

**NOTES TO THE
CONSOLIDATED
FINANCIAL
STATEMENTS
31/12/2019**

BOUYGUES

Making progress become reality

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NOTE 1 SIGNIFICANT EVENTS OF THE YEAR

1.1 Scope of consolidation as of 31 December 2019

1,230 entities were consolidated as of 31 December 2019, versus 1,229 as of 31 December 2018.

| 31 December | 2019 | 2018 |
|--|--------------|--------------|
| Companies controlled by the Group | 811 | 846 |
| Joint operations | 194 | 178 |
| Investments in joint ventures and associates | 225 | 205 |
| | 1,230 | 1,229 |

1.2 Significant events

1.2.1 Significant events of 2019

The principal corporate actions and acquisitions of 2019 are described below:

- On 18 January 2019, Bouygues Telecom finalised the acquisition of a 43.6% equity interest in Keyyo at a price of €34 per share, representing an investment of €29 million. Following two voluntary public tender offers for the entire remaining equity capital at the same price per share, Bouygues Telecom now holds an equity interest of 100% (including treasury shares), representing an investment of €61 million. As of the date control was obtained, provisional goodwill of €51 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €61 million. Following completion of the 12-month purchase price allocation period, the provisional goodwill became final and amounted to €36 million as of 31 December 2019.
- On 6 February 2019, the European Commission rejected the merger between Alstom and Siemens, who decided not to challenge that decision. The proposed merger was therefore abandoned.
- On 12 February 2019, Bouygues Construction filed arbitration proceedings against Alpiq following differences of opinion as to the amount of the final purchase price adjustment determined in connection with the sale of the services and engineering operations in 2018. Bouygues Construction is claiming an amount of CHF 205.1 million (€189 million), while Alpiq is claiming a payment of CHF 12.9 million (€12 million). No gains have been recognised in respect of the claims.
- On 14 February 2019, Colas announced that it had signed an agreement to sell Smac to a subsidiary of OpenGate Capital. Effective completion of the transaction occurred on 20 May 2019 after all the conditions precedent had been fulfilled, in particular approval from the competition authorities. This divestment reduces sales by approximately €600 million on an annual basis, and did not have a material impact on operating profit in 2019.
- On 21 February 2019, Bouygues Telecom and Dzeta Partners announced that they had reached an agreement for Bouygues Telecom to acquire 100% of the capital and voting rights of Nerim. The acquisition was completed on 13 March 2019 at a price of €55 million. As of the date control was obtained, provisional goodwill of €45 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €54 million. Following completion of the initial purchase price allocation, provisional goodwill amounted to €39 million as of 31 December 2019.
- On 28 February 2019, Newen announced the acquisition of a 60% equity interest in De Mensen at a price of €19 million. As of the date control was obtained, provisional goodwill of €14 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €29 million, including the acquisition of the residual 40% interest which will be completed in stages between 2022 and 2028. Following completion of the initial purchase price allocation, provisional goodwill amounted to €14 million as of 31 December 2019.

- On 10 July 2019, the Annual General Meeting of Alstom shareholders approved a dividend of €5.50 per share, as a result of which Bouygues received €341 million in cash on 17 July 2019.
- On 12 September 2019, Bouygues SA announced that it had divested a 13% equity interest in Alstom at a price of €37 per share (a total of €1,079 million before costs), through a placement by way of an accelerated book-building with institutional investors. A net gain of €172 million has been recognised in consolidated net profit for 2019, in “Share of net profits/(losses) of joint ventures and associates”. The residual 14.7% stake held by Bouygues in Alstom following the divestment continues to be accounted for by the equity method in “Investments in joint ventures and associates” as of 31 December 2019, significant influence having been maintained due to the presence of two directors (Bouygues SA and Olivier Bouygues) on the Alstom Board of Directors. Bouygues gave an undertaking to the banks managing the placement to retain these shares for a 180-day lock-up period, subject to customary exceptions.
- On 4 October 2019, Newen completed the acquisition of a 51% equity interest in Reel One at a price of €32 million. As of the date control was obtained, the impact on net debt (including the commitment to buy out the residual 49% interest in stages between 2022 and 2026) was €78 million. Following completion of the initial purchase price allocation, provisional goodwill amounted to €14 million as of the acquisition date.

1.2.2 Reminder of the significant events of 2018

The principal corporate actions and acquisitions of 2018 are described below:

- On 12 January 2018, the French government and Arcep (the French telecoms regulator) signed the “New Deal Mobile” agreement with the four mobile operators, aimed at extending quality mobile coverage to the French population. The desired objective of digital roll-out across French territory led to stringent coverage obligations being imposed on the operators, in return for a ten-year renewal of their licences to use frequencies in the 900 MHz, 1800 MHz and 2100 MHz bands. Given that Bouygues Telecom’s current licences expire in 2022 (2100 MHz band) and in 2024 (900 MHz and 1800 MHz bands), Arcep (in decision No. 2018-0680 of 3 July 2018) amended the existing frequency licences to incorporate the new roll-out requirements. Subsequently (in decision No. 2018-1390 of 15 November 2018), Arcep formally renewed the 900 MHz, 1800 MHz and 2100 MHz licences for a further ten years. Consequently, Bouygues Telecom now holds licences to use the 900 MHz and 1800 MHz bands until 8 December 2034, and the 2100 MHz band until 11 December 2032. All frequency bands are now technologically equivalent, and hence can be used independently for 2G/3G/4G. In parallel, on 28 September 2018 the French government issued a new decree on licence fees, which stabilises the level of such fees from now on. Consequently, Bouygues Telecom reversed out an accrued expense recognised from 2014 to 2017, which covered the risk of a rise in the fixed portion of the 1800 MHz frequency licence fee. The accrued expense, amounting to €110 million, was reversed out in the third quarter of 2018 and recognised in “Other operating income” in the consolidated income statement.
- On 17 January 2018, an agreement was signed for the acquisition by the TF1 group of the Axel Springer group’s majority equity interest of 78.07% in the Aufeminin group, which in its financial year ended 31 December 2017 generated sales of €113 million and an operating profit of €12 million. The acquisition was completed on 27 April 2018 at a price of €39.47 per share, or €294 million in total. On 22 May 2018, TF1 filed a mandatory simplified tender offer for the remaining shares at the same price. That offer closed on 4 July 2018, and was followed by a squeeze-out procedure filed on 3 October 2018. Having been approved on 16 October 2018, the squeeze-out was launched on 19 October 2018 and closed on 1 November 2018, giving the TF1 group 100% of the shares and voting rights of the Aufeminin group. As of the date control was obtained, net debt increased by €332 million, and provisional goodwill after the purchase price allocation amounted to €204 million. On completion of the 12-month purchase price allocation period, that provisional goodwill became final.

- In line with the memorandum of understanding signed on 30 August 2017, Colas completed the acquisition of the entire share capital of the Miller McAsphalt group on 28 February 2018. The Miller McAsphalt group is a major player in road construction and bitumen distribution in Canada, with a particularly strong presence in Ontario. Over the previous three years, it had generated average annual sales of approximately CAD 1.3 billion; it employs 3,300 people. The purchase price paid on the completion date was CAD 953 million, equivalent to €611 million. Out of the total purchase price, €410 million was financed by debt. As of the date control was obtained, net debt increased by €555 million, and provisional goodwill after the purchase price allocation amounted to €90 million. On completion of the 12-month purchase price allocation period, that provisional goodwill became final.
- On 26 March 2018, Bouygues Construction and Colas announced the acquisition of the entire share capital of Alpiq Engineering Services, which specialises in hard and soft services in construction and in energy, industrial and transport infrastructures. Alpiq Engineering Services employs nearly 7,650 people and generated sales of approximately CHF 1.7 billion in 2017, mainly in Switzerland (57%), Germany (24%) and Italy (12%). Following clearance from the European and Swiss competition authorities on 11 July 2018, the acquisition was completed on 31 July 2018 on the basis of an enterprise value of CHF 850 million (CHF 700 million for Bouygues Construction and CHF 150 million for Colas Rail). As of the date control was obtained, net debt increased by €619 million, and provisional goodwill after the purchase price allocation amounted to €563 million. On completion of the 12-month purchase price allocation period, that provisional goodwill became final, amounting to €640 million as of 31 December 2019.
- Under the agreement of 31 January 2017 between Bouygues Telecom and Cellnex (Spain), transfers of the 1,800 existing telecoms sites continued during 2018. As of 31 December 2017, 715 sites were presented in the balance sheet in “Held-for-sale assets and operations”, at a carrying amount of €38 million. During 2018, 964 sites were transferred, including those covered by the agreement mentioned above, for €273 million, and there were no longer any held-for-sale assets as of 31 December 2018. This sale generated a gain on disposal of €196 million, recognised within “Other operating income” in the consolidated income statement. The sale of the 1,200 new sites is being spread over a five-year period as and when the sites are constructed.
- The TF1 group and the non-controlling shareholders of Newen Studios, a 70%-owned subsidiary of TF1, signed an agreement on 5 April 2018 with a view to the acquisition by TF1 of the remaining 30% of the share capital and voting rights, giving TF1 100% of Newen Studios. This transaction took place on 5 July 2018, following clearance from the French Competition Authority on 3 July 2018. The additional acquisition, amounting to €96 million, had already been recognised as a financial liability as of 31 December 2017.
- On 28 May 2018, Bouygues Construction announced the acquisition of 100% of AW Edwards, a well-established Australian construction company. The acquisition, finalised on 5 July 2018, marks a further step in the Group’s development strategy in Australia, and strengthens its position in the construction market. The company generated sales of AUD 277 million in 2017 and employs 250 people. As of the date control was obtained, provisional goodwill of €43 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was immaterial. On completion of the 12-month purchase price allocation period, that provisional goodwill became final.
- On 17 July 2018, the Alstom shareholders approved resolutions relating to the proposed merger between Alstom and the Siemens Mobility businesses. The merger was subject to clearance from the competition authorities, and was expected to be finalised in the first half of 2019. The Alstom shareholders also approved the renewal of the terms of office as Directors of Olivier Bouygues and Bouygues SA (standing representative: Philippe Marien). On 17 July 2018, the commitment by Bouygues to retain its Alstom shares (as described in the consolidated financial statements for the year ended 31 December 2017) ended. On 6 February 2019, the European Commission rejected the merger between Alstom and Siemens, who decided not to challenge that decision. The proposed merger was therefore abandoned.
- On 25 October 2018, Bouygues Telecom announced that it was in exclusive negotiations with a view to acquiring a 43.6% equity interest in the business-to-business telecoms operator Keyyo Communications. In 2017, Keyyo generated sales of €24 million and EBITDA of €4 million.

- On 19 November 2018, a potential purchaser signed an undertaking to buy Smac (the waterproofing activity of Colas, representing sales of approximately €600 million), expiring seven months later. As of 31 December 2018, the assets and liabilities of Smac were presented in the balance sheet within “Held-for-sale assets and operations” and “Liabilities related to held-for-sale operations”.
- On 12 December 2018, Axione (a Bouygues Construction subsidiary) and its financial partner Mirova signed a new contract to install and operate fibre optic (FTTH) in very dense areas, following a tendering procedure launched by Bouygues Telecom. Under the terms of the contract, Axione and Mirova set up CityFast, an access service provider, to whom Bouygues Telecom transferred its existing fibre optic infrastructures in very dense areas for €46 million. This transaction generated a gain of €34 million, recognised in “Other operating income”.
- On 31 December 2018, Bouygues Construction sold a 49% equity interest in Axione. The shareholder agreement provides for joint control of Axione, which since that date has been accounted for by the equity method. The overall gain arising on the sale (excluding transaction costs and taxes) amounted to €106 million, comprising a €52 million gain on the sale of the 49% interest and €54 million for the remeasurement of the retained 51% equity interest.

1.3 Significant events and changes in scope of consolidation subsequent to 31 December 2019

- On 20 January 2020, Bouygues Construction extended the arbitration proceedings against Alpiq (Note 1.2) by increasing the amount of its initial claim, from CHF 205 million to CHF 319 million (€297 million) plus interest. A decision from the arbitration panel is not expected until 2022 at the earliest.
- On 30 January 2020, Bouygues Construction was the target of a ransomware attack caused by malware. Bouygues Construction initially shut down its IT system as a precaution to prevent the virus from spreading, and specific measures were taken to ensure business continuity in France and abroad. A number of hardware and software systems were put back into service very quickly. As these were being restored, the security of the entire IT system was strengthened with help from experts both within and outside the Group. There was a very low impact on the operational and commercial activity of worksites. The relevant insurance policies have been activated and a complaint has been filed with the competent authorities.
- On 17 February 2020, Alstom announced the signature of a memorandum of understanding with Bombardier Inc. and the Caisse de dépôt et placement du Québec to acquire Bombardier Transportation. The price for 100% of Bombardier Transportation’s shares will be settled partly in cash, and partly in newly-issued Alstom shares. Closing of the transaction is expected in the first half of 2021. Bouygues has expressed its support for the deal and has committed to vote in favour of all related resolutions at the Extraordinary General Meeting to be held no later than 31 October 2020. Bouygues has also committed to remaining a shareholder of Alstom until the earlier of that meeting or 31 October 2020. On completion, Bouygues would have an equity interest of approximately 10% in Alstom.

NOTE 2 GROUP ACCOUNTING POLICIES

2.1 Sectors of activity

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

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

The Bouygues group also holds an equity interest in Alstom (Transport), which stood at 14.67% as of 31 December 2019.

2.2 Basis of preparation of the financial statements

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

The consolidated financial statements were closed off by the Board of Directors on 19 February 2020, and will be submitted for approval by the forthcoming Annual General Meeting on 23 April 2020.

The consolidated financial statements for the year ended 31 December 2019 are expressed in millions of euros and were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives as of and for the year ended 31 December 2018, restated to take account of the first-time application of IFRS 16 and IFRIC 23 as of 1 January 2019 (see Note 24).

The Bouygues group applied the same standards, interpretations and accounting policies for the year ended 31 December 2019 as were applied in its consolidated financial statements for the year ended 31 December 2018, except for changes required to meet new IFRS requirements applicable from 1 January 2019 (see below).

- Principal new standards and interpretations effective within the European Union and mandatorily applicable from 1 January 2019:
 - IFRS 16: Leases

On 13 January 2016, the IASB issued IFRS 16, “Leases”, replacing IAS 17 and the associated IFRIC and SIC interpretations. The new standard was endorsed by the European Union on 31 October 2017 and is applicable from 1 January 2019. Bouygues did not early adopt IFRS 16, and for first-time application elected the retrospective approach with presentation of a comparative period.

The impacts of applying IFRS 16 on the financial statements for the year ended 31 December 2018 are presented in Note 24.
 - IFRIC 23: Uncertainty Over Income Tax Treatments

On 7 June 2017, the IFRS Interpretations Committee issued IFRIC 23, clarifying the accounting treatments used to recognise the fiscal consequences of uncertainties relating to income taxes. IFRIC 23 was endorsed by the European Union on 23 October 2018 and became applicable on 1 January 2019; the Group did not elect early adoption.

The impacts of applying IFRIC 23 on the consolidated financial statements for the year ended 31 December 2018 are not material, and are presented in Note 24.

- Exercise of judgement and use of estimates:

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

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

The main items involved are the impairment testing of goodwill and equity investments; the measurement of identifiable assets and liabilities in a purchase price allocation; employee benefits (lump-sum retirement benefits, pensions, etc.); the fair value of unlisted financial instruments; the recoverability of deferred tax assets, especially where there is a history of tax losses over a number of years; provisions (for litigation and claims, etc.); the assessment of contracts to determine whether they contain a lease; leases (lease terms and incremental borrowing rates, as described respectively in Note 2.7.2. and Note 2.11.2); and end-of-contract margins on construction and property development contracts (see Note 2.13.2).

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

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

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

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

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

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

2.3 Consolidation methods

2.3.1 Companies controlled by the Group

Companies over which Bouygues exercises control are consolidated.

- Assessment of control over TF1:

As of 31 December 2019 Bouygues held, directly or indirectly, 43.73% of the capital and voting rights of TF1. All the factors mentioned below, taken collectively, establish that the Bouygues group has control over TF1:

- Bouygues has the power to direct the relevant activities of TF1. The Bouygues group:
 - has consistently and regularly held a large majority of the voting rights exercised at TF1 general meetings, and no other shareholder directly or indirectly controls a higher share of voting rights than Bouygues;
 - has had exclusive power to determine decisions at TF1 general meetings during at least two consecutive financial years.
- Bouygues has exposure and rights to variable returns. Due to its 43.73% equity interest, the Bouygues group has high exposure to variable returns from TF1 in the form of dividends.
- Bouygues has the ability to affect the returns it obtains through the power it exercises. The Bouygues group:
 - holds five of the 11 seats on the TF1 Board of Directors;
 - has a dominant role in appointing key executives of TF1, given that both members of the Director Selection Committee are representatives of the Bouygues group.

2.3.2 Jointly-controlled companies

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

2.3.3 Companies over which Bouygues exercises significant influence

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

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

2.4 Business combinations

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

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

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

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

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

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

Amortisation of intangible assets recognised in a purchase price allocation is charged against current operating profit, in the same way as for depreciation of property, plant and equipment.

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

Subsequently, goodwill is carried at cost net of any impairment losses identified annually using the methods described in the sections on impairment testing in Note 2.7.4 ("Impairment testing of non-current assets, joint ventures and associates"), in accordance with IAS 36. Impairment losses are charged to the income statement as an operating item.

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

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

All acquisition-related costs are recognised as an expense within current operating profit for the period.

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

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

2.5 Foreign currency translation

2.5.1 Transactions denominated in foreign currencies

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

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

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

2.6 Assessment of income taxes

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

- temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
 - items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods;
 - items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes. Such assets are recognised to the extent that it is probable that sufficient taxable profits will be available against which to offset the temporary differences, and are reviewed at the end of each reporting period;
- tax losses available for carry-forward (deferred tax assets), where it is probable that these losses will be recovered in future periods.

Deferred taxes are measured using national tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted in the relevant country by the end of the reporting period. As of 31 December 2019, the temporary differences and tax losses available for carry-forward of French entities were measured at the following enacted or substantively enacted rates, according to the period in which they are expected to reverse:

- 32.02% for 2020;
- 28.41% for 2021;
- 25.83% for 2022 and later.

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

2.7 Non-current assets

2.7.1 Property, plant and equipment

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

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

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

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

(b) Depending on the type of equipment.

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

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognised in the income statement under “Other income from operations” unless they meet the criteria for classification within “Other operating income and expenses” (see Note 2.13.2).

Depreciation periods are reviewed annually, and may be adjusted if expected use differs from previous estimates.

2.7.1.2 Grants received

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

2.7.2 Right of use of leased assets

IFRS 16 defines the right of use under a lease as an asset that represents a lessee’s right to use an underlying asset for the lease term.

This right of use is recognised by the Bouygues group on the commencement date of the lease (the date on which the asset is made available). It is measured at cost, which includes:

- the initial amount of the lease obligation (see Note 2.11.2);
- lease payments made in advance to the lessor, less any lease incentives received from the lessor;
- material initial direct costs incurred by the lessee to obtain the lease, i.e. costs that would not have been incurred if the lease had not been obtained;
- an estimate of the costs of dismantling the leased asset, or restoring it to the condition required by the terms of the lease.

The right of use is amortised on a straight-line basis over the lease term. It is written down by means of an impairment allowance if there is an indication that it may have become impaired.

The lease term is the non-cancellable period for which the lessee has the right to use the underlying asset, including any extension or termination options the lessee is reasonably certain to exercise.

Within the Bouygues group, rights of use relate mainly to property leases contracted by the various business segments within France (generally with a lease term of nine years), and leases of radio sites and optical fibres at Bouygues Telecom.

The Group will monitor market practice on implementing the IFRIC final agenda decision of 26 November 2019, and assess the impact on the lease terms applied under IFRS 16.

2.7.3 Intangible assets

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

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

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

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

Intangible assets include:

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

These include the following assets held by Bouygues Telecom:

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

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

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

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

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

2.7.4 Other intangible assets

Other intangible assets recognised by the Group include in particular audiovisual rights owned by TF1.

Audiovisual rights

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

Audiovisual rights are recognised as assets, at historical cost.

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

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

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

2.7.5 Impairment testing of non-current assets, joint ventures and associates

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

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

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

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

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

The recoverable amount of the assets of the CGU as determined above is then compared with their carrying amount in the consolidated balance sheet, after including right of use assets and deducting lease obligations:

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

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

The method used to take account of IFRS 16 in impairment testing is an accepted transitional method.

2.7.5.2 Impairment testing of investments in joint ventures and associates

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

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

2.7.6 Other non-current financial assets

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

Investments in non-consolidated companies are measured at fair value, with changes in fair value taken either to shareholders' equity in "Items not reclassifiable to profit or loss" or to the income statement in "Other financial income" or "Other financial expenses", depending on the treatment elected by the Group for each individual investment.

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

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

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

Loans and receivables are accounted for at amortised cost. In accordance with IFRS 9 an impairment allowance is recognised on initial recognition to reflect the expected risk of loss during the next 12 months, and charged to profit or loss (see Note 3.2.5).

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

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

Under the financial receivable method, the initial receivable represents the fair value of the activity undertaken; this receivable is subsequently measured at amortised cost using the effective interest method as defined in IFRS 9.

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

2.8 Current assets

2.8.1 Inventories

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

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

2.8.2 Property development programmes

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

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

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

2.8.3 Programmes and broadcasting rights

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

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

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

However, any advance payments made to acquire such rights are recorded in "Trade payables".

The "Inventories" line item includes the following programmes and broadcasting rights:

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

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

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

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

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

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

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

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

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

2.8.4 Trade receivables

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

For contracts accounted for using the percentage of completion method, trade receivables include invoices and statements issued as works are executed or services provided, and accepted by the project owner.

For Bouygues Telecom, when a subscription is sold along with a subsidised handset, this constitutes two separate performance obligations; the handset subsidy is recognised in “Trade receivables” and charged to profit or loss over the average life of the contract (see Note 2.13.1).

2.8.5 Customer contract assets

“Customer contract assets” (see Note 4.4) comprises:

- customer contract origination costs (mainly at Bouygues Telecom), which represent incremental costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained, and which qualify for recognition as an asset under IFRS 15. For Bouygues, this mainly applies to variable consideration paid to distributors and retailers to acquire new customers. The resulting asset is charged to profit or loss over the average life of the customer contract;
- customer contract execution costs (mainly at Bouygues Telecom), representing line activation costs which qualify for recognition as an asset under IFRS 15; they are charged to profit or loss over the average life of the customer contract;
- assets representing sales recognised on a percentage of completion basis where billing is contingent on the supply of other goods and services and/or on the attainment of contractually agreed milestones.

2.8.6 Other current receivables and prepaid expenses

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

2.9 Financial instruments

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

2.9.1 Risks to which the Group is exposed

2.9.1.1 Currency risk

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

2.9.1.2 Interest rate risk

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

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

2.9.1.3 Commodities risk

In general, the Bouygues group has little exposure to commodities risk. The main exposure is in the roads activity, which is sensitive to fluctuations in commodity prices (especially petroleum-based products); there is also some exposure to the prices of certain metals in the road safety & signalling, waterproofing and railways businesses. Hedges may be contracted on an as-needed basis in connection with specific contracts.

2.9.2 Principles applied to all hedging instruments

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

These instruments:

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

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

2.9.3 Hedging rules

2.9.3.1 Foreign exchange risk

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

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

2.9.3.2 Interest rate risk

Group policy is for each business segment to hedge some or all of its financial assets and liabilities, where those are foreseeable and recurring.

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

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

2.9.3.3 Commodities risk

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

2.9.4 Accounting methods

In general, the financial instruments used by the Group qualify for hedge accounting, which means that the hedging relationship is documented in accordance with the requirements of IFRS 9. Two types of accounting treatment are used:

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

As required by IFRS 9, the fair value measurement of derivative financial instruments takes account of credit risk (for derivative assets) and of own credit risk (for derivative liabilities). Those components have no material impact on the Bouygues group consolidated financial statements.

2.10 Consolidated shareholders' equity

Treasury shares are deducted from consolidated shareholders' equity. If a Group subsidiary holds its own shares, an additional percentage interest in that subsidiary is recognised at Group level.

