a).

2018 KEY FIGURES

Current
operating profit
€915m

Current
operating margin
2.9%

Backlog
€33.1bn

Cash at
end-December 2018
€2.4bn

(a) Wojo is the new name of Nextdoor since March 2019.



MEDIA

TF1 is a leading integrated group in France, from production through to distribution, that creates media, entertainment and news content both for the general public and each consumer. TF1 has strengthened its position across the entire value chain by investing in new growth areas: in TV production with the acquisition of Newen Studios in 2016 and in digital media with the recent acquisition of the aufeminin group.



Journalists Jean-Pierre Pernaut, Anne-Claire Coudray and Gilles Bouleau.

TF1 aims to:

Continue transforming the unencrypted television business model by:

- adapting content accessibility to new non-linear^a and mobile viewing habits via its MYTF1 platform.
- monetising its content and extra services with telecoms operators and Canal+, and, in the future, through Salto^b, an OTT platform.
- proposing innovative commercial offerings in preparation of "addressable TV"^c.

Develop new sources of growth in production and digital media

- TF1 has expanded in production through Newen, France's top independent production company, acquired in 2016. Newen's renowned expertise is supplied by a pool of producers and talent.
- TF1's digital goals have been furthered by the acquisition of aufeminin, a global group that brings together several communities built around strong woman-centric brands, such as aufeminin, Marmiton, My Little Paris, Livingly Media and more besides. This acquisition has created a new digital centre of excellence, comprised of a complementary offering aimed at internet users and advertisers.

2018 KEY FIGURES

Current operating profit

€196m

Current operating margin

8.6%

(11.7% excluding FIFA World Cup costs)

47m

French people watch at least one of the TV channels of the TF1 group each week

1,000hrs

of programme content produced by Newen in 2018

60%

of French web users visit one of TF1's sites at least once a month

(a) Viewing that does not follow the broadcaster's imposed schedule. Viewers determine when they view content, for example using the catch-up feature or video on demand.

(b) Subject to authorisation by the competent authorities. Salto is an over-the-top (OTT) platform that enables the distribution of content over the internet (TF1, France Télévisions and M6).

(c) Whereby different advertising messages adapted to each television viewer are delivered during the same show.



TELECOMS

Bouygues Telecom is a major player in the French telecommunications market committed to delivering the best digital experience to as many people as possible. As internet usage expands at exponential rates and customers place ever-greater importance on the quality of the customer experience in choosing their provider, Bouygues Telecom offers solutions for both consumers and businesses that are simple, seamless and competitively priced. It rolls out very-high-speed digital technologies – 4G, fibre and soon 5G – throughout France.

Bouygues Telecom is leveraging its key strengths – its 4G network, the excellent value for money of its mobile plans and the commitment of its teams – to roll out a four-pronged strategy.

Deliver the simplest possible customer experience across all channels

This will be achieved thanks to the digitisation of services, via straightforward and efficient purchasing processes, backed by the commitment of its 3,500 customer and sales advisers.

Ensure reliable mobile and fixed services for customers via high-quality networks

Bouygues Telecom is ranked No.1^a mobile operator in rural areas and No.2 on average for the whole of France, and its 4G network covers 99% of the population. In the fixed market, it is ramping up the roll-out of its fibre network with the aim of covering 12 million premises in 2019.

Boost regional development by helping reduce the digital divide

By sharing mobile infrastructure and rolling out fibre, Bouygues Telecom can offer its services to new customers throughout France, particularly in its least densely populated regions. In this way, it creates stronger bonds with its customers by expanding local sales of its products and services.

Offer a complete range of fixed and mobile solutions for businesses

As the third ranked mobile operator on the B2B market, Bouygues Telecom aims to increase its share of the fixed market thanks to the high quality of its network and its customer service. Bouygues Telecom has also acquired Keyyo^b and Nerim^c in order to accelerate its expansion into the specific market of micro-businesses, SMEs and intermediate-sized businesses.



A Bouygues Telecom customer advisor.

