NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31/12/2020

BOUYGUES

Making progress become reality

Notes to the consolidated financial statements

Contents (figures in millions of euros unless otherwise indicated)

Note 1 Significant events of the year

1.1 Scope of consolidation as of 31 December 2020

As of 31 December 2020, the scope of consolidation of Bouygues SA consisted of 1,249 entities, compared with 1,230 as of 31 December 2019.

31 December	2020	2019
Companies controlled by the Group	830	811
Joint operations	178	194
Investments in joint ventures and associates	241	225
	1,249	**1,230**

1.2 Significant events

1.2.1 Significant events of 2020

The principal corporate actions and acquisitions of 2020 are described below:

- On 20 January 2020, Bouygues Construction extended its arbitration proceedings against Alpiq (see Note 1.2.2) by increasing the amount of its initial claim from CHF 205 million to CHF 319 million (€295 million at the 31 December 2020 exchange rate) plus interest. On 22 December 2020, the two parties agreed a settlement to end the arbitration proceedings, under which Alpiq reimbursed CHF 54.5 million, split CHF 51.5 million (€47 million) for Bouygues Construction and CHF 3 million (€2 million) for Colas. Because this adjustment occurred more than 12 months after the acquisition of Alpiq Engineering Services, it was recognised as a gain for accounting purposes in the fourth quarter of 2020 in "Other operating expenses", net of litigation costs.
- 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. Steps were taken immediately to restore information systems. 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 services and applications have been restored. The relevant insurance policies were activated; a complaint filed with the competent authorities has not yet led to any prosecution.
- 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 rail division of Bombardier (Canada). The price for 100% of Bombardier Transportation's shares will be settled partly in cash, and partly in newly-issued Alstom shares. The transaction was completed on 29 January 2021 (see Note 1.3).

  On 3 November 2020, Bouygues sold 11 million Alstom shares (representing approximately 4.8% of the share capital), generating proceeds of €450 million net of transaction costs. The gain on the sale, amounting to €87 million, was recognised in the fourth quarter of 2020.

  On 16 November 2020, Alstom announced a rights issue of approximately €2 billion in connection with its proposed acquisition of Bombardier Transportation. On 17 November 2020, Bouygues sold 16.45 million of its Alstom pre-emptive subscription rights ("PSRs") at a price of €2.95 per PSR (representing a total of approximately €49 million) through an accelerated bookbuild offering to qualified investors (the "Offering"). Bouygues sold sufficient PSRs to enable it to fund the exercise of its remaining Alstom PSRs, and thereby to participate in the rights issue in an "opération blanche". This transaction confirmed Bouygues' support for Alstom's strategy and proposed acquisition of Bombardier Transportation, without committing extra capital. Settlement of the Offering took place on 19 November 2020. Bouygues recognised a gain on dilution of €31 million in the fourth quarter of 2020. On completion of this transaction, Bouygues committed to retaining its Alstom shares for a 90-day period ending on 7 March 2021. As of 31 December 2020, Bouygues held a 7.99% equity interest in Alstom.

  This residual interest continues to be accounted for by the equity method in "Investments in joint ventures and associates", significant influence being established by the presence of Bouygues SA and Olivier Bouygues on the Alstom Board of Directors.
- On 26 February 2020, Bouygues Telecom and Cellnex signed a strategic agreement setting up a company to roll out, market and manage a national fibre optic network (FTTA and FTTO). Effective completion of the transaction occurred on 29 May 2020. Bouygues Telecom signed a long-term service agreement with the new company, 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. As of 31 December 2020, Bouygues Telecom had invested €15 million and held a 49% equity interest in the new company, over which it exercises significant influence. Bouygues Telecom has a call option over the remaining shares exercisable between 15 January and 15 June 2040 and at five-year intervals to 2050, which would give it control over the new company.
- On 19 March 2020, Bouygues Telecom and Phoenix Tower International (a Blackstone portfolio company based in the United States, specialising in mobile infrastructure construction) implemented an agreement to set up a new company to roll out up to approximately 4,000 new mobile sites in France over a 12-year period outside very dense areas. The new company, 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 company has sufficient size and coverage to make it a high-potential infrastructure operator in the French market. As of 31 December 2020, Bouygues Telecom had invested €3 million and held a 40% equity interest in the new company, over which it exercises

significant influence. Bouygues Telecom has a call option over the remaining shares exercisable between 15 January and 15 July 2034 and at five-year intervals to 2049, which would give it control over the new company.

- On 7 April 2020, Bouygues carried out a €1 billion bond issue maturing 24 July 2028, bearing interest at 1.125%. The €1 billion bond issue carried out on 22 July 2015 was redeemed at maturity on 22 July 2020.
- On 23 April 2020, Bouygues Telecom and Vauban Infrastructures Partners (a BPCE group company) announced the signature of 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 premises). Effective completion of the transaction occurred on 29 June 2020. Bouygues Telecom created a special purpose vehicle called Société de Développement pour l'Accès à l'Infrastructure Fibre (SDAIF) and launched a call for bids at the end of 2019; as a result of that process Vauban Infrastructure Partners, acting on behalf of its funds, was chosen to be SDAIF's new majority shareholder. SDAIF, over which Bouygues Telecom exercises significant influence, 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.

  On the formation of SDAIF, Vauban Infrastructure Partners and Bouygues Telecom agreed to subscribe to the share capital of the new company. Bouygues Telecom contributed to the new company (i) a service contract, with an undertaking to access FTTH premises in medium dense areas solely via SDAIF for a 30-year period at a pre-determined price; and (ii) a supply contract enabling SDAIF to purchase FTTH premises from Orange. SDAIF can also offer the same access services to third-party operators. The transaction valued Bouygues Telecom's 49% equity interest in SDAIF at €295 million as of 29 June 2020, comprising (i) €272 million for the service and supply contracts, which will be recognised in current operating profit over the term of the contract, and (ii) €23 million for the capital increase to be carried out by Bouygues Telecom. As of 31 December 2020, Bouygues Telecom's interest in SDAIF was measured at €286 million.

  Bouygues Telecom has an option to buy out some or all of the shares of SDAIF exercisable between 15 March and 15 June each year from 2024 to 2027, and then every five years from 2030 to 2050.

  Finally, Bouygues Telecom sold to SDAIF the access rights it had already acquired from Orange, generating in the second quarter of 2020 disposal proceeds of €185 million and a gain of €17 million (recognised in current operating profit) for the 51% share not held by Bouygues Telecom.
- On 17 June 2020, the Paris Court of Appeal ordered Orange to pay €250 million in damages to Digicel, the company to which Bouygues Telecom sold its operations in the French Antilles in 2006. Under the terms of the purchase agreement, Digicel is required to pass on to Bouygues Telecom a portion of the financial penalties received by Digicel.

  On 9 December 2020, an amount of €90 million was received, in return for setting up a demand guarantee as security for the full or partial reimbursement of the sum by Bouygues Telecom in the event the decision is overturned on appeal. At this stage in the case, no gain has been recognised in the income statement for the year ended 31 December 2020, and the amount received has been recognised within "Cash and cash equivalents" in the balance sheet, with a matching liability recognised in "Other current liabilities". In the cash flow statement, it has been included in net cash flows from investing activities, within the line item "Proceeds from disposals of investments in consolidated activities".
- On 25 June 2020, Bouygues Telecom signed an exclusivity agreement with Euro-Information (a Crédit Mutuel group company) with a view to acquiring 100% of the share capital of its subsidiary Euro-Information Telecom (EIT), France's leading alternative telecoms operator, and to concluding an exclusive distribution agreement between Crédit Mutuel, CIC and Bouygues Telecom. EIT has more than 2 million customers and generated sales of €518 million in 2019. Effective completion of the transaction occurred on 31 December 2020, after it obtained clearance from the French Competition Authority. The purchase price comprises fixed consideration of €596 million paid on closing plus contingent consideration of between €140 million and €325 million, payable over a number of years subject to attainment of economic performance criteria. The acquisition was partially funded by a rights issue subscribed by Bouygues Telecom shareholders. As of the date control was obtained, provisional goodwill of €756 million was recognised and the impact on net debt was €827 million, based on an estimate of the contingent consideration (recognised as a financial liability, see Note 9.2).
- On 4 September 2020, a General Meeting of Bouygues shareholders approved payment of a dividend of €1.70 per share in respect of the 2019 financial year, representing a total of €646 million that was paid out in the third quarter of 2020. Because the Group has a particularly solid financial position and a high level of available cash, this dividend payout could be made while retaining sufficient liquidity to cope with the consequences of the health crisis, develop the Bouygues group's existing activities, and maintain a low level of indebtedness.
- Between 29 September and 1 October 2020, French telecoms regulator Arcep conducted an auction to award 3.5 GHz frequencies in the "core 5G band" (3.4-3.8 GHz). On completion of the auction, Bouygues Telecom obtained a total of 70 MHz for €602 million, net of spectrum clearing costs (a 50 MHz block for €350 million, plus two 10 MHz blocks for €126 million each). Payments will be spread over 15 years for the first block and over 4 years for the other two; a payment of €87 million was made at the end of 2020. Spectrum clearing costs for 2020 amounted to €6 million, which had not been disbursed as of 31 December 2020.
- Consequences of the Covid-19 pandemic

  Impacts on the Group's activities

  The Covid-19 pandemic, and the lockdown measures implemented in France and other countries where the Group has operations, led to a sharp decline in activity for the Group's business segments in 2020. The contraction was concentrated in the first half of the year, with both activity levels and profits recovering strongly in the second half.

  The construction businesses were affected in France by the almost complete shutdown of worksites starting in the last two weeks of March 2020 in line with the lockdown measures, followed by a gradual resumption of activity from 15 April and the postponement of the second round of the French municipal elections to the end of June. To a lesser extent, the businesses were affected by a slowdown or shutdown of operations in other geographies (including Italy, the United Kingdom, Canada, French-speaking Switzerland, Singapore, and the Philippines). By mid-July 2020, virtually all worksites had reopened in France, and activity levels were back to near-normal levels in many other countries. Activity also resumed gradually in Singapore from mid-August. And in France, there was a strong catch-up in activity during the second half, helped by the signature of a Group-wide agreement allowing for increased working hours and days.

  TF1 was affected by advertising campaigns being postponed or pulled on a massive scale from mid-March onwards, with the effects intensifying in the second quarter, and also by the shutdown of shooting during lockdown. There was a gradual resumption of shooting from mid-May. At the same time, scheduled events such as cinema releases, live shows and concerts, are severely impacted or (in some cases) remain shut down until the end of the year. However, full-year 2020 results show that the TF1 group has succeeded in adapting its programming schedules and managing its programme costs in response to the crisis. Finally, Bouygues Telecom has been less severely affected by Covid-19, despite the closure of retail outlets during lockdown and reduced roaming sales due to a slump in intercontinental travel and the closure of some borders.

While maintaining the health and safety of their employees, subcontractors and customers as their number one priority, the Group's business segments gradually resumed operations as soon as possible, and took the necessary steps to limit the impacts of the crisis on profitability (including negotiations with customers on sharing excess Covid-19 costs, and cost saving plans in all business segments).

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 Group decided not to defer payments on account of corporate income taxes or social security contributions.

Estimated impacts of the Covid-19 crisis on the 2020 financial year

The Covid-19 pandemic has led to a reduction in sales. Current operating profit has been impacted by the erosion of the current operating margin in the business segments, reflecting not only the reduction in sales but also unavoidable costs incurred in the three sectors of activity 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.

Due to the resumption of the Group's activities, it is no longer possible to quantify separately the impact of Covid-19 on the Group's year-on-year performance in the second half of the year. As a reminder, the year-on-year sales performance for the first half of 2020 was adversely affected by approximately €2.8 billion as a result of the Covid-19 crisis. The year-on-year current operating profit performance for the first half of 2020 was adversely affected by approximately €0.65 billion as a result of the Covid-19 crisis.

1.2.2 Reminder of 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. On completion of the 12-month purchase price allocation period, the 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 a sum 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, the provisional goodwill became final, amounting to €39 million as of 31 December 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, the provisional goodwill became final, amounting to €14 million as of 31 December 2020.
- On 10 July 2019, the Annual General Meeting of Alstom shareholders approved the payment of 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 amount of €1,079 million before transaction costs), through a placement by way of an accelerated book-building with institutional investors. A net gain of €172 million was 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 continued to be accounted for by the equity method in "Investments in joint ventures and associates". 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 was €78 million, including the acquisition of the residual 49% interest which will be completed in stages between 2022 and 2026. On completion of the 12-month purchase price allocation period, the provisional goodwill became final, amounting to €13 million as of 31 December 2020.

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

On 29 January 2021, Alstom announced the completion of its acquisition of Bombardier Transportation. Under the terms of the deal, two rights issues reserved for affiliates of the Caisse de dépôt et placement du Québec and Bombardier Inc., of €2.6 billion and €500 million respectively, were carried out on the same day, generating a gain on dilution of approximately €39 million in the first quarter of 2021. Following the sale of Alstom shares by Bouygues and the rights issues carried out in the fourth quarter of 2020 (see Note 1.2.1) and on 29 January 2021 in connection with Alstom's acquisition of Bombardier Transportation, Bouygues holds a 6.35% equity interest 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 7.99% as of 31 December 2020.

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 17 February 2021, and will be submitted for approval by the forthcoming Annual General Meeting on 22 April 2021.

The consolidated financial statements for the year ended 31 December 2020 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 2019; the balance sheet as of that date has been restated to reflect the final decision of the IFRS Interpretations Committee of 26 November 2019 and the summary conclusion issued on 3 July 2020 by the ANC (the French national accounting standard-setter) on the lease terms to be applied under IFRS 16. That conclusion led the Group to reassess its lease terms. Based on the analysis performed, the only business segment affected was Bouygues Telecom; in particular, the lease terms applied for radio sites were revised upward to ensure consistency with depreciation periods applied to non-movable fixtures and fittings. The effect was to increase right-of-use assets and lease obligations by €148 million as of 1 January 2019 and by €126 million as of 1 January 2020, with no impact on equity.