2.10.1 Translation reserve

The translation reserve represents translation differences arising since 1 January 2004, when the reserve was deemed to be zero and the balance transferred to "Retained earnings". In the event of disposal of a subsidiary, associate or joint venture that prepares its accounts in a foreign currency, the cumulative translation reserve as of the date of disposal is reversed out through profit or loss, such that the gain or loss on disposal is calculated without the effect of exchange rate fluctuations.

2.10.2 Information about the management of capital

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

- maintaining a reasonable ratio of net debt (see Note 2.15.2) to shareholders' equity;
- distributing regular dividends to shareholders.

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

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

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

2.11 Non-current liabilities

2.11.1 Non-current debt

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

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

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

2.11.2 Non-current lease obligations

In accordance with IFRS 16, on commencement of a lease the lessee recognises a lease obligation in the balance sheet, equivalent to the present value of the lease payments over the lease term.

The following amounts are included in the lease payments used to measure the obligation:

- fixed lease payments (including in-substance fixed lease payments, i.e. payments that may in form contain variability, but in substance are unavoidable);
- variable lease payments that depend on an index or a rate at the commencement date of the lease;
- payments due by the lessee under residual value guarantees;
- the exercise price of a purchase option, if that option is reasonably certain to be exercised;
- payments of penalties for terminating or not extending the lease.

During the term of the lease, the carrying amount of the lease obligation is:

- increased to reflect interest on the lease obligation, which is recognised as an expense in the income statement and calculated using the discount rate used on initial measurement; and
- reduced to reflect lease payments made.

The discount rate used to calculate the lease obligation is determined for each asset on the basis of the incremental borrowing rate at the inception date of the lease. That rate is obtained by aggregating a market rate that reflects the location, currency and lease term, and a sector-specific spread that reflects the nature of the lease.

The Group has elected to apply the practical expedients permitted by IFRS 16 to exclude leases where the as-new value of the underlying asset is less than €5,000, and assets where the lease term is reasonably certain to be less than 12 months. Such leases are recognised in profit or loss as and when lease payments are made. The Group has also elected to account for each lease component separately, distinguishing the lease components from the non-lease (service) components.

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

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

2.11.3 Non-current provisions

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

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

Non-current provisions are not usually associated with the normal operating cycle of each business segment.

Non-current provisions mainly comprise:

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

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

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

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

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

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

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

The Bouygues group recognises the effect of changes in actuarial assumptions in consolidated shareholders' equity where they relate to the pension obligation, and in profit or loss where they relate to long-service awards.

2.12 Current liabilities

2.12.1 Current provisions

Current provisions, which relate to the normal operating cycle of each segment, mainly comprise:

- provisions for construction contract risks, including risks relating to construction project companies in the form of *Sociétés en Participation* (SEPs);
- provisions for losses to completion on construction contracts, which relate to construction contracts in progress and take account of claims accepted by the customer. They are measured on a contract by contract basis, with no netting between them.

2.12.2 Trade payables and other current liabilities

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

2.12.3 Customer contract liabilities

Customer contract liabilities represent the Group's obligation to transfer goods and services for which payment has already been received from a customer, or where the Group has an unconditional right to receive payment. They include advances and down-payments received on orders, and differences arising from the percentage of completion on a contract (see Note 10.2).

2.13 Income statement

As allowed under IAS 1, the Bouygues group presents an income statement that classifies expenses by nature. In presenting its income statement, the Group has applied ANC Recommendations 2013-03 of 7 November 2013, and 2012-01 and 2012-02 of 21 December 2012.

2.13.1 Revenue recognition

The Group recognises revenue when:

- a customer contract, and the performance obligations within that contract, have been identified;
- a transaction price has been determined, and allocated between the performance obligations;
- the distinct performance obligations under the contract have been satisfied;
- it is probable that the future economic benefits of the transaction will flow to the Group;
- the amount of revenue can be reliably measured;
- at the transaction date, it is probable that the amount of the sale will be recovered.

Most contracts entered into by the Group. However, some contracts at Bouygues Telecom (as described below) are split into two performance obligations.

Construction businesses

Revenue generated by construction businesses corresponds to the latest estimate of the total selling price of the contract, after taking account of claims that have been accepted by the client or are highly probable.

Such revenue is recognised at the end of each reporting period by the percentage of completion method, using a completion rate determined by reference to progress of the works (output method) or to the cost of completed works (input method).

As soon as a loss on a contract is known and can be reliably measured, it is covered by a provision for expected losses to completion within "Current provisions" in the balance sheet. The loss is provided for in full, irrespective of the completion rate.

Property development activities

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

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

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

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

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

Bouygues Telecom

Bouygues Telecom generates revenue primarily from services with no handset sale; from sales of stand-alone handsets and accessories; and from sales of services with subsidised handsets.

- Sales of services with no handset sale:

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

Revenue from call charges other than plans, and from roaming and interconnection fees, is recognised as the service is used, based on a best estimate of the pattern of consumption.

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

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

- Stand-alone handsets and accessories:

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

- Sales of services with subsidised handsets:

When the sale of a handset is accompanied by the customer subscribing to a plan, the sale of the handset is accounted for by recognising a trade receivable in the balance sheet for the amount of the subsidy, i.e. the difference between (i) the price paid by the customer on initial subscription and (ii) the transaction price. This receivable is charged to profit or loss over the average life of the contract.

2.13.2 Other operating income and expenses

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

For a description of these items, refer to Note 13.

2.13.3 Share-based payment

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

The amount of the employee benefit is measured at the grant date of the option using the Black & Scholes model.

2.14 Cash flow statement

The consolidated cash flow statement is presented in accordance with the amended IAS 7 and with ANC Recommendations 2013-03 of 7 November 2013 (using the indirect method) and 2016-01 of 2 December 2016. The cash flow statement explains changes in the Group's net cash position, which is defined as the net total of the following balance sheet items:

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

2.15 Other financial indicators

2.15.1 EBITDA after Leases

“EBITDA after Leases” is defined as “Current operating profit after Leases” (i.e. current operating profit after taking account of interest expense on lease obligations), before (i) net depreciation and amortisation expense on property, plant and equipment and intangible assets, (ii) net charges to provisions and impairment losses, and (iii) effects of acquisitions of control or losses of control. Those effects relate to the impact of remeasuring previously-held interests or retained interests.

In 2018, the tax-exempt competitiveness and employment tax credit (*CICE*) to which French companies were entitled was recognised in current operating profit, as a reduction in personnel costs. With effect from 1 January 2019, the *CICE* was replaced by a reduction in personnel costs, which increases the tax base and hence the amount of income tax expense.

“Other income from operations” and “Other expenses from operations”, which are a component of current operating profit, mainly comprise:

- net foreign exchange differences on commercial transactions;
- gains and losses on disposals of non-current assets;
- profits and losses from joint operations, representing the Group's share of profits or losses from non-consolidated companies such as *Sociétés en Participation* (SEPs), for example those that operate asphalt and binder production facilities;
- royalties from the licensing of patents; and
- revenue from sales of raw material (bitumen) by Colas subsidiaries to asphalt and emulsion entities in the form of SEPs or economic interest groupings that subsequently sell the asphalt and emulsion back to Colas (with the expense recognised in “Purchases used in production”).

2.15.2 Net debt/Net surplus cash

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

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

Net debt/net surplus cash does not include non-current and current lease obligations.

A positive figure represents net surplus cash and a negative figure represents net debt.

2.15.3 Free cash flow after changes in working capital requirements

“Free cash flow after changes in working capital requirements” is defined as net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations.

It is calculated after changes in working capital requirements related to operating activities.

2.15.4 Changes in working capital requirements related to operating activities

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

- inventories and work in progress;
- advances and down-payments made on orders;
- trade receivables;
- customer contract assets;
- trade payables;
- customer contract liabilities;
- current provisions;
- other current asset and liability items, excluding (i) income taxes; (ii) net cash and cash equivalents and current debt; (iii) hedging instruments; (iv) current lease obligations; and (v) receivables/liabilities related to property, plant and equipment and intangible assets.

NOTE 3 NON-CURRENT ASSETS

For a breakdown of non-current assets by business segment, see Note 17.

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

| | 2019 | 2018 restated |
|---|----------------------|--------------------|
| Property, plant and equipment | 1,529 | 1,880 |
| Intangible assets | 324 | 298 |
| Capital expenditure | 1,853 | 2,178 |
| Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments) | 231 ^a | 1,599 ^c |
| Acquisitions of non-current assets | 2,084 | 3,777 |
| Disposals of non-current assets | (1,447) ^b | (783) ^d |
| Acquisitions of non-current assets, net of disposals | 637 | 2,994 |

(a) Includes €114m of acquisitions by Bouygues Telecom (primarily Keyyo for €57m and Nerim €55m); €58m by Colas (primarily part of Skanska's operations in Poland, and the Chilean company Asfalcura); and €52m by TF1 (primarily Reel One for €30m and De Mensen for €18m).

(b) Disposals during 2019 mainly comprise the partial divestment (13%) of the equity interest in Alstom for €1,064m net of costs, and the disposal of sites, towers and fibre optic infrastructure by Bouygues Telecom for €92m.

(c) Includes €807m of acquisitions by Colas (primarily Miller McAsphalt group for €611m and Alpiq Engineering Services for €127m); €455m by Bouygues Construction (primarily Alpiq Engineering Services for €316m and AW Edwards for €120m); and €329m TF1 (primarily the Aufeminin group for €294m).

(d) Disposals during 2018 were the following: sites, towers and fibre optic infrastructure by Bouygues Telecom for €344m.

3.2 Analysis of movements in non-current assets during the period

3.2.1 Property, plant and equipment

| | Land and buildings | Plant, equipment and tooling | Other property, plant and equipment | PP&E under construction and advance payments | Total |
|--|--------------------|------------------------------|-------------------------------------|--|-----------------|
| Gross value | | | | | |
| 31/12/2017 restated | 2,396 | 12,899 | 3,209 | 425 | 18,929 |
| Movements during 2018 | | | | | |
| Translation adjustments | 6 | 20 | 2 | (1) | 27 |
| Changes in scope of consolidation | 238 | 244 | 198 | 6 | 686 |
| Acquisitions during the period | 61 | 1,094 | 366 | 359 | 1,880 |
| Disposals, transfers and other movements | (29) | (1,250) | (423) | (276) | (1,978) |
| 31/12/2018 restated | 2,672 | 13,007 | 3,352 | 513 | 19,544 |
| Movements during 2019 | | | | | |
| Translation adjustments | 37 | 87 | 26 | 2 | 152 |
| Changes in scope of consolidation | 23 | 22 | 13 | | 58 |
| Acquisitions during the period | 34 | 909 | 285 | 301 | 1,529 |
| Disposals, transfers and other movements | (38) | (557) | (334) | (280) | (1,209) |
| 31/12/2019 | 2,728 | 13,468 | 3,342 | 536 | 20,074 |
| Depreciation and impairment | | | | | |
| 31/12/2017 restated | (968) | (8,970) | (2,418) | | (12,356) |
| Movements during 2018 | | | | | |
| Translation adjustments | (4) | (19) | (3) | | (26) |
| Changes in scope of consolidation | (19) | (127) | (115) | | (261) |
| Net expense for the period | (83) | (923) | (304) | | (1,310) |
| Disposals, transfers and other movements | 31 | 1,306 | 399 | | 1,736 |
| 31/12/2018 restated | (1,043) | (8,733) | (2,441) | | (12,217) |
| Movements during 2019 | | | | | |
| Translation adjustments | (11) | (63) | (18) | | (92) |
| Changes in scope of consolidation | (1) | 1 | (6) | | (6) |
| Net expense for the period | (94) | (944) | (293) | | (1,331) |
| Disposals, transfers and other movements | 37 | 726 | 311 | | 1,074 |
| 31/12/2019 | (1,112) | (9,013) | (2,447) | | (12,572) |
| Carrying amount | | | | | |
| 31/12/2018 restated | 1,629 | 4,274 | 911 | 513 | 7,327 |
| 31/12/2019 | 1,616 | 4,455 | 895 | 536 | 7,502 |

Operating commitments not yet recognised involving future outflows of resources

| | Falling due | | | Total 2019 | Total 2018 restated |
|---|------------------|--------------|-------------------|------------|---------------------|
| | Less than 1 year | 1 to 5 years | More than 5 years | | |
| Property, plant and equipment | | | | | |
| Colas: orders in progress for plant and equipment | 17 | | | 17 | 20 |
| Bouygues Telecom: orders in progress for network equipment assets | 98 | 297 | | 395 | 520 |
| TOTAL | 115 | 297 | | 412 | 540 |

3.2.2 Right of use of leased assets

| | Land and buildings | Plant, equipment and tooling | Other property, plant and equipment | Total |
|--|--------------------|------------------------------|-------------------------------------|----------------|
| Gross value | | | | |
| 31/12/2017 restated | 1,160 | 1,194 | 145 | 2,499 |
| Movements during 2018 | | | | |
| Translation adjustments | 4 | (3) | (1) | |
| Changes in scope of consolidation | 45 | 82 | 17 | 144 |
| New leases, lease modifications, and other lease-related movements | 67 | 34 | 51 | 152 |
| 31/12/2018 restated | 1,276 | 1,304 | 209 | 2,789 |
| Movements during 2019 | | | | |
| Translation adjustments | 8 | 6 | 6 | 20 |
| Changes in scope of consolidation | 10 | 4 | | 14 |
| New leases, lease modifications, and other lease-related movements | 68 | 63 | 60 | 191 |
| 31/12/2019 | 1,362 | 1,377 | 275 | 3,014 |
| Amortisation and impairment | | | | |
| 31/12/2017 restated | (535) | (455) | (69) | (1,059) |
| Movements during 2018 | | | | |
| Translation adjustments | (2) | 2 | | |
| Changes in scope of consolidation | 6 | (30) | | (24) |
| Net expense for the period | (146) | (141) | (28) | (315) |
| New leases, lease modifications, and other lease-related movements | 88 | 45 | 34 | 167 |
| 31/12/2018 restated | (589) | (579) | (63) | (1,231) |
| Movements during 2019 | | | | |
| Translation adjustments | (3) | (3) | (2) | (8) |
| Changes in scope of consolidation | 1 | (1) | 1 | 1 |
| Net expense for the period | (160) | (133) | (45) | (338) |
| New leases, lease modifications, and other lease-related movements | 94 | 81 | 21 | 196 |
| 31/12/2019 | (657) | (635) | (88) | (1,380) |
| Carrying amount | | | | |
| 31/12/2018 restated | 687 | 725 | 146 | 1,558 |
| 31/12/2019 | 705 | 742 | 187 | 1,634 |

3.2.3 Intangible assets

| | Development ^a expenses | Concessions, patents and similar rights | Other intangible assets | Total |
|--|--------------------------------------|---|-------------------------------|----------------|
| Gross value | | | | |
| 31/12/2017 restated | 297 | 2,827 | 3,256 | 6,380 |
| Movements during 2018 | | | | |
| Translation adjustments | | (1) | (2) | (3) |
| Changes in scope of consolidation | | 83 | 4 | 87 |
| Acquisitions during the period | 67 | 33 | 238 | 338 |
| Disposals, transfers and other movements | (7) | 202 | (177) | 18 |
| 31/12/2018 restated | 357 | 3,144 | 3,319 | 6,820 |
| Movements during 2019 | | | | |
| Translation adjustments | | 3 | 9 | 12 |
| Changes in scope of consolidation | 4 | (4) | 399 | 399 |
| Acquisitions during the period | 66 | 29 | 229 | 324 |
| Disposals, transfers and other movements | 6 | 166 | (108) | 64 |
| 31/12/2019 | 433 | 3,338 | 3,848 | 7,619 |
| Amortisation and impairment | | | | |
| 31/12/2017 restated | (181) | (1,480) | (2,587) | (4,248) |
| Movements during 2018 | | | | |
| Translation adjustments | | 1 | | 1 |
| Changes in scope of consolidation | | (2) | 62 | 60 |
| Net expense for the period | (25) | (173) | (271) | (469) |
| Disposals, transfers and other movements | | 32 | 2 | 34 |
| 31/12/2018 restated | (206) | (1,622) | (2,794) | (4,622) |
| Movements during 2019 | | | | |
| Translation adjustments | | (2) | (2) | (4) |
| Changes in scope of consolidation | (3) | 5 | (357) | (355) |
| Net expense for the period | (33) | (173) | (276) | (482) |
| Disposals, transfers and other movements | | 8 | 13 | 21 |
| 31/12/2019 | (242) | (1,784) | (3,416) | (5,442) |
| Carrying amount | | | | |
| 31/12/2018 restated | 151 | 1,522 | 525 | 2,198 |
| 31/12/2019 | 191 | 1,554 ^b | 432 ^c | 2,177 |

(a) Software development expenses are generally capitalised (applies mainly to Bouygues Telecom), while development expenses of a permanent and recurring nature that do not meet the IAS 38 capitalisation criteria are expensed (applies mainly to Colas). In accordance with IFRS, research costs are expensed as incurred. Research and development costs expensed were €63m in 2019 and €74m in 2018.

(b) Includes for Bouygues Telecom: €106m for the UMTS licence, €680m for the 2.6 GHz and 800 MHz frequency user licence, and €458m for the 700 MHz spectrum frequency user licence.

(c) Includes €157m for audiovisual rights at TF1.

Operating commitments not yet recognised involving future outflows of resources

The table below shows the maturities of audiovisual rights acquisition contracts entered into by TF1 for the purpose of securing future programming schedules.

| Intangible assets | Falling due | | | Total 2019 | Total 2018 restated |
|--------------------|------------------|--------------|-------------------|------------|---------------------|
| | Less than 1 year | 1 to 5 years | More than 5 years | | |
| Audiovisual rights | 39 | 3 | | 42 | 49 |
| TOTAL | 39 | 3 | | 42 | 49 |

3.2.4 Goodwill

| | Gross value | Impairment | Carrying amount |
|---|--------------|-------------|-----------------|
| 31/12/2017 restated | 5,457 | (72) | 5,385 |
| Movements during 2018 | | | |
| Changes in scope of consolidation | 902 | 5 | 907 |
| Impairment losses | - | - | - |
| Other movements (including translation adjustments) | 9 | - | 9 |
| 31/12/2018 restated | 6,368 | (67) | 6,301 |
| Movements during 2019 | | | |
| Changes in scope of consolidation | 179 | 17 | 196 |
| Impairment losses charged during the period | - | (2) | (2) |
| Other movements (including translation adjustments) | 46 | - | 46 |
| 31/12/2019 | 6,593 | (52) | 6,541 |

For 2019, the “Changes in scope of consolidation” line mainly comprises goodwill of €36m on the acquisition of Keyyo and €39m on the acquisition of Nerim (Bouygues Telecom); €77m for an additional adjustment to the Alpiq Engineering Services opening balance sheet (Bouygues Construction and Colas), mainly relating to employee benefit obligations (see Note 20.3); and goodwill of €14m on the acquisition of De Mensen and €14m on the acquisition of Reel One (TF1).

The table below shows how provisional or final goodwill as at 31 December 2019 was determined for significant acquisitions made since 31 December 2017 (including adjustments made during the 12-month purchase price allocation period).

| | Miller McAsphalt | Alpiq Engineering Services | Aufeminin TF1 | De Mensen TF1 | Reel One TF1 | Keyyo Bouygues Telecom | Nerim Bouygues Telecom |
|---|-----------------------|---|------------------------|------------------|-----------------|------------------------------|------------------------------|
| CGU | Colas | Bouygues Construction/ Colas | | | | | |
| Purchase price (I) | 611 | 443 | 294 | 19 | 32 | 57 | 55 |
| Net assets acquired, excluding goodwill (II) | | | | | | | |
| Non-current assets | (282) | (211) | (11) | (10) | (20) | (10) | (13) |
| Current assets | (279) | (524) | (100) | (20) | (55) | (13) | (6) |
| Non-current liabilities | 54 | 115 | 44 | 2 | | 7 | |
| Current liabilities | 119 | 817 | 9 | 22 | 50 | 10 | 9 |
| Purchase price allocation (III) | | | | | | | |
| Remeasurement of acquired intangible assets | (103) | | (77) | (4) | (13) | (15) | (9) |
| Remeasurement of acquired property, plant and equipment | (67) | | | | | (7) | |
| Remeasurement of assumed liabilities (deferred taxes & other) | 37 | | 20 | 1 | 3 | 7 | 3 |
| Unacquired portion | | | 25 | 4 | 17 | | |
| Goodwill (I)+(II)+(III) | 90^a | 640^a | 204^a | 14 | 14 | 36^a | 39 |
| Translation adjustments | 6 | 28 | | | 1 | | |
| Goodwill at 31/12/2019 | 96 | 668 | 204 | 14 | 15 | 36 | 39 |

(a) Provisional goodwill that became final during 2019.

For goodwill on joint ventures and associates, see Note 3.2.6.

3.2.4.1 Consolidated carrying amount of listed shares as of 31 December 2019

| € | Consolidated carrying amount per share | Closing market price per share on 31/12/2019 |
|-------|--|--|
| Colas | 107.36 | 140.80 |
| TF1 | 13.61 | 7.40 |

3.2.4.2 Split of goodwill by Cash Generating Unit (CGU)

| CGU | 31/12/2019 | | 31/12/2018 restated | |
|------------------------------------|--------------|--------------------------|---------------------|--------------------------|
| | Total | Bouygues or subsidiaries | Total | Bouygues or subsidiaries |
| Bouygues Construction ^a | 1,088 | 99.97% | 975 | 99.97% |
| Colas ^b | 1,316 | 96.66% | 1,292 | 96.65% |
| TF1 ^b | 1,414 | 43.73% | 1,386 | 43.80% |
| Bouygues Telecom ^b | 2,723 | 90.53% | 2,648 | 90.53% |
| TOTAL | 6,541 | | 6,301 | |

(a) Only includes goodwill on subsidiaries acquired by the CGU.

(b) Includes goodwill on subsidiaries acquired by the CGU and on acquisitions made at parent company (Bouygues SA) level for the CGU.

Information about impairment testing of goodwill as of 31 December 2019

- The recoverable amounts of Bouygues Construction, Bouygues Telecom, TF1 and Colas were determined using the method described in Note 2.7.5.1, based on three-year cash flow projections corresponding to the business plans of each of the four subsidiaries as presented to the subsidiary's Board of Directors and the Board of Directors of Bouygues SA.
 - Cash flows beyond the projection period were extrapolated using a perpetual growth rate.
 - The discount rates (weighted average cost of capital) and growth rates used as of 31 December 2019 were as follows:

| | Discount rate | | Perpetual growth rate |
|-----------------------|-------------------------|-------------------------|-----------------------|
| | Scenario 1 ^a | Scenario 2 ^a | |
| Bouygues Construction | 5.7% | 5.4% | 2.0% |
| Colas | 5.7% | 5.4% | 2.0% |
| TF1 | 6.4% | 6.0% | 1.4% |
| Bouygues Telecom | 4.0% | 3.9% | 2.0% |

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

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

- The business plans used for TF1 were prepared on the basis of revenue growth rates and operating margins consistent with actual performances over the previous five years. Those business plans take account of factors including:
 - the impacts on advertising spend of the economic situation and competitive environment, and of trends in how content is consumed;
 - the acceleration of the transformation of TF1, and the organic growth of its activities;

- the ongoing implementation of a resolutely multi-channel, multi-media and multi-line strategy that allies mass audience pulling power with targeting across all platforms, plus the expansion of production activities and the development of new monetisation techniques, involving:
 - securing the stream of core business TV content (including news) and advertising;
 - delivering a high-performance digital offering, in particular through the development of Unify;
 - ongoing build-up of Newen to reinforce the production side, in France and internationally;
 - opening up new distribution channels (platformization, OTT) via the makeover of the MYTF1 website and TF1's involvement in the Salto project, and through data mining;
- double-digit current operating margin in 2020;
- cost of programmes of €985 million in 2020;
- improvement in ROCE^a in 2021 relative to the 2018 level, and revenue of at least €250 million and EBITDA margin of at least 15% for the Unify Digital division.
- Assumptions used in the Bouygues Telecom business plan:
 - The normative cash flows used for Bouygues Telecom rely on the following assumptions:
 - growth of approximately 5% in sales from services in 2020;
 - ongoing investment in very high speed mobile and fixed broadband, translating into:
 - €1.1 to €1.2 billion of capital expenditure in 2020 (excluding frequency licences) to increase 4G mobile capacity and start the rollout of 5G;
 - pragmatic infrastructure management, with self-funded investment in key infrastructure backed by sharing, rental or divestment of less strategic infrastructure, with two new major projects in 2020 in particular (Projects Saint Malo and Astérix);
 - profitable growth momentum, generating free cash flow (after changes in working capital related to operating activities) of more than €300 million in 2020;
 - the impact of the expected acquisition of 5G frequencies in 2020, which has also been built into the valuation of the assets tested.