2018 KEY FIGURES

EBITDA
€1,268m

EBITDA margin
29.8%

20.1m
customers

500
Bouygues Telecom
stores in France

3,500
customer and
sales advisers

(a) Survey by Arcep (the French telecoms regulator).

(b) Acquisition of a 43.6% stake in Keyyo on 18 January 2019 and ongoing public tender offer by Bouygues Telecom with a view to holding 100% of Keyyo shares.

(c) On 21 February 2019, Bouygues Telecom and Dzeta Partners signed an agreement for Bouygues Telecom to acquire 100% of the capital and voting rights of Nerim. The acquisition was completed on 13 March 2019.

The Bouygues Telecom logo is displayed on the storefront. It features the word "bouygues" in a blue, lowercase, sans-serif font, with "TELECOM" in a smaller, blue, uppercase font below it. To the right of the text is a stylized logo consisting of three overlapping circles: a blue one at the top, a purple one at the bottom left, and an orange one at the bottom right.

bouygues
TELECOM



Bouygues Telecom is drawing on its strong local presence, such as in Lorient (pictured here), to help it acquire new fibre customers

6

Results and indicators

Summary of the Group's financial and extra-financial indicators



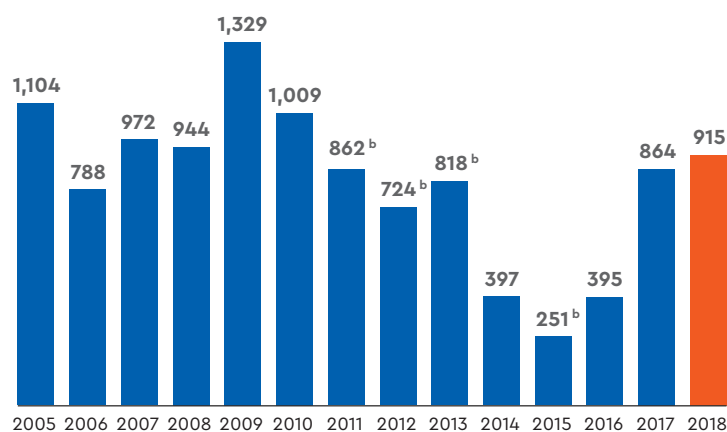
Results and financial and extra-financial indicators

The Bouygues group's aim is to create value over the long term via a sustainable growth model that features free cash flow generation and a dividend policy that fully forms part of this long-term strategy.

A ROBUST AND HEALTHY FINANCIAL SITUATION

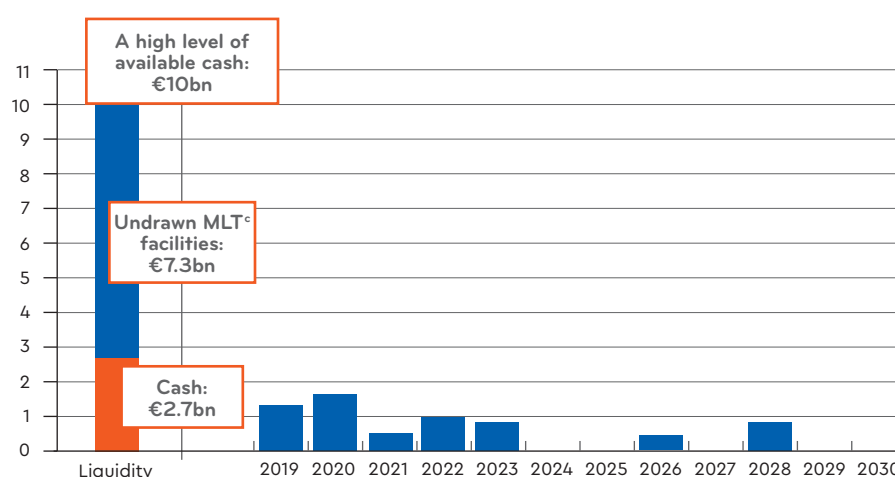
FREE CASH FLOW^a GENERATION

€ million



DEBT MATURITY SCHEDULE AT END-DECEMBER 2018

€ billion



(a) Free cash flow = cash flow minus cost of net debt minus income tax expense minus net capital expenditure. It is calculated before changes in WCR (working capital requirement).