The Bouygues group applied the same standards, interpretations and accounting policies in the year ended 31 December 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 in 2020.

- Principal amendments effective within the European Union and applicable in 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 interest rate benchmark reform. Those amendments were endorsed by the European Union on 16 January 2020, and are applicable retrospectively from 1 January 2020. The impact of the amendments on the Group is immaterial.
  - **Amendment to IFRS 3**

    On 22 October 2018, the IASB issued an amendment to IFRS 3 to clarify the definition of a "business" in a business combination. The amendment was endorsed by the European Union on 21 April 2020, and applies to accounting periods beginning on or after 1 January 2020. The impact of the amendments on the Group is immaterial.
  - **Amendment to IFRS 16**

    On 28 May 2020, the IASB issued an amendment to IFRS 16, dealing with rent concessions related to Covid-19; it was endorsed by the European Union on 9 October 2020, and is applicable from 1 June 2020. The amendment, which permits lessees to account for such rent concessions as if they are not lease modifications, is not material at Group level.
- 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.); review of contracts to determine whether they contain a lease; factors taken into account when restating leases (lease terms and incremental borrowing rates, as described respectively in Notes 2.7.2 and 2.11.2); and end-of-contract margins on construction and property development contracts (see Note 2.13.1).

Group management has exercised judgement in the application of IFRS to certain transactions, in particular in (i) determining the level of control exercised over certain entities (for example, in network or infrastructure sharing agreements); (ii) identifying whether a contract is a lease, and especially whether substantive substitution rights exist; (iii) analysing contingent consideration in business combinations; and (iv) identifying separate performance obligations for revenue recognition purposes.

Where no standard or interpretation applies to a specific transaction, Group management adopts 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 operations and discontinued 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.

A discontinued operation is one that is material to the Group (having been treated as a Cash Generating Unit) and that has either been disposed of or classified as a held-for-sale asset. Income statement and cash flow information about such discontinued 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 Bouygues group

Companies over which Bouygues exercises control are consolidated.

- Assessment of control over TF1:

As of 31 December 2020, Bouygues held, directly or indirectly, 43.7% of the capital and voting rights of TF1. All the factors mentioned below, taken collectively, establish that the Bouygues group exercises 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 43.7% 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.

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 consolidated 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 consolidated 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 2.7.5 ("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 2020, the temporary differences and tax losses available for carry-forward of French entities were measured at the following rates as enacted or substantively enacted, according to the period in which they are expected to reverse:

- 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 asset 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.

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, which are capitalised if they are expected to generate future economic benefits and can be reliably measured:
- concessions, patents and similar rights.

In accordance with IFRS, incorporation and research expenses are expensed as incurred.

Intangible assets 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]
Licence to use 3.5 GHz frequencies	Straight line	15 years[c]

(a) UMTS licence awarded in 2002 for a 20-year period: amortised from the date on which the broadband network opened (26 May 2005). The licence fee comprises (i) a fixed component of €619m, recognised as an intangible asset on the date the licence was awarded (12 December 2002), and (ii) 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).

(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.

(c) The licences acquired in 2020 – 3.5 GHz (5G) for €602m – were awarded for a 15-year period, and are being amortised over 15 years from the date on which they came into service (1 December 2020); see Note 1.2.1.

2.7.4 Other intangible assets

Other intangible assets recognised by the Group include 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 Studios and TF1 Entertainment; audiovisual rights produced by Newen; and music rights owned by TF1 group entities.

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, taking account of the decline in the expected value of the economic benefits from those shares;
- 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, 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, with cash flows beyond the three-year plan time horizon also used where appropriate.
  - 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 the two 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 (as described above) 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. If the carrying amount is greater than the recoverable amount, an impairment loss is recognised. Any such losses are offset against the carrying amount of the investment, and may be subsequently reversed.

In principle, the investment in Alstom is tested for impairment using the quoted market price or, if the quoted market price gives a valuation below the carrying amount, at value in use determined using the Discounted Cash Flow (DCF) method based on projections established by Bouygues management and 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 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 to the extent they are recoverable. If the probability of the programme being completed becomes low, especially if there is a risk of withdrawal of or appeal against 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 recognised within "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%	

Based on an analysis conducted using recent historical data, patterns of consumption have changed, indicating a reduction in the future economic benefits of repeat broadcasts of series. As a result, it was decided to adjust the pattern of consumption for series from 1 January 2021 onwards, increasing the value consumed on first transmission to 67% and reducing the value consumed on second transmission to 33% for TF1 (versus 50% for each transmission up to and including 2020). Conversely, actual data from 2020 showed the value of films and TV movies on DTT, showing the benefits of making a third transmission that generates revenue equivalent to the first two (versus 50% for each of the first two transmissions previously).

"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 the 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, 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:

- Contract origination costs (mainly at Bouygues Telecom). These are 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). These are 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 and rail 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 hedging currency risk; interest rate swaps, future rate agreements, and purchases of caps and collars for hedging interest rate risk; cross-currency swaps for hedging currency and interest rate risk; and forward commodity purchases and sales, commodity swaps and commodity options for hedging commodities risk.

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 contract is cancelled), the hedge is closed out immediately.

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

2.9.3.2 Interest rate risk

Group policy is for each 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 payments (including in-substance fixed 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, the Group 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 pension plans are managed by independent pension funds, and involve only a limited number of employees.

    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. 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 if they relate to the pension obligation, and in profit or loss if 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 contain only a single performance obligation. However, some contracts at Bouygues Telecom (as described below) are split into two performance obligations.

Construction

Revenue from construction activities corresponds to the latest estimate of the total selling price, and takes account of claims that have been accepted by the customer 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 final cost 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.

Telecoms activities

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.

SALES OF 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 handset sale 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 asset 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 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 cash flow statement is presented in accordance with the amended IAS 7 and with ANC Recommendation 2013-03 of 7 November 2013 (using the indirect method). 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" equates to current operating profit after taking account of interest expense on lease obligations, before (i) net charges for depreciation, amortisation and impairment on property, plant and equipment and intangible assets, (ii) net charges to provisions and other 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.

"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 subsidiaries (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

Free cash flow 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 before 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 and liabilities related to property, plant and equipment and intangible assets.

Note 3 Non-current assets

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

	2020	2019
Property, plant and equipment	1,686	1,529
Intangible assets	962	324
Capital expenditure	**2,648**	**1,853**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	941[a]	231[c]
Acquisitions of non-current assets	**3,589**	**2,084**
Disposals of non-current assets	(1,076)[b]	(1,447)[d]
Acquisitions of non-current assets, net of disposals	**2,513**	**637**

(a) Includes €842m of investments made by Bouygues Telecom, mainly as a result of the acquisition of EIT (€824m) and the creation of Nexloop France (€15m) and Phoenix France Infrastructures (€3m).
(b) Disposals during 2020 mainly comprise the partial divestment (4.8%) of the equity interest in Alstom for €450m net of costs, and the sale of sites and fibre optic infrastructure by Bouygues Telecom for €248m (including €185m for FTTH premises transferred to SDAIF).
(c) Includes €114m of investments made by Bouygues Telecom (primarily Keyyo for €57m and Nerim for €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).
(d) Disposals during 2019 mainly comprise the partial divestment (13%) of the equity interest in Alstom for €1,064m net of costs, and the sale of sites, towers and fibre optic infrastructure by Bouygues Telecom for €92m.

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					
31/12/2018	**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**
Movements during 2020					
Translation adjustments	(61)	(161)	(35)	(6)	(263)
Changes in scope of consolidation	4	46	39	1	90
Acquisitions during the period	54	1,046	251	335	1,686
Disposals, transfers and other movements	(53)	(484)	(231)	(266)	(1,034)
31/12/2020	**2,672**	**13,915**	**3,366**	**600**	**20,553**
Depreciation and impairment					
31/12/2018	**(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)**
Movements during 2020					
Translation adjustments	22	120	30		172
Changes in scope of consolidation	(1)	(7)	(16)		(24)
Net expense for the period	(89)	(998)	(281)		(1,368)
Disposals, transfers and other movements	46	472	207		725
31/12/2020	**(1,134)**	**(9,426)**	**(2,507)**		**(13,067)**
Carrying amount					
31/12/2019	**1,616**	**4,455**	**895**	**536**	**7,502**
31/12/2020	**1,538**	**4,489**	**859**	**600**	**7,486**

Operating commitments not yet recognised involving future outflows of resources

	Falling due				
	Less than 1 year	From 1 to 5 years	More than 5 years	Total 2020	Total 2019
Colas: orders in progress for plant and equipment	31	49		80	17
Bouygues Telecom: orders in progress for network equipment assets	74	220		294	395
TOTAL	**105**	**269**		**374**	**412**

3.2.2 Right of use of leased assets

	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
Gross value				
31/12/2018 restated	**1,282**	**1,446**	**209**	**2,937**
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	71	38	60	169
31/12/2019 restated	**1,371**	**1,494**	**275**	**3,140**
Movements during 2020				
Translation adjustments	(10)	(3)	(11)	(24)
Changes in scope of consolidation	(3)	3	(12)	(12)
New leases, lease modifications, and other lease-related movements	55	78	34	167
31/12/2020	**1,413**	**1,572**	**286**	**3,271**
Amortisation and impairment				
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 restated	**(657)**	**(635)**	**(88)**	**(1,380)**
Movements during 2020				
Translation adjustments	4	1	4	9
Changes in scope of consolidation	2		(1)	1
Net expense for the period	(163)	(152)	(44)	(359)
New leases, lease modifications, and other lease-related movements	83	30	13	126
31/12/2020	**(731)**	**(756)**	**(116)**	**(1,603)**
Carrying amount				
31/12/2019 restated	**714**	**859**	**187**	**1,760**
31/12/2020	**682**	**816**	**170**	**1,668**

3.2.3 Intangible assets

	Development expenses [a]	Concessions, patents and similar rights	Other intangible assets	Total
Gross value				
31/12/2018	**357**	**3,144**	**3,319**	**6,820**
Movements during 2019				
Translation adjustments		3	9	12
Changes in scope of consolidation	4	(4)	101	101
Acquisitions during the period	66	29	229	324
Disposals, transfers and other movements	6	166	(108)	64
31/12/2019	**433**	**3,338**	**3,550**	**7,321**
Movements during 2020				
Translation adjustments		(4)	(12)	(16)
Changes in scope of consolidation		4	11	15
Acquisitions during the period	68	641	253	962
Disposals, transfers and other movements		4	3	7
31/12/2020	**501**	**3,983**	**3,805**	**8,289**
Amortisation and impairment				
31/12/2018	**(206)**	**(1,622)**	**(2,794)**	**(4,622)**
Movements during 2019				
Translation adjustments		(2)	(2)	(4)
Changes in scope of consolidation	(3)	5	(59)	(57)
Net expense for the period	(33)	(173)	(276)	(482)
Disposals, transfers and other movements		8	13	21
31/12/2019	**(242)**	**(1,784)**	**(3,118)**	**(5,144)**
Movements during 2020				
Translation adjustments		4	3	7
Changes in scope of consolidation		(4)		(4)
Net expense for the period	(38)	(195)	(248)	(481)
Disposals, transfers and other movements		7	20	27
31/12/2020	**(280)**	**(1,972)**	**(3,343)**	**(5,595)**
Carrying amount				
31/12/2019	**191**	**1,554**	**432**	**2,177**
31/12/2020	**221**	**2,011** [b]	**462** [c]	**2,694**

(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 €62m in 2020 and €63m in 2019.
(b) Includes for Bouygues Telecom: €70m for the UMTS licence , €622m for the 2.6 GHz and 800 MHz frequency user licence, €433m for the 700 MHz user licence, and €599m (excluding spectrum clearing costs) for the 3.5 GHz user licence (see Note 1.2.1).
(c) Includes €199m for audiovisual rights at TF1.

Acquisitions made during the period include €608m invested in 3.5 GHz (5G) frequencies, including spectrum clearing costs.

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.

	Falling due				
	Less than 1 year	From 1 to 5 years	More than 5 years	Total 2020	Total 2019
Audiovisual rights	26	6		32	42
TOTAL	**26**	**6**		**32**	**42**

3.2.4 Goodwill

	Gross value	Impairment	Carrying amount
31/12/2018	**6,368**	**(67)**	**6,301**
Movements during 2019			
Changes in scope of consolidation	179	17	196
Impairment losses		(2)	(2)
Other movements (including translation adjustments)	46		46
31/12/2019	**6,593**	**(52)**	**6,541**
Movements during 2020			
Changes in scope of consolidation	779		779
Impairment losses		(60)	(60)
Other movements (including translation adjustments)	(28)		(28)
31/12/2020	**7,344**	**(112)**	**7,232**

For 2020, the "Changes in scope of consolidation" line mainly comprises goodwill of €756 million on the acquisition of EIT by Bouygues Telecom.

The table below shows how provisional or final goodwill as of 31 December 2020 was determined for significant acquisitions made since 31 December 2019 (including adjustments made during the twelve-month purchase price allocation period).

	De Mensen	Reel One	Nerim	EIT
CGU	**TF1**	**TF1**	**Bouygues Telecom**	**Bouygues Telecom**
Purchase price (I)	**19**	**31**	**55**	**824**
Net assets acquired, excluding goodwill (II)				
Non-current assets	(10)	(20)	(13)	(59)
Current assets	(20)	(55)	(6)	(109)
Non-current liabilities	2			5
Current liabilities	22	50	9	110
Purchase price allocation (III)				
Remeasurement of acquired intangible assets	(4)	(13)	(9)	
Remeasurement of acquired property, plant and equipment				
Other remeasurements (including deferred taxes)	1	3	3	(15)
Unacquired portion	**4**	**17**		
Goodwill (I)+(II)+(III)	**14**[a]	**13**[a]	**39**[a]	**756**
Translation adjustments				
Goodwill at 31/12/2020	14	13	39	756

(a) Provisional goodwill that became final during 2020.