Sensitivity analysis

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

(a) ROCE = the ratio of [current operating profit - theoretical income tax expense + net profit from associates] for a given year to average capital employed that year and the previous year. Capital employed = shareholders' equity including non-controlling interests + net debt at period-end.

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

| | Discount rate | Change in normative cash flows | | Perpetual growth rate | |
|------------------|--|--------------------------------|-------------------------|-------------------------|-------------------------|
| | Scenario 1/ Scenario 2 ^a | Scenario 1 ^a | Scenario 2 ^a | Scenario 1 ^a | Scenario 2 ^a |
| TF1 | 10.1% | (48.1)% | (52.6)% | (2.8)% | (3.3)% |
| Bouygues Telecom | 6.4% | (56.1)% | (59.9)% | (0.5)% | (0.7)% |

(a) Depending on the capital structure: ½ debt - ½ equity (scenario 1); ¾ debt - ¼ equity (scenario 2).

For TF1, in the event of a 20% reduction in normative cash flows combined with an increase of 100 basis points in the discount rate, the recoverable amount would be greater than the carrying amount by €617 million under scenario 1, and by €865 million under scenario 2. If the perpetual growth rate applied to the normative cash flows were to be halved and all other assumptions described above were unchanged, the recoverable amount would be greater than the carrying amount by €1,673 million under scenario 1 and by €2,021 million under scenario 2.

For Bouygues Telecom, in the event of a 20% reduction in normative cash flows combined with an increase of 100 basis points in the discount rate, the recoverable amount would be greater than the carrying amount by €1,508 million under scenario 1 and by €2,089 million under scenario 2. If the perpetual growth rate applied to the normative cash flows were to be halved and all other assumptions described above were unchanged, the recoverable amount would be greater than the carrying amount by €4,008 million under scenario 1 and by €4,746 million under scenario 2.

Conclusion on impairment testing

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

3.2.5 Other non-current assets

As of 31 December 2019, these comprised:

- investments in joint ventures and associates (accounted for by the equity method): €1,556 million;
- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc): €487 million;
- deferred tax assets: €342 million.

| | Joint ventures and associates | Investments in non-consolidated companies | Other non-current financial assets | Total | Amortisation and impairment | Carrying amount | Deferred tax assets |
|--|-------------------------------|---|------------------------------------|--------------|-----------------------------|-----------------|---------------------|
| 31/12/2017 restated | 2,542 | 157 | 453 | 3,152 | (82) | 3,070 | 333 |
| Movements during 2018 | | | | | | | |
| Translation adjustments | (21) | | 1 | (20) | | (20) | (1) |
| Changes in scope of consolidation | 11 | | 23 | 34 | 6 | 40 | (1) |
| Acquisitions and other increases | | 24 | 7 | 31 | | 31 | |
| Amortisation and impairment, net | | (1) | | (1) | 2 | 1 | |
| Disposals and other reductions | | (75) | | (75) | | (75) | |
| Transfers and other movements | 136 | 5 | (20) | 121 | 1 | 122 | (5) |
| 31/12/2018 restated | 2,668 | 110 | 464 | 3,242 | (73) | 3,169 | 326 |
| AMORTISATION & IMPAIRMENT | (35) | | (38) | (73) | | | |
| CARRYING AMOUNT 31/12/2018 restated | 2,633 | 110 | 426 | 3,169 | | | 326 |

| | Investments in joint ventures and associates ^a | Investments in non-consolidated companies | Other non-current financial assets | Total | Amortisation and impairment | Carrying amount | Deferred tax assets ^b |
|---|---|---|------------------------------------|--------------|-----------------------------|-----------------|----------------------------------|
| 31/12/2018 restated | 2,668 | 110 | 464 | 3,242 | (73) | 3,169 | 326 |
| Movements during 2019 | | | | | | | |
| Translation adjustments | 89 | | 5 | 94 | | 94 | 2 |
| Changes in scope of consolidation | (1,072) | 7 | 12 | (1,053) | | (1,053) | 2 |
| Acquisitions and other increases | | 5 | | 5 | | 5 | |
| Amortisation, impairment and changes in fair value, net | | (17) | | (17) | (2) | (19) | |
| Disposals and other reductions | | (15) | | (15) | | (15) | |
| Transfers and other movements | (92) | (1) | (45) | (138) | | (138) | 12 |
| 31/12/2019 | 1,593 ^c | 89 | 436 | 2,118 | (75) | 2,043 | 342 |
| AMORTISATION & IMPAIRMENT | (37) | | (38) | (75) | | | |
| CARRYING AMOUNT 31/12/2019 | 1,556 | 89 | 398 | 2,043 | | | 342 |

(a) Includes goodwill on associates: €610m as of 31 December 2019.

(b) See Note 7.

(c) Includes €974m for Alstom (see Note 3.2.6.2).

3.2.6 Joint ventures and associates

| | Share of net assets held | Share of profit/(loss) for period ^a | Goodwill on associates | Carrying amount |
|---|--------------------------|--|------------------------|---------------------------|
| 31/12/2017 restated | 1,381 | 165 | 956 | 2,502 |
| Movements during 2018 | | | | |
| Translation adjustments | (22) | | 1 | (21) |
| Acquisitions and share issues | | | | |
| Net profit/(loss) for the period | | 304 | (2) | 302 |
| Appropriation of prior-year profit, dividends distributed, disposals, transfers and other movements | (50) | (165) | 65 | (150) |
| 31/12/2018 restated | 1,309 | 304 | 1,020 | 2,633 |
| Translation adjustments | 89 | | | 89 |
| Acquisitions and share issues | | | | |
| Net profit/(loss) for the period | | 352 | (2) | 350 |
| Appropriation of prior-year profit, dividends distributed, disposals, transfers and other movements | (804) | (304) | (408) | (1,516) |
| 31/12/2019 | 594 | 352 | 610 | 1,556 ^b |

(a) Excluding impairment losses.

(b) Includes €974m for Alstom (see Note 3.2.6.2).

A list of the principal joint ventures and associates in which the Bouygues group holds an interest is provided in Note 25.

The carrying amount of investments in joint ventures and associates has decreased by €1,077 million, mainly as a result of changes in scope of consolidation (primarily Alstom).

As of 31 December 2019, the total carrying amount of €1,556 million included €363 million for joint ventures (see Note 3.2.6.1) and €1,193 million for investments in associates (see Note 3.2.6.2).

3.2.6.1 Joint ventures

| | 31/12/2018 restated | Net movement in 2019 | 31/12/2019 | of which: share of profit/loss and impairment losses |
|------------------------------|---------------------|----------------------|------------|--|
| Miscellaneous joint ventures | 285 | (5) | 280 | (4) |
| Axione | 76 | 7 | 83 | 4 |
| TOTAL | 361 | 2 | 363 | |

“Miscellaneous joint ventures” are mainly industrial entities (quarries, emulsion plants) operated jointly by Colas and partners from outside the Bouygues group.

3.2.6.2 Investments in associates

Principal associates:

| | 31/12/2018 restated | Net movement in 2019 | 31/12/2019 | of which: share of profit/loss and impairment losses |
|--------------------------|------------------------|-------------------------|--------------|--|
| Alstom | 2,087 | (1,113) | 974 | 238 |
| Bouygues Construction | | | | |
| Concession companies | 20 | (11) | 9 | 78 |
| Miscellaneous associates | 2 | 1 | 3 | 1 |
| Colas | | | | |
| Tipco Asphalt (Thailand) | 109 | 22 | 131 | 28 |
| Miscellaneous associates | 46 | 17 | 63 | 5 |
| TF1 | | | | |
| Miscellaneous associates | 1 | 1 | 2 | (1) |
| Other associates | 7 | 4 | 11 | 1 |
| TOTAL | 2,272 | (1,079) | 1,193 | 350 |

Alstom

Given the difference between the annual accounting period-ends of Alstom (31 March) and of Bouygues (31 December), no contribution from Alstom to the net profit of Bouygues was recognised in the fourth quarter of 2019.

Alstom's contribution to the net profit of Bouygues for the 2019 financial year includes (i) €238 million in respect of the results published by Alstom for the second half of its 2018/2019 financial year and the first half of its 2019/2020 financial year, and (ii) the net gain of €172 million on the divestment by Bouygues of a 13% equity interest in Alstom (see Note 1.2).

The carrying amount of the interest in Alstom as of 31 December 2019 was €974 million, including €459 million of goodwill and €64 million of non-depreciable fair value adjustments relating mainly to the Alstom brand name. This compares with €2,087 million as of 31 December 2018.

The consolidated carrying amount per share as of 31 December 2019 was €29.56, below the quoted market price of €42.23 as of 31 December 2019.

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

| | Alstom | |
|---|---------------|-------------------------------------|
| | 30/09/2019 | 31/03/2019 restated ^a |
| Amounts shown are for 100% of Alstom | | |
| Non-current assets | 4,758 | 4,313 |
| Current assets | 8,197 | 9,090 |
| Held-for-sale assets | | 7 |
| TOTAL ASSETS | 12,955 | 13,410 |
| Shareholders' equity | 3,135 | 4,159 |
| Non-current liabilities | 1,469 | 1,186 |
| Current liabilities | 8,351 | 8,059 |
| Liabilities related to held-for-sale assets | | 6 |
| TOTAL LIABILITIES | 12,955 | 13,410 |
| SALES | 4,140 | 8,072 |
| ADJUSTED OPERATING PROFIT | 319 | 570 |
| NET PROFIT | 230 | 693 |
| NET PROFIT ATTRIBUTABLE TO THE GROUP | 227 | 681 |

(a) The financial statements as of 31 March 2019 have been restated for the first-time application of IFRS 16.

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

| | 31/12/2019 | 31/12/2018 restated |
|--|--------------|------------------------|
| Alstom: shareholders' equity attributable to the group as published | 3,072 | 3,965 |
| Share attributable to Bouygues (14.67% as of 31/12/2019) | 451 | 1,102 |
| Fair value remeasurements and goodwill recognised at Bouygues group level | 523 | 985 |
| Net assets recognised in the Bouygues consolidated financial statements | 974 | 2,087 |

Given the time-lag in publication, the amounts reported as of 31 December 2019 are based on the figures published by Alstom as of 30 September 2019.

Information about impairment testing of the investment in Alstom as of 31 December 2019

At the end of 2019, the quoted market price (€42.23) was 43% higher than the consolidated carrying amount (€29.56), so the DCF calculation was not performed. This approach is confirmed by the median consensus forecast for the Alstom share price as of 17 February 2020 (€47.28).

Conclusion on impairment testing

The recoverable amount determined on the basis of the quoted market price as of 31 December 2019 is greater than the carrying amount of the Bouygues group's investment in Alstom. No impairment loss is required to be recognised.

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

The table below shows the principal investments in non-consolidated companies as of 31 December:

| Investment | 31/12/2019 | | 31/12/2018 restated | |
|---|------------|------------|---------------------|------------|
| | Fair value | % interest | Fair value | % interest |
| French companies | | | | |
| Colas | | | | |
| Asphalt, binder and quarry companies ^a | 8 | | 15 | |
| TF1 | | | | |
| Studio71 | 9 | 6% | 28 | 6% |
| SUB-TOTAL | 17 | | 43 | |
| Foreign companies | | | | |
| Bouygues Construction | | | | |
| Cross Yarra Partnership (Australia) | 16 | 10% | 14 | 10% |
| Lumesa (Switzerland) | | Disposal | 3 | 47% |
| Ravinala Airport SA | 2 | 10% | | |
| TF1 | | | | |
| Wibbitz (Israel) | | 7.84% | 4 | 7.84% |
| Colas | | | | |
| Asphalt, binder and quarry companies ^a | 1 | | 1 | |
| SUB-TOTAL | 19 | | 22 | |
| Other investments ^a | 53 | | 45 | |
| TOTAL | 89 | | 110 | |

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

The net change in investments in non-consolidated companies during 2019 was a decrease of €21 million. The main movements in the year were fair value remeasurements via equity of TF1's investment in Studio71.

The table below shows information about other non-current financial assets as of 31 December:

| | 31/12/2019 | 31/12/2018 restated |
|--|------------|---------------------|
| • Advances to non-consolidated companies | 81 | 103 |
| • Loans receivable | 186 | 175 |
| • Deposits and caution money paid (net) | 103 | 106 |
| • Mutual funds | 24 | 24 |
| • Other investments with carrying amounts of less than €2 million individually | 4 | 18 |
| • Other long-term investments | 131 | 148 |
| Other non-current financial assets | 398 | 426 |

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

| | Financial assets at fair value through OCI ^{a & b} | Financial assets at fair value through profit or loss ^c | Financial assets at amortised cost ^d | Total |
|-----------------------------|---|--|---|------------|
| 31/12/2018 restated | 67 | 85 | 384 | 536 |
| Movements during 2019 | (18) | (16) | (15) | (49) |
| 31/12/2019 | 49 | 69 | 369 | 487 |
| Due within less than 1 year | | | 13 | 13 |
| Due within 1 to 5 years | | | 45 | 45 |
| Due after more than 5 years | 49 | 69 | 311 | 429 |

(a) Mainly relates to investments in non-consolidated companies (€24m at 31 December 2019) and other long-term investments (€25m at 31 December 2019), which are measured at value in use (level 3 in the fair value hierarchy).

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

(c) Mainly relates to investments in non-consolidated companies (€65m at 31 December 2019), which are measured at value in use (level 3 in the fair value hierarchy).

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

Fair value of financial assets and financial liabilities

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

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

| | LEVEL 1 Quoted prices | LEVEL 2 Observable inputs | LEVEL 3 Unobservable inputs | 31/12/2019 |
|--|--------------------------|------------------------------|--------------------------------|--------------|
| Financial assets at fair value through OCI ^a | | | 49 | 49 |
| Financial assets at fair value through profit or loss | | | 69 | 69 |
| Net cash position | 3,354 | | | 3,354 |
| Financial instruments (net) and other current financial assets and liabilities | (61) | | | (61) |

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

NOTE 4 CURRENT ASSETS

4.1 Inventories

| | 31/12/2019 | | | 31/12/2018 restated | | |
|------------------------------------|--------------|-------------------------|--------------------|---------------------|-------------------------|-----------------|
| | Gross value | Impairment ^a | Carrying amount | Gross value | Impairment ^a | Carrying amount |
| Property development inventories | 1,694 | (128) | 1,566 ^b | 1,624 | (116) | 1,508 |
| Raw materials and finished goods | 1,240 | (75) | 1,165 | 1,206 | (66) | 1,140 |
| Programmes and broadcasting rights | 650 | (142) | 508 | 667 | (161) | 506 |
| TOTAL | 3,584 | (345) | 3,239 | 3,497 | (343) | 3,154 |

(a) Includes:

| | | |
|--|-------|------|
| - impairment losses charged in the period | (106) | (95) |
| - impairment losses reversed in the period | 104 | 91 |

(b) Includes Bouygues Immobilier: properties under construction €1,412m; completed properties €85m.

Operating commitments not yet recognised involving future outflows of resources

| TF1 | Falling due | | | 31/12/2019 | 31/12/2018 restated |
|--|------------------|-------------------|-------------------|--------------|---------------------|
| | Less than 1 year | 1 year to 5 years | More than 5 years | | |
| Programmes and broadcasting rights | 467 | 642 | 11 | 1,120 | 1,416 |
| Sports transmission rights | 55 | 109 | 7 | 171 | 159 |
| FUTURE PROGRAMMING SCHEDULES ^a | 522 | 751 | 18 | 1,291 | |
| Total 31/12/2018 restated | 541 | 1,009 | 25 | | 1,575 |

(a) Contracts expressed in foreign currencies: €41m in US dollars as of 31 December 2019, €64m in US dollars as of 31 December 2018.

| Bouygues Immobilier | Falling due | | | 31/12/2019 | 31/12/2018 restated |
|--|------------------|-------------------|-------------------|------------|---------------------|
| | Less than 1 year | 1 year to 5 years | More than 5 years | | |
| ACQUISITIONS OF LAND BANKS ^b | 413 | | | 413 | 376 |
| Total 31/12/2018 restated | 376 | | | | 376 |

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

| Bouygues Telecom | Falling due | | | 31/12/2019 | 31/12/2018 restated |
|---|------------------|-------------------|-------------------|------------|---------------------|
| | Less than 1 year | 1 year to 5 years | More than 5 years | | |
| AGREEMENTS TO SECURE HANDSET SUPPLIES ^c | 154 | | | 154 | 119 |
| Total 31/12/2018 restated | 119 | | | | 119 |

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

4.2 Advances and down-payments made on orders

| | 31/12/2019 | | | 31/12/2018 restated | | |
|---|-------------|------------|-----------------|---------------------|------------|-----------------|
| | Gross value | Impairment | Carrying amount | Gross value | Impairment | Carrying amount |
| Advances and down-payments made on orders | 435 | (1) | 434 | 484 | (1) | 483 |

4.3 Trade receivables, tax assets and other current receivables

| | 31/12/2019 | | | 31/12/2018 restated | | |
|--|---------------|--------------|-----------------|---------------------|--------------|-----------------|
| | Gross value | Impairment | Carrying amount | Gross value | Impairment | Carrying amount |
| Trade receivables (including unbilled receivables) | 6,917 | (629) | 6,288 | 6,719 | (574) | 6,145 |
| Customer contract assets | 2,426 | | 2,426 | 2,270 | | 2,270 |
| Current tax assets (receivable) | 309 | (2) | 307 | 262 | (2) | 260 |
| Other current receivables and prepaid expenses: | | | | | | |
| ▪ Employees, social security, government and other receivables | 1,549 | (5) | 1,544 | 1,566 | (8) | 1,558 |
| ▪ Sundry receivables | 1,250 | (327) | 923 | 1,110 | (235) | 875 |
| ▪ Prepaid expenses | 361 | | 361 | 274 | | 274 |
| TOTAL OTHER CURRENT RECEIVABLES & PREPAID EXPENSES | 3,160 | (332) | 2,828 | 2,950 | (243) | 2,707 |
| TOTAL | 12,812 | (963) | 11,849 | 12,201 | (819) | 11,382 |

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

| | Non past due | Past due by: | | | 31/12/2019 | 31/12/2018 restated |
|---------------------------------|--------------|--------------|-------------|-------------------------|--------------|---------------------|
| | | 0-6 months | 6-12 months | More than 12 months | | |
| Trade receivables | 4,282 | 1,412 | 422 | 801 | 6,917 | 6,719 |
| Impairment of trade receivables | (16) | (60) | (70) | (483) | (629) | (574) |
| TOTAL TRADE RECEIVABLES | 4,266 | 1,352 | 352 | 318 ^a | 6,288 | |
| Total 31/12/2018 restated | 4,363 | 1,283 | 226 | 273 | | 6,145 |

(a) Includes: Bouygues Construction €155m, Colas €113m, Bouygues Telecom €37m.

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

4.4 Customer contract assets

| | 31/12/2018 restated | Movements during 2019 | | | 31/12/2019 | Falling due | |
|--|---------------------|-------------------------|---|---|--------------|------------------|------------------|
| | | Translation adjustments | Changes in scope of consolidation & other movements | Movements arising from operating activities | | Less than 1 year | More than 1 year |
| Customer contract origination costs | 214 | | | 25 | 239 | 120 | 119 |
| Customer contract execution costs | 277 | | | 119 | 396 | 55 | 341 |
| Differences relating to percentage of completion on contracts ^a | 1,779 | 18 | (11) | 5 | 1,791 | 1,791 | |
| TOTAL CUSTOMER CONTRACT ASSETS | 2,270 | 18 | (11) | 149 | 2,426 | 1,965 | 460 |

(a) Comprises unbilled receivables on construction contracts at Bouygues Construction, Bouygues Immobilier and Colas.

4.5 Cash and cash equivalents

| | 31/12/2019 | | | 31/12/2018 restated | | |
|------------------|--------------|------------|--------------------|---------------------|------------|-----------------|
| | Gross value | Impairment | Carrying amount | Gross value | Impairment | Carrying amount |
| Cash | 3,055 | | 3,055 ^a | 2,278 | | 2,278 |
| Cash equivalents | 519 | | 519 ^b | 650 | | 650 |
| TOTAL | 3,574 | | 3,574 | 2,928 | | 2,928 |

(a) Includes €15m of term deposits with maturities of less than 3 months recorded in the books of Bouygues SA.

(b) €494m of these cash equivalents are held by Bouygues SA.

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

Cash equivalents are measured at fair value and are readily convertible into cash.

All investments of cash and equivalents were accessible as of 31 December 2019.

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

| | Euro | Pound sterling | Swiss franc | Other European currencies | Australian dollar | US dollar | Canadian dollar | Other currencies | Total 31/12/2019 | Total 31/12/2018 restated |
|---|--------------|----------------|-------------|---------------------------|-------------------|------------|-----------------|-------------------------|------------------|---------------------------|
| Cash | 1,854 | 157 | 84 | 53 | 368 | 153 | 70 | 316 | 3,055 | 2,278 |
| Cash equivalents | 516 | | | | | | | 3 | 519 | 650 |
| Overdrafts and short-term bank borrowings | (98) | (2) | (4) | (16) | (33) | (3) | (5) | (59) | (220) | (238) |
| Total 31/12/2019 | 2,272 | 155 | 80 | 37 | 335 | 150 | 65 | 260 ^a | 3,354 | |
| Total 31/12/2018 restated | 1,728 | 135 | 15 | 66 | 223 | 126 | 99 | 298 | | 2,690 |

(a) "Other currencies" relate mainly to the Asia-Pacific region (€135m); Africa (€52m); and the Middle East (€16m).

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

| | 31/12/2018 restated | Translation adjustments | Changes in scope of consolidation ^f | Charges and reversals through current operating profit | | | | 31/12/2019 | |
|--|------------------------|----------------------------|--|---|--|---------------------------|--|--------------------|---------------------------------|
| | | | | Depreciation, amortisation | Impairment losses & provisions, net | Reversals (unutilised) | Other impairment losses & provisions ^b | | Other movements ^a |
| Depreciation, amortisation & impairment of property, plant and equipment and intangible assets | (16,840) | (96) | (346) | (1,777) ^c | (43) | | 11 | 1,077 ^d | (18,014) |
| Amortisation and impairment of right of use of leased assets | (1,231) | (8) | 1 | (338) | | | | 196 | (1,380) |
| Impairment of goodwill | (67) | | 17 | | (2) | | | | (52) |
| Impairment of other non-current financial assets | (73) | | | | (2) | | 1 | (1) | (75) |
| Sub-total: non-current assets | (18,211) | (104) | (330) | (2,115) | (47)^c | ^c | 12^c | 1,274 | (19,521) |
| Impairment of inventories | (343) | | | | (19) | 17 | | | (345) |
| Impairment of trade receivables | (574) | (3) | | | (84) | 34 | | (2) | (629) |
| Impairment of cash equivalents | | | | | | | | | |
| Impairment of other current assets (excluding tax receivable) | (243) | 1 | (132) | | (2) | 49 | 1 | (6) | (332) |
| Sub-total: current assets | (1,160) | (2) | (132) | | (105) | 100 | 1 | (8) | (1,306) |
| TOTAL ASSETS | (19,371) | (106) | (462) | (2,115) | (152) | 100^e | 13 | 1,266 | (20,827) |
| Non-current provisions | 2,042 | 12 | 20 | | 61 ^c | (105) ^c | (15) ^c | 152 | 2,167 |
| Current provisions | 995 | 11 | 30 | | 303 | (154) | 12 | (61) | 1,136 |
| TOTAL LIABILITIES | 3,037 | 23 | 50 | | 364 | (259)^e | (3) | 91 | 3,303 |

(a) Mainly reversals on disposals.

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

(c) The net aggregate amount of depreciation, amortisation, provisions and impairment charged against non-current assets is €1,753m (see the cash flow statement).