(b) Excluding payments related to frequencies.

(c) Medium/long-term.

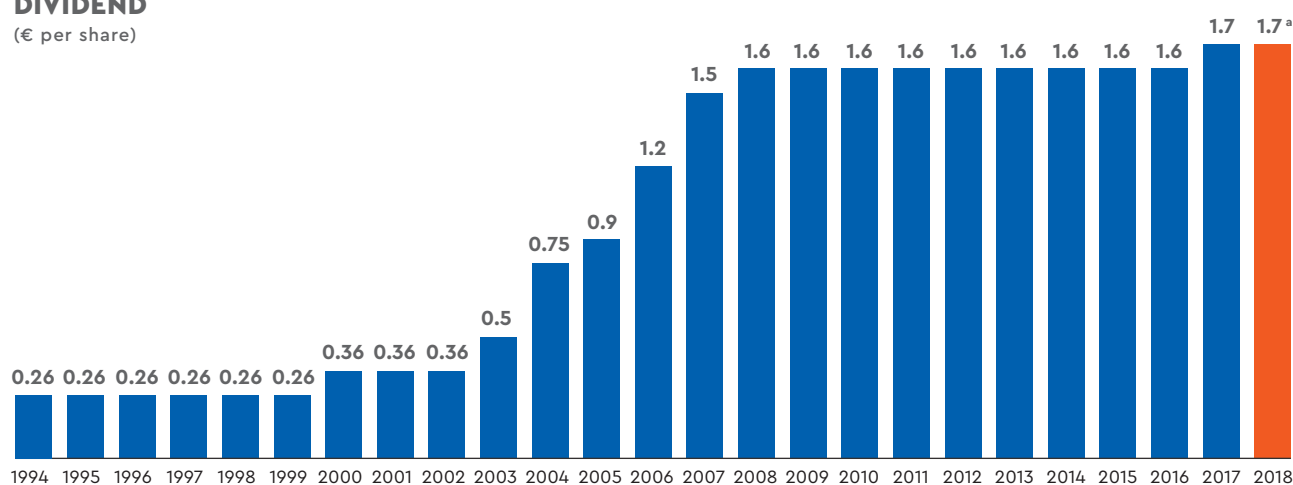
FINANCIAL RATINGS

	31 DECEMBER 2018		31 DECEMBER 2017	
	Long-term	Outlook	Long-term	Outlook
Standard & Poor's	BBB+	Positive	BBB+	Positive
Moody's	A3	Stable	BAA1	Positive

A DIVIDEND POLICY THAT FORMS PART OF A LONG-TERM STRATEGY

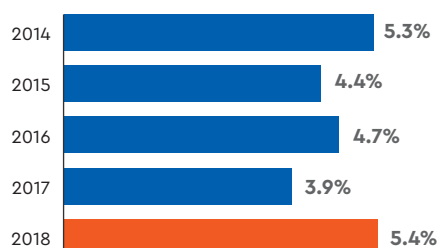
DIVIDEND

(€ per share)



The dividend has been increased steadily, year after year, or at the very least was left unchanged – even during the more challenging times. In 2019, the Board of Directors is proposing a dividend of €1.70 per share for FY2018, stable year-on-year.

YIELD^b



TOTAL SHAREHOLDER RETURN^c

	BOUYGUES TSR	CAC 40
Over 5 years	44%	31%
Over 2 years	2%	3%

Bouygues' total shareholder return is in line with the average of the CAC 40.

(a) To be proposed at the Annual General Meeting on 25 April 2019.

(b) Divided per Share Relative to the closing price of the previous year.

(c) Total Shareholder Return (TSR) is the rate of return on a share over a specified period. The calculation includes both the dividends received and the capital gain generated.