Impairment losses of €60 million were recognised in 2020. These mainly related to the Unify division of TF1, against which impairment losses of €75 million were charged during the period. Of that amount, €58 million was allocated to goodwill, and €17 million to brands. In the event of a 10% reduction in normative flows combined with an increase in the discount rate from 9.01% to 9.51%, the recoverable amount of the Unify division would be €39 million lower than the carrying amount.

For goodwill on joint ventures and associates, see Note 3.2.6 to the consolidated financial statements.

3.2.4.1 Consolidated carrying amount of listed shares as of 31 December 2020

€	Consolidated carrying amount per share	Closing market price per share on 31/12/2020
Colas	98.43	123.50
TF1	13.74	6.59

3.2.4.2 Split of goodwill by Cash Generating Unit (CGU)

	31/12/2020		31/12/2019	
CGU	Total	Bouygues or subsidiaries	Total	Bouygues or subsidiaries
Bouygues Construction [a]	1,079	99.97%	1,088	99.97%
Colas [b]	1,319	96.87%	1,316	96.66%
TF1 [b]	1,355	43.70%	1,414	43.73%
Bouygues Telecom [b]	3,479	90.53%	2,723	90.53%
TOTAL	7,232		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.

INFORMATION ABOUT IMPAIRMENT TESTING OF GOODWILL AS OF 31 DECEMBER 2020

- 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 segments as presented to the Board of Directors at entity and Bouygues SA level, and for Bouygues Telecom based on cash flow projections extended out by a further three years to reflect the new "Ambition 2026" strategic plan as outlined below.
  - 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 2020 were as follows:

	Discount rate		
	Scenario 1 [a]	Scenario 2 [a]	Perpetual growth rate
Bouygues Construction	6.9%	6.5%	2.0%
Colas	8.1%	7.5%	2.0%
TF1	7.4%	6.9%	1.3%
Bouygues Telecom	4.4%	4.2%	2.0%

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

Impairment tests conducted during 2020 in the context of the Covid-19 crisis did not indicate any evidence that the goodwill of the Bouygues group had become impaired.

As of 31 December 2020, the recoverable amount substantially exceeded the carrying amount of the assets for Bouygues Construction and Colas; consequently, 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 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,
    - leveraging a high-powered online offer, largely through a recovery strategy for Digital;
    - ongoing build-up of Newen to reinforce the production and distribution side, in France and internationally;
    - opening up new distribution channels (platformization, OTT) via the MYTF1 site and involvement in the Salto project.

- Normative cash flows for Bouygues Telecom were determined on the basis of the three-year business plan and the "Ambition 2026" strategic plan. That plan translates Bouygues Telecom's objective of securing a customer reputation as the no.2 mobile operator, adding a further three million FTTH customers, doubling its market share in B2B fixed line, and becoming a player in wholesale fixed line. The following assumptions were used in calculating future cash flows:
  - acceleration in mobile during 2021, capitalising on the integration of EIT and on the FTTH market, translating into:
    - sales from services up by approximately 5% in 2021;
    - growth of approximately 5% in EBITDA after Leases, including EIT;
    - approximately €1.3 billion of capital expenditure (excluding 5G frequencies);
  - further growth in mobile and FTTH beyond 2021, and development of B2B, B2C and wholesale fixed line offers, with the aim of achieving in 2026:
    - sales from services of over €7 billion;
    - EBITDA after Leases of approximately €2.5 billion, with an EBITDA after Leases margin in the region of 35%;
    - free cash flow before changes in working capital requirements related to operating activities (excluding 5G frequencies) of approximately €600 million.

SENSITIVITY ANALYSIS OF ASSUMPTIONS USED

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).

For those CGUs, the recoverable amount 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	8.5%	(18.0)%	(25.5)%	0.1%	(0.5)%
Bouygues Telecom	5.9%	(41.9)%	(47.3)%	0.3%	0.1%

(a) Depending on the capital structure: ⅓ debt - ⅔ equity (scenario 1); ⅔ debt - ⅓ 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 lower than the carrying amount by €201 million under scenario 1, and by €124 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 €102 million under scenario 1 and by €211 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 €636 million lower than the carrying amount under scenario 1, and €88 million lower than the carrying amount under scenario 2. If the perpetual growth rate applied to the normative cash flows were to be halved and all other assumptions described above were unchanged, the recoverable amount would be greater than the carrying amount by €1,666 million under scenario 1 and by €2,381 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 2020, these comprised:

- investments in joint ventures and associates accounted for by the equity method: €1,542 million;
- other non-current financial assets (loans, receivables, investments in non-consolidated companies, etc.): €529 million;
- deferred tax assets: €346 million.

	Investments in joint ventures and associates	Investments in non-consolidated companies[a]	Other non-current financial assets[a]	Total	Amortisation and impairment	Carrying amount	Deferred tax assets
31/12/2018	**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		6		6		6	
Amortisation, impairment and changes in fair value, net		(17)		(17)	(2)	(19)	
Disposals and other reductions		(15)		(15)		(15)	
Transfers and other movements	(92)	(2)	(45)	(139)		(139)	12
31/12/2019	**1,593**	**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) Items presented within "Other non-current financial assets" in the consolidated balance sheet.

	Investments in joint ventures and associates[a]	Investments in non-consolidated companies[b]	Other non-current financial assets[b]	Total	Amortisation and impairment	Carrying amount	Deferred tax assets[c]
31/12/2019	**1,593**	**89**	**436**	**2,118**	**(75)**	**2,043**	**342**
Movements during 2020							
Translation adjustments	(21)		(15)	(36)	2	(34)	(2)
Changes in scope of consolidation	(159)	(1)	13	(147)	1	(146)	18
Acquisitions and other increases		4	7	11		11	
Amortisation, impairment and changes in fair value, net		(12)		(12)	(4)	(16)	
Disposals and other reductions		(5)		(5)		(5)	
Transfers and other movements	177	1	41	219	(1)	218	(12)
31/12/2020	**1,590[d]**	**76**	**482**	**2,148**	**(77)**	**2,071**	**346**
AMORTISATION & IMPAIRMENT	**(48)**		**(29)**	**(77)**			
CARRYING AMOUNT 31/12/2020	**1,542**	**76**	**453**	**2,071**			**346**

(a) Includes goodwill on associates: €387m as of 31 December 2020.
(b) Items presented within "Other non-current financial assets" in the consolidated balance sheet.
(c) See Note 7.
(d) Includes Alstom (€711m) and SDAIF (€286m); see Note 3.2.6.2.

3.2.6 Investments in joint ventures and associates

	Share of net assets held	Share of profit/(loss) for period[a]	Goodwill on joint ventures & associates	Carrying amount
31/12/2018	**1,309**	**304**	**1,020**	**2,633**
Movements during 2019				
Net profit/(loss) for the period		352	(2)	350
Translation adjustments	89			89
Other income and expense recognised directly in equity	(93)			(93)
Net profit/(loss) and recognised income/(expense) for the period	**(4)**	**352**	**(2)**	**346**
Appropriation of prior-year profit, dividends distributed, acquisitions and capital increases, disposals, transfers and other movements	(711)	(304)	(408)	(1,423)
31/12/2019	**594**	**352**	**610**	**1,556**
Movements during 2020				
Net profit/(loss) for the period		228	(12)	216
Translation adjustments	(17)		(3)	(20)
Other income and expense recognised directly in equity	(35)			(35)
Net profit/(loss) and recognised income/(expense) for the period	**(52)**	**228**	**(15)**	**161**
Appropriation of prior-year profit, dividends distributed, acquisitions and capital increases, disposals, transfers and other movements	385	(352)	(208)	(175)
31/12/2020	**927**	**228**	**387**	**1,542[b]**

(a) Excluding impairment losses on goodwill.
(b) Includes Alstom (€711m) and SDAIF (€286m); 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 24.

The carrying amount of investments in joint ventures and associates decreased by €14 million in the period. That net change mainly comprises (i) €295 million for the first-time inclusion of SDAIF in the Bouygues Telecom scope of consolidation, and (ii) a reduction of €263 million in the carrying amount of the investment in Alstom, due primarily to the corporate actions involving Alstom during the year.

As of 31 December 2020, the total carrying amount of €1,542 million included €344 million for joint ventures (Note 3.2.6.1) and €1,198 million for investments in associates (Note 3.2.6.2).

3.2.6.1 Joint ventures

	31/12/2019	Net movement in 2020	31/12/2020	of which: share of profit/loss and impairment losses
Miscellaneous joint ventures	280	(7)	273	4
Axione	83	(12)	71	47
TOTAL	**363**	**(19)**	**344**	**51**

"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

	31/12/2019	Net movement in 2020	31/12/2020	of which: share of profit/loss and impairment losses
Alstom	974	(263)	711	169
Bouygues Construction				
Concession companies	9	(4)	5	(4)
Miscellaneous associates	3	1	4	1
Colas				
Tipco Asphalt (Thailand)	131	(1)	130	30
Mak Mecsek zrt (Hungary)	36		36	3
Miscellaneous associates	27	(8)	19	(7)
TF1				
Miscellaneous associates	2	(2)		(12)
Bouygues Telecom				
SDAIF		286	286	(14)
Miscellaneous associates		(2)	(2)	(1)
Bouygues Immobilier				
Miscellaneous associates	11	(2)	9	
TOTAL	**1,193**	**5**	**1,198**	**165**

Alstom

Alstom's €169 million contribution to the net profit of Bouygues for the 2020 financial year includes (i) €51 million for Bouygues' share of the results published by Alstom for the second half of its 2019/2020 financial year and the first half of its 2020/2021 financial year; (ii) a net gain of €87 million on the divestment by Bouygues of a 4.8% equity interest in Alstom ; and (iii) a gain on dilution of €31 million arising from the rights issue carried out by Alstom in the fourth quarter of 2020 (see Note 1.2.1). The carrying amount of the interest in Alstom as of 31 December 2020 was €711 million, including €253 million of goodwill and €35 million of non-depreciable fair value adjustments relating mainly to the Alstom brand name. That compares with €974 million as of 31 December 2019.

The consolidated carrying amount per share as of 31 December 2020 was €30.13, below the quoted market price of €46.61 as of 31 December 2020.

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

Amounts shown are for 100% of investee	Alstom	
	30/09/2020	31/03/2020
Non-current assets	4,470	4,628
Current assets	8,234	8,380
Held-for-sale assets	240	
TOTAL ASSETS	**12,944**	**13,008**
Shareholders' equity	3,341	3,328
Non-current liabilities	1,901	1,905
Current liabilities	7,407	7,775
Liabilities related to held-for-sale assets	295	
TOTAL LIABILITIES	**12,944**	**13,008**
SALES	**3,518**	**8,201**
ADJUSTED OPERATING PROFIT	**263**	**630**
NET PROFIT	**175**	**474**
NET PROFIT ATTRIBUTABLE TO THE GROUP	**170**	**467**

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

	31/12/2020	31/12/2019
ALSTOM: SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP AS PUBLISHED	**3,281**	**3,072**
Alstom rights issue carried out to finance the acquisition of Bombardier Transportation in the fourth quarter of 2020	**2,008**	
Share attributable to Bouygues (7.99% as of 31/12/2020)	**423**	**451**
Fair value remeasurements and goodwill recognised at Bouygues group level	288	523
NET ASSETS RECOGNISED IN THE BOUYGUES CONSOLIDATED FINANCIAL STATEMENTS	**711**	**974**

Given the time-lag between the financial year-ends of Alstom (31 March) and Bouygues (31 December) and in the dates of publication, the amounts reported as of 31 December 2020 are based on the figures published by Alstom as of 30 September 2020.

INFORMATION ABOUT IMPAIRMENT TESTING OF THE INVESTMENT IN ALSTOM AS OF 31 DECEMBER 2020

At the end of 2020, given that the quoted market price as of 31 December 2020 (€46.61) was 55% higher than the consolidated carrying amount (€30.13), no DCF calculation was performed. That approach is supported by the €52.30 three-month median consensus forecast for the Alstom share price as of 15 February 2021.

CONCLUSION ON IMPAIRMENT TESTING

The recoverable amount determined on the basis of the quoted market price as of 31 December 2020 is greater than the carrying amount of the Bouygues group's investment in Alstom. No impairment loss is required.

SDAIF

The investment in SDAIF had a carrying amount of €286 million in the Bouygues consolidated balance sheet as of 31 December 2020, including €14 million for the share of SDAIF's net loss for the period.

Summary information about the principal assets, liabilities, income and expenses of SDAIF is provided below:

Amounts shown are for 100% of investee	SDAIF
	31/12/2020
Non-current assets	1,324
Current assets	301
Held-for-sale assets	
TOTAL ASSETS	**1,625**
Shareholders' equity	583
Non-current liabilities	896 [a]
Current liabilities	146
Liabilities related to held-for-sale assets	
TOTAL LIABILITIES	**1,625**
SALES	**16**
NET PROFIT	**(28)**

(a) Includes €835m of non-current debt.

