NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31/03/2020

BOUYGUES

Making progress become reality

CONTENTS

NOTE 1 SIGNIFICANT EVENTS

1.1 Significant events of the first quarter of 2020

The principal corporate actions and acquisitions of the first quarter of 2020 are presented below:

- On 20 January 2020, Bouygues Construction extended its arbitration proceedings against Alpiq (see Note 1.2) by increasing the amount of its initial claim from CHF 205 million to CHF 319 million (€302 million at the 31 March 2020 exchange rate) plus interest. The arbitration panel is not expected to deliver a ruling until 2022 at the earliest. No gain has been recognised in respect of these claims.

- 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 immediately to ensure business continuity in France and abroad and to restore the information system. No worksites were shut down. An exceptional response from across the entire company, and by experts from within and outside the Bouygues group, meant that Bouygues Construction was able to meet all its commitments. As of now, all major applications and services have been restored. The relevant insurance policies were 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 expressed its support for the deal and committed to vote in favour of all related resolutions at the Extraordinary General Meeting to be held no later than 31 October 2020. Bouygues 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.

- On 26 February 2020, Bouygues Telecom and Cellnex signed a strategic agreement setting up a joint venture to roll out, market and manage a national fibre optic network (FTTA and FTTO).
  Bouygues Telecom is to sign a long-term service agreement with the joint venture, which is controlled by Cellnex. The project, worth approximately €1 billion over seven years (to 2027), will enable Bouygues Telecom to link its network infrastructure (mobile towers and fibre optic nodes) via fibre, so that the company can meet growing data usage demand on its networks and extend its footprint in the business and wholesale fixed telecoms markets.

- On 20 March 2020, Bouygues Telecom and Phoenix Tower International (a Blackstone portfolio company based in the United States, specialising in mobile infrastructure construction) agreed to set up a joint venture to roll out approximately 4,000 new mobile sites in France over a 12-year period outside very dense areas.
  The joint venture, controlled by Phoenix Tower International, will own and manage the sites.
  Some of the sites will be deployed to meet Bouygues Telecom's regulatory obligations under the "New Deal Mobile" programme, which aims to deliver targeted improvements in mobile coverage and accelerate the roll-out of the mobile network along transport arteries. The new joint venture has sufficient size and coverage to make it a high-potential infrastructure operator in the French market.

- Consequences of the Covid-19 pandemic

Impacts on the Group's activities

The Covid-19 pandemic, and the lockdown measures implemented notably by the French government, have led to a sharp decline in activity for the Group's business segments from March 2020.

The construction businesses were affected by the near total shutdown of worksites in France in the last two weeks of March 2020 following the lockdown measures, and to a lesser extent by a slowdown or shutdown of activities in around ten other countries. TF1 has been affected by a gradual rise in cancellations of advertising campaigns from March onwards, and by a shutdown of filming during lockdown. Bouygues Telecom was more marginally affected by Covid-19 in the first quarter of 2020, the main impact being the closure of its stores during lockdown.

While maintaining the health and safety of their employees, subcontractors and customers as their number one priority, the Group's business segments are gradually resuming operations where possible, and taking the necessary steps to limit the impacts of the crisis on profitability.

On 1 April 2020, Bouygues:

- withdrew its 2020 guidance for the Group, the construction businesses, and TF1;
- maintained the suspension of Bouygues Telecom's 2020 guidance.

Given the uncertainty over the timetable for a total resumption of activity, the making up for lost time and the consequences of the Covid-19 crisis, it is too soon to issue new full-year guidance for the Group, the construction businesses and TF1.
Bouygues Telecom's guidance remains suspended due to the lack of visibility on usage and on roaming revenue, against a backdrop of restrictions on international travel.

Other financial impacts

The Covid-19 pandemic has led to a reduction in sales. Current operating profit has been impacted by the erosion of current operating margin in the business segments, reflecting not only the reduction in sales but also unavoidable costs incurred in the three businesses in spite of flexibility measures. Those costs mainly comprise fixed personnel costs (staff working part-time or not at all, net of any government support received); unoccupied premises; idle plant and equipment; and measures taken to ensure employees working on site are protected from health risks.

The impacts of Covid-19 on the first-quarter financial statements as described below are not indicative of what the impacts might be on the second quarter, given the uncertainties around the extent and length of the crisis.

Estimated impacts of the Covid-19 crisis on the 2020 first-quarter financial statements:

The crisis has reduced the Group's sales by approximately €750 million, and its current operating profit by approximately €170 million. The estimated impact on each business is shown below:

Estimates in € million	**Sales**	**Current operating profit**
Bouygues Construction	Approx. -€340m	Approx. -€55m
Bouygues Immobilier	Approx. -€100m	Approx. -€15m
Colas	Approx. -€260m	Approx. -€75m
Construction businesses	**Approx. -€700m**	**Approx. -€150m**
TF1	**-€35m to -€40m**	**Approx. -€13m**
Bouygues Telecom	**Approx. -€20m**	**Approx. -€10m**

The Group's 2020 second-quarter results are likely to be more seriously impacted by Covid-19 than its first-quarter results, due to the ongoing lockdown in France and the extension of restrictive measures to other countries. Colas has announced that despite the gradual easing of lockdown measures in a number of countries since the start of May, the impact of Covid-19 on its sales and profits is likely to be accentuated in the second quarter. TF1 has announced that the ongoing crisis will have a very strong impact on the second quarter of 2020 across all of its activities, due to the extension of the lockdown period and the fact that TF1 cannot continue to adjust its variable costs on the same scale over the longer term. In addition, resumption of TF1's normal activities could be a slow and gradual process.