FIND OUT MORE
> Group 2018 Registration Document,
Chapter 1, The Group

OUTLOOK ^a

The Group's activities are positioned on markets that offer opportunities for growth:

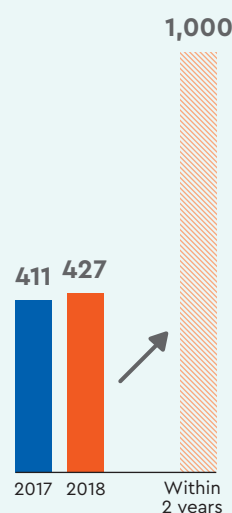
- strong worldwide demand for complex projects, more sophisticated and integrated offers, and maintenance;
- significant appetite for premium and exclusive video content that can be monetised via data analysis (consumption, usage, profiles, etc.);
- an explosion in B2C ^b and B2B ^c fixed and mobile data usage.

In this favourable environment, the Group can use its robust competitive advantages to:

- in 2019, improve the Group's profitability and generate €300 million of free cash flow ^d at Bouygues Telecom;
- within two years, increase the Group's free cash flow generation after WCR ^e to €1 billion thanks to the contribution of the three sectors of activity.

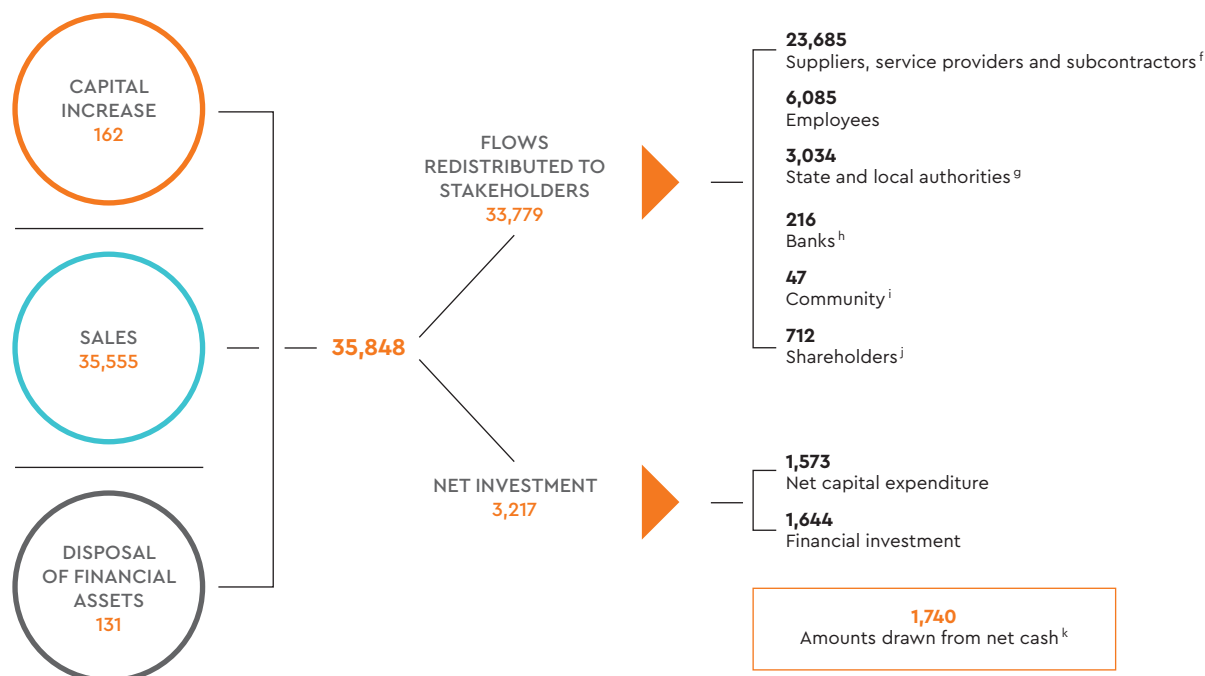
GROUP FREE CASH FLOW AFTER WCR ^e

€ million



FINANCIAL FLOWS GENERATED BY THE GROUP IN 2018 (€ million)

The redistribution of the financial flows generated by the Bouygues group has a positive impact on regional economic development and appeal. Investing in the Group's future growth contributes to sustaining this positive impact.