(d) Mainly a reduction in amortisation following disposals of plant and equipment, including €397m for Bouygues Telecom (asset disposals and retirements) and €502m for Colas.

(e) Unutilised reversals (total €359m) are shown in a footnote to the income statement, aggregated with the effects of acquisition/loss of control (€5m).

(f) The main changes in the scope of consolidation are the acquisitions of Keyyo and Nerim by Bouygues Telecom, and of De Mensen and Reel One by TF1.

NOTE 5 CONSOLIDATED SHAREHOLDERS' EQUITY

5.1 Shareholders' equity attributable to the group and to non-controlling interests: analysis as of 31 December 2019

| | Share capital | Share premium | Reserves related to capital | Retained earnings | Consolidated reserves and profit/(loss) for period | Items recognised directly in equity | 31/12/2019 |
|---|---------------|---------------|-----------------------------|-------------------|--|-------------------------------------|---------------|
| Attributable to the Group | 380 | 2,369 | 808 | 1,928 | 5,091 | (171) | 10,405 |
| Attributable to non-controlling interests | | | | | 1,426 | (31) | 1,395 |
| TOTAL SHAREHOLDERS' EQUITY | 380 | 2,369 | 808 | 1,928 | 6,517 | (202) | 11,800 |

5.2 Share capital of Bouygues SA

As of 31 December 2019, the share capital of Bouygues SA consisted of 379,828,120 shares with a €1 par value. Movements during 2019 were as follows:

| | 31/12/2018 restated | Movements during 2019 | | 31/12/2019 |
|--------------------------|------------------------|-----------------------|------------------|--------------------|
| | | Increases | Reductions | |
| Shares | 372,377,939 | 8,320,013 | (869,832) | 379,828,120 |
| NUMBER OF SHARES | 372,377,939 | 8,320,013 | (869,832) | 379,828,120 |
| Par value | €1 | | | €1 |
| SHARE CAPITAL (€) | 372,377,939 | 8,320,013 | (869,832) | 379,828,120 |

The net capital increase during the year of €175 million (see the consolidated statement of changes in shareholders' equity) comprised:

- 2,288,650 shares issued on exercise of stock options (€57 million);
- 6,031,363 shares issued under the Bouygues Confiance n°11 employee share ownership plan (€150 million, including €15 million due to be collected in January 2020);
- 869,832 shares cancelled on 20 February 2019 following share buybacks carried out by Bouygues in connection with the Bouygues Confiance n°10 employee share ownership plan (€32 million).

5.3 Analysis of income and expenses recognised directly in equity

| | Ref. | 2019 | 2018 restated |
|---|-------|------------------|---------------|
| Reserve for actuarial gains/(losses) | 5.3.1 | (89) | 20 |
| Fair value remeasurement reserve: equity instruments | 5.3.2 | (13) | (2) |
| Translation reserve of controlled entities | 5.3.3 | 52 | |
| Fair value remeasurement reserve: hedging instruments | 5.3.4 | (31) | (11) |
| Tax on items recognised directly in equity | | 26 | (2) |
| Share of remeasurements of joint ventures and associates | | (4) ^a | 6 |
| ATTRIBUTABLE TO THE GROUP | | (59) | 11 |
| Other income and expenses attributable to non-controlling interests | | (19) | (3) |
| TOTAL | | (78) | 8 |

(a) Relates mainly to:

- Alstom, with an overall negative impact of €17m made up of:
 - impact of the divestment of a 13% equity interest, comprising (i) derecognition of the translation reserve, with a positive impact of €60m and (ii) the reserves for actuarial gains and losses and fair value remeasurement of equity instruments, with a negative impact of €73m;
 - translation reserve for the period with a positive impact of €20m, and reserve for actuarial gains and losses with a negative impact of €24m;
- translation reserve at Colas and Bouygues Construction, with a positive impact of €9m.

5.3.1 Reserve for actuarial gains and losses on employee benefits (attributable to the Group)

| | 31/12/2018 restated | Movements during 2019 | 31/12/2019 |
|---|---------------------|-----------------------|------------|
| Movement before tax (controlled entities) | (164) | (89) ^a | (253) |

(a) Mainly relates to a reduction in the iBoxx A10+ rate in France (from 2.10% at 31 December 2018 to 0.92% at 31 December 2019) and to the discount rate used for pensions, offset by a change in the actuarial assumptions used by Colas for the staff turnover rate which is now restricted solely to voluntary departures.

5.3.2 Fair value remeasurement reserve: equity instruments (attributable to the Group)

| | 31/12/2018 restated | Movements during 2019 | 31/12/2019 |
|---|---------------------|-----------------------|------------|
| Movement before tax (controlled entities) | 0 | (13) | (13) |

5.3.3 Translation reserve (attributable to the Group)

The principal translation reserves as of 31 December arising on the consolidated financial statements of foreign controlled entities, joint ventures and associates reporting in the following currencies are shown in the table below. The main factor in the €141 million movement in the year is an increase of €80 million in the translation reserve of Alstom (see Note 5.3.).

| | 31/12/2018 restated | Movements during 2019 | 31/12/2019 |
|----------------------------|---------------------|-------------------------|------------|
| US dollar | 35 | 6 | 41 |
| Canadian dollar | (34) | 40 | 6 |
| Pound sterling | 9 | 2 | 11 |
| Thai baht | 10 | 4 | 14 |
| South African rand | (6) | 1 | (5) |
| Swiss franc | 35 | | 35 |
| Czech koruna | 7 | 1 | 8 |
| Alstom translation reserve | (144) | 80 ^a | (64) |
| Other currencies | (15) | 7 | (8) |
| TOTAL | (103) | 141 ^b | 38 |

(a) Includes €89m for joint ventures and associates.

5.3.4 Fair value remeasurement reserve: hedging instruments (attributable to the Group)

This reserve contains movements caused by the remeasurement at fair value of financial instruments used for hedging purposes. Movements for the period are shown below:

| | 31/12/2018 restated | Movements during 2019 | 31/12/2019 |
|--|---------------------|-----------------------|------------|
| Movement before tax (controlled entities) ^a | (58) | (31) | (89) |

(a) Mainly relates to cash flow hedges and currency hedges.

5.4 Analysis of share-based payment (attributable to the Group)

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

| | 31/12/2019 | 31/12/2018 restated |
|--|------------|---------------------|
| Transfer to reserves: | | |
| Expense calculated for plans awarded by TF1 in the last 5 years | 1 | 2 |
| Expense calculated for plans awarded by Bouygues SA in the last 5 years | 5 | 7 |
| Expense calculated for employee benefit: Bouygues Confiance n°10 employee share ownership plan | | 3 |
| Expense calculated for employee benefit: Bouygues Confiance n°11 employee share ownership plan | 10 | |
| TOTAL | 16 | 12 |

5.5 Analysis of "Acquisitions/disposals without change of control and other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)"

The net increase of €34 million mainly reflects:

- the recognition of liabilities for commitments to buy out non-controlling shareholders of TF1 subsidiaries, in particular the De Mensen and Reel One groups;
- the impact of derecognising reserves for actuarial gains and losses and fair value remeasurement of equity instruments recorded in "Acquisitions/disposals without change of control and other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)" within consolidated reserves, following the divestment of a 13% equity interest in Alstom (see Note 5.3); and
- the portion of the tax savings on the Bouygues Confiance n°11 employee share ownership plan recognised in equity.

NOTE 6 NON-CURRENT AND CURRENT PROVISIONS

6.1 Non-current provisions

Non-current provisions amounted to €2,167 million as of 31 December 2019:

| | Long-term employee benefits ^a | Litigation and claims ^b | Guarantees given ^c | Other non- current provisions ^d | Total |
|--|--|---------------------------------------|----------------------------------|--|--------------------|
| 31/12/2017 restated | 772 | 323 | 383 | 580 | 2,058 |
| Movements during 2018 | | | | | |
| Translation adjustments | (1) | 1 | | 4 | 4 |
| Changes in scope of consolidation | 57 | (10) | (8) | (8) | 31 |
| Charges to provisions | 57 | 78 | 108 | 103 | 346 |
| Reversals of provisions (utilised or unutilised) | (51) | (109) | (107) | (97) | (364) ^e |
| Actuarial gains and losses | (18) | | | | (18) |
| Transfers and other movements | 3 | 3 | 1 | (22) | (15) |
| 31/12/2018 restated | 819 | 286 | 377 | 560 | 2,042 |
| Movements during 2019 | | | | | |
| Translation adjustments | 6 | | 4 | 2 | 12 |
| Changes in scope of consolidation | 28 | (1) | 3 | (10) | 20 |
| Charges to provisions | 87 | 54 | 103 | 81 | 325 |
| Reversals of provisions (utilised or unutilised) | (89) | (86) | (99) | (111) | (385) ^f |
| Actuarial gains and losses | 94 | | | | 94 ^g |
| Transfers and other movements | (5) | (1) | 3 | 62 | 59 |
| 31/12/2019 | 940 | 252 | 391 | 584 | 2,167 |

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

| | | | |
|---|--------------|-------------------------------------|-----|
| (a) Long-term employee benefits (see Note 20.2) | 940 | Principal segments involved: | |
| Lump-sum retirement benefits | 595 | Bouygues Construction | 357 |
| Long-service awards | 135 | Colas | 396 |
| Other long-term employee benefits | 210 | TF1 | 51 |
| | | Bouygues Telecom | 93 |
| (b) Litigation and claims | 252 | Bouygues Construction | 83 |
| Provisions for customer disputes | 86 | Bouygues Immobilier | 19 |
| Subcontractor claims | 44 | Colas | 91 |
| Employee-related and other litigation and claims | 122 | Bouygues Telecom | 52 |
| (c) Guarantees given | 391 | Bouygues Construction | 310 |
| Provisions for 10-year construction guarantees | 267 | Bouygues Immobilier | 23 |
| Provisions for additional building/civil engineering/civil works guarantees | 124 | Colas | 58 |
| (d) Other non-current provisions | 584 | Bouygues Construction | 107 |
| Provisions for miscellaneous foreign risks | 38 | Colas | 312 |
| Risks relating to non-controlled entities | 77 | Bouygues Telecom | 134 |
| Dismantling and site rehabilitation | 306 | | |
| Provisions for social security inspections | 113 | | |
| Other non-current provisions | 50 | | |
| (e) Including reversals of unutilised provisions in 2018 | (170) | | |
| (f) Including reversals of unutilised provisions in 2019 | (133) | | |

(g) The corresponding figure in the statement of recognised income and expense is €97m, which also includes an actuarial difference of €3m on overfunded plans.

6.2 Current provisions

Provisions relating to the operating cycle amounted to €1,136 million as of 31 December 2019:

| | Provisions for customer warranties | Provisions for project risks and project completion ^a | Provisions for expected losses to completion ^a | Other current provisions ^b | Total |
|--|---------------------------------------|---|---|--|--------------------|
| 31/12/2017 restated | 42 | 335 | 274 | 234 | 885 |
| Movements during 2018 | | | | | |
| Translation adjustments | | 3 | (4) | (1) | (2) |
| Changes in scope of consolidation | 1 | 10 | 75 | 5 | 91 |
| Charges to provisions | 17 | 169 | 184 | 117 | 487 |
| Reversals of provisions (utilised or unutilised) | (21) | (157) | (173) | (115) | (466) ^c |
| Transfers and other movements | 1 | 10 | (13) | 2 | |
| 31/12/2018 restated | 40 | 370 | 343 | 242 | 995 |
| Movements during 2019 | | | | | |
| Translation adjustments | 1 | 4 | 3 | 3 | 11 |
| Changes in scope of consolidation | | (1) | 28 | 3 | 30 |
| Charges to provisions | 12 | 208 | 284 | 172 | 676 |
| Reversals of provisions (utilised or unutilised) | (14) | (170) | (209) | (122) | (515) ^d |
| Transfers and other movements | (1) | (17) | (45) | 2 | (61) |
| 31/12/2019 | 38 | 394 | 404 | 300 | 1,136 |

(a) Mainly Bouygues Construction and Colas.

(Individual project provisions are not disclosed for confidentiality reasons).

| | | | |
|---------------------------------------|------------|-------------------------------------|-----|
| (b) Other current provisions: | 300 | Principal segments involved: | |
| Reinsurance provisions | 6 | Bouygues Construction | 135 |
| Restructuring provisions | 23 | Bouygues Immobilier | 29 |
| Site rehabilitation (current portion) | 11 | Colas | 96 |
| Miscellaneous current provisions | 260 | TF1 | 15 |

(c) Including reversals of unutilised provisions in 2018 (164)

(d) Including reversals of unutilised provisions in 2019 (154)

NOTE 7 DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets and liabilities of the entities included in the Bouygues SA group tax election (Bouygues Construction, Bouygues Immobilier and Colas) are presented on the “Group tax election: Bouygues SA & other” line in the tables below.

7.1 Deferred tax assets

| Deferred tax assets | 31/12/2018 restated | Movements during 2019 | 31/12/2019 |
|---|------------------------|--------------------------|------------|
| Bouygues Construction | 75 | (45) | 35 |
| Bouygues Immobilier | 13 | 16 | 29 |
| Colas | 157 | (1) | 156 |
| TF1 | | | |
| Bouygues Telecom | | | |
| Group tax election: Bouygues SA & other | 81 | 46 | 122 |
| TOTAL | 326 | 16 | 342 |

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

7.2 Deferred tax liabilities

| Deferred tax liabilities | 31/12/2018 restated | Movements during 2019 | 31/12/2019 |
|---|------------------------|--------------------------|------------|
| Bouygues Construction | 10 | 2 | 12 |
| Bouygues Immobilier | 9 | | 9 |
| Colas | 122 | (5) | 117 |
| TF1 | 43 | 4 | 47 |
| Bouygues Telecom | 141 | 30 | 171 |
| Group tax election: Bouygues SA & other | 3 | 2 | 5 |
| TOTAL | 328 | 33 | 361 |

The deferred tax position as of 31 December 2019 represented a net liability of €19 million; see Note 7.3 below for a detailed analysis.

7.3 Net deferred tax asset/liability by business segment

| Net deferred tax asset/liability by segment and type | Net deferred tax asset/ (liability) at 31/12/2018 restated | Movements during 2019 | | | | | Net deferred tax asset/ (liability) at 31/12/2019 |
|--|--|-------------------------|-----------------------------------|-----------|-------------|------------------------------|---|
| | | Translation adjustments | Changes in scope of consolidation | Gain | Expense | Other movements ^a | |
| A – Tax losses | | | | | | | |
| Bouygues Construction | 5 | | | 15 | (21) | 2 | 1 |
| Bouygues Immobilier | 2 | | | | | | 2 |
| Colas | 11 | | | | (5) | | 6 |
| TF1 | 4 | | | | (2) | (1) | 1 |
| Bouygues Telecom | | | 2 | | | 1 | 3 |
| Group tax election: Bouygues SA & other | 90 | | | 14 | | 9 | 113 ^b |
| SUB-TOTAL | 107 | | 2 | 29 | (28) | 15 | 125 |
| B – Temporary differences | | | | | | | |
| Bouygues Construction | 65 | | 1 | 10 | (45) | (9) | 22 |
| Bouygues Immobilier | 2 | | | 16 | | | 18 |
| Colas | 24 | (4) | (1) | 16 | (12) | 10 | 33 |
| TF1 | (47) | | (5) ^c | | | 4 | (48) |
| Bouygues Telecom | (141) | | (8) ^d | (33) | 6 | 2 | (174) |
| Group tax election: Bouygues SA & other | (17) | | | 8 | | 13 | 4 |
| SUB-TOTAL | (114) | (4) | (13) | 17 | (51) | 20 | (145) |
| TOTAL | (2) | (4) | (11) | 46 | (79) | 31 | (19) |

(a) Mainly deferred taxes recognised in equity (fair value remeasurements of financial instruments, and actuarial gains/losses on employee benefits and in the Bouygues Confiance N°11 employee share ownership plan).

(b) Overall tax loss arising on the group tax election, representing a tax base of €401m and expected to reverse over three years.

(c) Relates mainly to De Mensen, Reel One and Gammed!, and to the divestment of Téléshopping.

(d) Relates mainly to Keyyo and Nerim.

| Principal sources of deferred taxation: | 31/12/2019 | 31/12/2018 restated |
|---|--------------------|---------------------|
| • Deferred tax assets on employee benefits (mainly lump-sum retirement benefits and pensions) | 160 | 142 |
| • Tax losses | 126 | 107 |
| • Restricted provisions booked solely for tax purposes | (123) | (125) |
| • Other items | (182) ^a | (126) |
| TOTAL | (19) | (2) |

(a) Includes in particular deferred tax liabilities on consolidation adjustments.

7.4 Period to recovery of deferred tax assets

| 31/12/2019 | Less than 2 years | 2 to 5 years | More than 5 years | Total |
|---|-------------------|--------------|-------------------|-------|
| Estimated period to recovery of deferred tax assets | 185 | 65 | 92 ^a | 342 |

(a) Mainly deferred tax assets on employee benefits.

7.5 Unrecognised deferred tax assets

Some deferred tax assets were not recognised as of 31 December 2019 due to the low probability of recovery (mainly tax losses generated abroad or in France by companies not included in the Bouygues SA group tax election).

| | 31/12/2018 restated | Movements during 2019 | 31/12/2019 |
|-----------------------|---------------------|-----------------------|------------|
| Bouygues Construction | 157 | 55 | 212 |
| Bouygues Immobilier | 30 | | 30 |
| Colas | 87 | (15) | 72 |
| TF1 | 13 | | 13 |
| TOTAL | 287 | 40 | 327 |

NOTE 8 NON-CURRENT AND CURRENT DEBT

8.1 Interest-bearing debt by maturity

| | Current debt | | | | Non-current debt | | | | | | Total maturing after >1 year 31/12/2019 | Total maturing after >1 year 31/12/2018 restated |
|---|------------------|---------------|----------------|------------------------------------|------------------|--------------|--------------|--------------|--------------|-----------------|---|--|
| | Accrued interest | 1 to 3 months | 4 to 12 months | Total maturing in less than 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | 5 to 6 years | 6 or more years | | |
| Bond issues | 96 | 60 | 939 | 1,095 | | 797 | 696 | | | 1,331 | 2,824 | 3,819 |
| Bank borrowings | | 53 | 84 | 137 | 957 | 148 | 82 | 20 | 19 | 45 | 1,271 | 1,152 |
| Other borrowings | | 18 | 45 | 63 | 29 | 64 | 5 | 11 | 17 | 15 | 141 | 77 |
| TOTAL NON-CURRENT AND CURRENT DEBT | 96 | 131 | 1,068 | 1,295 | 986 | 1,009 | 783 | 31 | 36 | 1,391 | 4,236 | |
| Total 31/12/2018 restated | 103 | 117 | 1,020 | 1,240 | 1,526 | 554 | 850 | 723 | 23 | 1,372 | | 5,048 |

Total non-current debt decreased by €812 million in 2019; a bond issue of €1 billion maturing in July 2020 was reclassified as non-current.

Current debt was stable; the reclassification of the bond issue maturing in July 2020 was offset by the redemption of a bond issue of the same amount in October 2019.

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

| ISIN | Issue date | Maturity | Nominal value on maturity | Interest rate (%) | Quoted price at 31/12/2019, as % of nominal on full price basis ^a |
|--------------|------------|------------|---------------------------|-------------------|--|
| FR0010212852 | 22/07/2005 | 22/07/2020 | 1,000 | 4.250% | 102.4850 |
| FR0011193515 | 09/02/2012 | 09/02/2022 | 800 | 4.500% | 109.9250 |
| FR0011332196 | 02/10/2012 | 16/01/2023 | 700 | 3.625% | 111.5650 |
| FR0010379255 | 06/10/2006 | 06/10/2026 | 595 ^b | 5.500% | 124.9740 |
| FR0013222494 | 07/12/2016 | 07/06/2027 | 750 | 1.375% | 108.6630 |
| TOTAL | | | 3,845 | | |

(a) Source: Bloomberg

(b) Equivalent value in euros of the sterling-denominated nominal value.

8.2 Confirmed credit facilities and drawdowns

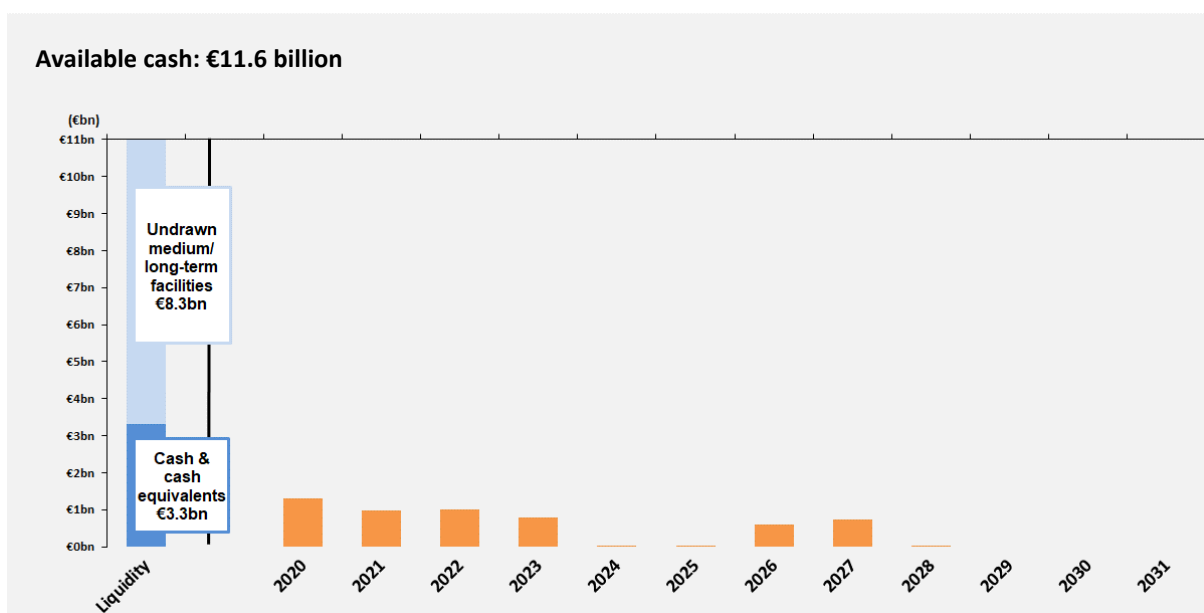
| Description | Confirmed facilities – Maturity | | | | Drawdowns – Maturity | | | |
|----------------------------------|---------------------------------|---------------|-------------------|---------------|----------------------|--------------|-------------------|--------------|
| | Less than 1 year | 1 to 5 years | More than 5 years | Total | Less than 1 year | 1 to 5 years | More than 5 years | Total |
| Bond issues (mainly Bouygues SA) | 1,095 | 1,493 | 1,331 | 3,919 | 1,095 | 1,493 | 1,331 | 3,919 |
| Bank borrowings ^a | 1,012 | 8,388 | 258 | 9,658 | 137 | 1,226 | 45 | 1,408 |
| Other borrowings | 63 | 126 | 15 | 204 | 63 | 126 | 15 | 204 |
| TOTAL CREDIT FACILITIES | 2,170 | 10,007 | 1,604 | 13,781 | 1,295 | 2,845 | 1,391 | 5,531 |

(a) Confirmed undrawn credit facilities: €8,250m.

8.3 Liquidity at 31 December 2019

As at 31 December 2019, available cash stood at €3,309 million, net of a €45 million liability in respect of financial instruments contracted to hedge net debt. The Group also had €8,250 million of undrawn confirmed credit facilities as at the same date.

Debt maturity schedule at 31 December 2019



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

The bank credit facilities contracted by Bouygues SA contain no financial covenants or trigger event clauses. The same applies to facilities used by Bouygues SA subsidiaries, except for the €301 million financing obtained by Colas in Canada which temporarily includes a leveraged covenant clause based on the debt to EBITDA ratio as defined in the contract.

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

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

| (%) | 31/12/2019 | 31/12/2018 restated |
|------------------------------|------------|------------------------|
| Fixed rate debt ^a | 86 | 86 |
| Floating rate debt | 14 | 14 |

(a) Rates fixed for more than one year.