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

	31/12/2020
SDAIF: SHAREHOLDERS' EQUITY	583
Share attributable to Bouygues (49% as of 31/12/2020)	**286**
NET ASSETS RECOGNISED IN THE BOUYGUES CONSOLIDATED FINANCIAL STATEMENTS	286

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:

	31/12/2020		31/12/2019	
Investment	Fair value	% interest	Fair value	% interest
French companies				
Bouygues Construction				
Bouygues Construction Airport Concessions Europe SAS	3	51%	6	51%
Colas				
Asphalt, binder and quarry companies [a]	14		8	
TF1				
Studio71	0	6%	9	6%
SUB-TOTAL	**17**		**23**	
Foreign companies				
Bouygues Construction				
Cross Yarra Partnership (Australia)	16	10%	16	10%
Ravinala Airport SA (Madagascar)	2	10%	2	10%
TF1				
Wibbitz (Israel)			0	7.84%
Colas				
Asphalt, binder and quarry companies [a]			1	
SUB-TOTAL	**18**		**19**	
Other investments [a]	**41**		**47**	
TOTAL	**76**		**89**	

(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 2020 was a decrease of €13 million. The main movements in the year were fair value remeasurements via equity of TF1's investment in Studio71, and Bouygues Construction's interest in Airport Concessions Europe SAS.

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

	31/12/2020	31/12/2019
Advances to non-consolidated companies	88	81
Loans receivable	232	186
• Deposits and caution money paid (net)	99	103
• Mutual funds	30	24
• Other investments with carrying amounts of less than €2 million individually	4	4
Other long-term investments	133	131
Other non-current financial assets	**453**	**398**

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
31/12/2019	**49**	**69**	**369**	**487**
Movements during 2020	(10)	2	50	42
31/12/2020	**39**	**71**	**419**	**529**
Due within less than 1 year			13	13
Due within 1 to 5 years			102	102
Due after more than 5 years	39	71	304	414

(a) Mainly relates to investments in non-consolidated companies (€12m at 31 December 2020) and other long-term investments (€27m at 31 December 2020), 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 (€64m at 31 December 2020), 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): price accessible to the entity on the date of measurement in active markets, for identical assets or liabilities;
- level 2 (observable inputs): inputs relating to the asset or liability, other than quoted market prices classified as level 1 inputs, that are observable either directly (such as a price) or indirectly (i.e. derived from observable prices);
- level 3 (unobservable inputs): inputs that are not observable on markets, including observable inputs that require significant adjustment (for example, extrapolation of yield curves over long, unobservable periods). Within the Bouygues group, this applies mainly to investments in non-consolidated companies.

	LEVEL 1 Quoted prices	LEVEL 2 Observable inputs	LEVEL 3 Unobservable inputs	31/12/2020
Financial assets at fair value through OCI [a]			39	39
Financial assets at fair value through profit or loss			71	71
Net cash position	4,037			4,037
Financial instruments (net) and other current financial assets and liabilities	(3)			(3)

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

Note 4 Current assets

4.1 Inventories

	31/12/2020			31/12/2019		
	Gross value	Impairment [a]	Carrying amount	Gross value	Impairment [a]	Carrying amount
Property development inventories	1,488	(151)	1,337 [b]	1,694	(128)	1,566
Raw materials and finished goods	1,130	(98)	1,032	1,240	(75)	1,165
Programmes and broadcasting rights	612	(142)	470	650	(142)	508
TOTAL	**3,230**	**(391)**	**2,839**	**3,584**	**(345)**	**3,239**

(a) Includes:

	31/12/2020	31/12/2019
• impairment losses charged in the period	(155)	(106)
• impairment losses reversed in the period	105	104

(b) Includes Bouygues Immobilier: properties under construction €1,208m; completed properties €60m.

Operating commitments not yet recognised involving future outflows of resources

TF1	Falling due Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2020	31/12/2019
Programmes and broadcasting rights	461	474	6	941	1,120
Sports transmission rights	64	77		141	171
RIGHTS ORDERED BUT NOT YET AVAILABLE FOR TRANSMISSION [a]	**525**	**551**	**6**	**1,082**	
Total 31/12/2019	522	751	18		1,291

(a) Includes contracts expressed in foreign currencies: €25m in US dollars as of 31 December 2020, €41m in US dollars as of 31 December 2019.

Bouygues Immobilier	Falling due Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2020	31/12/2019
ACQUISITIONS OF LAND BANKS [b]	**331**	**5**		**336**	**413**
Total 31/12/2019	413				413

(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 Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2020	31/12/2019
AGREEMENTS TO SECURE HANDSET SUPPLIES [c]	**274**			**274**	**154**
Total 31/12/2019	154				154

(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

	31/12/2020			31/12/2019		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments made on orders	399	(1)	398	435	(1)	434

4.3 Trade receivables, tax assets and other current receivables

	31/12/2020			31/12/2019		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	6,556	(666)	5,890	6,917	(629)	6,288
Customer contract assets	2,448		2,448	2,426		2,426
Current tax assets (receivable)	217	(4)	213	309	(2)	307
Other current receivables and prepaid expenses:						
• Employees, social security, government and other receivables	1,554	(8)	1,546	1,549	(5)	1,544
• Sundry receivables	1,235	(190)	1,045	1,132	(209)	923
• Prepaid expenses	455		455	361		361
TOTAL OTHER CURRENT RECEIVABLES & PREPAID EXPENSES	**3,244**	**(198)**	**3,046**	**3,042**	**(214)**	**2,828**
TOTAL	**12,465**	**(868)**	**11,597**	**12,694**	**(845)**	**11,849**

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

	Non past due	Past due by: 0-6 months	6-12 months	More than 12 months	31/12/2020	31/12/2019
Trade receivables	4,063	1,106	400	987	6,556	6,917
Impairment of trade receivables	(29)	(62)	(54)	(521)	(666)	(629)
TOTAL TRADE RECEIVABLES	**4,034**	**1,044**	**346**	**466[a]**	**5,890**	
Total 31/12/2019	4,266	1,352	352	318		6,288

(a) Includes: Bouygues Construction €256 m, Colas €148m and Bouygues Telecom €49m.

Receivables more than 12 months past due and not covered by impairment allowances mainly comprise recoverable VAT and amounts netted off against trade payables. An analysis of those receivables did not reveal any further credit risk.

4.4 Customer contract assets

	31/12/2019	Movements during 2020: Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	31/12/2020	Falling due: Less than 1 year	More than 1 year
Customer contract origination costs	239			40	279	140	139
Customer contract execution costs	396		4	144	544	55	489
Differences relating to percentage of completion on contracts [a]	1,791	(36)	(13)	(117)	1,625	1,625	
TOTAL CUSTOMER CONTRACT ASSETS	**2,426**	**(36)**	**(9)**	**67**	**2,448**	**1,820**	**628**

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

4.5 Cash and cash equivalents

	31/12/2020 Gross value	31/12/2020 Impairment	31/12/2020 Carrying amount	31/12/2019 Gross value	31/12/2019 Impairment	31/12/2019 Carrying amount
Cash	4,003		4,003	3,055		3,055
Cash equivalents	221		221 [a]	519		519
TOTAL	**4,224**		**4,224**	**3,574**		**3,574**

(a) €215m 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 2020

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 31/12/2020	Total 31/12/2019
Cash	2,818	194	91	73	254	144	108	321	4,003	3,055
Cash equivalents	218		1					2	221	519
Overdrafts and short-term bank borrowings	(116)		(12)	(7)	(18)			(34)	(187)	(220)
Total 31/12/2020	**2,920**	**194**	**80**	**66**	**236**	**144**	**108**	**289**[a]	**4,037**	
Total 31/12/2019	2,272	155	80	37	335	150	65	260		3,354

(a) "Other currencies" relate to the Asia-Pacific region (€179m); Africa (€93m); and the Middle East (€9m).

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

				Charges and reversals through current operating profit					
	31/12/2019	**Translation adjust-ments**	**Change in scope of consolida-tion [a]**	**Deprecia-tion, amortisa-tion and impairment losses [b]**	**Other impairment losses & provisions, net**	**Reversals (unutilised)**	**Other impairment losses & other provisions [c]**	**Other movements**	**31/12/2020**
Depreciation, amortisation & impairment of property, plant and equipment and intangible assets	(17,716)	179	(28)	(1,832)[d]			(17)	752[e]	(18,662)
Amortisation and impairment of right of use of leased assets	(1,380)	9		(359)				127[f]	(1,603)
Impairment of goodwill	(52)				(2)		(58)		(112)
Impairment of other non-current financial assets	(75)	2	1				1	(6)	(77)
SUB-TOTAL: NON-CURRENT ASSETS	**(19,223)**	**190**	**(27)**	**(2,191)**	**(2)[d]**	**[d]**	**(74)[d]**	**873**	**(20,454)**
Impairment of inventories	(345)	3	(1)		(61)	17	(6)	2	(391)
Impairment of trade receivables	(629)	11	(11)		(72)	34		1	(666)
Impairment of cash equivalents									
Impairment of other current assets (excluding tax receivable)	(214)	2			(3)	14	6	(3)	(198)
SUB-TOTAL: CURRENT ASSETS	**(1,188)**	**16**	**(12)**		**(136)**	**65**			**(1,255)**
TOTAL ASSETS	**(20,411)**	**206**	**(39)**	**(2,191)**	**(138)**	**65[g]**	**(74)**	**873**	**(21,709)**
Non-current provisions	2,167	(21)	(3)		128[d]	(88)[d]	8[d]	54	2,245
Current provisions	1,136	(22)			292	(173)	16	(7)	1,242
TOTAL LIABILITIES	**3,303**	**(43)**	**(3)**		**420**	**(261)[g]**	**24**	**47**	**3,487**

(a) Changes in scope of consolidation relate mainly to the acquisition of EIT by Bouygues Telecom.
(b) Depreciation, amortisation and impairment losses on property, plant and equipment, intangible assets, and right of use of leased assets.
(c) Recognised in "Other operating income and expenses" or "Other financial income and expenses". "Other impairment losses and provisions" include €75m of impairments losses taken against the intangible assets of TF1's Unify division, of which €17m is shown on the "Depreciation, amortisation & impairment of property, plant and equipment and intangible assets" line (brands) and €58m on the "Impairment of goodwill" line.
(d) The net aggregate amount of depreciation, amortisation, provisions and impairment charged against non-current assets is €1,956m (see the cash flow statement).
(e) Mainly a reduction in depreciation following disposals or retirements of plant and equipment, including €218m for Bouygues Construction, €306m for Colas and €198m for Bouygues Telecom.
(f) Due mainly to lease amendments, resulting in partial derecognition of right of use assets.
(g) Unutilised reversals of €326m, as shown in a footnote to the consolidated income statement.

Note 5 Consolidated shareholders' equity

5.1 Shareholders' equity at 31 December 2020 attributable to the group and to non-controlling interests

	Share capital	Share premium	Reserves related to capital	Retained earnings	Consolidated reserves and profit/(loss) for period	Items recognised directly in equity	31/12/2020
Attributable to the Group	381	2,390	809	2,446	4,672	(358)	10,340
Attributable to non-controlling interests					1,510	(47)	1,463
TOTAL SHAREHOLDERS' EQUITY	**381**	**2,390**	**809**	**2,446**	**6,182**	**(405)**	**11,803**

5.2 Share capital of Bouygues SA

As of 31 December 2020, the share capital of Bouygues SA consisted of 380,759,842 shares with a €1 par value. Movements during 2020 were as follows:

		Movements during 2020		
	31/12/2019	Increases	Reductions	31/12/2020
Shares	379,828,120	931,722		380,759,842
NUMBER OF SHARES	**379,828,120**	**931,722**		**380,759,842**
Par value	€1			€1
Share capital (€)	**379,828,120**	**931,722**		**380,759,842**

The net capital increase of €22 million (see the consolidated statement of changes in shareholders' equity) corresponds to the issuance of 931,722 shares on exercise of stock options during 2020.

5.3 Analysis of income and expenses recognised directly in equity

	Note	2020	2019
Reserve for actuarial gains/(losses)	5.3.1	(37)	(89)
Fair value remeasurement reserve: equity instruments	5.3.2	(7)	(13)
Translation reserve of controlled entities	5.3.3	(109)	52
Fair value remeasurement reserve: hedging instruments	5.3.4	8	(31)
Tax on items recognised directly in equity		13	26
Share of remeasurements of joint ventures and associates		(55) [a]	(4) [b]
ATTRIBUTABLE TO THE GROUP		**(187)**	**(59)**
Other income and expenses attributable to non-controlling interests		(16)	(19)
TOTAL		**(203)**	**(78)**

(a) Relates mainly to Alstom (negative impact of €29m) and translation reserves at Colas and Bouygues Construction (negative impact of €19m). The €29m negative impact for Alstom includes the effect of (i) the sale of a 4.8% equity interest in Alstom and (ii) the first rights issue carried out by Alstom in connection with the acquisition of Bombardier Transportation (negative impact: €38m), the opposite entry for which was recorded in consolidation reserves (see Note 5.5).

(b) Relates mainly to Alstom (negative impact: €17m), partly offset by translation reserves at Colas and Bouygues Construction (positive impact: €9m). The €17m negative impact for Alstom includes the effect of the sale of a 13% equity interest (negative impact: €13m), the opposite entry for which was recorded in consolidation reserves.

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

	31/12/2019	Movements during 2020	31/12/2020
Movement before tax (controlled entities)	(253)	(37) [a]	(290)

(a) Relates mainly to the change in the iBoxx A10+ rate in France to 0.60% as of 31 December 2020, compared with 0.92% as of 31 December 2019. The negative effect of discount rates and the asset ceiling on pensions is partly offset by an increase in the fair value of plan assets (see Note 20.3.2.1).

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

	31/12/2019	Movements during 2020	31/12/2020
Movement before tax (controlled entities)	(13)	(7)	(20)

5.3.3 Translation reserve (attributable to the Group)

The principal translation reserves as of 31 December 2020 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 €129 million negative movement in the year is a decrease of €124 million in the translation reserve of Colas.