(a) Before application of IFRS 16.

(b) Business-to-consumer.

(c) Business-to-business.

(d) Free cash flow = cash flow minus cost of net debt minus income tax expense minus net capital expenditure. It is calculated before changes in WCR.

(e) Free cash flow after WCR = cash flow minus cost of net debt minus income taxes paid minus net capital expenditure. It is calculated after changes in WCR related to operating activities and excluding 5G frequencies.

(f) Purchases and other external expenditure.

(g) Income tax, social security contributions, industry-specific taxes and other taxes.

(h) Cost of debt and other charges.

(i) Donations, patronage and sponsorship.

(j) 2017 dividends paid in 2018, of which €77 million paid to employees.

(k) After changes in the working capital requirement (WCR) and currency effects.

A SELECTION OF EXTRA-FINANCIAL INDICATORS



HUMAN RESOURCES

2017	2018	CHANGE
------	------	--------

Worldwide:

Frequency rate ^a	5	5.2	+4%
Severity rate ^b	0.36	0.36	Stable
Number of new hires	30,641	39,972	+30%
Number of training days	194,498	226,436	+16%
Number of employees trained	69,796	66,903	-4%

In France:

Number of apprenticeship and professional training contracts	1,667	2,021	+21%
Number of internships	3,555	3,702	+4%
Absenteeism rate	4.5%	4.3%	-4%
Number of employees with disabilities hired	71	85	+20%



ENVIRONMENT

2017	2018	CHANGE
------	------	--------

Worldwide:

Group carbon footprint (Kt CO ₂ eq)	16,950	17,003	+0.03%
Share of aggregates production sites working to promote biodiversity (Colas)	51%	51%	Stable
Number of construction projects with the BiodiverCity label (Bouygues Construction)	0	4	An increase of 4
Asphalt pavement recycling rate (Colas)	15%	15%	Stable

In France:

Number of passive/positive-energy homes being built or handed over in the full year (Bouygues Immobilier)	238	374	+57%
Number of m ² carrying the BiodiverCity Ready label or covered by a commitment to obtain it (Bouygues Immobilier)	34,755	239,755	Multiplied by 6
Handsets collected for recycling or re-use (Bouygues Telecom)	252,023	270,521	+7%

BOUYGUES IS RANKED ON THE MAIN SUSTAINABLE DEVELOPMENT INDICES



(a) Number of accidents involving time off work x 1,000,000/number of hours worked. In France, these are accidents leading to more than one day off work, reported to and recognised by healthcare authorities. The auditor indicates that it has obtained reasonable assurance for the 2018 indicator.

(b) Number of days off work as a result of a workplace accident x 1,000/number of hours worked.



FIND OUT MORE

> Group 2018 Registration Document,
Chapter 3, Statement on Extra-Financial
Performance (SEFP)

BOUYGUES GROUP

32 avenue Hoche
F-75378 Paris cedex 08
Tel.: +33 (0)1 44 20 10 00
bouygues.com
Twitter: @GroupeBouygues



BOUYGUES CONSTRUCTION

Challenger
1 avenue Eugène Freyssinet – Guyancourt
F-78065 Saint-Quentin-en-Yvelines cedex
Tel.: +33 (0)1 30 60 33 00
bouygues-construction.com
Twitter: @Bouygues_C

BOUYGUES IMMOBILIER

3 boulevard Gallieni
F-92445 Issy-les-Moulineaux cedex
Tel.: +33 (0)1 55 38 25 25
bouygues-immobilier-corporate.com
Twitter: @Bouygues_Immo

COLAS

1 rue du Colonel Pierre Avia
F-75015 Paris
Tel.: +33 (0)1 47 61 75 00
colas.com
Twitter: @GroupeColas

TF1

1 quai du Point du Jour
F-92656 Boulogne-Billancourt cedex
Tel.: +33 (0)1 41 41 12 34
groupe-tf1.fr
Twitter: @GroupeTF1