In response to the health crisis and in light of the resulting economic uncertainties, Bouygues has been keen to act responsibly and show solidarity with the major sacrifices being expected of its stakeholders, especially its employees. The Board of Directors therefore withdrew its proposal to distribute a dividend at the Annual General Meeting of 23 April 2020. A Board meeting will be held in late July or early August to assess the situation, and to review the opportunity of proposing a dividend pay-out in respect of the 2019 financial year. The Group has also decided not to defer payments on account of corporate income taxes or social security contributions.

1.2 Significant events of the first quarter of 2019

The principal corporate actions and acquisitions of the first quarter of 2019 are presented 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. On completion of the 12-month purchase price allocation period, that provisional goodwill became final, amounting 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 claimed an amount of CHF 205.1 million (€189 million), while Alpiq claimed a payment of CHF 12.9 million (€12 million).

- 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 reduced 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. On completion of the 12-month purchase price allocation period, that provisional goodwill became final, amounting to €39 million as of 31 March 2020.

- 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. On completion of the 12-month purchase price allocation period, that provisional goodwill became final, amounting to €14 million as of 31 March 2020.

1.3 Significant events and changes in scope of consolidation subsequent to 31 March 2020

- On 7 April 2020, Bouygues carried out a €1,000 million bond issue maturing 24 July 2028, bearing interest at 1.125%.

- On 23 April 2020, Bouygues Telecom and Vauban Infrastructures Partners (a subsidiary of Natixis Investment Managers) signed a strategic agreement to ramp up the roll-out of FTTH in medium dense areas served by Orange under private investment deals (AMII and AMEL zones, representing around 13 million connections).
  Vauban Infrastructure Partners, acting on behalf of the investment funds it manages, will be the majority shareholder in a dedicated joint venture being set up by Bouygues Telecom. The joint venture will acquire long-term access rights from Orange, helping to co-finance fibre optics alongside the main French operators. More than €1 billion will be invested over the next four years.
  Bouygues Telecom will also transfer access rights already acquired from Orange to the joint venture.
  The joint venture will provide Bouygues Telecom with the full range of FTTH line access services under a 30-year service agreement, and will also be able to sell the same services to third-party operators.
  Completion of the transaction is subject to the customary regulatory approvals.

NOTE 2 GROUP ACCOUNTING POLICIES

2.1 Declaration of compliance

The interim condensed consolidated financial statements of Bouygues and its subsidiaries ("the Group") for the three months ended 31 March 2020 were prepared in accordance with IAS 34, "Interim Financial Reporting", a standard issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. Because they are condensed, these financial statements do not include all the information required under the standards issued by the IASB, and should be read in conjunction with the full-year financial statements of the Bouygues group for the year ended 31 December 2019.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 31 March 2020. Those standards (collectively referred to as "IFRS") comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee – previously the International Financial Reporting Interpretations Committee (IFRIC), itself the successor body to the Standing Interpretations Committee (SIC). The Group has not early adopted as of 31 March 2020 any standard or interpretation not endorsed by the European Union.

Unless otherwise indicated, the financial statements are presented in millions of euros, the currency in which the majority of the Group's transactions are denominated; they comprise the balance sheet, the income statement, the statement of recognised income and expense, the statement of changes in shareholders' equity, the cash flow statement, and the notes to the financial statements.

2.2 Basis of preparation of the financial statements

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

They were closed off by the Board of Directors on 13 May 2020.

The interim condensed consolidated financial statements for the three months ended 31 March 2020 were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is required under IFRS. They include comparatives with the financial statements for the year ended 31 December 2019 and the three months ended 31 March 2019.

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

- Income taxes of consolidated entities for interim periods are assessed in accordance with IAS 34: the income taxes of each entity for the period are recognised on the basis of the best estimate of the average annual effective income tax rate for the financial year (except in the case of holding companies, which recognise income taxes on the basis of the actual tax position at the end of the period).

- Employee benefit expenses for interim periods are recognised pro rata based on the estimated expense for the full year, calculated using the actuarial assumptions and projections applied as of 31 December 2019 with the exception of (i) discount rates and (ii) the value of plan assets, both of which have been revised as of 31 March 2020. Outside France, provisions for pensions have increased due to a fall in the value of plan assets of €111 million, partly offset by the impact of an increase in discount rates that reduced the provision by €94 million. In France, the discount rate used to calculate lump-sum retirement benefits has increased from 0.92% as of 31 December 2019 to 1.96% as of 31 March 2020, reducing the provision by €77 million. These changes to the provisions for pension and lump-sum retirement benefits, amounting to €60 million, have been recognised in the statement of recognised income and expense. A further increase of 20 basis points in the discount rate outside France would reduce the provision for pensions by €23 million. A further increase of 50 basis points in the discount rate would reduce the provision for lump-sum retirement benefits by €36 million. Those impacts would also be recognised in the statement of recognised income and expense.

2.3 New accounting standards and interpretations

The Bouygues group applied the same standards, interpretations and accounting policies as of 31 March 2020 as were applied in its consolidated financial statements for the year ended 31 December 2019, except for changes required to meet new IFRS requirements applicable from 1 January 2020 (see below).