	31/12/2019	Movements during 2020	31/12/2020
US dollar	41	(38)	3
Australian dollar	1	2	3
Canadian dollar	6	(43)	(37)
Hong Kong dollar	4	(11)	(7)
Swiss franc	35	(3)	32
Pound sterling	11	(3)	8
Alstom translation reserve	(64)	(1)	(65)
Other currencies	4	(32)	(28)
TOTAL	**38**	**(129)**[a]	**(91)**

(a) Includes a negative impact of €20m 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:

	31/12/2019	Movements during 2020	31/12/2020
Movement before tax (controlled entities) [a]	(89)	8	(81)

(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:

	31/12/2020	31/12/2019
Transfer to reserves:		
Expense calculated for plans awarded by TF1 in the last 5 years	1	1
Expense calculated for plans awarded by Bouygues SA in the last 5 years	3	5
Expense calculated for employee benefit: Bouygues Confiance n°11 employee share ownership plan		10
TOTAL	**4**	**16**

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 €96 million mainly reflects:

- €38 million for the impact of derecognising (i) reserves for actuarial gains and losses and (ii) 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 sale of a 4.8% equity interest in Alstom and the first rights issue carried out by Alstom in connection with the acquisition of Bombardier Transportation (see Note 5.3); and
- €57 million for the impact of the portion of the Bouygues Telecom rights issues subscribed by JCDecaux.

Note 6 Non-current and current provisions

6.1 Non-current provisions

Non-current provisions amounted to €2,245 million as of 31 December 2020:

	Employee benefits [a]	Litigation and claims [b]	Guarantees given [c]	Other non-current provisions [d]	Total
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)[e]
Actuarial gains and losses	94				94
Transfers and other movements	(5)	(1)	3	62	59
31/12/2019	**940**	**252**	**391**	**584**	**2,167**
Movements during 2020					
Translation adjustments	(5)	(3)	(6)	(7)	(21)
Changes in scope of consolidation	1			(4)	(3)
Charges to provisions	94	76	98	101	369
Reversals of provisions (utilised or unutilised)	(112)	(44)	(106)	(59)	(321)[f]
Actuarial gains and losses	47				47[g]
Transfers and other movements	(7)	1	1	12	7
31/12/2020	**958**	**282**	**378**	**627**	**2,245**

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

(a) Employee benefits (see Note 20.2)	**958**	**Principal segments involved:**	
Lump-sum retirement benefits	617	Bouygues Construction	326
Long-service awards	136	Colas	431
Other long-term employee benefits	205	TF1	53
		Bouygues Telecom	109
(b) Litigation and claims	**282**	Bouygues Construction	101
Provisions for customer disputes	103	Bouygues Immobilier	21
Subcontractor claims	45	Colas	101
Employee-related and other litigation and claims	134	Bouygues Telecom	54
(c) Guarantees given	**378**	Bouygues Construction	286
Provisions for 10-year construction guarantees	255	Bouygues Immobilier	23
Provisions for additional building/civil engineering/civil works guarantees	123	Colas	69
(d) Other non-current provisions	**627**	Bouygues Construction	122
Provisions for miscellaneous foreign risks	48	Colas	340
Risks relating to non-controlled entities	94	Bouygues Telecom	121
Dismantling and site rehabilitation	316		
Provisions for social security inspections	109		
Other non-current provisions	60		
(e) Including reversals of unutilised provisions in 2019	**(133)**		
(f) Including reversals of unutilised provisions in 2020	**(89)**		

(g) The corresponding figure in the consolidated statement of recognised income and expense is €42m, presented net of actuarial losses of €5m on overfunded plans (shown on the assets side of the balance sheet).

6.2 Current provisions

Provisions related to the operating cycle as of 31 December 2020 amounted to €1,242 million:

	Provisions for customer warranties	Provisions for project risks and project completion [a]	Provisions for expected losses to completion [a]	Other current provisions [b]	Total
31/12/2018 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)[c]
Transfers and other movements	(1)	(17)	(45)	2	(61)
31/12/2019	**38**	**394**	**404**	**300**	**1,136**
Movements during 2020					
Translation adjustments	(1)	(11)	(1)	(9)	(22)
Changes in scope of consolidation					
Charges to provisions	17	201	255	176	649
Reversals of provisions (utilised or unutilised)	(9)	(199)	(159)	(147)	(514)[d]
Transfers and other movements	(1)	(2)	(1)	(3)	(7)
31/12/2020	**44**	**383**	**498**	**317**	**1,242**

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

(b) Other current provisions:	**317**	**Principal segments involved:**	
Reinsurance provisions	38	Bouygues Construction	145
Restructuring provisions	18	Bouygues Immobilier	30
Site rehabilitation (current portion)	12	Colas	98
Miscellaneous current provisions	249	TF1	21
(c) Including reversals of unutilised provisions in 2019	**(154)**		
(d) Including reversals of unutilised provisions in 2020	**(173)**		

Note 7 Deferred tax assets and liabilities

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

7.1 Deferred tax assets

Deferred tax assets	31/12/2019	Movements during 2020	31/12/2020
Bouygues Construction	35	16	51
Bouygues Immobilier	29	(4)	25
Colas	156	(11)	145
TF1			
Bouygues Telecom			
Group tax election: Bouygues SA & other	122	3	125
TOTAL	**342**	**4**	**346**

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	31/12/2019	Movements during 2020	31/12/2020
Bouygues Construction	12	3	15
Bouygues Immobilier	9	(4)	5
Colas	117	(17)	100
TF1	47	(12)	35
Bouygues Telecom	171	(60)	111
Group tax election: Bouygues SA & other	5	2	7
TOTAL	**361**	**(88)**	**273**

The deferred tax position as of 31 December 2020 represented a net asset of €73 million; see Note 7.3 for an analysis by business segment.

The increase of €92 million in net deferred tax assets is mainly due to a lower level of consolidation adjustments at Bouygues Telecom that generate deferred tax liabilities (provisions for customer loyalty incentives).

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 31/12/2019	Translation adjustments	Changes in scope of consolidation	Movements during 2020: Gain	Movements during 2020: Expense	Movements during 2020: Other movements [a]	Net deferred tax asset/ (liability) at 31/12/2020
A - Tax losses							
Bouygues Construction	1			10	(9)	(2)	
Bouygues Immobilier	2			4	(3)		3
Colas	6			3	(2)	(2)	5
TF1	1			3			4
Bouygues Telecom	3		15 [c]		(1)	1	18
Group tax election: Bouygues SA & other	113			15	(4)	(4)	120 [b]
SUB-TOTAL	**126**		**15**	**35**	**(19)**	**(7)**	**150**
B - Temporary differences							
Bouygues Construction	22			24	(15)	5	36
Bouygues Immobilier	18					(1)	17
Colas	33	6		5		(4)	40
TF1	(48)			10		(1)	(39)
Bouygues Telecom	(174)		(4)	23	(4)	30	(129)
Group tax election: Bouygues SA & other	4			3	(8)	(1)	(2)
SUB-TOTAL	**(145)**	**6**	**(4)**	**65**	**(27)**	**28**	**(77)**
TOTAL	**(19)**	**6**	**11**	**100**	**(46)**	**21**	**73**

(a) "Other movements" include in particular deferred taxes recognised in equity (on fair value remeasurements of financial instruments, and on actuarial gains/losses on employee benefits).
(b) Overall tax loss arising on the group tax election, representing a tax base of €459m as of 31 December 2020 and expected to reverse over three years.
(c) Relates to EIT.

Principal sources of deferred taxation:	31/12/2020	31/12/2019
• Deferred tax assets on employee benefits (mainly lump-sum retirement benefits and pensions)	165	160
• Tax losses	150	126
• Restricted provisions booked solely for tax purposes	(117)	(123)
• Other items	(125) [a]	(182)
TOTAL	**73**	**(19)**

(a) Mainly relates to deferred tax liabilities arising on consolidation adjustments.

7.4 Period to recovery of deferred tax assets

31/12/2020	Less than 2 years	2 to 5 years	More than 5 years	Total
Estimated period to recovery of deferred tax assets	143	86	117[a]	**346**

(a) Mainly deferred tax assets on employee benefits at Bouygues Construction and Colas.

7.5 Unrecognised deferred tax assets

Some deferred tax assets were not recognised as of 31 December 2020 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).

	31/12/2019	Movements during 2020	31/12/2020
Bouygues Construction	212	48	260
Bouygues Immobilier	30		30
Colas	72	7	79
TF1	13	(1)	12
TOTAL	**327**	**54**	**381**

Note 8 Non-current and current debt

8.1 Interest-bearing debt by maturity

	Current debt at 31 December					Non-current debt at 31 December							
	Accrued interest	1-3m	4-12m	Total maturing in <1y 2020	Total maturing in <1y 2019	1-2y	2-3y	3-4y	4-5y	5-6y	≥6y	Total maturing after >1y 2020	Total maturing after >1y 2019
Bond issues	90			90	1,095	797	697			592	1,725	3,811	2,824
Bank borrowings		165	134	299	137	411	214	34	602	46	37	1,344	1,271
Other borrowings		15	70	85	63	102	76	75	104	5	27	389	141
TOTAL DEBT	**90**	**180**	**204**	**474**		**1,310**	**987**	**109**	**706**	**643**	**1,789**	**5,544**	
Total 31/12/2019	96	131	1,068		1,295	986	1,009	783	31	36	1,391		4,236

Non-current debt increased by €1,308 million in 2020. This mainly reflects (i) the €1 billion bond issue carried out by Bouygues SA in April 2020 and (ii) the non-current portion (€207 million) of the estimated contingent consideration payable by Bouygues Telecom in connection with the acquisition of EIT (see Note 1.2.1).

Current debt decreased by €821 million in 2020. This mainly reflects (i) the redemption by Bouygues SA of the €1 billion bond issue that matured in July 2020 and (ii) the current portion (€53 million) of the contingent consideration payable by Bouygues Telecom in connection with the acquisition of EIT (see Note 1.2.1).

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 31/12/2020, as % of nominal on full price basis[a]
FR0011193515	09/02/2012	09/02/2022	800	4.500%	105.3530
FR0011332196	02/10/2012	16/01/2023	700	3.625%	108.1200
FR0010379255	06/10/2006	06/10/2026	595[b]	5.500%	127.8150
FR0013222494	07/12/2016	07/06/2027	750	1.375%	110.0080
FR0013507654	14/04/2020	24/07/2028	1,000	1.125%	108.4280
TOTAL			**3,845**		

(a) Source: Bloomberg.
(b) Equivalent value in euros of the sterling-denominated nominal value.

8.2 Confirmed credit facilities and drawdowns

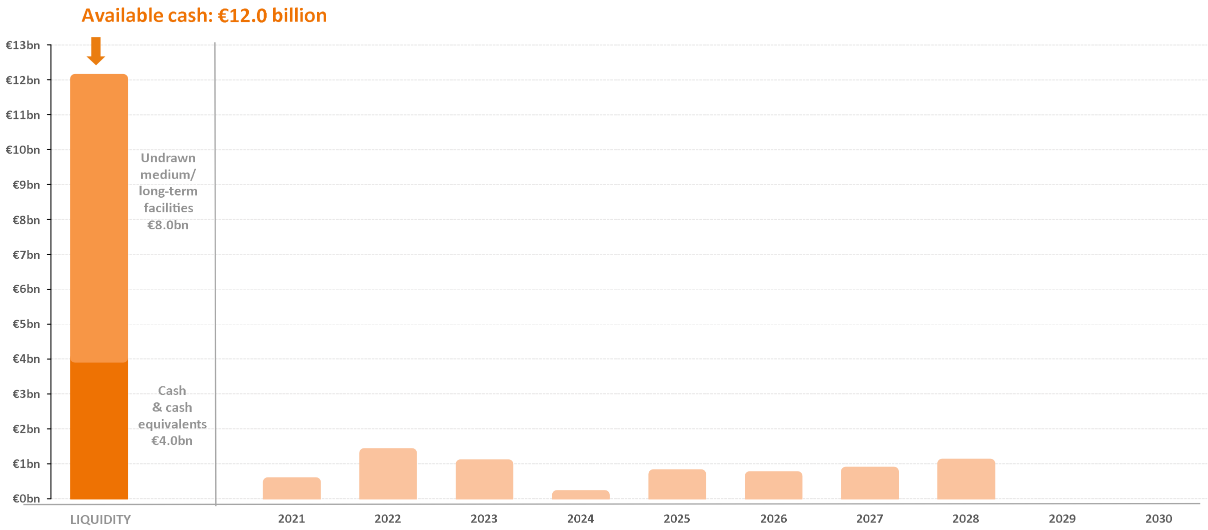
	Confirmed facilities – Maturity				Drawdowns – Maturity			
Description	Less than 1 year	From 1 to 5 years	More than 5 years	Total	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Bond issues (mainly Bouygues SA)	90	1,494	2,317	3,901	90	1,494	2,317	3,901
Bank borrowings	751	8,795	95	9,641	299	1,261	83	1,643 [b]
Other borrowings	85	357	32	474	85	357	32	474
TOTAL [a]	**926**	**10,646**	**2,444**	**14,016**	**474**	**3,112**	**2,432**	**6,018**

(a) Confirmed undrawn credit facilities: €7,998m.
(b) Including Negotiable European Commercial Paper: €40m.

8.3 Liquidity at 31 December 2020

As of 31 December 2020, available cash stood at €4,037 million. The Group also had €7,998 million of undrawn confirmed credit facilities at the same date.

Debt maturity schedule (drawdowns) at 31 December 2020



All bond issues 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 financing obtained by Colas in Canada (drawdown of €192 million as of 31 December 2020) 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:

(%)	31/12/2020	31/12/2019
Fixed rate debt [a]	69	86
Floating rate debt	31	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 2020 is shown below:

	Floating rate	Fixed rate	Total
Financial liabilities (debt) [a]	(2,108)	(3,910)	(6,018)
Financial assets (net cash position) [b]	4,037		4,037
Net pre-hedging position	**1,929**	**(3,910)**	**(1,981)**
Interest rate hedges	250	(250)	
Net post-hedging position	**2,179**	**(4,160)**	**(1,981)**
Adjustment for seasonal nature of some activities [c]	392	(392)	
Net post-hedging position after adjustment	**2,571**		

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

(b) The fair value of financial instruments contracted to hedge net debt is zero.