8.5 Interest rate risk

The split of financial assets and financial liabilities by type of interest as of 31 December 2019 is shown below:

| | Floating | | Total |
|--|--------------|----------------|----------------|
| | rate | Fixed rate | |
| Financial liabilities (debt) ^a | (1,663) | (3,868) | (5,531) |
| Financial assets (net cash position) ^b | 3,309 | | 3,309 |
| Net pre-hedging position | 1,644 | (3,866) | (2,222) |
| Interest rate hedges | 884 | (884) | |
| Net post-hedging position | 2,528 | (4,750) | (2,222) |
| Adjustment for seasonal nature of some activities ^c | 296 | (296) | |
| Net post-hedging position after adjustment | 2,824 | | |

(a) Call options and contingent consideration recognised as financial liabilities under IFRS 9 are treated as fixed rate.

(b) Net of a €45m liability in respect of the fair value of financial instruments contracted to hedge net debt.

(c) At Colas, operations – and cash flows from operations – are subject to marked seasonal fluctuations. This adjustment gives an approximation of the average cash position over the full year, which is used as the basis for analysing the sensitivity of interest expense to changes in interest rates. It corresponds to the difference between the average cash position over the full year, and the net cash position in the balance sheet at 31 December.

The effect of an immediate 1% rise in short-term interest rates on the net post-hedging position after adjustment exposed to interest rate risk (as presented above) would be to reduce the cost of net debt by €28 million over a full year.

8.6 Split of current and non-current debt by currency

| | Europe | | | US dollar | Canadian dollar | Other currencies | Total |
|----------------------------------|--------------|----------------|------------------|-----------|-----------------|------------------|--------------|
| | Euro | Pound sterling | Other currencies | | | | |
| Non-current: 31/12/2019 | 3,181 | 897 | 6 | 37 | 91 | 24 | 4,236 |
| Current: 31/12/2019 | 1,232 | 17 | 7 | | 33 | 6 | 1,295 |
| Non-current: 31/12/2018 restated | 3,966 | 648 | 10 | 39 | 382 | 3 | 5,048 |
| Current: 31/12/2018 restated | 1,192 | 12 | 2 | 4 | 5 | 25 | 1,240 |

An analysis of debt by business segment is provided in Note 17.

Details by segment of collateral and pledges given by the Bouygues group are provided in Note 19.1.

NOTE 9 MAIN COMPONENTS OF CHANGE IN NET DEBT

9.1 Change in net debt

| | 31/12/2018 restated | Translation adjustments | Changes in scope of consolidation | Cash flows | Fair value adjustments | Other movements ^c | 31/12/2019 |
|---|------------------------|----------------------------|---|-------------------------|---------------------------|---------------------------------|----------------|
| Cash and cash equivalents | 2,928 | 39 | 9 | 593 | | 5 | 3,574 |
| Overdrafts and short-term bank borrowings | (238) | 49 | (1) | (25) | | (5) | (220) |
| NET CASH POSITION (A) | 2,690 | 88 ^a | 8 ^a | 568 ^a | | | 3,354 |
| Non-current debt | 5,048 | 30 | 13 | 96 ^b | 12 | (963) | 4,236 |
| Current debt | 1,240 | 1 | 196 | (1,137) ^b | (13) | 1,008 | 1,295 |
| Financial instruments, net | 14 | | | | 32 | (1) | 45 |
| TOTAL DEBT (B) | 6,302 | 31 | 209 ^d | (1,040) | 31 | 43 | 5,576 |
| NET DEBT (A)-(B) | (3,612) | 57 | (201) | 1,608 | (31) | (43) | (2,222) |

(a) Net cash inflow of €664m, as reported in the cash flow statement.

(b) Net cash outflow from financing activities of €1,041m as reported in the cash flow statement, comprising (i) inflows of €962m and (ii) outflows of €2,003m, including the redemption of a €1,000m Bouygues SA bond issue that matured in October 2019.

(c) "Other movements" mainly comprise (i) the reclassification from non-current to current of the Bouygues SA bond issue of €1,000m maturing July 2020 and (ii) the commitments to buy out the non-controlling shareholders of Reel One (€38m) and De Mensen (€10m).

(d) "Changes in scope of consolidation" mainly comprise the first-time consolidation of the liabilities of SCI Camille Desmoulins, over which Bouygues Immobilier obtained control in 2019.

9.2 Principal changes in net debt during 2019

| | |
|---|------------------|
| NET DEBT AT 31 December 2018 restated | (3,612) |
| Partial divestment (13%) of the equity interest in Alstom (selling price, net of transaction costs and dividends received) | 1,405 |
| Other acquisitions/disposals of consolidated activities, non-consolidated companies and other long-term investments, including changes in scope of consolidation and commitments to buy out non-controlling interests | (180) |
| Transactions involving the share capital of Bouygues SA | 181 ^a |
| Bouygues Confiance n°10 2018 employee share ownership plan - amounts collected in 2019 | 16 |
| Bouygues Confiance n°11 2019 employee share ownership plan - amounts to be collected in 2020 | (15) |
| Dividends paid | (710) |
| Operating items | 693 |
| NET DEBT AS 31 DECEMBER 2019 | (2,222) |

(a) Relates mainly to (i) increases in the share capital of Bouygues SA to reflect the exercise of stock options (€57m) and the Bouygues Confiance n° 11 employee share ownership plan (€150m); and (ii) the repurchase of treasury shares by Bouygues SA on 4 January 2019 (with a view to a €32m reduction in share capital and share premium).

NOTE 10 NON-CURRENT LEASE AND CURRENT LEASE OBLIGATIONS

10.1 Maturity analysis of lease obligations

| | Current lease obligations | | | Non-current lease obligations | | | | | | Total maturing after > 1 year 31/12/2019 | Total maturing after > 1 year 31/12/2018 restated |
|----------------------------------|---------------------------|----------------|----------------------------|-------------------------------|--------------|--------------|--------------|--------------|-----------------|--|---|
| | 1 to 3 months | 4 to 12 months | Total maturing in < 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | 4 to 5 years | 5 to 6 years | 6 or more years | | |
| Lease obligations | 84 | 258 | 342 | 282 | 245 | 207 | 172 | 138 | 300 | 1,344 | |
| Total 31/12/2018 restated | 79 | 239 | 318 | 267 | 228 | 195 | 176 | 133 | 327 | | 1,326 |

10.2 Movement in lease obligations

| | 31/12/2018 restated | Translation adjustments | Changes in scope of consolidation | Cash flows | New leases, lease modifications, and other lease-related movements | 31/12/2019 |
|--------------------------------|---------------------|-------------------------|-----------------------------------|--------------|--|--------------|
| Non-current lease obligations | 1,326 | 11 | (114) | | 121 | 1,344 |
| Current lease obligations | 318 | 3 | 129 | (351) | 243 | 342 |
| TOTAL LEASE OBLIGATIONS | 1,644 | 14 | 15 | (351) | 364 | 1,686 |

NOTE 11 CURRENT LIABILITIES

11.1 Current liabilities

| | 31/12/2019 | 31/12/2018 restated |
|--|---------------|------------------------|
| Current debt ^a | 1,295 | 1,240 |
| Current lease obligations | 342 | 318 |
| Current taxes payable | 230 | 154 |
| Trade payables | 7,394 | 7,423 |
| Customer contract liabilities ^b | 3,854 | 3,885 |
| Current provisions ^c | 1,136 | 995 |
| Other current liabilities: | | |
| • Other operating liabilities (employees, social security, government) | 2,969 | 2,914 |
| • Deferred income | 38 | 39 |
| • Other non-financial liabilities | 1,888 | 1,826 |
| Overdrafts and short-term bank borrowings | 220 | 238 |
| Financial instruments – Hedging of debt | 57 | 25 |
| Other current financial liabilities | 23 | 21 |
| TOTAL | 19,446 | 19,078 |

(a) See analysis in Note 8.

(b) See analysis in Note 11.2.

(c) See analysis in Note 6.2.

11.2 Customer contract liabilities

| | 31/12/2018 restated | Movements during 2019 | | | 31/12/2019 |
|---|------------------------|----------------------------|---|--|--------------|
| | | Translation adjustments | Changes in scope of consolidation & other movements | Movements arising from operating activities | |
| Advances and down-payments received on orders ^a | 1,351 | 10 | (8) | (156) | 1,197 |
| Differences relating to percentage of completion on contracts ^b | 2,534 | 40 | 36 | 47 | 2,657 |
| CUSTOMER CONTRACT LIABILITIES | 3,885 | 50 | 28 | (109) | 3,854 |

(a) As of 31 December 2019, “Advances and down-payments received on orders” included €4m (€40m as of 31 December 2018) of advances received from customers on signature of deeds of sale in respect of off-plan sales under property development programmes.

These sums are not refundable and are used to finance work on the programmes; virtually all of these sums had been disbursed as of 31 December 2019.

(b) Mainly comprises deferred income on construction contracts at Bouygues Construction and Colas.

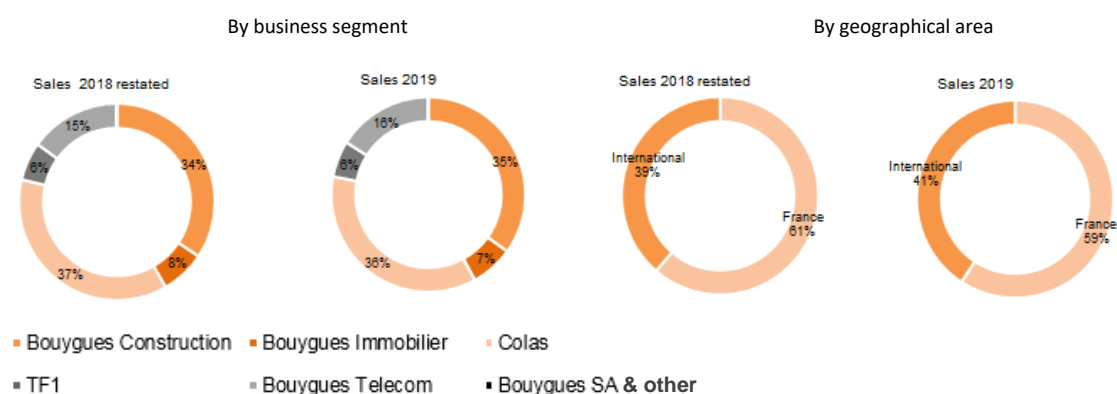
NOTE 12 SALES

12.1 Analysis by business segment

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

| | 2019 sales | | | Restated 2018 sales | | |
|---------------------------|---------------|---------------|---------------|---------------------|---------------|---------------|
| | France | International | Total | France | International | Total |
| Bouygues Construction | 5,216 | 8,033 | 13,249 | 5,455 | 6,750 | 12,205 |
| Bouygues Immobilier | 2,565 | 140 | 2,705 | 2,495 | 132 | 2,627 |
| Colas | 6,535 | 7,086 | 13,621 | 6,408 | 6,726 | 13,134 |
| TF1 | 2,093 | 190 | 2,283 | 2,111 | 131 | 2,242 |
| Bouygues Telecom | 6,031 | | 6,031 | 5,314 | | 5,314 |
| Bouygues SA & other | 6 | 34 | 40 | 5 | 28 | 33 |
| CONSOLIDATED SALES | 22,446 | 15,483 | 37,929 | 21,788 | 13,767 | 35,555 |

Split of total sales



An analysis of sales by accounting classification and business segment is provided in Note 17.

There were no material exchanges of goods or services in the years ended 31 December 2019 and 2018, and there is no material revenue that is contingent on a performance obligation that pre-dates the reporting period.

12.2 Analysis by geographical area

| | 2019 sales | | Restated 2018 sales | |
|-----------------------------|---------------|------------|---------------------|------------|
| | Total | % | Total | % |
| France | 22,446 | 59 | 21,788 | 61 |
| European Union (28 members) | 4,469 | 12 | 3,851 | 11 |
| Rest of Europe | 2,234 | 6 | 1,874 | 5 |
| Africa | 1,060 | 3 | 1,057 | 3 |
| Middle East | 137 | 0 | 113 | 0 |
| North America | 4,189 | 11 | 3,860 | 11 |
| Central and South America | 357 | 1 | 314 | 1 |
| Asia-Pacific | 3,037 | 8 | 2,698 | 8 |
| TOTAL | 37,929 | 100 | 35,555 | 100 |

The United Kingdom accounts for 45% of sales in the European Union excluding France, primarily in construction. These operations are carried out locally within the United Kingdom, and have no material exposure to uncertainties relating to imports and exports.

12.3 Split by type of contract, France/International

| (%) | 2019 | | | 2018 restated | | |
|--------------------------------------|--------|---------------|-------|---------------|---------------|-------|
| | France | International | Total | France | International | Total |
| Public-sector contracts ^a | 27 | 48 | 35 | 26 | 47 | 34 |
| Private-sector contracts | 73 | 52 | 65 | 74 | 53 | 66 |

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

12.4 Order backlog

The Group's order backlog stood at €35,344 million as of 31 December 2019.

| | 31/12/2018 restated | Movements during 2019 | | | 31/12/2019 |
|------------------------------------|------------------------|----------------------------|--------------------------------------|---|---------------|
| | | Translation adjustments | Changes in scope of consolidation | Other movements arising from operating activities | |
| Construction businesses | 33,146 | 364 | (309) | (179) | 33,022 |
| - Bouygues Construction | 22,183 | 280 | | (863) ^b | 21,600 |
| - Bouygues Immobilier | 2,478 | | | (265) | 2,213 |
| - Colas | 8,485 | 84 | (309) ^a | 949 | 9,209 |
| TF1 | 56 | | | 87 | 143 |
| Bouygues Telecom | 1,831 | | | 446 | 2,277 |
| Inter-segment adjustments | (181) | | | 83 | (98) |
| Total order backlog | 34,852 | 364 | (309) | 437 | 35,344 |
| - maturing within less than 1 year | 18,575 | | | | 18,989 |
| - maturing within 1 to 5 years | 12,239 | | | | 13,756 |
| - maturing after more than 5 years | 4,038 | | | | 2,599 |

(a) Relates mainly to the deconsolidation of Smac (€335m) and the first-time consolidation of Asfalcura and Colvias (€26 million).

(b) Includes an order intake of €12,308m.

For Bouygues Construction and Colas, the order backlog represents the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensive conditions lifted).

For Bouygues Immobilier, the order backlog represents notarized sales not yet completed, and total revenue from all reservations signed but not yet notarized.

In accordance with IFRS 11, Bouygues Immobilier excludes from the order backlog revenue from reservations taken through equity-accounted joint ventures (jointly-controlled co-promotion entities).

The TF1 order backlog represents the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect.

The Bouygues Telecom order backlog mainly comprises subscription revenue chargeable to customers up to the end of their contractually agreed term.

NOTE 13 OPERATING PROFIT

| | 2019 | 2018 restated |
|---------------------------------|--------------|------------------|
| CURRENT OPERATING PROFIT | 1,676 | 1,564 |
| Other operating income | 71 | 371 |
| Other operating expenses | (51) | (106) |
| OPERATING PROFIT | 1,696 | 1,829 |

See Note 17 for an analysis of current operating profit and operating profit by business segment.

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

2019

Bouygues Telecom: Net income of €70 million, comprising a €63 million gain on the transfer of sites and towers to Cellnex plus €4 million of other operating income and €3 million on the roll-out of network sharing (reversals of provisions, net of charges).

Colas: €28 million of restructuring expenses associated with the shutdown of operations at the Dunkirk refinery and SES Nouvelle.

Bouygues Construction: €23 million of restructuring expenses.

2018

Bouygues Telecom: net income of €322 million, comprising a €250 million gain on the disposal of assets (sites and towers to Cellnex, fibre optic infrastructure to CityFast); the €110 million reversal of the accrued expense previously recognised for Arcep licence fees following a favourable outcome; and €11 million of other operating income. Those amounts were partly offset by a €47 million expense on the roll-out of network sharing and €2 million of one-off year-end employee bonuses.

Colas: Expenses of €31 million, comprising €16 million for the costs of preliminary works on the dismantling of the Dunkirk refinery site; €10 million of one-off year-end employee bonuses; and €5 million of other miscellaneous operating expenses.

TF1: Amortisation of €22 million charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation.

Bouygues Construction: expense of €4 million for one-off year-end employee bonuses.

NOTE 14 COST OF NET DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

14.1 Analysis of cost of net debt

| | 2019 | 2018 restated |
|---|--------------|------------------|
| Financial expenses, comprising: | (246) | (245) |
| Interest expense on debt | (233) | (226) |
| Interest expense related to treasury management | (12) | (18) |
| Negative impact of financial instruments | (1) | (1) |
| Financial income, comprising: | 39 | 29 |
| Interest income from cash and cash equivalents | 34 | 27 |
| Income and gains on disposal from cash and cash equivalents | 5 | 2 |
| COST OF NET DEBT | (207) | (216) |

14.2 Other financial income and expenses

| | 2019 | 2018 restated |
|---|-------------|------------------|
| Other financial income | 84 | 82 |
| Other financial expenses | (94) | (64) |
| OTHER FINANCIAL INCOME/(EXPENSES), NET | (10) | 18 |

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

The year-on-year rise of €30 million in “Other financial expenses” reflects increases in (i) impairment losses taken against non-current financial assets and (ii) charges arising from the unwinding of discount on commitments to buy out non-controlling interests, plus the fact that the carrying amount of divested financial assets was higher than in 2018.

NOTE 15 INCOME TAX EXPENSE

15.1 Analysis of income tax expense

| | 2019 | | | 2018 restated | | |
|------------------------------------|--------------|-----------------|--------------|---------------|-----------------|--------------|
| | France | Other countries | Total | France | Other countries | Total |
| Tax payable to the tax authorities | (238) | (181) | (419) | (313) | (125) | (438) |
| Change in deferred tax liabilities | (25) | 5 | (20) | 12 | (1) | 11 |
| Change in deferred tax assets | (10) | (3) | (13) | | 1 | 1 |
| TOTAL | (273) | (179) | (452) | (301) | (125) | (426) |

See Note 17 for an analysis of income tax expense by business segment.

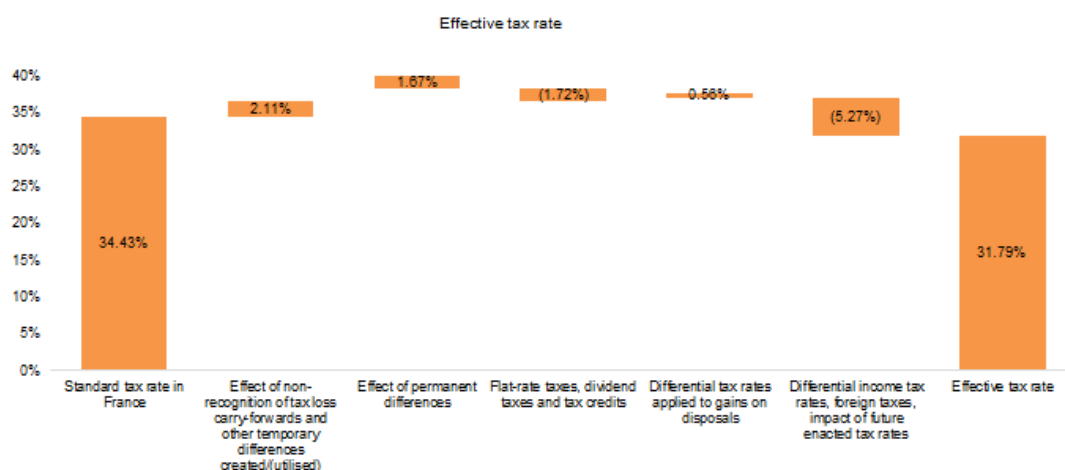
15.2 Tax proof (reconciliation between standard tax rate and effective tax rate)

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

| | 2019 | 2018 restated |
|---|---------------|---------------|
| NET PROFIT FOR THE PERIOD (100%) | 1,320 | 1,450 |
| Eliminations: | | |
| Income tax | 452 | 426 |
| Net (profit)/loss of discontinued and held-for-sale operations | None | None |
| Share of net (profits)/losses of joint ventures and associates | (350) | (302) |
| NET PRE-TAX PROFIT FROM CONTINUING OPERATIONS EXCLUDING JOINT VENTURES AND ASSOCIATES | 1,422 | 1,574 |
| Standard tax rate in France | 34.43% | 34.43% |
| Effect of non-recognition of tax loss carry-forwards and other temporary differences created/(utilised) | 2.11% | 1.59% |
| Effect of permanent differences | 1.67% | 0.51% |
| Flat-rate taxes, dividend taxes and tax credits | (1.72%) | (3.56%) |
| Differential tax rates applied to gains on disposals ^a | 0.56% | (1.14%) |
| Differential income tax rates, foreign taxes, impact of future enacted tax rates | (5.27%) | (4.77%) |
| EFFECTIVE TAX RATE | 31.79% | 27.06% |

(a) For 2018, includes the impacts of the disposal of 49% of Axione by Bouygues Construction.

The effective tax rate for 2019 is 32%. After stripping out the Axione disposal and after treating the CICE tax credit as taxable (in line with the 2019 treatment), the 2018 effective tax rate was 31%.



NOTE 16 NET PROFIT FROM CONTINUING OPERATIONS AND BASIC/DILUTED EARNINGS PER SHARE

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

| | 2019 | 2018 restated |
|--|-------------|---------------|
| Net profit from continuing operations attributable to the Group (€m) | 1,184 | 1,308 |
| Weighted average number of shares outstanding | 372,761,257 | 367,355,503 |
| BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€) | 3.18 | 3.56 |

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

| | 2019 | 2018 restated |
|--|-------------|---------------|
| Net profit from continuing operations attributable to the Group (€m) | 1,184 | 1,308 |
| Weighted average number of shares outstanding | 372,761,257 | 367,355,503 |
| Adjustment for potentially dilutive effect of stock options | 697,972 | 1,998,064 |
| DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€) | 3.17 | 3.54 |

NOTE 17 SEGMENT INFORMATION

Segment information is provided in two forms:

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

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

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

An analysis of sales by geographical area is provided in Note 12.2.

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

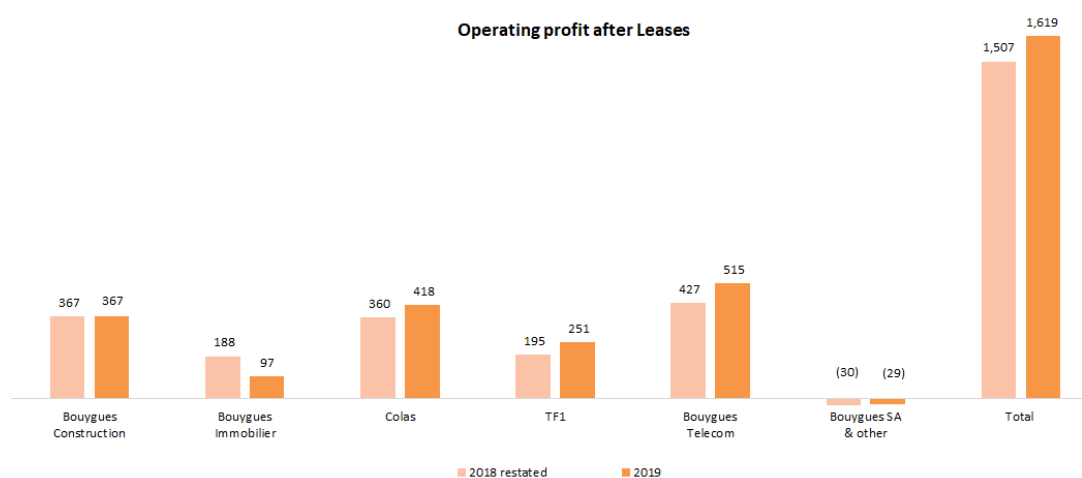
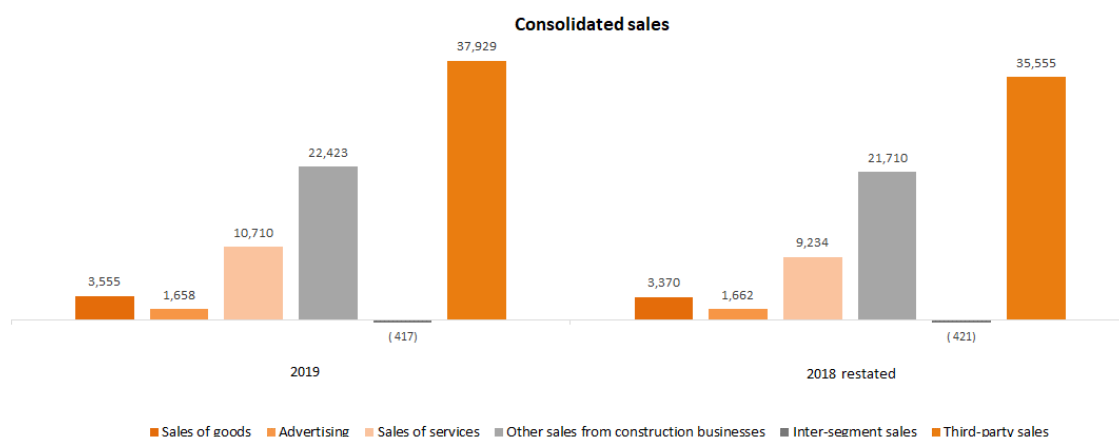
Operating segment information is compiled using the same accounting policies as used in the preparation of the consolidated financial statements, as described in the notes to the financial statements.