- Principal amendments effective within the European Union and mandatorily applicable from 1 January 2020

  - Amendments to IFRS 9, IAS 39 and IFRS 7

    On 26 September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 (phase 1) in connection with the reform of interest rate benchmarks. The amendments were endorsed by the European Union on 16 January 2020, and apply to annual accounting periods beginning on or after 1 January 2020.

    The impact of the amendments on the Group is immaterial.

2.4 Seasonal fluctuations

Sales and operating profit are subject to strong seasonal fluctuations due to low activity levels during the first quarter, primarily at Colas due to weather conditions. The extent of those fluctuations varies from year to year; in 2020, the effect has been amplified by the impact of the Covid-19 pandemic (see Note 1.1). In accordance with IFRS, sales for interim accounting periods are recognised on the same basis as full-year sales.

NOTE 3 NON-CURRENT ASSETS

3.1 Goodwill

3.1.1 Movement in the carrying amount of goodwill in the period

	Carrying amount
31/12/2019	**6,541**
Changes in scope of consolidation	11
Impairment losses charged during the period	
Other movements (including translation adjustments)	(19)
31/03/2020	**6,533**

For the first quarter of 2020, "Changes in scope of consolidation" mainly comprise €10 million arising on the acquisition of the US assets of Granite Contracting LLC by Colas, and "Other movements" mainly comprise negative translation adjustments of €18 million.

The table below shows how goodwill was determined as of 31 March 2020 on significant acquisitions for which the purchase price allocation period was still in progress as of 31 December 2019. There has been no material change since 31 December 2019.

	Reel One	**De Mensen**	**Nerim**
CGU	**TF1**	**TF1**	**Bouygues Telecom**
Purchase price (I)	**32**	**19**	**55**
Net assets acquired, excluding goodwill (II)			
Non-current assets	(20)	(10)	(13)
Current assets	(55)	(20)	(6)
Non-current liabilities		2	
Current liabilities	50	22	9
Purchase price allocation (III)			
Remeasurement of acquired intangible assets	(13)	(4)	(9)
Remeasurement of acquired property, plant and equipment			
Remeasurement of assumed liabilities (deferred taxes & other)	3	1	3
Unacquired portion	**17**	**4**	
Goodwill (I)+(II)+(III)	**14**	**14** [a]	**39** [a]
Translation adjustments			
Goodwill at 31/03/2020	**14**	**14**	**39**

(a) Provisional goodwill that became final during the first quarter of 2020.

3.1.2 Split of goodwill by Cash Generating Unit (CGU)

CGU	31/03/2020		31/12/2019	
	Total	% Bouygues or subsidiaries	Total	% Bouygues or subsidiaries
Bouygues Construction [a]	1,084	99.97%	1,088	99.97%
Colas [b]	1,312	96.87%	1,316	96.66%
TF1 [b]	1,414	43.73%	1,414	43.73%
Bouygues Telecom [b]	2,723	90.53%	2,723	90.53%
TOTAL	**6,533**		**6,541**	

(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.

As of 31 December 2019, goodwill was tested for impairment using recoverable amounts determined on the basis of three-year cash flow projections corresponding to the business plans of each of the four subsidiaries (Bouygues Construction, Colas, TF1 and Bouygues Telecom) as presented to the subsidiary's Board of Directors and the Board of Directors of Bouygues SA:

- Cash flows beyond the projection period (normative cash flows) 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		
	Scenario 1 [a]	**Scenario 2 [a]**	**Perpetual growth rate**
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).

In the first quarter of 2020, the Covid-19 health crisis caused a decline in the Group's output (shutdown of worksites, decline in advertising revenue) which adversely affected its operating performance. Combined with a fall in share prices, this constitutes an indication that the Group's construction and media and activities may have become impaired.

There is currently not enough information available to estimate the impact on normative cash flow projections. Consequently, the valuation of the goodwill of Bouygues Construction, Colas and TF1 as of 31 March 2020 was assessed on the basis of (i) the impairment tests conducted as of 31 December 2019; (ii) the sensitivity analyses described in Note 3.2.4.2 to the consolidated financial statements for the year then ended; and (iii) a revision of the assumptions under which recoverable amounts would equal the carrying amounts of the assets tested, after applying the discount rates effective as of 31 March 2020.

For both Bouygues Construction and Colas, there is no reasonably possible scenario as of either 31 March 2020 or 31 December 2019 that would cause their recoverable amount to fall below their carrying amount. For TF1, sensitivity analyses were performed to determine the sensitivity of the calculation to key parameters (discount rates, growth rates, normative cash flows). Those sensitivity analyses have been updated as of 31 March 2020 to reflect the increase in discount rates during the first quarter:

	Discount rate	
	Scenario 1 [a]	**Scenario 2 [a]**
TF1	7.2%	6.8%

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

Consequently, the recoverable amounts would equal the carrying amount of the assets tested if the assumptions 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	8.2%	(15)%	(23)%	0.4%	(0.1)%

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

3.2 Investments in joint ventures and associates

An analysis by business segment of the share of net profits/losses of joint ventures and associates is provided in Note 11.

	Carrying amount
31/12/2019	**1,556**
Share of net profit/(loss) for the period	25
Translation adjustments	(35)
Other income and expense recognised directly in equity	11
Net profit/(loss) and other recognised income and expense	**1**
Changes in scope of consolidation	8
Other movements (dividends, etc.)	6
31/03/2020	**1,571**

The share of Alstom's profits recognised in the Bouygues group's financial statements for the first quarter of 2020 is based on the results published by Alstom on 12 May 2020 for its 2019/20 financial year. Given the time-lag between the accounting year-ends of Alstom (31 March) and Bouygues (31 December), Alstom's net profit contribution to the Bouygues group for the first half of Alstom's 2019/20 financial year was recognised in the Bouygues financial statements for the nine months ended 30 September 2019.