(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 a deterioration in the cost of net debt of €26 million over a full year.

8.6 Split of current and non-current debt by currency

	Europe						
	Euro	Pound sterling	Other currencies	US dollar	Canadian dollar	Other currencies	Total
Non-current: 31/12/2020	**4,608**	**653**	**4**	**30**	**195**	**54**	**5,544**
Current: 31/12/2020	**431**	**16**	**5**	**4**		**18**	**474**
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

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

	31/12/2019	Translation adjustments	Changes in scope of consolidation	Cash flows	Fair value adjustments	Other movements	31/12/2020
Cash and cash equivalents	3,574	(57)	(1)	683		25	4,224
Overdrafts and short-term bank borrowings	(220)	(41)		99		(25)	(187)
NET CASH POSITION (A)	**3,354**	**(98)[a]**	**(1)[a]**	**782[a]**			**4,037**
Non-current debt	4,236	(41)	(1)	1,107[b]	(13)	256	5,544
Current debt	1,295	(4)		(873)[b]	1	55	474
Financial instruments, net	45				(45)		
TOTAL DEBT (B)	**5,576**	**(45)**	**(1)**	**234**	**(57)**	**311**	**6,018**
NET DEBT (A)-(B)	**(2,222)**	**(53)**		**548**	**57[c]**	**(311)[d]**	**(1,981)**

(a) Net cash inflow of €683m, as reported in the consolidated cash flow statement.

(b) Net cash inflow for 2020 of €234m, as reported in the consolidated cash flow statement, and comprising total inflows of €2,882m and total outflows of €2,648m.

(c) Movement related mainly to the settlement of the swap used to hedge the April 2020 bond issue (see Note 1.2.1), payment of which was recorded in the cash flow statement in "Other cash flows related to financing activities".

(d) Movement related mainly to the contingent consideration on the acquisition of EIT, estimated at €260m and recognised as a financial liability.

9.2 Principal changes in net debt during 2020

NET DEBT AT 31 DECEMBER 2019	(2,222)
Partial divestment (4.8%) of the equity interest in Alstom and participation in rights issue to the extent of PSRs sold (net of transaction costs)	449
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	(803)[a]
Acquisition of 5G frequencies	(87)
Transactions involving the share capital of Bouygues SA	79[b]
Bouygues Confiance n°11 2019 employee share ownership plan – amounts collected in 2020	15
Dividends paid	(687)
Operating items	1,275
NET DEBT AS 31 DECEMBER 2020	(1,981)

(a) Relates mainly to the acquisition of EIT by Bouygues Telecom (€827m).
(b) Relates mainly to issuance of shares by Bouygues SA on exercise of stock options (€22m) and the portion of the Bouygues Telecom rights issue subscribed by JCDecaux (€57m).

Note 10 Non-current lease and current lease obligations

10.1 Maturity analysis of lease obligations

	Current lease obligations			Non-current lease obligations						
	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	Total maturing after > 1 year
TOTAL 31/12/2020	91	268	359	293	251	214	181	130	305	1,374
TOTAL 31/12/2019 RESTATED	89	272	361	299	262	223	186	149	332	1,451

10.2 Movement in lease obligations

	31/12/2019 restated	Translation adjustments	Changes in scope of consolidation	Cash flows	New leases, lease modifications, and other lease-related movements	31/12/2020
Non-current lease obligations	1,451	(12)			(65)	1,374
Current lease obligations	361	(4)		(372)	374	359
TOTAL LEASE OBLIGATIONS	1,812	(16)		(372)	309	1,733

Note 11 Current liabilities

11.1 Current liabilities

	31/12/2020	31/12/2019 restated
Current debt [a]	474	1,295
Current lease obligations	359	361
Current taxes payable	165	230
Trade payables	7,200	7,394
Customer contract liabilities [b]	4,098	3,841
Current provisions [c]	1,242	1,136
Other current liabilities:		
• Other operating liabilities (employees, social security, government)	2,927	2,969
• Deferred income	81	51
• Other non-financial liabilities	2,621	1,888
Overdrafts and short-term bank borrowings	187	220
Financial instruments – Hedging of debt	11	57
Other current financial liabilities	19	23
TOTAL	**19,384**	**19,465**

(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

		Movements during 2020			
	31/12/2019	Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	31/12/2020
Advances and down-payments received on orders [a]	1,197	(39)	(9)	(85)	1,064
Differences relating to percentage of completion on contracts [b]	2,644	(33)	356[c]	67	3,034
CUSTOMER CONTRACT LIABILITIES	**3,841**	**(72)**	**347**	**(18)**	**4,098**

(a) As of 31 December 2020, "Advances and down-payments received on orders" included €6m (€1m as of 31 December 2019) 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 2020.
(b) Mainly comprises deferred income on construction contracts at Bouygues Construction.
(c) This movement is due primarily to the contracts transferred in connection with the creation of SDAIF (see Note 1.2.1).

Note 12 Sales

12.1 Analysis by business segment

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

	2020 sales				2019 sales			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	4,694	7,230	11,924	34	5,216	8,033	13,249	35
Bouygues Immobilier	1,920	112	2,032	6	2,565	140	2,705	7
Colas	5,509	6,743	12,252	35	6,535	7,086	13,621	36
TF1	1,860	176	2,036	6	2,093	190	2,283	6
Bouygues Telecom	6,409		6,409	19	6,031		6,031	16
Bouygues SA & other	10	31	41		6	34	40	
CONSOLIDATED SALES	**20,402**	**14,292**	**34,694**	**100**	**22,446**	**15,483**	**37,929**	**100**

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

There were no material exchanges of goods or services in the years ended 31 December 2020 and 2019, 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

	2020 sales		2019 sales	
	Total	%	Total	%
France	20,402	59	22,446	59
European Union (27 members)	2,336	7	2,446	7
Rest of Europe	4,201	12	4,257	11
Africa	910	3	1,060	3
Middle East	81	0	137	0
North America	3,905	11	4,189	11
Central and South America	342	1	357	1
Asia-Pacific	2,517	7	3,037	8
TOTAL	**34,694**	**100**	**37,929**	**100**

Following the withdrawal of the United Kingdom from the European Union in 2020, sales in the United Kingdom for 2019 have been reclassified to “Rest of Europe”.

The United Kingdom accounts for 53% of sales in the “Rest of Europe”, primarily in construction activities. Those 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

	2020			2019		
(%)	France	International	Total	France	International	Total
Public-sector contracts [a]	28	49	36	27	48	35
Private-sector contracts	72	51	64	73	52	65

(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 €36,197 million as of 31 December 2020.

	31/12/2019	Movements during 2020: Translation adjustments	Changes in scope of consolidation	Other movements arising from operating activities	31/12/2020
Construction businesses	**33,022**	**(235)**		**333**	**33,120**
Bouygues Construction	21,600	(120)		507[a]	21,987
Bouygues Immobilier	2,213			(232)	1,981
Colas	9,209	(115)		58	9,152
TF1	**143**			**82**	**225**
Bouygues Telecom	**2,277**		**110**[b]	**539**	**2,926**
Inter-segment adjustments	**(98)**			**24**	**(74)**
TOTAL ORDER BACKLOG	**35,344**	**(235)**	**110**	**978**	**36,197**
maturing within less than 1 year	18,989				18,732
maturing within 1 to 5 years	13,756				14,397
maturing after more than 5 years	2,599				3,068

(a) Includes an order intake of €12,726m.
(b) Relates mainly to EIT.

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 notarised sales not yet completed, and total revenue from all reservations signed but not yet notarised. 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

	2020	2019
CURRENT OPERATING PROFIT	**1,222**	**1,676**
Other operating income	86	71
Other operating expenses	(184)	(51)
OPERATING PROFIT	**1,124**	**1,696**

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

Current operating profit for 2020 incorporates lease expenses of €950 million, which includes lease expenses relating to contracts exempt from IFRS 16 (see Note 2.11.2). The 2020 figure relates mainly to short-term leases and to leases of assets with a low as-new value at Colas and Bouygues Construction. The non-lease (service) component of lease contracts is recognised in "External charges".

Other operating income and expenses:

2020

Other operating income and expenses represented a net expense of €98 million, relating to Bouygues Construction, Bouygues Telecom, Bouygues Immobilier, Colas and TF1, and comprising:

- Bouygues Construction: €41 million of compensation received from Alpiq (see Note 1.2) net of costs, partly offset by €5 million of costs related to the cyber-attack net of insurance payouts;
- Bouygues Telecom: €39 million of gains on asset disposals (transfer of sites to Cellnex) plus €3 million of other operating income, partly offset by costs of €14 million on the roll-out of network sharing;
- Bouygues Immobilier: €11 million of restructuring costs and €6 million of impairment losses on land in Spain, following the discontinuation of residential property development operations in that country;
- Colas: €71 million of net restructuring costs related to the reorganisation of operations in France and additional dismantling costs at the Dunkirk site, partly offset by €2 million of compensation received from Alpiq (see Note 1.2);
- TF1: €75 million of impairment losses taken against the goodwill and brands of the Unify division.

2019

Other operating income and expenses represented net income of €20 million, relating to Bouygues Telecom, Colas and Bouygues Construction, and comprising:

- Bouygues Telecom: €63 million of gains on the disposal of sites and towers to Cellnex plus €4 million of other operating income, less €3 million on the roll-out of network sharing (reversals of provisions, net of charges);
- Colas: €28 million of provisions to cover additional dismantling costs at the Dunkirk site;
- Bouygues Construction: €23 million of restructuring costs.

Note 14 Cost of net debt and other financial income and expenses

14.1 Analysis of cost of net debt

	2020	2019
Financial expenses, comprising:	**(199)**	**(246)**
Interest expense on debt	(186)	(233)
Interest expense related to treasury management	(13)	(12)
Negative impact of financial instruments		(1)
Financial income, comprising:	**32**	**39**
Interest income from cash and cash equivalents	26	34
Income and gains on disposal from cash and cash equivalents	6	5
COST OF NET DEBT	**(167)**	**(207)**

See Note 17 for an analysis of cost of net debt by business segment.

Cost of net debt was €40 million lower year-on-year, reflecting both lower average indebtedness and lower interest rates on bond issues.

14.2 Other financial income and expenses

	2020	2019
Other financial income	47	84
Other financial expenses	(80)	(94)
OTHER FINANCIAL INCOME/(EXPENSES), NET	**(33)**	**(10)**

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.

Overall, net financial expense rose by €23 million year-on-year, the main factors being (i) an increase in the interest paid on calls for funds in connection with property development transactions and (ii) a lower level of fair value remeasurements of investments in non-consolidated companies than in 2019.

Note 15 Income tax expense

15.1 Analysis of income tax expense

	2020			2019		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(249)	(122)	(371)	(238)	(181)	(419)
Change in deferred tax liabilities	26	5	31	(25)	5	(20)
Change in deferred tax assets	22	1	23	(10)	(3)	(13)
TOTAL	**(201)**	**(116)**	**(317)**	**(273)**	**(179)**	**(452)**

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:

	2020	2019
NET PROFIT FOR THE PERIOD (100%)	**770**	**1,320**
Eliminations:		
Income tax	317	452
Net profit/(loss) from discontinued operations	None	None
Share of net (profits)/losses of joint ventures and associates	(216)	(350)
NET PRE-TAX PROFIT FROM CONTINUING OPERATIONS	**871**	**1,422**
Standard annual tax rate in France	32.02%	34.43%
Effect of non-recognition of tax loss carry-forwards and other temporary differences created/(utilised)	12.28%	2.11%
Effect of permanent differences	(2.05%)	1.67%
Flat-rate taxes, dividend taxes and tax credits	(1.49%)	(1.72%)
Differential tax rates applied to gains on disposals	(0.23%)	0.56%
Differential income tax rates, foreign taxes, impact of future enacted tax rates	(4.13%)	(5.27%)
EFFECTIVE TAX RATE	**36.39%**	**31.79%**

The effective tax rate for 2020 was 36%, versus 32% in 2019. The 2020 effective tax rate was mainly impacted by tax losses outside France for which no deferred tax asset was recognised, and by the fact that deferred taxes recognised in respect of tax losses incurred in 2020 by subsidiaries included in the Bouygues SA French group tax election were calculated using a tax rate of 25.83% (as opposed to the 32.02% rate applicable in 2020) because those losses will not start to be offset against profits until after 2021. The impact on the effective tax rate of the non-deductible impairment loss taken against the goodwill of the Unify division at TF1 offset the impact of the non-taxable compensation received from Alpiq by Bouygues Construction and Colas.

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 2020, excluding the average number of ordinary shares bought and held as treasury shares.

	2020	2019
Net profit from continuing operations attributable to the Group (€m)	696	1,184
Weighted average number of shares outstanding	380,216,641	372,761,257
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**1.83**	**3.18**

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).

	2020	2019
Net profit from continuing operations attributable to the Group (€m)	696	1,184
Weighted average number of shares outstanding	380,216,641	372,761,257
Adjustment for potentially dilutive effect of stock options	213,055	697,972
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**1.83**	**3.17**

Note 17 Segment information

The segment information below is presented by business segment (CGU): Bouygues Construction (Construction), Bouygues Immobilier (Property), Colas (Roads), TF1 (Media), Bouygues Telecom (Telecoms), and Bouygues SA & other.

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.