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

17.1 Analysis by business segment

| | Bouygues Construction | Colas | TF1 | Bouygues Telecom | Total |
|--|--------------------------|--------------|---------------|---------------------|---------------|
| 2019 income statement | | | | | |
| Sales of goods | 80 | 2,561 | 119 | 795 | 3,555 |
| Advertising | | | 1,658 | | 1,658 |
| Sales of services | 4,256 | 52 | 377 | 5,263 | 10,710 |
| Other sales from construction businesses | 9,019 | 2,654 | 10,750 | | 22,423 |
| Total sales | 13,355 | 2,706 | 13,688 | 2,337 | 38,346 |
| Inter-segment sales | (106) | (1) | (67) | (27) | (417) |
| Third-party sales | 13,249 | 2,705 | 13,621 | 2,283 | 37,929 |
| Current operating profit/(loss) | 378 | 99 | 433 | 255 | 1,676 |
| Current operating profit/(loss) after Leases^a | 367 | 97 | 418 | 251 | 1,619 |
| Other operating income | | | | 70 | 71 |
| Other operating expenses | (23) | | (28) | | (51) |
| Operating profit/(loss) | 355 | 99 | 405 | 255 | 1,696 |
| Operating profit/(loss) after Leases^a | 344 | 97 | 390 | 251 | 1,639 |
| Income from net surplus cash/(cost of net debt) | 20 | (2) | (33) | (2) | (207) |
| Interest expense on lease obligations | (11) | (2) | (15) | (4) | (57) |
| Income tax | (128) | (38) | (141) | (82) | (452) |
| Share of profits/(losses) of joint ventures and associates | 79 | (3) | 43 | (6) | 350 |
| Net profit/(loss) from continuing operations | 326 | 47 | 261 | 155 | 1,320 |
| Net profit/(loss) from discontinued and held-for-sale operations | | | | | |
| Net profit/(loss) | 326 | 47 | 261 | 155 | 1,320 |
| Net profit/(loss) attributable to the Group | 325 | 46 | 252 | 67 | 1,184 |
| 2018 restated income statement | | | | | |
| Sales of goods | 101 | 2,353 | 144 | 772 | 3,370 |
| Advertising | | | 1,662 | | 1,662 |
| Sales of services | 3,556 | 53 | 403 | 4,572 | 9,234 |
| Other sales from construction businesses | 8,701 | 2,575 | 10,434 | | 21,710 |
| Total sales | 12,358 | 2,628 | 13,190 | 2,288 | 35,976 |
| Inter-segment sales | (153) | (1) | (56) | (30) | (421) |
| Third-party sales | 12,205 | 2,627 | 13,134 | 2,242 | 35,555 |
| Current operating profit/(loss) | 378 | 190 | 373 | 199 | 1,564 |
| Current operating profit/(loss) after Leases^a | 367 | 188 | 360 | 195 | 1,507 |
| Other operating income | | | | 371 | 371 |
| Other operating expenses | (4) | | (31) | (22) | (106) |
| Operating profit/(loss) | 374 | 190 | 342 | 177 | 1,829 |
| Operating profit/(loss) after Leases^a | 363 | 188 | 329 | 173 | 1,772 |
| Income from net surplus cash/(cost of net debt) | 17 | (2) | (31) | (2) | (216) |
| Interest expense on lease obligations | (11) | (2) | (13) | (4) | (57) |
| Income tax | (109) | (79) | (96) | (49) | (426) |
| Share of profits/(losses) of joint ventures and associates | (2) | 46 | 28 | | 302 |
| Net profit/(loss) from continuing operations | 308 | 140 | 228 | 127 | 1,450 |
| Net profit/(loss) from discontinued and held-for-sale operations | | | | | |
| Net profit/(loss) | 308 | 140 | 228 | 127 | 1,450 |
| Net profit/(loss) attributable to the Group | 296 | 137 | 220 | 55 | 1,308 |

(a) "Current operating profit/(loss) after Leases" and "Operating profit/(loss) after Leases" are calculated from current operating profit/(loss) and operating profit/(loss) so that those indicators can be presented including interest expense on lease obligations determined in accordance with IFRS 16.



| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|--|-----------------------|---------------------|------------|------------|------------------|---------------------|--------------|
| Current operating profit/(loss) after Leases | 367 | 97 | 418 | 251 | 515 | (29) | 1,619 |
| Elimination of net depreciation/amortisation expense and net charges to provisions and impairment losses: | | | | | | | |
| ▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets | 184 | 10 | 462 | 243 | 867 | 11 | 1,777 |
| ▪ Charges to provisions and impairment losses, net of reversals due to utilisation | 271 | 24 | 151 | 34 | 35 | 1 | 516 |
| Elimination of items included in "Other income from operations": | | | | | | | |
| ▪ Reversals of unutilised provisions and impairment and other items | (231) | (14) | (99) | (14) | (6) | | (364) |
| EBITDA after Leases 2019 | 591 | 117 | 932 | 514 | 1,411 | (17) | 3,548 |

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|-----------------------|---------------------|------------|------------|------------------|---------------------|--------------|
| Current operating profit/(loss) after Leases | 367 | 188 | 360 | 195 | 427 | (30) | 1,507 |
| Elimination of net depreciation /amortisation expense and net charges to provisions and impairment losses: | | | | | | | |
| ▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets | 189 | 10 | 461 | 213 | 821 | 9 | 1,703 |
| ▪ Charges to provisions and impairment losses, net of reversals due to utilisation | 214 | (2) | 100 | 70 | 34 | 1 | 417 |
| Elimination of items included in "Other income from operations": | | | | | | | |
| ▪ Reversals of unutilised provisions and impairment and other items | (280) | (35) | (145) | (9) | (18) | | (487) |
| EBITDA after Leases 2018 restated | 490 | 161 | 776 | 469 | 1,264 | (20) | 3,140 |

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|--|--------------------------|------------------------|--------------|--------------|---------------------|------------------------|----------------|
| Balance sheet at 31 December 2019 | | | | | | | |
| Investments in joint ventures and associates | 105 | 41 | 422 | 12 | | 976 ^a | 1,556 |
| Non-current provisions | (857) | (91) | (857) | (51) | (279) | (32) | (2,167) |
| Current provisions | (742) | (30) | (323) | (15) | | (26) | (1,136) |
| Net debt at 31 December 2019: | | | | | | | |
| Cash and cash equivalents | 4,629 | 86 | 488 | 105 | 47 | (1,781) | 3,574 |
| Non-current debt | (1,082) | (20) | (431) | (200) | (1,423) | (1,080) | (4,236) |
| Current debt | (9) | (40) | (36) | (29) | (78) | (1,103) | (1,295) |
| Overdrafts and short-term bank borrowings | (425) | (305) | (387) | (3) | | 900 | (220) |
| Financial instruments – Hedging of debt (assets/liabilities) | | | (1) | | | (44) | (45) |
| Net surplus cash/(Net debt) ^b | 3,113 | (279) | (367) | (127) | (1,454) | (3,108) | (2,222) |
| Restated balance sheet at 31 December 2018 | | | | | | | |
| Investments in joint ventures and associates | 103 | 27 | 394 | 21 | | 2,088 ^a | 2,633 |
| Non-current provisions | (811) | (88) | (792) | (41) | (278) | (32) | (2,042) |
| Current provisions | (647) | (31) | (271) | (20) | (2) | (24) | (995) |
| Restated net debt at 31 December 2018: | | | | | | | |
| Cash and cash equivalents | 4,652 | 70 | 563 | 117 | 44 | (2,518) | 2,928 |
| Non-current debt | (1,028) | (17) | (503) | (127) | (1,253) | (2,120) | (5,048) |
| Current debt | (11) | (6) | (46) | (12) | (61) | (1,104) | (1,240) |
| Overdrafts and short-term bank borrowings | (493) | (285) | (488) | (6) | (4) | 1,038 | (238) |
| Financial instruments – Hedging of debt (assets/liabilities) | (1) | | (1) | | (1) | (11) | (14) |
| Net surplus cash/(Net debt) ^b | 3,119 | (238) | (475) | (28) | (1,275) | (4,715) | (3,612) |

(a) Includes Alstom: €974m at 31 December 2019, €2,087m at 31 December 2018.

(b) Contribution at business segment level, including Bouygues Relais and Uniservice intra-group current accounts (these intra-group accounts are eliminated in the “Bouygues SA & other” column).

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|--------------------------|------------------------|------------|------------|--------------------------|--------------------------|--------------|
| Other financial indicators: 2019 | | | | | | | |
| Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I) | 491 | 120 | 780 | 416 | 1,275 | 250 | 3,332 |
| Changes in working capital requirements related to operating activities, including current impairment and provisions (II) | (146) | 205 | (30) | (32) | (166) | (54) | (223) |
| Acquisitions of property, plant and equipment and intangible assets, net of disposals (III) | (189) | (11) | (321) | (242) | (836) | (3) | (1,602) |
| Repayment of lease obligations (IV) | (98) | (9) | (88) | (18) | (138) | 0 | (351) |
| FREE CASH FLOW AFTER CHANGES IN WORKING CAPITAL REQUIREMENTS (I) + (II) + (III) + (IV) | 58 | 305 | 341 | 124 | 135 ^a | 193 ^c | 1,156 |
| Other financial indicators: 2018 restated | | | | | | | |
| Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I) | 389 | 118 | 698 | 360 | 1,187 | (43) | 2,709 |
| Changes in working capital requirements related to operating activities, including current impairment and provisions (II) | 286 | (95) | (295) | 17 | (282) | (30) | (399) |
| Acquisitions of property, plant and equipment and intangible assets, net of disposals (III) | (201) | (8) | (288) | (204) | (865) | (7) | (1,573) |
| Repayment of lease obligations (IV) | (86) | (9) | (69) | (16) | (130) | 0 | (310) |
| FREE CASH FLOW AFTER CHANGES IN WORKING CAPITAL REQUIREMENTS (I) + (II) + (III) + (IV) | 388 | 6 | 46 | 157 | (90) ^b | (80) ^c | 427 |

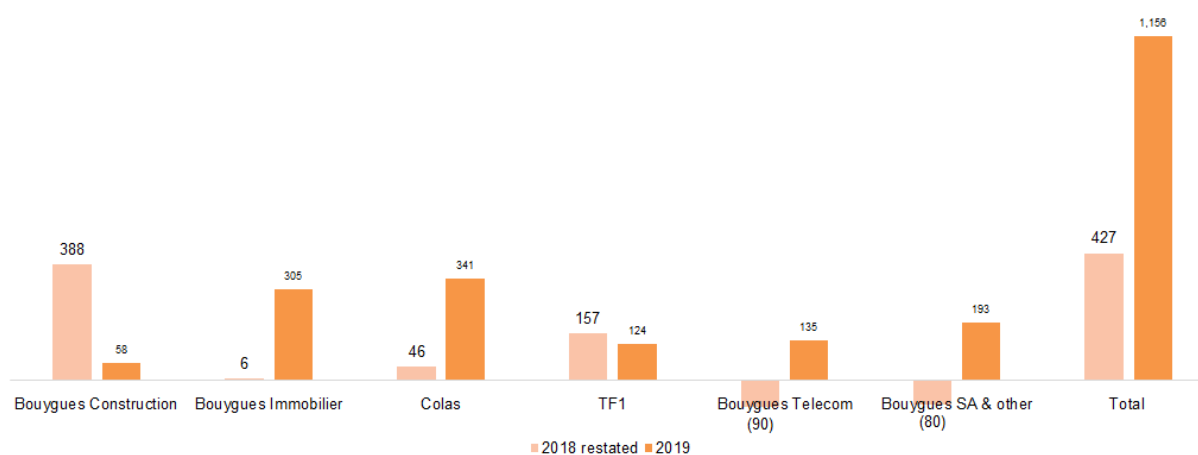
(a) Before a deterioration of €166m in working capital requirements relating to operating activities, free cash flow at Bouygues Telecom for 2018 amounted to €301m.

(b) Before a deterioration of €282m in working capital requirements relating to operating activities, free cash flow at Bouygues Telecom for 2018 amounted to €192m.

(c) The €273m rise in free cash flow after change in working capital requirements for “Bouygues SA & other” was mainly due to a €319m increase in dividends from Alstom.

After stripping out the dividends received from Alstom in 2018 (€22 million) and 2019 (€341 million), free cash flow after change in working capital requirements rose by €410 million (from €405 million in 2018 to €815 million in 2019).

Free cash flow after change in working capital requirements relating to operating activities



17.2 Analysis by geographical area

Property, plant and equipment and intangible assets are allocated according to the location of the asset as of 31 December.

| | France ^a | European Union | Rest of Europe | Africa | Asia-Pacific | Americas | Middle East | Total |
|---|---------------------|----------------|----------------|--------|--------------|----------|-------------|-------|
| Balance sheet at 31 December 2019 | | | | | | | | |
| Property, plant and equipment | 5,642 | 382 | 156 | 144 | 197 | 979 | 2 | 7,502 |
| Intangible assets | 2,038 | 19 | | | 1 | 119 | | 2,177 |
| Cash flow statement 2019 | | | | | | | | |
| Purchase price of property, plant & equipment and intangible assets | 1,490 | 69 | 26 | 58 | 107 | 102 | 1 | 1,853 |

(a) Including overseas departments.

| | France ^a | European Union | Rest of Europe | Africa | Asia-Pacific | Americas | Middle East | Total |
|---|---------------------|----------------|----------------|--------|--------------|----------|-------------|-------|
| Restated balance sheet at 31 December 2018 | | | | | | | | |
| Property, plant and equipment | 5,495 | 363 | 165 | 126 | 158 | 1,016 | 4 | 7,327 |
| Intangible assets | 2,057 | 17 | 3 | | 2 | 119 | | 2,198 |
| Cash flow statement 2018 restated | | | | | | | | |
| Purchase price of property, plant & equipment and intangible assets | 1,778 | 74 | 35 | 62 | 68 | 160 | 1 | 2,178 |

(a) Including overseas departments.

NOTE 18 FINANCIAL INSTRUMENTS

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

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

18.1.1 Analysis by business segment

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total 31/12/2019 | Total 31/12/2018 restated |
|---|--------------------------|------------------------|-------|-----|---------------------|------------------------|---------------------|---------------------------------|
| Forward purchases | 464 | | 270 | 2 | | 1 | 737 | 765 |
| Forward sales | 460 | | 112 | | | | 572 | 541 |
| Currency swaps | 20 | | | 13 | 3 | 1,011 | 1,047 | 1,213 |
| Interest rate swaps ^a | | 350 | 134 | | | 500 | 984 | 1,371 |
| Interest rate options (caps, floors) | | | 45 | | 1,200 | | 1,245 | |
| Commodities derivatives | | | 1 | | | | 1 | 1 |

(a) Pay fixed rate €984m.

18.1.2 Analysis by maturity and original currency

| | Maturity | | | Total | Original currency | | | | |
|--------------------------------------|----------|--------------|-----------|-------|-------------------|-----|-----|-----|-------|
| | < 1 year | 1 to 5 years | > 5 years | | EUR | USD | HKD | CHF | Other |
| Forward purchases | 685 | 52 | | 737 | 238 | 143 | 3 | 11 | 342 |
| Forward sales | 527 | 45 | | 572 | 16 | 182 | 56 | 108 | 210 |
| Currency swaps | 1,047 | | | 1,047 | 4 | 136 | 300 | 166 | 441 |
| Interest rate swaps | 100 | 334 | 550 | 984 | 938 | | | | 46 |
| Interest rate options (caps, floors) | | 1,245 | | 1,245 | 1,245 | | | | |
| Commodities derivatives | 1 | | | 1 | 1 | | | | |

18.2 Market value of hedging instruments

| | Original currency | | | | | Total | Fair value hedge | Cash flow hedge | Hedge of net investment in a foreign operation |
|--|-------------------|------------|------------|------------|-------------------|--------------------------|------------------|-----------------|--|
| | EUR | USD | HKD | CHF | Other | | | | |
| Derivatives recognised as assets | | | | | | | | | |
| Forward purchases | 1 | | | | 3 | 4 | | 4 | |
| Forward sales | 1 | 1 | | | | 2 | | 2 | |
| Currency swaps | | 1 | | | | 2 | 1 | 1 | |
| Interest rate swaps | 1 | | | | | 1 | | 1 | |
| Interest rate options (caps, floors) | 2 | | | | | 2 | | 2 | |
| Commodities derivatives | | | | | | | | | |
| TOTAL ASSETS | 5 | 2 | | | 4 | 11 | 1 | 10 | |
| | | | | | | | | | |
| | | | | | | | | | |
| Derivatives recognised as liabilities | | | | | | | | | |
| Forward purchases | (7) | (2) | | | | (9) | | (9) | |
| Forward sales | | (5) | (1) | (2) | (2) | (10) | | (10) | |
| Currency swaps | | (1) | (3) | (1) | (1) | (6) | | (6) | |
| Interest rate swaps | (47) | | | | (11) ^a | (58) | (11) | (47) | |
| Interest rate options (caps, floors) | | | | | | | | | |
| Commodities derivatives | | | | | | | | | |
| TOTAL LIABILITIES | (54) | (8) | (4) | (3) | (14) | (83) | (11) | (72) | |
| | | | | | | | | | |
| TOTAL, NET | (49) | (6) | (4) | (3) | (10) | (72) ^b | (10) | (62) | |

(a) Primarily GBP.

(b) The difference from the value shown in the balance sheet is mainly due to the €11m negative market value of the interest rate swap contracted by Colas for the City of Portsmouth contract, which is entirely offset by the €11m positive market value of the derivative embedded in the fixed contractual fee paid by the customer.

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a negative market value of €11 million; in the event of a -1.00% movement, it would have a negative market value of €123 million.

In the event of a +1.00% movement in the exchange rate of the euro against the other currencies, the hedging instruments portfolio would have a negative market value of €69 million; in the event of a -1.00% movement, it would have a negative market value of €74 million.

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

NOTE 19 OFF BALANCE SHEET COMMITMENTS

This note supplements the disclosures provided in Notes 3, 4 and 8.

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

19.1 Guarantee commitments

| | 31/12/2019 | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Falling due | | | 31/12/2018 restated |
|---|------------|--------------------------|------------------------|------------|-----------|---------------------|------------------------|---------------------|-----------------|----------------------|------------------------|
| | | | | | | | | Less than 1 year | 1 to 5 years | More than 5 years | |
| Pledges, mortgages and collateral | 78 | 4 | | 74 | | | | 12 | 53 | 13 | 89 |
| Guarantees and endorsements given | 291 | 41 | | 224 | 16 | | 10 | 181 | 65 | 45 | 98 |
| TOTAL GUARANTEE COMMITMENTS GIVEN | 369 | 45 | | 298 | 16 | | 10 | 193 | 118 | 58 | 187 |
| Guarantees and endorsements received | 10 | | | | | | 10 | 2 | 8 | | 2 |
| TOTAL GUARANTEE COMMITMENTS RECEIVED | 10 | | | | | | 10 | 2 | 8 | | 2 |
| NET BALANCE | 359 | 45 | | 298 | 16 | | | 191 | 110 | 58 | 185 |

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

19.2 Miscellaneous contractual commitments

| | 31/12/2019 | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Falling due | | | 31/12/2018 restated |
|--|--------------|--------------------------|------------------------|------------|-----------|---------------------|------------------------|---------------------|-----------------|----------------------|------------------------|
| | | | | | | | | Less than 1 year | 1 to 5 years | More than 5 years | |
| Image transmission | 44 | | | | 44 | | | 22 | 22 | | 67 |
| Network | 3,402 | | | | | 3,402 | | 228 | 902 | 2,272 | 2,630 |
| Other items | 199 | | 1 | 185 | 13 | | | 48 | 53 | 98 | 197 |
| TOTAL SUNDRY CONTRACTUAL COMMITMENTS GIVEN | 3,645 | | 1 | 185 | 57 | 3,402 | | 298 | 977 | 2,370 | 2,894 |
| Image transmission | 44 | | | | 44 | | | 22 | 22 | | 67 |
| Network | 3,402 | | | | | 3,402 | | 228 | 902 | 2,272 | 2,630 |
| Other items | 199 | | 1 | 185 | 13 | | | 48 | 53 | 98 | 197 |
| TOTAL SUNDRY CONTRACTUAL COMMITMENTS RECEIVED | 3,645 | | 1 | 185 | 57 | 3,402 | | 298 | 977 | 2,370 | 2,894 |
| NET BALANCE | | | | | | | | | | | |

“Sundry contractual commitments given” relates mainly to (i) service agreements entered into by Bouygues Telecom with owners of towers (TDF, FPS, Cellnex and Cityfast) and with FTTH fibre optic suppliers, and (ii) quarry operating licence contracts entered into by Colas. These commitments increased by €751 million during 2019.

Contractual commitments given by Bouygues Telecom amounted to €3,402 million, a net increase of €772 million, due mostly to an increase in service agreements associated with the FTTH rollout.

19.3 Other commitments

Bouygues Telecom

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

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

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

The 700MHz licence includes a new obligation to provide day-to-day coverage of 90% of trains on the French railway network within 15 years.

Licence to use frequencies in the 2600 MHz band

The 20-year licence to use frequencies in the 2600 MHz band awarded to Bouygues Telecom in 2011 is subject to an obligation to open the frequencies to MVNOs, and to roll out coverage of the French population progressively (25% within 4 years, 60% within 8 years, 75% within 12 years).

This coverage obligation may be fulfilled by any other frequencies owned by Bouygues Telecom. At present, it is primarily fulfilled via Bouygues Telecom's 1,800 MHz frequencies that have been reallocated to 4G.

Authorisation to reform technologically equivalent frequencies in the 900, 1800 MHz and 2100 MHz bands

On 12 January 2018, the French government and Arcep (the French telecoms regulator) signed the "New Deal Mobile" agreement with the four mobile operators, aimed at extending quality mobile coverage to all French people. The desired objective of digital roll-out across French territory led to stringent coverage obligations being imposed on the operators, in return for a ten-year renewal of their licences to use frequencies in the 900 MHz, 1800 MHz and 2100 MHz bands.

Given that Bouygues Telecom's then current licences were due to expire in 2022 (2100 MHz band) and in 2024 (900 MHz and 1800 MHz bands), Arcep (in decision 2018-0680 of 3 July 2018) amended the existing frequency licences to incorporate the new rollout requirements. Subsequently (in decision 2018-1390 of 15 November 2018), Arcep formally renewed the 900 MHz, 1800 MHz and 2100 MHz licences for a further ten years.

Consequently, Bouygues Telecom now holds licences to use the 900 MHz and 1800 MHz bands until 8 December 2034, and the 2100 MHz band until 11 December 2032. All frequency bands are now technologically equivalent, and hence can be used independently for 2G/3G/4G.