Alstom's contribution to the net profit of Bouygues for the first quarter of 2020 was €35 million, compared with €33 million for the first quarter of 2019.

The investment in Alstom had a carrying amount of €1,000 million in the Bouygues group financial statements as of 31 March 2020. That compares with €974 million as of 31 December 2019.

As of 31 March 2020, despite the fall in share prices triggered by Covid-19, the quoted market price of Alstom shares (€38.14) was still 26% higher than the consolidated carrying amount (€30.35), confirming that there are no impairment losses to be recognised. That conclusion is supported by the €45.68 three-month median consensus forecast for the Alstom share price as of 11 May 2020.

NOTE 4 CONSOLIDATED SHAREHOLDERS' EQUITY

Share capital of Bouygues SA

As of 31 March 2020, the share capital of Bouygues SA consisted of 379,909,803 shares with a par value of €1.

		Movements during 2020		
	31/12/2019	**Increases**	**Reductions**	**31/03/2020**
Shares	379,828,120	81,683 [a]		379,909,803
NUMBER OF SHARES	**379,828,120**	**81,683**		**379,909,803**
Par value	€1			€1
SHARE CAPITAL (€)	**379,828,120**	**81,683**		**379,909,803**

(a) The increase of 81,683 shares was due to new shares being issued on exercise of stock options.

An amount of €15 million was received in January 2020 from the €150 million share issue carried out in connection with the Bouygues Confiance n°11 employee share ownership plan in December 2019.

NOTE 5 NON-CURRENT AND CURRENT PROVISIONS

5.1 Non-current provisions

	Long-term employee benefits [a]	Litigation and claims [b]	Guarantees given [c]	Other non-current provisions [d]	Total
31/12/2019	**940**	**252**	**391**	**584**	**2,167**
Translation adjustments	(4)	(2)		(2)	(8)
Changes in scope of consolidation					
Charges to provisions	29	7	5	10	51
Reversals of provisions (utilised or unutilised)	(30)	(4)	(3)	(9)	(46) [e]
Actuarial gains and losses	(53) [f]				(53)
Transfers and other movements		(1)		(21)	(22)
31/03/2020	**882**	**252**	**393**	**562**	**2,089**

(a) Long-term employee benefits	**882**	**Principal segments involved:**	
Lump-sum retirement benefits	521	Bouygues Construction	343
Long-service awards	133	Colas	376
Other long-term employee benefits	228	TF1	45
		Bouygues Telecom	81
(b) Litigation and claims	**252**	Bouygues Construction	84
Provisions for customer disputes	85	Bouygues Immobilier	18
Subcontractor claims	43	Colas	88
Employee-related and other litigation and claims	124	Bouygues Telecom	55
(c) Guarantees given	**393**	Bouygues Construction	313
Provisions for 10-year construction guarantees	268	Bouygues Immobilier	23
Provisions for additional building/civil engineering/civil works guarantees	125	Colas	57
(d) Other non-current provisions	**562**	Bouygues Construction	105
Provisions for miscellaneous foreign risks	38	Colas	309
Provisions for risks on non-controlled entities	78	Bouygues Telecom	115
Dismantling and site rehabilitation	284		
Provisions for social security inspections	110		
Other non-current provisions	52		
(e) Including reversals of unutilised provisions in the first quarter of 2020	**4**		

(f) The increase in discount rates applied to lump-sum retirement benefits and pensions has reduced the provision by €77m and €94m respectively, with the effect partly offset by actuarial losses of €111m generated by a fall in the value of pension fund assets. The net effect is a reduction of €53m in non-current provisions, and an increase of €7m in pension fund assets. The total impact of €60m is shown in the statement of recognised income and expense.

5.2 Current provisions

Provisions related to the operating cycle

	Provisions for customer warranties	Provisions for project risks and project completion [a]	Provisions for expected losses to completion [a]	Other current provisions [b]	Total
31/12/2019	**38**	**394**	**404**	**300**	**1,136**
Translation adjustments	(1)	(2)	(1)		(4)
Changes in scope of consolidation					
Charges to provisions	1	6	17	33	57
Reversals of provisions (utilised or unutilised)	(1)	(16)	(33)	(70)	(120) [c]
Transfers and other movements	(1)	(1)		1	(1)
31/03/2020	**36**	**381**	**387**	**264**	**1,068**

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

(b) Other current provisions:	**264**	**Principal segments involved:**	
Reinsurance provisions	7	Bouygues Construction	123
Restructuring provisions	23	Bouygues Immobilier	16
Site rehabilitation (current portion)	11	Colas	90
Miscellaneous current provisions	223	TF1	14

(c) Includes reversals of unutilised provisions in the first quarter of 2020: €(36)m.

NOTE 6 NON-CURRENT AND CURRENT DEBT

6.1 Breakdown of debt

	Current debt		Non-current debt	
	31/03/2020	**31/12/2019**	**31/03/2020**	**31/12/2019**
Bond issues	1,068	1,095	2,826	2,824
Bank borrowings	1,274	137	2,309	1,271
Other borrowings	67	63	155	141
TOTAL NON-CURRENT AND CURRENT DEBT	**2,409**	**1,295**	**5,290**	**4,236**

Non-current debt increased by €1,054 million in the quarter, mainly through drawdowns on credit facilities totalling €923 million at Bouygues SA.