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
2020 INCOME STATEMENT							
Advertising				1,483			1,483
Sales of services	4,033	110	250	505	4,893	180	9,971
Other sales from construction businesses	7,928	1,922	9,823				19,673
Other revenues	86		2,224	94	1,545		3,949
Total sales	12,047	2,032	12,297	2,082	6,438	180	35,076
Inter-segment sales	(123)		(45)	(46)	(29)	(139)	(382)
THIRD-PARTY SALES	**11,924**	**2,032**	**12,252**	**2,036**	**6,409**	**41**	**34,694**
CURRENT OPERATING PROFIT/(LOSS)	**171**	**12**	**254**	**190**	**623**	**(28)**	**1,222**
Other operating income	41		2		42	1	86
Other operating expenses	(5)	(17)	(71)	(75)	(14)	(2)	(184)
OPERATING PROFIT/(LOSS)	**207**	**(5)**	**185**	**115**	**651**	**(29)**	**1,124**
Income from net surplus cash/(cost of net debt)	13	(1)	(27)	(1)	(10)	(141)	(167)
Interest expense on lease obligations	(10)	(1)	(15)	(3)	(24)		(53)
Income tax	(103)		(86)	(37)	(173)	82	(317)
Share of profits/(losses) of joint ventures and associates	38	**(4)**	**38**	**(11)**	**(15)**	**170**	216
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**154**	**(30)**	**94**	**54**	**417**	**81**	**770**
Net profit/(loss) from discontinued operations							
NET PROFIT/(LOSS)	**154**	**(30)**	**94**	**54**	**417**	**81**	**770**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**152**	**(29)**	**91**	**24**	**377**	**81**	**696**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
2019 INCOME STATEMENT							
Advertising				1,651			1,651
Sales of services	4,256	52	377	567	4,597	202	10,051
Other sales from construction businesses	9,019	2,654	10,750				22,423
Other revenues	80		2,561	119	1,461		4,221
Total sales	13,355	2,706	13,688	2,337	6,058	202	38,346
Inter-segment sales	(106)	(1)	(67)	(54)	(27)	(162)	(417)
THIRD-PARTY SALES	**13,249**	**2,705**	**13,621**	**2,283**	**6,031**	**40**	**37,929**
CURRENT OPERATING PROFIT/(LOSS)	**378**	**99**	**433**	**255**	**540**	**(29)**	**1,676**
Other operating income					70	1	71
Other operating expenses	(23)		(28)				(51)
OPERATING PROFIT/(LOSS)	**355**	**99**	**405**	**255**	**610**	**(28)**	**1,696**
Income from net surplus cash/(cost of net debt)	20	(2)	(33)	(2)	(12)	(178)	(207)
Interest expense on lease obligations	(11)	(2)	(15)	(4)	(25)		(57)
Income tax	(128)	(38)	(141)	(82)	(185)	122	(452)
Share of profits/(losses) of joint ventures and associates	79	(3)	43	(6)		237	350
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**326**	**47**	**261**	**155**	**379**	**152**	**1,320**
Net profit/(loss) from discontinued operations							
NET PROFIT/(LOSS)	**326**	**47**	**261**	**155**	**379**	**152**	**1,320**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**325**	**46**	**252**	**67**	**343**	**151**	**1,184**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	**171**	**12**	**254**	**190**	**623**	**(28)**	**1,222**
• Interest expense on lease obligations	(10)	(1)	(15)	(3)	(24)		(53)
Elimination of net depreciation/amortisation expense and net charges to provisions and impairment losses:							
• Net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	218	10	442	261	891	10	1,832
• Charges to provisions and other impairment losses, net of reversals due to utilisation	244	38	237	17	25	(3)	558
Elimination of items included in "Other income from operations":							
• Reversals of unutilised provisions and impairment and other items	(199)	(12)	(89)	(11)	(13)	(2)	(326)
EBITDA AFTER LEASES 2020	**424**	**47**	**829**	**454**	**1,502**	**(23)**	**3,233**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Current operating profit/(loss)	**378**	**99**	**433**	**255**	**540**	**(29)**	**1,676**
• Interest expense on lease obligations	(11)	(2)	(15)	(4)	(25)		(57)
Elimination of net depreciation/amortisation expense and net charges to provisions and impairment losses:							
• Net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	184	10	462	280	867	11	1,814
• Charges to provisions and other impairment losses, net of reversals due to utilisation	271	24	151	(3)	35	1	479
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
BALANCE SHEET AT 31 DECEMBER 2020							
Investments in joint ventures and associates	**94**	**47**	**395**	**11**	**284**[a]	**711**[b]	**1,542**
Non-current provisions	**(835)**	**(99)**	**(941)**	**(55)**	**(283)**	**(32)**	**(2,245)**
Current provisions	**(768)**	**(30)**	**(397)**	**(21)**		**(26)**	**(1,242)**
Net debt at 31 December 2020:							
Cash and cash equivalents	4,582	60	606	179	70	(1,273)	4,224
Non-current debt	(1,065)	(18)	(346)	(141)	(1,561)	(2,413)	(5,544)
Current debt	(11)	(12)	(28)	(35)	(249)	(139)	(474)
Overdrafts and short-term bank borrowings	(363)	(336)	(238)	(4)		754	(187)
Financial instruments – Hedging of debt (assets/liabilities)			(1)			1	
NET SURPLUS CASH/(NET DEBT) [c]	**3,143**	**(306)**	**(7)**	**(1)**	**(1,740)**	**(3,070)**	**(1,981)**

	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**[b]	**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) [c]	**3,113**	**(279)**	**(367)**	**(127)**	**(1,454)**	**(3,108)**	**(2,222)**

(a) Includes SDAIF: €286m as of 31 December 2020 (see Note 1.2.1).
(b) Includes Alstom: €711m as of 31 December 2020 , €974m as of 31 December 2019.
(c) Contribution at business segment level, including Bouygues Relais and Uniservice intra-group current accounts (these intra-group accounts are eliminated in the "Bouygues SA & other" column).

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 2020							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	355	(4)	641	373	1,422	(78)	2,709
Acquisitions of property, plant and equipment and intangible assets, net of disposals (II)	(114)	(5)	(184)	(283)	(1,633)	(1)	(2,220)
Repayment of lease obligations (III)	(100)	(9)	(99)	(21)	(143)		(372)
FREE CASH FLOW (I) + (II) + (III)	**141**	**(18)**	**358**	**69**	**(354)**	**(79)**	**117**
CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES, INCLUDING CURRENT IMPAIRMENT AND PROVISIONS	**252**	**(6)**	**313**	**103**	**(214)**	**29**	**477**

	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
Acquisitions of property, plant and equipment and intangible assets, net of disposals (II)	(189)	(11)	(321)	(242)	(836)	(3)	(1,602)
Repayment of lease obligations (III)	(98)	(9)	(88)	(18)	(138)		(351)
FREE CASH FLOW (I) + (II) + (III)	**204**	**100**	**371**	**156**	**301**	**247**	**1,379**
CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES, INCLUDING CURRENT IMPAIRMENT AND PROVISIONS	**(146)**	**205**	**(30)**	**(32)**	**(166)**	**(54)**	**(223)**

Free cash flow was €1,262 million lower than in 2019.

After stripping out the 5G frequencies acquired in 2020 (including spectrum clearance costs) and dividends received from Alstom in 2019 of €341 million:

- free cash flow was €313 million lower year-on-year, amounting to €725 million in 2020 compared with €1,038 million in 2019;
- free cash flow after changes in working capital requirements was up €387 million year-on-year, amounting to €1,202 million in 2020 compared with €815 million in 2019.

Note 18 Financial instruments

The tables below show aggregate notional amounts for each type of financial instrument used as of 31 December 2020, 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 31/12/2020	Total 31/12/2019
Forward purchases	443		45	5			493	737
Forward sales	328		2	14			344	572
Currency swaps	22		187			1,099	1,308	1,047
Interest rate swaps [a]		250	50			100	400	984
Interest rate options (caps, floors)					1,200		1,200	1,245
Commodities derivatives			2				2	1
Other			18 [b]				18	

(a) This amount relates to fixed rates paid.
(b) Cross-currency swap.

18.1.2 Analysis by maturity and original currency

	Maturity				Original currency					
	< 1 year	1 to 5 years	> 5 years	Total	EUR	USD	GBP	HKD	CHF	Other
Forward purchases	337	156		493	79	54	8	7	9	336
Forward sales	316	28		344	8	79	81	22	96	58
Currency swaps	1,307	1		1,308	5	230	281	207	281	304
Interest rate swaps	150	110	140	400	361		39			
Interest rate options (caps, floors)	400	800		1,200	1,200					
Commodities derivatives	2			2	1	1				
Other		18 [a]		18						18

(a) Cross-currency swap.

18.2 Market value of hedging instruments

	Original currency									
Derivatives recognised as assets	**EUR**	**USD**	**GBP**	**HKD**	**CHF**	**Other**	**Total**	**Fair value hedge**	**Cash flow hedge**	**Hedge of net investment in a foreign operation**
Forward purchases	1					8	9		9	
Forward sales		3	1			2	6		6	
Currency swaps		1	2				3	1	2	
Interest rate swaps										
Interest rate options (caps, floors)	1						1		1	
Commodities derivatives						1	1		1	
Other										
TOTAL ASSETS	**2**	**4**	**3**			**11**	**20**	**1**	**19**	

Derivatives recognised as liabilities	Original currency						Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	USD	GBP	HKD	CHF	Other				
Forward purchases	(2)	(3)				(2)	(7)	(1)	(6)	
Forward sales						(1)	(1)		(1)	
Currency swaps		(3)	(1)	(1)	(1)	(2)	(8)	(2)	(6)	
Interest rate swaps	(1)		(10)				(11)	(10)	(1)	
Interest rate options (caps, floors)						(3)	(3)		(3)	
Commodities derivatives						(1)	(1)		(1)	
Other										
TOTAL LIABILITIES	**(3)**	**(6)**	**(11)**	**(1)**	**(1)**	**(9)**	**(31)**	**(13)**	**(18)**	
TOTAL, NET	**(1)**	**(2)**	**(8)**	**(1)**	**(1)**	**2**	**(11)** [a]	**(12)**	**1**	

(a) The difference from the value shown in the balance sheet is mainly due to the €10m negative market value of the interest rate swap contracted by Colas for the City of Portsmouth contract, which is entirely offset by the €10m 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 positive market value of €1 million; in the event of a -1.00% movement, it would have a negative value of €20 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 €10 million; in the event of a -1.00% movement, it would have a negative market value of €8 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 to the consolidated financial statements.

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

19.1 Guarantee commitments

	31/12/2020	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Falling due: Less than 1 year	Falling due: From 1 to 5 years	Falling due: More than 5 years	31/12/2019
Pledges, mortgages and collateral	71	4		67				12	44	15	78
Guarantees and endorsements given	339	83		228	20		8	147	134	58	291
TOTAL GUARANTEE COMMITMENTS GIVEN	**410**	**87**		**295**	**20**		**8**	**159**	**178**	**73**	**369**
Guarantees and endorsements received	8						8	2	6		10
TOTAL GUARANTEE COMMITMENTS RECEIVED	**8**						**8**	**2**	**6**		**10**
NET BALANCE	**402**	**87**		**295**	**20**			**157**	**172**	**73**	**359**

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

								Falling due			
	31/12/2020	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2019
Image transmission	93				93			22	67	4	44
Network	4,782					4,782		281	1,105	3,396	3,402
Other items	204			149	55			62	53	89	182
TOTAL SUNDRY CONTRACTUAL COMMITMENTS GIVEN	**5,079**			**149**	**148**	**4,782**		**365**	**1,225**	**3,489**	**3,628**
Image transmission	93				93			22	67	4	44
Network	4,782					4,782		281	1,105	3,396	3,402
Other items	204			149	55			62	53	89	182
TOTAL SUNDRY CONTRACTUAL COMMITMENTS RECEIVED	**5,079**			**149**	**148**	**4,782**		**365**	**1,225**	**3,489**	**3,628**
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. Those commitments rose by €1,451 million during the year, including by €1,380 million at Bouygues Telecom (due mainly to an increase in service agreements associated with the FTTH roll-out).

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 MVNOs[a], 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 700 MHz 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 1800 MHz frequencies that have been refarmed to 4G.

Licence to use technologically equivalent frequencies in the 900 MHz, 1800 MHz and 2100 MHz bands

On 12 January 2018, the French government and Arcep (the French telecoms regulator) signed the "New Deal for Mobile" agreement, aimed at extending quality mobile coverage to all French people. The desired objective of digital roll-out across France led to stringent coverage

[a]Mobile Virtual Network Operators.

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 roll-out 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.

Licence to use frequencies in the 3.4-3.8 GHz band (5G)

On 12 November 2020, Arcep issued Bouygues Telecom with a licence to use frequencies in the 3.4-3.8 GHz band in Time Division Duplexing (TDD) mode. The licence was awarded for a fifteen-year period ending on 17 November 2035, and may be extended to 17 November 2040.

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 9 April 2021 (deadline extended by three months and one week pursuant to Order No. 2020-306 of 25 March 2020 on the extension of administrative deadlines in light of the Covid-19 crisis), except for sites in the "Town Centre Not Spots" programme, of which 75% were upgraded to 4G by 31 December 2020 with a requirement for 100% to have been upgraded 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 9 April 2021 (deadline extended by three months and one week pursuant to Order No. 2020-306 of 25 March 2020 on the extension of administrative deadlines in light of the Covid-19 crisis);
- covering the strategic road network from inside vehicles by 9 October 2025;
- covering 90% of the regional rail network by 31 December 2025.