BOUYGUES TELECOM

37-39 rue Boissière
F-75116 Paris
Tel.: +33 (0)1 39 26 60 33
corporate.bouyguestelecom.fr
Twitter: @bouyguestelecom

Group Communications department

Tel.: +33 (0)1 44 20 12 01 (press office)
presse@bouygues.com

Shareholder and investor contacts

Karine Adam Gruson
Investor Relations director
Tel.: +33 (0)1 44 20 10 79
investors@bouygues.com

Registered share service contacts

Gaëlle Pinçon – Marie-Caroline Thabuy
Tel.: +33 (0)1 44 20 10 61/11 07
0 805 120 007 (free from a fixed line in France)
servicetitres.actionnaires@bouygues.com

25 April 2019 • Bouygues group • Translation: Hanna Loehr, Michael Dever and Bouygues group Translation department • Design and production: Angie • Printed by Les Ateliers Réunis (Seine-et-Marne), a PEFC™-certified printer with the Imprim'Vert™ trademark • As the print run is limited, please keep this document and recycle it on disposal • The Bouygues 2018 Registration Document is available at bouygues.com and on ByLink, the Group intranet.

Accessibility: The accessible downloadable version of this report, produced by Ipedis, complies with accessibility standards for web content (WCAG 2.0) and has ISO 14289-1 certification. Its ergonomic design allows people with motor disabilities to use keyboard commands to browse the document. It is accessible to people with impaired vision and has been tagged so that it can be transcribed vocally, in full, by screen readers from any computerised device. The PDF has been comprehensively tested and validated by a non-sighted expert.

Front cover: The Clement Canopy property complex, a benchmark modular construction project in Singapore

Photos-illustrations: C. Abad (p. 8, p. 31, p. 37, p. 52); AFP (p. 33); F. Berthet (p. 25, 41); J. Bertrand (p. 8); Bouygues (p. 51); Bouygues Telecom (p. 25); Capa Presse (p. 43-44); Y. Chanoit (p. 14, 41); T. Ching Yee - Orange Cactus Project (front cover); Cidade Urbana Macau – Lai Ion Kun (inside front cover); J. Cresp (p. 8, 10, 49); DR (p. 24-25, 39, 43); A. Edelmann – Fotolia (p. 46); J. Epailard (p. 37); H. Fabre Photographies (p. 41); A. Faïdy – Vema Production – TF1 (p. 42); A. Février (p. 13, 17, 19-20, 29, 31); L. Filimonov – Shutterstock (p. 6); B. Florencon (p. 50); C. Helsly (p. 4, 8); Immolab (p. 39); Y. Labrousse (p. 20); Colas – M. Lagos Cid (p. 36); V. Lucas (p. 45); S. Marchal (p. 6); F. Malot (p. 6); J.-C. Marmara (foreword); P. Nardiello (p. 40); V. Nauton (p. 32); V. Paul (p. 24, 30); P. Perrin (p. 32); D. Richard (p. 6); B. Robert (p. 35); L. Samain (p. 44); Colas – X. Seyler – Nuuk Photographies (p. 37); J. Souteyrat (p. 35); F. Stucin – Babel (p. 45); J.-F. Trémège (p. 26); A. Vinot (p. 31); M. Vos (p. 36)

Architects, rendering artists: ADDP Architects (front cover); Architecture Brochet, Lajus, Pueyo, C. Devillers (p. 26); D. Chipperfield Architects – Calq Architecture (p. 37); A. Coquet, D. Auger, J.-P. Cazals, P. Hayoit de Bois-Lucy, B.-J. Massip/Groupe Arcane Architectes (p. 37); Groupe-6 (p. 34); Zaha Hadid Architects (inside front cover); Infime (p. 35); Kern & Associés (p. 43); Koz architectes & ASP architecture (p. 35); L'autre Image – Agence d'Architecture Anthony Béchu & Associés (p. 37); Cabinet Morphosis (p. 49); Studio Ko (p. 10); Valode & Pistre Architectes (p. 36)



BOUYGUES

Making progress become reality