Current debt rose by €1,114 million, mainly at Colas (€354 million) and at Bouygues SA in the form of drawdowns on credit facilities (€280 million) and issuance of Negotiable European Commercial Paper (€472 million).

6.2 Covenants and trigger events

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

The bank credit facilities contracted by Bouygues SA and its subsidiaries contain no financial covenants or trigger event clauses.

6.3 Confirmed credit facilities and drawdowns

As of 31 December 2019, Bouygues had confirmed facilities of €13,781 million, of which €5,531 million was drawn down. During the first quarter of 2020, Bouygues drew down €1,203 million under credit facilities and issued €472 million of Negotiable European Commercial Paper. As of 31 March 2020, confirmed credit facilities and drawdowns were as follows:

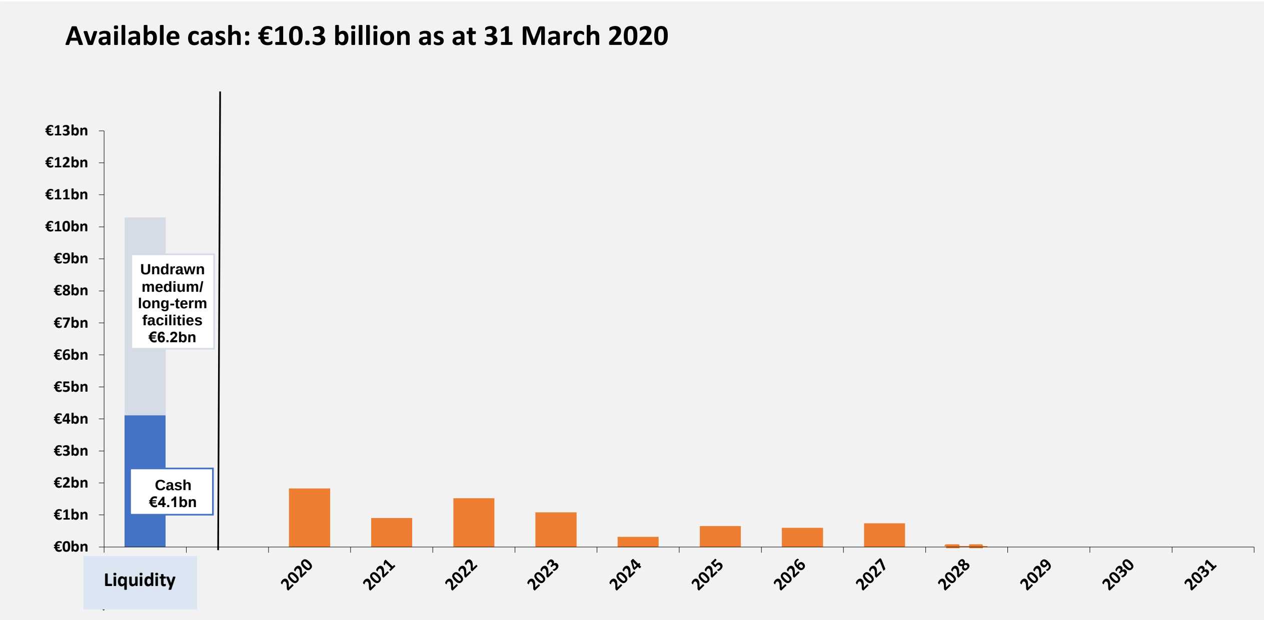
	Confirmed facilities – Maturity				Drawdowns – Maturity			
Description	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**Total**
Bond issues (mainly Bouygues SA)	1,068	1,496	1,330	3,894	1,068	1,496	1,330	3,894
Bank borrowings [a]	1,951	7,560	252	9,763	1,274	2,254	55	3,583
Other borrowings	67	135	20	222	67	135	20	222
TOTAL CREDIT FACILITIES	**3,086**	**9,191**	**1,602**	**13,879**	**2,409**	**3,885**	**1,405**	**7,699**

(a) Confirmed undrawn credit facilities: €6,180m, including Negotiable European Commercial Paper: €472m.

6.4 Liquidity at 31 March 2020

As at 31 March 2020, available cash stood at €4,110 million, net of a €48 million liability in respect of financial instruments contracted to hedge net debt. The Group also had €6,180 million of undrawn confirmed credit facilities as at the same date.

Debt maturity schedule at 31 March 2020



NOTE 7 CHANGE IN NET DEBT

	31/12/2019	Translation adjustments	Changes in scope of consolidation	Cash flows	Fair value adjustments	Other movements	31/03/2020
Cash and cash equivalents	3,574	(7)	2	859		24	4,452
Overdrafts and short-term bank borrowings	(220)	12		(62)		(24)	(294)
NET CASH POSITION (A)	**3,354**	**5** [a]	**2** [a]	**797** [a]			**4,158**
Non-current debt	4,236	(10)		1,360 [b]		(296)	5,290
Current debt	1,295	(25)		842 [b]	(2)	299	2,409
Financial instruments, net	45				4	(1)	48
TOTAL DEBT (B)	**5,576**	**(35)**		**2,202**	**2**	**2**	**7,747**
NET DEBT (A) - (B)	**(2,222)**	**40**	**2**	**(1,405)**	**(2)**	**(2)**	**(3,589)**

(a) Increase in net cash position of €804m in the first quarter of 2020, as reported in the cash flow statement.
(b) Net cash inflow of €2,202m from financing activities for the first quarter of 2020, as reported in the cash flow statement, and comprising total inflows of €2,516m and total outflows of €314m.