Obligations imposed in return for licences to use frequencies in the 900, 1800 and 2100 MHz bands

The coverage obligations imposed on Bouygues Telecom by the decisions renewing the 900 MHz, 1800 MHz and 2100 MHz licences are as follows:

- participating in the targeted coverage scheme intended to increase coverage in France: 5,000 new zones to be covered, with a maximum of 600 in 2018; 700 in 2019; 800 in 2020, 2021 and 2022; then 600 a year until the 5,000 target is met. Some of the 5,000 zones will be covered by active network-sharing between the four operators, and some by passive network-sharing between two or three operators;
- installing 4G capability across all network sites: 100% of existing sites by 31 December 2020, except for sites in the "Town Centre Not Spots" programme, of which 75% must be upgraded to 4G by 31 December 2020 and 100% by 31 December 2022;

- achieving good coverage for 99.6% of the French population (excluding non-European territories and dependencies) by 9 December 2027, rising to 99.8% by 9 December 2031;
- covering the strategic road network (other than inside vehicles) by 31 December 2020;
- covering the strategic road network (from inside vehicles) by 9 October 2025;
- covering 90% of the regional rail network by 31 December 2025;

Not spots

The law of 6 August 2015 on growth, business and equality of economic opportunity required the not spots programme (initially launched in 2004) to be extended to additional municipalities that currently have no coverage in the town or village centre, as well as retaining the requirement to provide coverage in the residual not spots identified in previous laws passed in 2004 and 2008. The law also introduced a new programme aimed at providing coverage in areas with concentrations of businesses, tourist sites and public facilities that currently have no network access. For both these programmes, municipalities will make high ground available to the operators for mast sites.

The four mobile operators signed an agreement in February 2016 under which each will contribute its fair share in providing coverage in residual not spots and extending the original programme. At the third Inter-Ministerial Rural Affairs Committee session of 2016, the mobile operators undertook to expand the existing priority zones programme to 1,300 sites. A new agreement was signed in February 2017.

As of 31 December 2019, the progress made by Bouygues Telecom on its commitments was in compliance with the deadlines stipulated in the law and with the timetable issued by Arcep.

Under the terms of the “New Deal”, all municipalities not covered by one or more operators will now be addressed within the targeted coverage scheme.

As regards existing sites covered by the “Town Centre Not Spots” programme, the “New Deal” requires Bouygues Telecom to extend 4G to 75% of those sites by the end of 2020 and 100% by the end of 2022.

19.4 Contingent assets and liabilities

None.

NOTE 20 EMPLOYEE BENEFIT OBLIGATIONS AND EMPLOYEE SHARE OWNERSHIP

20.1 Average headcount

| | 2019 | 2018 |
|---|----------------|----------------|
| Managerial staff | 23,780 | 23,358 |
| Technical, supervisory & clerical staff | 20,033 | 19,749 |
| Site workers | 23,262 | 24,757 |
| SUB-TOTAL - HEADCOUNT FRANCE | 67,076 | 67,863 |
| Expatriate staff and local employment contracts | 66,121 | 58,552 |
| TOTAL AVERAGE HEADCOUNT | 133,197 | 126,416 |

The main reason for the increase in headcount is the acquisitions carried out during the year.

20.2 Employee benefit obligations

| | 31/12/2018 restated | Movements during 2019 | 31/12/2019 |
|---|------------------------|--------------------------|------------|
| Lump-sum retirement benefits | 528 | 67 | 595 |
| Long service awards and other benefits | 143 | (8) | 135 |
| Other post-employment benefits (pensions) | 148 | 62 | 210 |
| TOTAL | 819 | 121 | 940 |

These obligations are covered by non-current provisions (see Note 6.1).

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

20.3.1 Defined-contribution plans

| | 2019 | 2018 restated |
|---------------------------------|---------|------------------|
| Amount recognised as an expense | (1,894) | (1,890) |

This defined-contribution expense consists of contributions to:

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

20.3.2 Defined-benefit plans

20.3.2.1 Provisions for retirement benefit and pension obligations

| | Lump-sum retirement benefits | | Pensions | | Total | |
|--|------------------------------|---------------------|----------------------|---------------------|------------|---------------------|
| | 31/12/2019 | 31/12/2018 restated | 31/12/2019 | 31/12/2018 restated | 31/12/2019 | 31/12/2018 restated |
| Present value of obligation | 600 | 534 | 1,903 ^a | 536 | 2,503 | 1,070 |
| Fair value of plan assets (dedicated funds) | (5) | (6) | (1,693) ^a | (388) | (1,698) | (394) |
| NET OBLIGATION RECOGNISED AS A PROVISION | 595 | 528 | 210 | 148 | 805 | 676 |
| Ratio of plan assets to present value of obligation | | | 89% | 72% | | |
| Overfunded plans recognised as an asset in the balance sheet | | | (18) | (17) | (18) | (17) |
| Total | 595 | 528 | 192 | 131 | 787 | 659 |

(a) Changes in the present value of the obligation and the fair value of plan assets relate mainly to the recognition of the obligations of Alpiq Engineering Services as part of the purchase price allocation conducted in the 12 months following the acquisition.

| | Lump-sum retirement benefits | | Pensions | |
|--|------------------------------|---------------|-----------------|-----------------|
| | 2019 | 2018 restated | 2019 | 2018 restated |
| START OF PERIOD | 528 | 517 | 148 | 102 |
| Current and past service cost | 29 | 24 | 34 | 11 |
| Interest cost on the obligation | 7 | 7 | 3 | 1 |
| Total expense recognised | 36 | 31 | 37 | 12 |
| Reversals of provisions utilised (benefits and contributions paid) | (27) | (26) | (41) | (5) |
| Translation adjustments | | | 5 | (1) |
| Changes in scope of consolidation | | (15) | 28 ^a | 77 ^a |
| Actuarial gains and losses recognised in equity | 58 ^b | 21 | 36 ^b | (39) |
| Transfers and other movements | | | (3) | 2 |
| END OF PERIOD | 595 | 528 | 210 | 148 |

(a) Mainly relates to the commitments of Alpiq Engineering Services.

(b) The corresponding figure in the statement of recognised income and expense is €97m, which also includes an actuarial difference of €3m on overfunded plans.

20.3.2.2 Analysis by business segment: year ended 31 December 2019

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|--|-----------------------|---------------------|------------|-----------|------------------|---------------------|------------|
| Non-current provisions (balance sheet): | | | | | | | |
| • lump-sum retirement benefits | 206 | 22 | 220 | 50 | 78 | 19 | 595 |
| • pensions | 119 | | 91 | | | | 210 |
| Provisions recognised as liabilities in the balance sheet | 325 | 22 | 311 | 50 | 78 | 19 | 805 |
| • Overfunded plans recognised as an asset in the balance sheet | (3) | | (15) | | | | (18) |
| Total | 322 | 22 | 296 | 50 | 78 | 19 | 787 |

20.3.2.3 Analysis by geographical area: 31 December 2019

| | France | European Union ^a | Rest of Europe ^b | Africa | Americas | Asia-Pacific | Middle East | Total |
|--|------------|-----------------------------|-----------------------------|----------|-----------|--------------|-------------|------------|
| Non-current provisions (balance sheet): | | | | | | | | |
| • lump-sum retirement benefits | 585 | 2 | | 5 | 2 | 1 | | 595 |
| • pensions | 3 | 149 | 46 | | 12 | | | 210 |
| Provisions recognised as liabilities in the balance sheet | 588 | 151 | 46 | 5 | 14 | 1 | | 805 |
| • Overfunded plans recognised as an asset in the balance sheet | | | (18) | | | | | (18) |
| Total | 588 | 151 | 28 | 5 | 14 | 1 | | 787 |

(a) Includes the United Kingdom.

(b) Mainly Switzerland.

20.3.2.4 Main actuarial assumptions used to measure lump-sum retirement benefit obligations and pensions

| | 2019 | 2018 |
|--|-------------------------|-----------------------|
| Discount rate for lump-sum retirement benefits ^a | 0.9221% (iBoxx A10+) | 2.10% (iBoxx A10+) |
| Discount rate for pensions ^b | 0.20% to 6.00% | 0.10% to 3.70% |
| Life table | INSEE | INSEE |
| Retirement age (depending on business segment): | | |
| • Managerial staff | 62/65 years | 62/65 years |
| • Technical, supervisory & clerical staff, and site workers | 62/65 years | 62/65 years |
| Salary inflation rate (depending on business segment) ^c | 0 to 4% | 1% to 2.8% |

(a) A reduction of 50 basis points in the discount rate would increase the obligation by €47m as of 31 December 2019. Under Group accounting policies, any such actuarial losses would be recognised directly in equity.

(b) A reduction of 20 basis points in the discount rate would increase the obligation by €45m as of 31 December 2019. Under Group accounting policies, any such actuarial losses would be recognised directly in equity.

(c) Includes general inflation.

20.4 Employee share ownership

Stock options

The total number of effectively exercisable options is 9,151,267.

Quoted market price on 31 December 2019: €37.88

| Plan grant date | Outstanding options at 31/12/2019 | Earliest normal exercise date | Earliest company savings scheme exercise date | Exercise price (€) | Number of effectively exercisable options |
|-----------------|-----------------------------------|-------------------------------|---|--------------------|---|
| 28/03/2013 | 771,007 | 29/03/2017 | 29/03/2014 | 22.28 | 771,007 |
| 27/03/2014 | 1,649,602 | 28/03/2018 | 28/03/2015 | 30.32 | 1,649,602 |
| 28/05/2015 | 2,103,546 | 29/05/2017 | 29/05/2016 | 37.11 | 2,103,546 |
| 30/05/2016 | 1,780,612 | 31/05/2018 | 31/05/2017 | 29.00 | 1,780,612 |
| 01/06/2017 | 2,437,842 | 02/06/2019 | 02/06/2018 | 37.99 | |
| 01/06/2018 | 2,519,550 | 02/06/2020 | 02/06/2019 | 41.57 | |
| 31/05/2019 | 2,846,500 | 01/06/2021 | 01/06/2020 | 32.59 | 2,846,500 |
| TOTAL | 14,108,659 | | | | 9,151,267 |

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

- they must be legally exercisable as of 31 December 2019, either by normal exercise (two or four years after the plan grant date) or by partial exercise ahead of the normal exercise date under the terms of the company savings scheme;
- they must be in the money as of 31 December 2019, in other words the exercise price must be less than the closing share price on that date (the last quoted price of the year), i.e. €37.88.

NOTE 21 DISCLOSURES ON RELATED PARTIES AND REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

21.1 Related party information

| | Expenses | | Income | | Receivables | | Payables | |
|---|------------|---------------|------------|---------------|-------------|---------------------|------------|---------------------|
| | 2019 | 2018 restated | 2019 | 2018 restated | 31/12/2019 | 31/12/2018 restated | 31/12/2019 | 31/12/2018 restated |
| Parties with an ownership interest | 6 | 6 | | | | | | |
| Joint operations | 72 | 131 | 208 | 289 | 304 | 265 | 344 | 301 |
| Joint ventures and associates | 77 | 35 | 158 | 151 | 178 | 243 | 70 | 69 |
| Other related parties | 41 | 34 | 124 | 124 | 79 | 63 | 42 | 42 |
| TOTAL | 196 | 206 | 490 | 564 | 561 | 571 | 456 | 412 |
| Maturity | | | | | | | | |
| • less than 1 year | | | | | 495 | 518 | 453 | 408 |
| • 1 to 5 years | | | | | 39 | 27 | 3 | 4 |
| • more than 5 years | | | | | 27 | 26 | | |
| of which impairment of doubtful receivables (mainly non-consolidated companies) | | | | | 65 | 72 | | |

Identity of related parties:

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

21.2 Disclosures about remuneration and benefits paid to directors and senior executives in office on 31 December 2019

Direct remuneration in respect of the 2019 financial year for key executives (members of the Group Management Committee) amounted to €18,483,967, comprising basic remuneration of €7,452,702 plus variable remuneration of €11,031,265 linked to 2019 performance including the expense accrued for long-term remuneration arrangements. Remuneration paid to key executives in respect of directorships held at Bouygues SA and various subsidiaries amounted to €327,646.

Remuneration paid to Group non-executive directors in respect of directorships held at Bouygues SA and various subsidiaries amounted to €606,998.

Short-term benefits: none.

Post-employment benefits: Members of the Group Management Committee belong to a top-up retirement scheme based on 0.92% of their reference salary for each year's membership of the scheme. This supplementary pension is capped at eight times the annual French social security ceiling, and management of the scheme is contracted out to an insurance company. Contributions paid into the fund managed by the insurance company amounted to €3,309,263 in 2019.

Long-term benefits: none.

Termination benefits: The provision for lump-sum retirement benefits payable to members of the Group Management Committee has increased by €2,261,507.

Stock option plan: 320,000 stock options were awarded to members of the Group Management Committee on 31 May 2019, at an exercise price of €32.591 each. The earliest exercise date is 1 June 2021, and the expense recognised in the year ended 31 December 2019 was €127,783.

NOTE 22 ADDITIONAL CASH FLOW STATEMENT INFORMATION AND CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES

22.1 Cash flows of acquired and divested subsidiaries

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total 31/12/2019 |
|--|-----------------------|---------------------|-------------|-------------|------------------|---------------------|------------------|
| Net cash of acquired or divested companies | 11 | | 7 | (13) | (11) | (2) | (8) |
| Goodwill | (80) | | (13) | (28) | (75) | | (196) |
| Non-current assets (other than goodwill) | 77 | (2) | (54) | (67) | (17) | 980 | 917 |
| Inventories | (2) | (312) | (7) | 3 | (1) | | (319) |
| Trade receivables | 11 | 1 | (8) | (12) | (7) | | (15) |
| Customer contract assets | 4 | | (4) | | | | |
| Other current receivables | 8 | (3) | 6 | (39) | (5) | 1 | (32) |
| Non-current provisions | 29 | (13) | 4 | | | | 20 |
| Non-current and current debt | 1 | 173 | 5 | 26 | 4 | | 209 |
| Non-current taxes | (1) | | 2 | 4 | (1) | | 4 |
| Non-current lease and current lease obligations | 2 | | 13 | | | | 16 |
| Trade payables | (68) | 9 | (2) | (2) | 11 | | (52) |
| Customer contract liabilities | 12 | | (4) | 17 | 1 | | 26 |
| Other current liabilities | 89 | 142 | 22 | 61 | (11) | 86 | 388 |
| PURCHASE PRICE OF CONSOLIDATED ACTIVITIES NET OF DISPOSALS | 93 | (5) | (33) | (50) | (112) | 1,065 | 958 |
| Cash of acquired or divested companies | (11) | | (7) | 13 | 11 | 2 | 8 |
| Net liabilities related to consolidated activities | (1) | 2 | (2) | | | | (1) |
| NET CASH INFLOW/(OUTFLOW) FROM ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES | 81 | (3) | (42) | (37) | (101) | 1,067 | 965 |

Acquisitions and divestments in the period generated a net cash inflow of €965 million, and mainly comprised:

- Bouygues Construction: divestment of Bouygues Construction Airport Concessions Europe (“ACE”);
- Colas: acquisition of part of the operations of Skanska in Poland, acquisition of Asfalcura (South America), and divestment of Smac (USA);
- TF1: acquisitions of De Mensen and Reel One;
- Bouygues Telecom: acquisitions of Keyyo and Nerim;
- Bouygues SA: partial divestment (13%) of the equity interest in Alstom for €1,064 million, net of costs.

22.2 Changes in working capital related to operating activities

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

| | 2019 | 2018 restated |
|--|--------------|---------------|
| ASSETS | | |
| Inventories/Programmes/Broadcasting rights | 117 | (232) |
| Advances and down-payments made on orders | 65 | (58) |
| Trade receivables | (79) | (314) |
| Customer contract assets | (149) | (47) |
| Other current receivables and current financial assets | 34 | 259 |
| Sub-total | (12) | (392) |
| LIABILITIES | | |
| Trade payables | (52) | (161) |
| Customer contract liabilities | (109) | 691 |
| Current provisions | 161 | 21 |
| Other current liabilities and current financial liabilities | (211) | (558) |
| Sub-total | (211) | (7) |
| Changes in working capital related to operating activities ^a | (223) | (399) |

(a) For both assets and liabilities: decreases/(increases) in working capital related to operating activities

NOTE 23 AUDITORS' FEES

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of Bouygues and consolidated companies, as expensed through the income statement in 2019 (in thousands of euros).

| | 2019 | | | | 2018 restated | | | |
|-------------------------------|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|
| | Mazars network | | EY network | | Mazars network | | EY network | |
| | Amount (excl. VAT) | % | Amount (excl. VAT) | % | Amount (excl. VAT) | % | Amount (excl. VAT) | % |
| A – Audit | (9,008) | 96% | (6,459) | 86% | (8,525) | 96% | (5,876) | 87% |
| • Bouygues SA | (243) | | (243) | | (252) | | (252) | |
| • Consolidated subsidiaries | (8,765) | | (6,216) | | (8,273) | | (5,624) | |
| B - Non-audit services | (392) | 4% | (1,066) | 14% | (315) | 4% | (872) | 13% |
| TOTAL | (9,400) | 100% | (7,525) | 100% | (8,840) | 100% | (6,748) | 100% |

Non-audit services as shown in the table above mainly comprise assurance or agreed-upon procedure engagements relating to financial data, and procedures performed in connection with the declaration of extra-financial performance and acquisition audits.

The total amount of fees paid in respect of the 2019 financial year to audit firms that do not belong to the network of either of the firms that audit the financial statements of Bouygues SA and its subsidiaries was €4,094 thousand (mainly PwC for Colas).

NOTE 24 IMPACTS OF FIRST-TIME APPLICATION OF IFRS 16, “LEASES” AND IFRIC 23, “UNCERTAINTY OVER INCOME TAX TREATMENTS”

This note presents the effects of first-time application of IFRS 16 and IFRIC 23 on the consolidated financial statements and key performance indicators of the Bouygues group.

The Bouygues group has applied IFRS 16 with effect from 1 January 2019, with retrospective application and presentation of a comparative year. For lessees, IFRS 16 ends the distinction previously made between operating leases and finance leases. Lessees are required to account for all leases with a term of more than one year in a manner similar to that previously specified for finance leases under IAS 17, involving the recognition of an asset for the rights, and a liability for the obligations, arising under the lease.

The Group has elected to apply the practical expedients permitted by IFRS 16 to exclude leases where the as-new value of the underlying asset is less than €5,000, and assets where the lease term is reasonably certain to be less than 12 months. Such leases are recognised in profit or loss as and when lease payments are made. The Group has also elected to account for each lease component separately, distinguishing the lease components from the non-lease (service) components.

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

The impacts on the balance sheet as of 31 December 2017 (restated for IFRS 15 and IFRS 9), and on the financial statements as of 31 December 2018, are presented below; they relate mainly to the recognition of a right-of-use asset and a lease obligation, primarily in respect of property leases, mobile sites and optical fibres. The lease term used is the non-cancellable period of the lease, plus any extension options that the Group is reasonably certain to exercise. In the case of leases of property in France, the lease term is generally nine years. Given the absence of significant initial direct costs, the right-of-use asset equates to the present value of the future lease payments; it is amortised, and written down by means of an impairment allowance if there is an indication that it may have become impaired.

The amounts of finance lease assets and liabilities previously classified as property, plant and equipment and as debt have been reclassified to “Right of use of leased assets” and “Lease obligations” respectively. Deferred taxes have been recognised on the difference between right-of-use assets and lease obligations falling within the scope of IFRS 16, as was previously the case with finance leases.

IFRS 16 has the effect of reducing consolidated shareholders’ equity as of 31 December 2017 by €82 million (net of deferred taxes), which is €8 million more than the initial estimate published in the consolidated financial statements for the year ended 31 December 2018. The first-time application of IFRS 16 by Alstom using the simplified retrospective method with effect from 1 April 2019 had no material effect on the shareholders’ equity of the Bouygues group.

First-time application of IFRS 16 did not alter the conclusions of the goodwill impairment tests conducted as of 31 December 2018.

The Bouygues group applied IFRIC 23 retrospectively with effect from 1 January 2019, with no restatement of prior period comparatives on first-time application. First-time application had no impact on consolidated shareholders’ equity, and resulted in provisions for risks that relate to corporate income taxes being reclassified as tax liabilities. The impact of IFRIC 23 on the balance sheet as of 31 December 2018 is presented below.

Consolidated financial statements as of 31 December 2017, restated for IFRS 16

Balance sheet

| Assets | 31/12/2017 published ^a | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total IFRS 16 impacts | 31/12/2017 restated |
|---|--|----------------------------------|--------------------------------|--------------|------------|-----------------------------|------------------------------------|--------------------------------------|--------------------------------|
| Property, plant and equipment | 6,658 | | | (19) | | (66) ^b | | (85) | 6,573 |
| Right of use of leased assets | | 194 | 46 | 241 | 103 | 855 | 1 | 1,440 | 1,440 |
| Intangible assets | 2,132 | | | | | | | | 2,132 |
| Goodwill | 5,385 | | | | | | | | 5,385 |
| Investments in joint ventures and associates | 2,502 | | | | | | | | 2,502 |
| Other non-current financial assets | 568 | | | | | | | | 568 |
| Deferred tax assets and non-current tax receivable | 323 | 4 | 1 | 5 | | | | 10 | 333 |
| NON-CURRENT ASSETS | 17,568 | 198 | 47 | 227 | 103 | 789 | 1 | 1,365 | 18,933 |
| Inventories | 2,822 | | | | | | | | 2,822 |
| Advances and down-payments made on orders | 432 | | | | | | | | 432 |
| Trade receivables | 6,130 | | | | | | | | 6,130 |
| Customer contract assets | 1,570 | | | | | | | | 1,570 |
| Current tax assets | 331 | | | | | | | | 331 |
| Other current receivables and prepaid expenses | 2,562 | 20 | | | | | | 20 | 2,582 |
| Cash and cash equivalents | 4,820 | | | | | | | | 4,820 |
| Financial instruments – Hedging of debt | 15 | | | | | | | | 15 |
| Other current financial assets | 15 | | | | | | | | 15 |
| CURRENT ASSETS | 18,697 | 20 | | | | | | 20 | 18,717 |
| Held-for-sale assets and operations | 38 | | | | | | | | 38 |
| TOTAL ASSETS | 36,303 | 218 | 47 | 227 | 103 | 789 | 1 | 1,385 | 37,688 |
| Liabilities and shareholders' equity | 31/12/2017 published ^a | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total IFRS 16 impacts | 31/12/2017 restated |
| Share capital | 366 | | | | | | | | 366 |
| Share premium and reserves | 7,678 | (13) | (3) | (23) | (1) | (36) | | (76) | 7,602 |
| Translation reserve | (88) | | | | | | | | (88) |
| Treasury shares | | | | | | | | | |
| Net profit/(loss) attributable to the Group | 1,082 | | | | | | | | 1,082 |
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP | 9,038 | (13) | (3) | (23) | (1) | (36) | | (76) | 8,962 |
| Non-controlling interests | 1,378 | | | | (2) | (4) | | (6) | 1,372 |
| SHAREHOLDERS' EQUITY | 10,416 | (13) | (3) | (23) | (3) | (40) | | (82) | 10,334 |
| Non-current debt | 5,791 | | | (9) | | | | (9) | 5,782 |
| Non-current lease obligations | | 176 | 40 | 202 | 93 | 714 | | 1,225 | 1,225 |
| Non-current provisions | 2,058 | | 1 | | | | | 1 | 2,059 |
| Deferred tax liabilities | 279 | | | (1) | (1) | (14) | | (16) | 263 |
| NON-CURRENT LIABILITIES | 8,128 | 176 | 41 | 192 | 92 | 700 | | 1,201 | 9,329 |
| Current debt | 736 | | | (5) | | (1) | | (6) | 730 |
| Current lease obligations | | 65 | 9 | 63 | 14 | 130 | 1 | 282 | 282 |
| Current tax liabilities | 115 | | | | | | | | 115 |
| Trade payables | 7,489 | 1 | | | | | | 1 | 7,490 |
| Customer contract liabilities | 3,184 | | | | | | | | 3,184 |
| Current provisions | 885 | | | | | | | | 885 |
| Other current liabilities | 5,101 | (11) | | | | | | (11) | 5,090 |
| Overdrafts and short-term bank borrowings | 209 | | | | | | | | 209 |
| Financial instruments – Hedging of debt | 16 | | | | | | | | 16 |
| Other current financial liabilities | 24 | | | | | | | | 24 |
| CURRENT LIABILITIES | 17,759 | 55 | 9 | 58 | 14 | 129 | 1 | 266 | 18,025 |
| Liabilities related to held-for-sale operations | | | | | | | | | |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 36,303 | 218 | 47 | 227 | 103 | 789 | 1 | 1,385 | 37,688 |
| NET SURPLUS CASH/(NET DEBT) ^c | (1,917) | | | 14 | | 1 | | 15 | (1,902) |

(a) The balance sheet as of 31 December 2017 has been restated for the effects of applying IFRS 9 and IFRS 15.