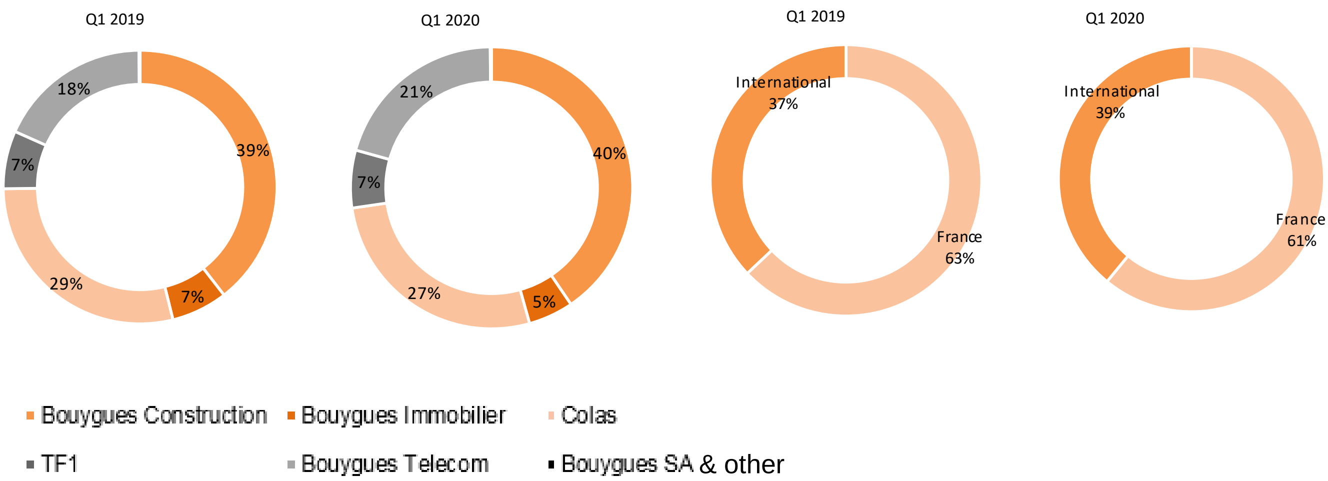
NOTE 8 ANALYSIS OF SALES BY BUSINESS SEGMENT

	1st quarter 2020			1st quarter 2019		
	France	International	Total	France	International	Total
Bouygues Construction	1,112	1,811	2,923	1,211	1,922	3,133
Bouygues Immobilier	344	29	373	483	44	527
Colas	1,018	934	1,952	1,341	933	2,274
TF1	438	40	478	513	31	544
Bouygues Telecom	1,482		1,482	1,445		1,445
Bouygues SA & other	5	6	11	2	8	10
CONSOLIDATED SALES	**4,399**	**2,820**	**7,219**	**4,995**	**2,938**	**7,933**

Split of total sales

By business segment

By geographical area



NOTE 9 OPERATING PROFIT

	1st quarter	
	2020	2019
CURRENT OPERATING PROFIT/(LOSS)	(242)	(58)
Other operating income	3	17
Other operating expenses	(1)	(2)
OPERATING PROFIT/(LOSS)	(240)	(43)

See Note 11 for an analysis of current operating profit and operating profit by business segment.

An estimate of the impacts of the Covid-19 crisis on current operating profit is provided in Note 1.1.

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

1st quarter 2020

Other operating income and expenses for the first quarter of 2020 relate to Bouygues Telecom. The net income of €2 million comprises €3 million of gains on asset disposals (transfer of sites to Cellnex) minus €1 million of network sharing costs.

1st quarter 2019

Other operating income and expenses for the first quarter of 2019 also relate to Bouygues Telecom. The net income of €15 million comprises €12 million of gains on asset disposals (transfer of sites and towers to Cellnex) plus €5 million of other operating income, minus €2 million of network sharing costs.

NOTE 10 INCOME TAX EXPENSE

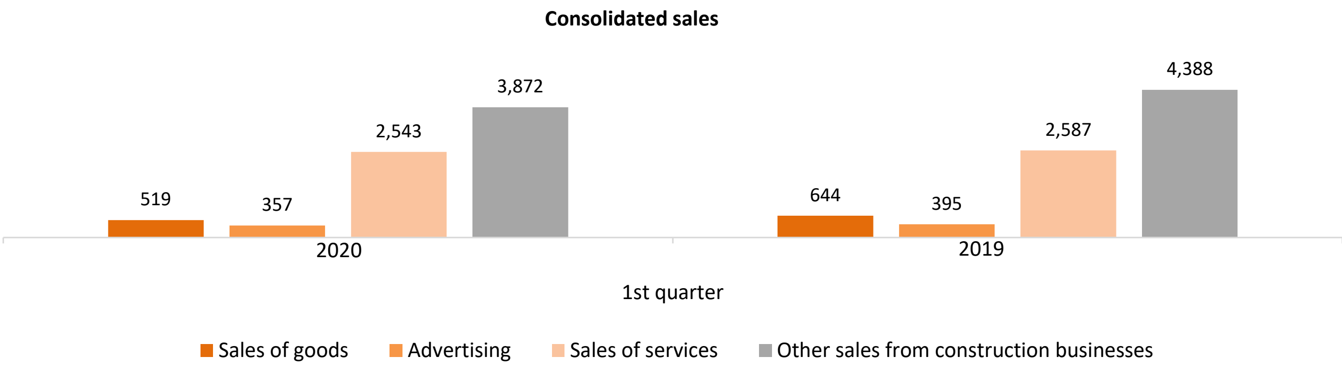
	1st quarter	
	2020	2019
INCOME TAX GAIN/(EXPENSE)	85	25

The effective tax rate for the first quarter of 2020 was 28%, versus 25% for the first quarter of 2019. Analysis of the Group’s effective tax rate for the first quarter is not meaningful, because there is a mix of positive and negative tax bases depending on the nature of the activities in question.

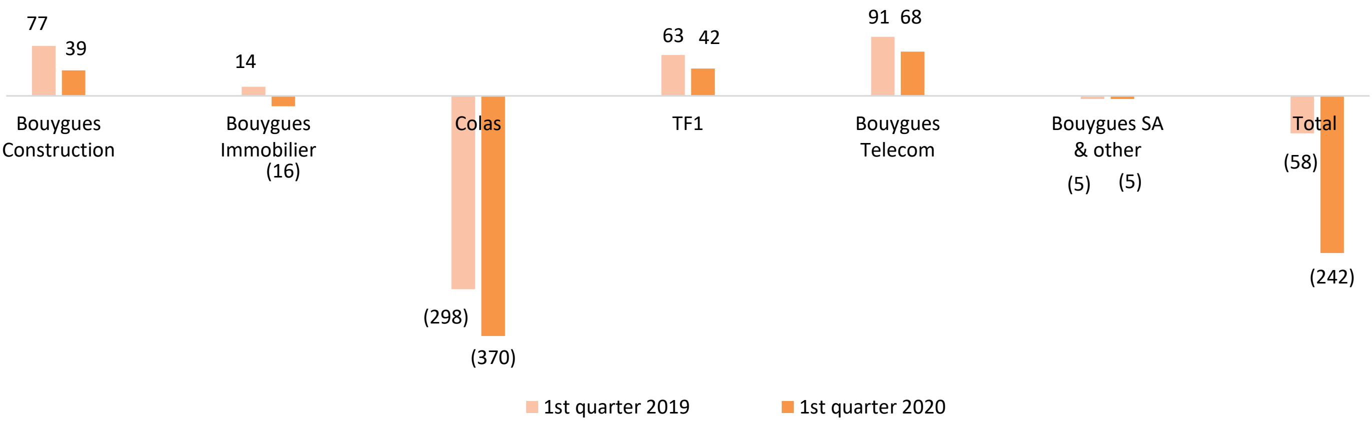
NOTE 11 SEGMENT INFORMATION

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

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
INCOME STATEMENT 1st quarter 2020							
Sales of goods	22		327	17	153		**519**
Advertising				357			**357**
Sales of services	947	12	83	120	1,334	47	**2,543**
Other sales from construction businesses	1,962	361	1,549				**3,872**
Total sales	2,931	373	1,959	494	1,487	47	**7,291**
Inter-segment sales	(8)		(7)	(16)	(5)	(36)	**(72)**
THIRD-PARTY SALES	**2,923**	**373**	**1,952**	**478**	**1,482**	**11**	**7,219**
CURRENT OPERATING PROFIT/(LOSS)	**39**	**(16)**	**(370)**	**42**	**68**	**(5)**	**(242)**
OPERATING PROFIT/(LOSS)	**39**	**(16)**	**(370)**	**42**	**70**	**(5)**	**(240)**
Share of profits/(losses) of joint ventures and associates		(1)	(9)	(1)		36	25
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**22**	**(15)**	**(290)**	**11**	**36**	**32**	**(204)**
INCOME STATEMENT 1st quarter 2019							
Sales of goods	27		398	37	182		**644**
Advertising				395			**395**
Sales of services	1,039	11	99	122	1,269	47	**2,587**
Other sales from construction businesses	2,082	516	1,790				**4,388**
Total sales	3,148	527	2,287	554	1,451	47	**8,014**
Inter-segment sales	(15)		(13)	(10)	(6)	(37)	**(81)**
THIRD-PARTY SALES	**3,133**	**527**	**2,274**	**544**	**1,445**	**10**	**7,933**
CURRENT OPERATING PROFIT/(LOSS)	**77**	**14**	**(298)**	**63**	**91**	**(5)**	**(58)**
OPERATING PROFIT/(LOSS)	**77**	**14**	**(298)**	**63**	**106**	**(5)**	**(43)**
Share of profits/(losses) of joint ventures and associates	(2)	(2)	8			33	37
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**55**	**6**	**(219)**	**18**	**53**	**28**	**(59)**



Current operating profit/(loss)