(b) Includes reclassification of €65m of dismantling costs.

(c) See Note 2.15.2 for a definition of "Net surplus cash/(net debt)", which does not include non-current and current lease obligations.

Consolidated financial statements as of 31 December 2018, restated for IFRS 16 and IFRIC 23

Balance sheet

| Assets | 31/12/2018 published | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total IFRS 16 impacts | IFRIC 23 impacts | 31/12/2018 restated |
|---|-----------------------------|------------------------------|----------------------------|--------------|------------|-------------------------|--------------------------------|------------------------------|-------------------------|----------------------------|
| Property, plant and equipment | 7,432 | | | (50) | | (55) ^a | | (105) | | 7,327 |
| Right of use of leased assets | | 249 | 40 | 370 | 98 | 799 | 2 | 1,558 | | 1,558 |
| Intangible assets | 2,198 | | | | | | | | | 2,198 |
| Goodwill | 6,301 | | | | | | | | | 6,301 |
| Investments in joint ventures and associates | 2,633 | | | | | | | | | 2,633 |
| Other non-current financial assets | 536 | | | | | | | | | 536 |
| Deferred tax assets and non-current tax receivable | 317 | 3 | 1 | 5 | | | | 9 | | 326 |
| NON-CURRENT ASSETS | 19,417 | 252 | 41 | 325 | 98 | 744 | 2 | 1,462 | | 20,879 |
| Inventories | 3,154 | | | | | | | | | 3,154 |
| Advances and down-payments made on orders | 483 | | | | | | | | | 483 |
| Trade receivables | 6,145 | | | | | | | | | 6,145 |
| Customer contract assets | 2,270 | | | | | | | | | 2,270 |
| Current tax assets | 260 | | | | | | | | | 260 |
| Other current receivables and prepaid expenses | 2,684 | 23 | | | | | | 23 | | 2,707 |
| Cash and cash equivalents | 2,928 | | | | | | | | | 2,928 |
| Financial instruments – Hedging of debt | 11 | | | | | | | | | 11 |
| Other current financial assets | 10 | | | | | | | | | 10 |
| CURRENT ASSETS | 17,945 | 23 | | | | | | 23 | | 17,968 |
| Held-for-sale assets and operations | 332 | | | 8 | | | | 8 | | 340 |
| TOTAL ASSETS | 37,694 | 275 | 41 | 333 | 98 | 744 | 2 | 1,493 | | 39,187 |
| Liabilities and shareholders' equity | 31/12/2018 published | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total IFRS 16 impacts | IFRIC 23 impacts | 31/12/2018 restated |
| Share capital | 372 | | | | | | | | | 372 |
| Share premium and reserves | 8,146 | (13) | (3) | (23) | (1) | (36) | | (76) | | 8,070 |
| Translation reserve | (103) | | | | | | | | | (103) |
| Treasury shares | | | | | | | | | | |
| Net profit/(loss) attributable to the Group | 1,311 | | (1) | 1 | (1) | (3) | 1 | (3) | | 1,308 |
| SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP | 9,726 | (13) | (4) | (22) | (2) | (39) | 1 | (79) | | 9,647 |
| Non-controlling interests | 1,391 | | | | (2) | (4) | | (6) | | 1,385 |
| SHAREHOLDERS' EQUITY | 11,117 | (13) | (4) | (22) | (4) | (43) | 1 | (85) | | 11,032 |
| Non-current debt | 5,080 | | | (30) | | (2) | | (32) | | 5,048 |
| Non-current lease obligations | | 222 | 35 | 317 | 85 | 665 | 2 | 1,326 | | 1,326 |
| Non-current provisions | 2,068 | | 2 | | | | | 2 | (28) | 2,042 |
| Deferred tax liabilities | 348 | | | (2) | (2) | (15) | (1) | (20) | | 328 |
| NON-CURRENT LIABILITIES | 7,496 | 222 | 37 | 285 | 83 | 648 | 1 | 1,276 | (28) | 8,744 |
| Current debt | 1,253 | | | (12) | | (1) | | (13) | | 1,240 |
| Current lease obligations | | 77 | 8 | 74 | 19 | 140 | | 318 | | 318 |
| Current tax liabilities | 126 | | | | | | | | 28 | 154 |
| Trade payables | 7,423 | | | | | | | | | 7,423 |
| Customer contract liabilities | 3,885 | | | | | | | | | 3,885 |
| Current provisions | 995 | | | | | | | | | 995 |
| Other current liabilities | 4,790 | (11) | | | | | | (11) | | 4,779 |
| Overdrafts and short-term bank borrowings | 238 | | | | | | | | | 238 |
| Financial instruments – Hedging of debt | 25 | | | | | | | | | 25 |
| Other current financial liabilities | 21 | | | | | | | | | 21 |
| CURRENT LIABILITIES | 18,756 | 66 | 8 | 62 | 19 | 139 | | 294 | 28 | 19,078 |
| Liabilities related to held-for-sale operations | 325 | | | 8 | | | | 8 | | 333 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 37,694 | 275 | 41 | 333 | 98 | 744 | 2 | 1,493 | | 39,187 |
| NET SURPLUS CASH/(NET DEBT)^b | (3,657) | | | 42 | | 3 | | 45 | | (3,612) |

(a) Includes reclassification of €55m of dismantling costs.

(b) See Note 2.15.2 for a definition of "Net surplus cash/(net debt)", which does not include non-current and current lease obligations.

Income statement

| | FY 2018 published | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total IFRS 16 impacts | FY 2018 restated |
|--|----------------------|--------------------------|------------------------|-----------|------------|---------------------|------------------------|-----------------------------|---------------------|
| SALES | 35,555 | | | | | | | | 35,555 |
| Other revenues from operations | 185 | | | | | | | | 185 |
| Purchases used in production | (16,715) | | | | | | | | (16,715) |
| Personnel costs | (7,975) | | | | | | | | (7,975) |
| External charges | (7,845) | 90 | 11 | 77 | 20 | 157 | | 355 | (7,490) |
| Taxes other than income tax | (687) | | | | | | | | (687) |
| Net depreciation and amortisation expense on property, plant and equipment and intangible assets | (1,703) | | | | | | | | (1,703) |
| Net amortisation expense on right of use of leased assets | | (87) | (9) | (68) | (17) | (134) | 1 | (314) | (314) |
| Charges to provisions and impairment losses, net of reversals due to utilisation | (417) | | | | | | | | (417) |
| Change in production and property development inventories | 94 | | | | | | | | 94 |
| Other income from operations | 1,862 | 8 | | 5 | | | | 13 | 1,875 |
| Other expenses on operations | (843) | (1) | | | | | | (1) | (844) |
| CURRENT OPERATING PROFIT/(LOSS) | 1,511 | 10 | 2 | 14 | 3 | 23 | 1 | 53 | 1,564 |
| Other operating income | 371 | | | | | | | | 371 |
| Other operating expenses | (106) | | | | | | | | (106) |
| OPERATING PROFIT/(LOSS) | 1,776 | 10 | 2 | 14 | 3 | 23 | 1 | 53 | 1,829 |
| Financial income | 29 | | | | | | | | 29 |
| Financial expenses | (245) | | | | | | | | (245) |
| INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT) | (216) | | | | | | | | (216) |
| Interest expense on lease obligations | | (11) | (2) | (13) | (4) | (27) | | (57) | (57) |
| Other financial income | 81 | 1 | | | | | | 1 | 82 |
| Other financial expenses | (64) | | | | | | | | (64) |
| Income tax | (427) | | | | | 1 | | 1 | (426) |
| Share of net profits/losses of joint ventures and associates | 303 | | (1) | | | | | (1) | 302 |
| NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS | 1,453 | | (1) | 1 | (1) | (3) | 1 | (3) | 1,450 |
| Net profit/(loss) from discontinued and held-for-sale operations | | | | | | | | | |
| NET PROFIT/(LOSS) | 1,453 | | (1) | 1 | (1) | (3) | 1 | (3) | 1,450 |
| NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP | 1,311 | | (1) | 1 | (1) | (3) | 1 | (3) | 1,308 |
| Net profit/(loss) attributable to non-controlling interests | 142 | | | | | | | | 142 |
| BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€) | 3.57 | | | | | | | | 3.56 |
| DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€) | 3.55 | | | | | | | | 3.54 |
| EBITDA after Leases ° | 3,144 | (1) | | 1 | (1) | (4) | 1 | (4) | 3,140 |

(a) See Note 2.15.1 for a definition of "EBITDA after Leases", which includes all lease expenses.

Cash flow statement

| | FY 2018 published | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total IFRS 16 impacts | FY 2018 restated |
|--|----------------------|--------------------------|------------------------|-------------|-------------|---------------------|------------------------|-----------------------------|---------------------|
| I - CASH FLOW FROM CONTINUING OPERATIONS | | | | | | | | | |
| A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES | | | | | | | | | |
| Net profit/(loss) from continuing operations | 1,453 | | (1) | 1 | (1) | (3) | 1 | (3) | 1,450 |
| Adjustments: | | | | | | | | | |
| Share of profits/losses reverting to joint ventures and associates, net of dividends received | (186) | | 1 | | | | | 1 | (185) |
| Dividends from non-consolidated companies | (32) | | | | | | | | (32) |
| Net charges to/(reversals of) depreciation, amortisation and impairment of property, plant and equipment and intangible assets, and non-current provisions | 1,762 | | | | | | | | 1,762 |
| Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets | | 92 | 9 | 68 | 17 | 134 | (1) | 319 | 319 |
| Gains and losses on asset disposals | (420) | (2) | | | | | | (2) | (422) |
| Income taxes, including uncertain tax positions | 427 | | | | | (1) | | (1) | 426 |
| Income taxes paid | (520) | | | | | | | | (520) |
| Miscellaneous non-cash charges | (89) | | | | | | | | (89) |
| Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid | 2,395 | 90 | 9 | 69 | 16 | 130 | | 314 | 2,709 |
| Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations | 216 | 11 | 2 | 13 | 4 | 27 | | 57 | 273 |
| Changes in working capital requirements related to operating activities (including current impairment and provisions) | (395) | (4) | | | | | | (4) | (399) |
| NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES | 2,216 | 97 | 11 | 82 | 20 | 157 | | 367 | 2,583 |
| B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES | | | | | | | | | |
| Purchase price of property, plant and equipment and intangible assets | (2,178) | | | | | | | | (2,178) |
| Proceeds from disposals of property, plant and equipment and intangible assets | 605 | | | | | | | | 605 |
| Net liabilities related to property, plant and equipment and intangible assets | (165) | | | | | | | | (165) |
| Purchase price of non-consolidated companies and other investments | (31) | | | | | | | | (31) |
| Proceeds from disposals of non-consolidated companies and other investments | 65 | | | | | | | | 65 |
| Net liabilities related to non-consolidated companies and other investments | 15 | | | | | | | | 15 |
| Purchase price of investments in consolidated activities | (1,568) | | | | | | | | (1,568) |
| Proceeds from disposals of investments in consolidated activities | 113 | | | | | | | | 113 |
| Net liabilities related to consolidated activities | (1) | | | | | | | | (1) |
| Other effects of changes in scope of consolidation: cash of acquired and divested companies | (11) | | | | | | | | (11) |
| Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies | 72 | | | | | | | | 72 |
| NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES | (3,084) | | | | | | | | (3,084) |
| C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES | | | | | | | | | |
| Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders | (22) | | | | | | | | (22) |
| Dividends paid to shareholders of the parent company | (620) | | | | | | | | (620) |
| Dividends paid by consolidated companies to non-controlling interests | (92) | | | | | | | | (92) |
| Change in current and non-current debt | (161) | | | | | | | | (161) |
| Repayment of lease obligations | | (86) | (9) | (69) | (16) | (130) | | (310) | (310) |
| Income from net surplus cash/cost of net debt and interest expense on lease obligations | (216) | (11) | (2) | (13) | (4) | (27) | | (57) | (273) |
| Other cash flows related to financing activities | 3 | | | | | | | | 3 |
| NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES | (1,108) | (97) | (11) | (82) | (20) | (157) | | (367) | (1,475) |
| D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS | 54 | | | | | | | | 54 |
| CHANGE IN NET CASH POSITION (A + B + C + D) | (1,922) | | | | | | | | (1,922) |
| NET CASH POSITION AT START OF PERIOD | 4,611 | | | | | | | | 4,611 |
| Net cash flows | (1,922) | | | | | | | | (1,922) |
| Non-monetary flows | | | | | | | | | |
| Held-for-sale operation | 1 | | | | | | | | 1 |
| NET CASH POSITION AT END OF PERIOD | 2,690 | | | | | | | | 2,690 |
| II - CASH FLOWS FROM DISCONTINUED AND HELD-FOR-SALE OPERATIONS | | | | | | | | | |
| NET CASH POSITION AT START OF PERIOD | 9 | | | | | | | | 9 |
| Net cash flows | (10) | | | | | | | | (10) |
| NET CASH POSITION AT END OF PERIOD | 1 | | | | | | | | 1 |
| TOTAL FREE CASH FLOW AFTER WCR^a | 427 | | | | | | | | 427 |

(a) See Note 2.15.3 for a definition of "Free cash flow after changes in working capital requirements".

NOTE 25 LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT 31 DECEMBER 2019

| Company | City/Country | % interest | | % direct and indirect control ^a | |
|---|---------------------------|--------------------|--------|--|--------|
| | | 2019 | 2018 | 2019 | 2018 |
| FRANCE | | | | | |
| Companies controlled by Bouygues | | | | | |
| Construction | | | | | |
| Bouygues Construction | Saint-Quentin-en-Yvelines | 99.97 | 99.97 | | |
| Bouygues Bâtiment Ile-de-France SA | Saint-Quentin-en-Yvelines | 99.97 | 99.97 | | |
| Bouygues Bâtiment International SA | Saint-Quentin-en-Yvelines | 99.97 | 99.97 | | |
| Bouygues TP SA | Saint-Quentin-en-Yvelines | 99.97 | 99.97 | | |
| BYTP Régions France SA | Labège | 99.97 | 99.97 | | |
| Brézillon SA | Margny-Les-Compiègne | 99.32 | 99.32 | | |
| Challenger SNC | Saint-Quentin-en-Yvelines | 99.97 | 99.97 | | |
| DTP SAS | Saint-Quentin-en-Yvelines | 99.97 | 99.97 | | |
| Bouygues Bâtiment Centre Sud-Ouest | Mérignac | 99.97 | 99.97 | | |
| Bouygues Energies & Services SAS | Saint-Quentin-en-Yvelines | 99.97 | 99.97 | | |
| Bouygues E&S FM France | Saint-Quentin-en-Yvelines | 99.97 | 99.97 | | |
| Bouygues Bâtiment Sud-Est | Colombier-Saugnieu | 99.97 | 99.97 | | |
| Bouygues Bâtiment Grand Ouest | Nantes | 99.97 | 99.97 | | |
| Bouygues Construction Central Europe (formerly Kohler Investment) | Saint-Quentin-en-Yvelines | 99.97 | 99.97 | | |
| Bouygues Bâtiment Nord-Est | Villeneuve d'Ascq | 99.97 | 99.97 | | |
| Linkcity IDF (formerly Sodéarif SA) | Saint-Quentin-en-Yvelines | 99.96 | 99.96 | | |
| Bouygues Bâtiment IDF PPP SA | Saint-Quentin-en-Yvelines | 99.97 | 99.97 | | |
| Linkcity Sud-Est (formerly Cirmad Grand Sud) | Colombier-Saugnieu | 99.97 | 99.97 | | |
| Property | | | | | |
| Bouygues Immobilier SAS | Issy-les-Moulineaux | 100.00 | 100.00 | | |
| SCCV Lavoisier | Issy-les-Moulineaux | 100.00 | 100.00 | | |
| SLC SA | Lyon | 100.00 | 100.00 | | |
| Urbis Réalisations SA | Toulouse | 100.00 | 100.00 | | |
| Roads | | | | | |
| Colas SA and its regional subsidiaries | Paris | 96.66 | 96.65 | | |
| Aximum | Magny-les-Hameaux | 96.66 | 96.65 | 100.00 | 100.00 |
| Colas Rail and its subsidiaries | Courbevoie | 96.66 | 96.65 | 100.00 | 100.00 |
| Grands Travaux Océan Indien (GTOI) SA | Le Port (Reunion Island) | 96.66 | 96.65 | 100.00 | 100.00 |
| Smac and its subsidiaries | Issy-les-Moulineaux | Divested | 96.65 | Divested | 100.00 |
| Spac and its subsidiaries | Nanterre | 96.66 | 96.65 | 100.00 | 100.00 |
| Media | | | | | |
| Télévision Française 1 SA | Boulogne-Billancourt | 43.73 | 43.80 | | |
| Aufeminin and its subsidiaries | Paris | 43.73 | 43.80 | 100.00 | 100.00 |
| Dujardin and its subsidiaries | Cestas | 43.73 | 43.80 | 100.00 | 100.00 |
| E-TF1 | Boulogne-Billancourt | 43.73 | 43.80 | 100.00 | 100.00 |
| TF1 Séries Films (formerly HD1) | Boulogne-Billancourt | 43.73 | 43.80 | 100.00 | 100.00 |
| La Chaîne Info | Boulogne-Billancourt | 43.73 | 43.80 | 100.00 | 100.00 |
| Newen Studios and its subsidiaries | Paris | 43.73 ^b | 43.80 | 100.00 | 100.00 |
| TFX (formerly NT1) | Boulogne-Billancourt | 43.73 | 43.80 | 100.00 | 100.00 |
| Télé Monte Carlo | Monaco | 43.73 | 43.80 | 100.00 | 100.00 |
| Téléshopping | Boulogne-Billancourt | Divested | 43.80 | Divested | 100.00 |
| TF1 Droits Audiovisuels | Boulogne-Billancourt | 43.73 | 43.80 | 100.00 | 100.00 |
| TF1 Entertainment | Boulogne-Billancourt | 43.73 | 43.80 | 100.00 | 100.00 |
| TF1 Publicité | Boulogne-Billancourt | 43.73 | 43.80 | 100.00 | 100.00 |
| TF1 Vidéo | Boulogne-Billancourt | 43.73 | 43.80 | 100.00 | 100.00 |
| Telecoms | | | | | |
| Bouygues Telecom SA and its subsidiaries | Paris | 90.53 | 90.53 | | |
| Other subsidiaries | | | | | |
| Bouygues Relais SNC | Paris | 100.00 | 100.00 | | |
| GIE 32 Hoche | Paris | 90.00 | 90.00 | | |

(a) Where percentage control differs from percentage interest.

(b) Includes first-time consolidation of De Mensen and Reel One.

| Company | City/Country | % interest | | % direct and indirect control ^a | |
|--|--|------------|--------|--|--------|
| | | 2019 | 2018 | 2019 | 2018 |
| Joint operations | | | | | |
| Construction | | | | | |
| Evesa | Paris | 47.49 | 47.49 | | 48.00 |
| Oc'via Construction | Nîmes | 73.16 | 73.16 | | 74.00 |
| Joint ventures and associates | | | | | |
| Construction | | | | | |
| Consortium Stade de France SA | Saint-Denis | 33.32 | 33.32 | | |
| Axione | Malakoff | 50.98 | 50.98 | | |
| Property | | | | | |
| SAS NDH | Issy-les-Moulineaux | 50.00 | 50.00 | | |
| Associates | | | | | |
| Alstom | Saint-Ouen | 14.67 | 27.79 | | |
| INTERNATIONAL | | | | | |
| Companies controlled by Bouygues | | | | | |
| Construction | | | | | |
| Americaribe Inc. | Miami/United States | 99.97 | 99.97 | | |
| AW Edwards Pty and its subsidiaries | Northbridge, NSW/Australia | 99.97 | 99.97 | | |
| Bouygues Construction Australia Pty | Sydney/Australia | 99.97 | 99.97 | | |
| Bouygues Development Ltd | London/United Kingdom | 99.97 | 99.97 | | |
| Bouygues Thai Ltd | Nonthaburi/Thailand | 48.99 | 48.99 | | |
| Bouygues UK Ltd | London/United Kingdom | 99.97 | 99.97 | | |
| Bouygues E&S Intec AG (Alpiq Engineering Services) | Zurich/Switzerland | 99.97 | 99.97 | | |
| Kraftanlagen München GmbH (Alpiq Engineering Services) | Munich/Germany | 99.97 | 99.97 | | |
| Bymaro | Casablanca/Morocco | 99.96 | 99.96 | | |
| Dragages et TP (Hong-Kong) Ltd | Hong Kong/China | 99.97 | 99.97 | | |
| BYME Engineering (Hong-Kong) | Hong Kong/China | 89.97 | 89.97 | | |
| DTP Singapore Pte Ltd | Singapore | 99.97 | 99.97 | | |
| Bouygues E&S Contracting UK | East Kilbride/Scotland | 99.97 | 99.97 | | |
| Bouygues E&S FM UK | London/United Kingdom | 99.97 | 99.97 | | |
| Karmar SA | Warsaw/Poland | 99.97 | 99.97 | | |
| Bouygues E&S Schweiz AG (formerly Mibag Property FM) | Zurich/Switzerland | 99.97 | 99.97 | | |
| Losinger Marazzi AG | Bern/Switzerland | 99.97 | 99.97 | | |
| Losinger Holding AG | Lucerne/Switzerland | 99.97 | 99.97 | | |
| Plan Group Inc. and its subsidiaries | Vaughan/Canada | 99.97 | 99.97 | | |
| VCES Holding company SRO and its subsidiaries | Prague/Czech Republic | 99.97 | 99.97 | | |
| VSL International Ltd | Bern/Switzerland | 99.97 | 99.97 | | |
| Property | | | | | |
| Bouygues Immobilier Polska Sarl | Warsaw/Poland | 100.00 | 100.00 | | |
| Roads | | | | | |
| Colas Australia | Sydney/Australia | 96.66 | 96.65 | 100.00 | 100.00 |
| Colas Belgium and its subsidiaries | Brussels/Belgium | 96.66 | 96.65 | 100.00 | 100.00 |
| Colas Canada Inc. and its subsidiaries | Toronto, Ontario/Canada | 96.66 | 96.65 | 100.00 | 100.00 |
| Colas CZ | Prague/Czech Republic | 95.79 | 95.78 | 99.10 | 99.10 |
| Colas Danmark A/S | Glostrup/Denmark | 96.66 | 96.65 | 100.00 | 100.00 |
| Colas Hungaria and its subsidiaries | Budapest/Hungary | 96.66 | 96.65 | 100.00 | 100.00 |
| Colas Inc. and its subsidiaries | Morristown New Jersey/United States | 96.66 | 96.65 | 100.00 | 100.00 |
| Colas Ltd and its subsidiaries | Rowfant, Crawley/United Kingdom | 96.66 | 96.65 | 100.00 | 100.00 |
| Colas du Maroc and its subsidiaries | Casablanca/Morocco | 96.66 | 96.65 | 100.00 | 100.00 |
| Colas Suisse Holding SA and its subsidiaries | Lausanne/Switzerland | 95.91 | 95.90 | 99.22 | 99.22 |
| ISK | Kosice/Slovakia | 96.66 | 96.65 | 100.00 | 100.00 |
| Other subsidiaries | | | | | |
| Challenger Réassurance | Luxembourg | 99.99 | 99.99 | | |
| Uniservice | Geneva/Switzerland | 99.99 | 99.99 | | |
| Joint ventures and associates | | | | | |
| Construction | | | | | |
| Bina Fincom | Zagreb/Croatia | 50.68 | 50.68 | | |
| Hermes Airports Ltd | Nicosia/Cyprus | Divested | 21.99 | | |
| Roads | | | | | |
| Gamma Materials | Beau Bassin/Mauritius | 48.33 | 48.33 | 50.00 | 50.00 |
| Tipco Asphalt | Bangkok/Thailand | 30.06 | 30.15 | 31.10 | 31.20 |

(a) Where percentage control differs from percentage interest.

(b) 32.99% Bouygues Construction, 14.50% Colas.

(c) 49.00% Bouygues Construction, 24.16% Colas Rail.

A full list of companies included in the consolidation is available from Karine Adam Gruson, Investor Relations Director.