	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	**39**	**(16)**	**(370)**	**42**	**68**	**(5)**	**(242)**
▪ Interest expense on lease obligations	(2)		(4)	(1)	(6)	(1)	(14)
Elimination of net depreciation and amortisation expense and of net charges to provisions and impairment losses							
▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets	48	2	70	56	224	3	403
▪ Charges to provisions and impairment losses, net of reversals due to utilisation	(9)	(7)	5	(7)	20	(7)	(5)
Elimination of items included in other income from operations							
▪ Reversals of unutilised provisions and other items	(39)	(5)	(15)	(2)	(7)		(68)
EBITDA AFTER LEASES, Q1 2020	**37**	**(26)**	**(314)**	**88**	**299**	**(10)**	**74**
Current operating profit/(loss)	**77**	**14**	**(298)**	**63**	**91**	**(5)**	**(58)**
▪ Interest expense on lease obligations	(3)		(3)	(1)	(7)	(1)	(15)
Elimination of net depreciation and amortisation expense and of net charges to provisions and impairment losses							
▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets	43	2	70	55	205	2	**377**
▪ Charges to provisions and impairment losses, net of reversals due to utilisation	14	(15)			12	(2)	**9**
Elimination of items included in other income from operations							
▪ Reversals of unutilised provisions and other items	(26)	(7)	(13)	(1)	(1)		**(48)**
EBITDA AFTER LEASES, Q1 2019	**105**	**(6)**	**(244)**	**116**	**300**	**(6)**	**265**

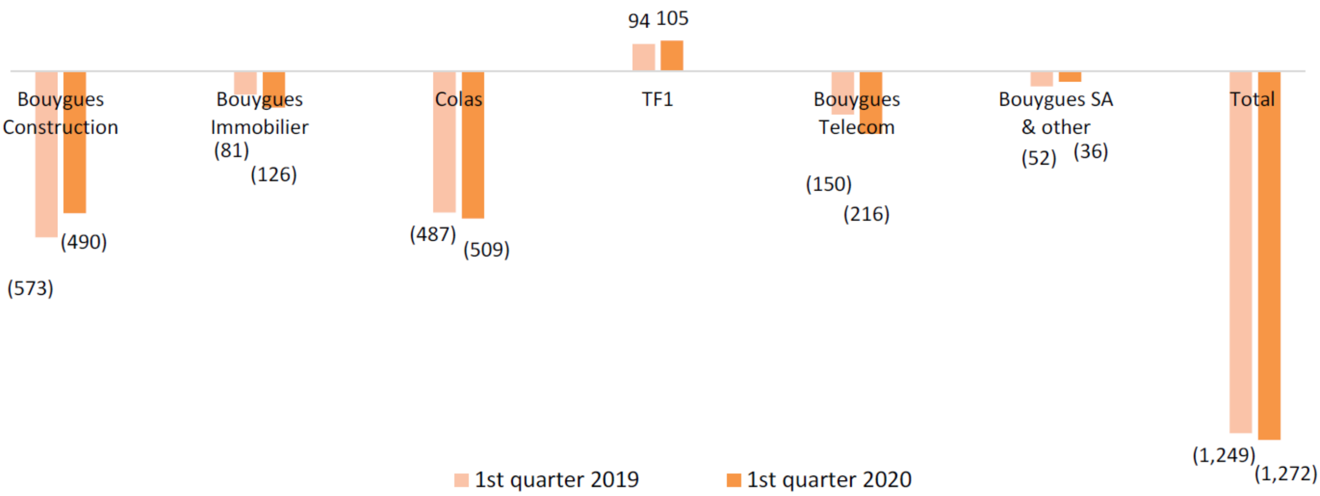
	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Financial indicators: balance sheet 31/03/2020							
NET SURPLUS CASH/(NET DEBT)	**2,632**	**(406)**	**(944)**	**(27)**	**(1,690)**	**(3,154)**	**(3,589)**
Financial indicators: balance sheet 31/12/2019							
NET SURPLUS CASH/(NET DEBT)	**3,113**	**(279)**	**(367)**	**(127)**	**(1,454)**	**(3,108)**	**(2,222)**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators, Q1 2020							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	103	(24)	(311)	82	315	(20)	145
Changes in working capital requirements related to operating activities, including current impairment and provisions (II)	(554)	(98)	(140)	91	(152)	(17)	(870)
Acquisitions of property, plant and equipment and intangible assets, net of disposals (III)	(14)	(2)	(35)	(63)	(344)	1	(457)
Repayment of lease obligations (IV)	(25)	(2)	(23)	(5)	(35)		(90)
FREE CASH FLOW AFTER CHANGE IN WORKING CAPITAL REQUIREMENTS (I) + (II) + (III) + (IV)	**(490)**	**(126)**	**(509)**	**105**	**(216)** [a]	**(36)**	**(1,272)**
Other financial indicators, Q1 2019							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	113	(1)	(257)	108	278	(34)	207
Changes in working capital requirements related to operating activities, including current impairment and provisions (II)	(607)	(76)	(183)	36	(91)	(16)	(937)
Acquisitions of property, plant and equipment and intangible assets, net of disposals (III)	(57)	(2)	(27)	(45)	(303)	(2)	(436)
Repayment of lease obligations (IV)	(22)	(2)	(20)	(5)	(34)		(83)
FREE CASH FLOW AFTER CHANGE IN WORKING CAPITAL REQUIREMENTS (I) + (II) + (III) + (IV)	**(573)**	**(81)**	**(487)**	**94**	**(150)** [b]	**(52)**	**(1,249)**

(a) Free cash flow at Bouygues Telecom for the first quarter of 2020 before a deterioration of €152 million in working capital requirements related to operating activities amounts to a net cash outflow of €64m.

(b) Free cash flow at Bouygues Telecom for the first quarter of 2019 before a deterioration of €91 million in working capital requirements related to operating activities amounts to a net cash outflow of €59m.

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



NOTE 12 OFF BALANCE SHEET COMMITMENTS

There has been no material change in off balance sheet commitments since 31 December 2019.