Obligations imposed in return for licence to use frequencies in the 3.4-3.8 GHz (5G) bands

The coverage obligations imposed on Bouygues Telecom in return for the licence to use frequencies in the 3.4-3.8 GHz band are as follows:

- rolling out a mobile network using the 3.4-3.8 GHz band in France (excluding non-European territories and dependencies): 3,000 mobile network sites by 31 December 2022, 8,000 by 31 December 2024 (25% of them in less dense areas), and 10,500 by 31 December 2025 (25% of them in less dense areas);
- improving mobile network performance and speed by 31 December 2030: maximum download speed at least 240 mbps at 75% of sites by 31 December 2022, 85% of sites by 31 December 2024, 90% of sites by 31 December 2025 and 100% of sites by 31 December 2030;
- 5G coverage of the entire motorway-grade road network by 31 December 2025, and of the standard road network by 31 December 2027;
- providing a fixed-line offer via the 5G network from 31 December 2023;
- ensuring transparency on site outages and roll-out forecasts;
- providing a commercial differentiated services offer from 31 December 2023;
- providing "vertical" services available to all private-sector businesses regardless of the nature of their business, and to all public-sector organisations;
- providing coverage inside buildings for businesses and public-sector organisations, and granting requests for connections to Distributed Antenna Systems (DAS) by 18 November 2021;
- making the mobile network compatible with Internet Protocol version 6 (Ipv6) from 31 December 2020;
- offering a package to MVNOs.

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 are making 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 2020, 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, also part of the "New Deal" agreement, Bouygues Telecom had extended 4G to 75% of sites by the end of 2020 and has a target of 100% of sites by the end of 2022.

Bouygues SA

On 7 December 2020, Alstom carried out a rights issue of approximately €2 billion in connection with its acquisition of Bombardier Transportation.

Bouygues participated in the rights issue in an “opération blanche” (a cash-neutral transaction) - see Note 1.2.1. On settlement of the rights issue, Bouygues held a 7.99% equity interest in Alstom. Bouygues committed to retaining its Alstom shares for a period of 90 days from the settlement date, ending on 7 March 2021.

19.4 Contingent assets and liabilities

None.

Note 20 Employee benefit obligations and employee share ownership

20.1 Average headcount

	2020	2019
Managerial staff	24,376	23,780
Clerical, technical & supervisory staff	19,726	20,033
Site workers	22,281	23,262
SUB-TOTAL - HEADCOUNT FRANCE	**66,383**	**67,076**
Expatriate staff and local employment contracts	66,976	66,121
TOTAL AVERAGE HEADCOUNT	**133,359**	**133,197**

Average headcount was virtually unchanged year-on-year.

20.2 Employee benefit obligations

	31/12/2019	Movements during 2020	31/12/2020
Lump-sum retirement benefits	595	22	617
Long service awards and other benefits	135	1	136
Other post-employment benefits (pensions)	210	(5)	205
TOTAL	**940**	**18**	**958**

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

	2020	2019
Amount recognised as an expense	(1,834)	(1,894)

This defined-contribution expense consists of contributions to:

- the public health insurance scheme and supplementary health insurance schemes;
- 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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Present value of obligation	624	600	1,749	1,775	2,373	2,375
Fair value of plan assets (dedicated funds)	(7)	(5)	(1,603)	(1,583)	(1,610)	(1,588)
Asset ceiling			45	3	45	3
NET LIABILITY RECOGNISED	**617**	**595**	**191**	**195**	**808**	**790**
of which: deficit recognised as a provision	617	595	205	210	822	805
of which: overfunded plans recognised as an asset			(14)	(15)	(14)	(15)
Ratio of plan assets to present value of obligation			92%	89%		

The table below shows the split of plan assets by investment category:

	2020		2019	
Equity instruments	(551)	34%	(496)	31%
Debt instruments	(591)	37%	(592)	37%
Property	(242)	15%	(221)	14%
Investment funds	(67)	4%	(76)	5%
Cash	(27)	2%	(48)	3%
Other	(132)	8%	(155)	10%
TOTAL	**(1,610)**	**100%**	**(1,588)**	**100%**

	Lump-sum retirement benefits		Pensions	
	2020	2019	2020	2019
NET LIABILITY RECOGNISED AT 1 JANUARY	**595**	**528**	**195**	**131**
Current and past service cost	38	29	38	34
Interest cost	4	7	2	3
TOTAL EXPENSE RECOGNISED	**42**	**36**	**40**	**37**
Benefits paid	(54)	(27)		
Contributions paid			(47)	(41)
Translation adjustments			(4)	5
Changes in scope of consolidation				28[a]
Actuarial gains and losses recognised in equity	36	58	6	39
Transfers and other movements	(2)		1	(4)
NET LIABILITY RECOGNISED AT 31 DECEMBER	**617**	**595**	**191**	**195**

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

The amount of contributions to be paid into pension funds in 2021 is estimated at €51 million.

Actuarial gains and losses break down as follows:

	Lump-sum retirement benefits		Pensions	
	2020	2019	2020	2019
Analysis of actuarial gains/losses recognised in equity				
Effect of changes in demographic assumptions	(6)	(8)	(99)	(3)
Effect of changes in financial assumptions	20	50	100	112
Effect of experience adjustments	22	16	16	31
Return on plan assets (excluding financial income)			(50)	(95)
Effect of asset ceiling			39	(6)
TOTAL	**36**	**58**	**6**	**39**

20.3.2.2 Analysis by business segment as of 31 December 2020

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Non-current provisions:							
• lump-sum retirement benefits	215	17	220	53	93	19	617
• pensions	79		125			1	205
Provisions recognised as liabilities	**294**	**17**	**345**	**53**	**93**	**20**	**822**
Overfunded plans recognised as an asset	(3)		(11)				(14)
TOTAL	**291**	**17**	**334**	**53**	**93**	**20**	**808**

20.3.2.3 Analysis by geographical area as of 31 December 2020

	France and overseas departments	European Union	Rest of Europe [a]	Africa	Americas	Asia-Pacific	Middle East	Total
Non-current provisions:								
• lump-sum retirement benefits	607	1		6	2	1		617
• pensions	3	77	114		11			205
Provisions recognised as liabilities	**610**	**78**	**114**	**6**	**13**	**1**		**822**
Overfunded plans recognised as an asset			(14)					(14)
TOTAL	**610**	**78**	**100**	**6**	**13**	**1**		**808**

(a) Mainly relates to Switzerland and the United Kingdom.

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

	2020	2019
Discount rate for lump-sum retirement benefits [a]	0.60% (iBoxx A10+)	0.92% (iBoxx A10+)
Discount rate for pensions [a]	0.15% to 6.00%	0.20% to 6.00%
Life table	INSEE	INSEE
Retirement age (depending on business segment):		
• Managerial staff	62/65 years	62/65 years
• Clerical, technical & supervisory staff, and site workers	62/65 years	62/65 years
Lump-sum retirement benefits and long-service awards: salary inflation rate [b]	1% to 3.80%	0.90% to 3.50%
Pensions: salary inflation rate [b]	0% to 4%	0% to 4%

(a) See Note 20.3.2.5 for an analysis of sensitivity to interest rates.
(b) Includes general inflation.

20.3.2.5 Sensitivity analysis of actuarial obligation for lump-sum retirement benefits and pensions

The impact of an additional increase or decrease in discount rates in France and internationally on these obligations is presented below:

	Assumption	Increase	Decrease
Lump-sum retirement benefits (France)	50 basis points	(40)	45
Pensions (outside France)	20 basis points	(22)	23

Those impacts would also be recognised in the consolidated statement of recognised income and expense.

20.4 Employee share ownership

Stock options

The total number of effectively exercisable stock options is 4,570,043.

Quoted market price on 31 December 2020: €33.65

Plan grant date	Outstanding options at 31/12/2020	Earliest normal exercise date	Earliest company savings scheme exercise date	Exercise price (€)	Number of effectively exercisable options
27/03/2014	1,484,871	28/03/2018	28/03/2015	30.32	1,484,871
28/05/2015	2,012,196	29/05/2017	29/05/2016	37.11	
30/05/2016	1,685,672	31/05/2018	31/05/2017	29.00	1,685,672
01/06/2017	2,331,042	02/06/2019	02/06/2018	37.99	
01/06/2018	2,437,750	02/06/2020	02/06/2019	41.57	
31/05/2019	2,799,000	01/06/2021	01/06/2020	32.59	1,399,500
08/10/2020	2,830,000	09/10/2022	09/10/2021	30.53	
TOTAL	**15,580,531**				**4,570,043**

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

- they must be legally exercisable as of 31 December 2020, 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 2020, in other words the exercise price must be less than the closing share price on that date (the last quoted price of 2020), i.e. €33.65.

Note 21 Disclosures on related parties and remuneration of directors and senior executives

21.1 Related party information

	Expenses		Income		Receivables		Payables	
	2020	**2019**	**2020**	**2019**	**31/12/2020**	**31/12/2019**	**31/12/2020**	**31/12/2019**
Parties with an ownership interest	5	6					1	
Joint operations	142	72	321	208	318	304	418	344
Joint ventures and associates	113	77	570	158	256	178	72	70
Other related parties	76	41	110	124	81	79	40	42
TOTAL	**336**	**196**	**1,001**	**490**	**655**	**561**	**531**	**456**
Maturity								
• less than 1 year					596	495	531	453
• 1 to 5 years					23	39		3
• more than 5 years					36	27		
of which impairment of doubtful receivables (mainly non-consolidated companies)					57	65		

Types of related party transaction:

Transactions between the Bouygues group and related parties mainly comprise:

- remuneration and benefits awarded to directors and senior executives;
- commercial and financial transactions with Bouygues group companies, and with entities over which Bouygues exercises joint control or significant influence.

Identity of related parties:

- Parties with an ownership interest: the Bouygues group is accounted for by the equity method in the financial statements of SCDM (a company controlled by Martin and Olivier Bouygues), which provides consultancy services in strategy, development, research and analysis into strategic developments and growth of the Bouygues group, major investments and divestments, and multi-year plans.
- Joint operations: mainly involves transactions with construction project companies.
- Joint ventures and associates: mainly involves transactions with concession companies, quarry companies, and Alstom.

  The net change in the "income" column compared with 2019 is mainly due to the transfer of assets from Bouygues Telecom to SDAIF, as described in Note 1.2.1.
- 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 2020

Direct remuneration in respect of the 2020 financial year for key executives (members of the Group Management Committee) amounted to €15,479,286, comprising basic remuneration of €7,571,116 plus variable remuneration of €7,908,170 linked to 2020 performance, including the expense accrued for long-term remuneration arrangements. Remuneration during the year for participating in Board meetings of Bouygues SA and its subsidiaries amounted to €230,550.

Remuneration paid to non-executive directors in respect of directorships held at Bouygues SA and its subsidiaries amounted to €857,028.

Short-term benefits: none.

Post-employment benefits: members of the Group Management Committee are entitled to benefits under two top-up retirement schemes: (i) a contingent-rights collective pension scheme governed by Article L. 137-11 of the Social Security Code and (ii) a vested-rights scheme governed by Article L. 137-11-2 of the Social Security Code. Both schemes are contracted out to an insurance company. No contributions were paid in 2020. As of 31 December 2020, the excess of the estimated value of the obligation over the value of plan assets managed by the insurance company was covered by a provision of €2,428,443.

Long-term benefits: none.

Lump-sum retirement and termination benefits: The provision was increased by €4,065,372 during 2020 for members of the Group Management Committee.

Stock option plan: 500,000 stock options were awarded to members of the Group Management Committee on 8 October 2020, at an exercise price of €30.53 each. The earliest exercise date is 9 October 2022, and the expense recognised in 2020 was €125,387.

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 31/12/2020
Non-current assets	56		(38)	(3)	(743)	450	(278)
Current assets			(7)		(79)		(86)
Non-current liabilities			1	1	(10)		(8)
Current liabilities			6		78		84
Cash				2	2		4
PURCHASE PRICE OF CONSOLIDATED ACTIVITIES NET OF DISPOSALS	**56**		**(38)**	**0**	**(752)**	**450**	**(284)**
Cash of acquired or divested companies		(1)	1	2	(3)		(1)
Net liabilities related to consolidated activities					260	(2)	258
NET CASH INFLOW/(OUTFLOW) FROM ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES	**56**	**(1)**	**(37)**	**2**	**(495)**	**448**	**(27)**

Acquisitions and divestments during the period generated a net cash outflow of €27 million, and mainly comprised:

- Bouygues Construction: sales of rights to six companies owned by Axione;
- Colas: acquisitions of the operations of Granite Contracting LLC in the United States, and of operations in the Czech Republic and Africa;
- Bouygues Telecom: primarily the acquisition of EIT (excluding the estimated contingent purchase consideration, classified as a financial liability) and receipt of compensation from Digicel;
- Bouygues SA: divestment of a 4.8% equity interest in Alstom, net of costs.

22.2 Changes in working capital requirements related to operating activities

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

	2020	2019
Assets		
Inventories/Programmes/Broadcasting rights	356	117
Advances and down-payments made on orders	33	65
Trade receivables	352	(79)
Customer contract assets	(66)	(149)
Other current receivables and current financial assets	(113)	34
SUB-TOTAL	**562**	**(12)**
Liabilities		
Trade payables	(130)	(52)
Customer contract liabilities	(18)	(109)
Current provisions	135	161
Other current liabilities and current financial liabilities	(72)	(211)
SUB-TOTAL	**(85)**	**(211)**
CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES [a]	**477**	**(223)**

(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 2020 (in thousands of euros).

	2020				2019			
	Mazars network		EY network		Mazars network		EY network	
	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%
A - Audit	**(9,108)**	**98%**	**(6,394)**	**90%**	**(9,008)**	**96%**	**(6,459)**	**86%**
• Bouygues SA	(243)		(243)		(243)		(243)	
• Consolidated subsidiaries	(8,865)		(6,151)		(8,765)		(6,216)	
B - Non-audit services	**(192)**	**2%**	**(744)**	**10%**	**(392)**	**4%**	**(1,066)**	**14%**
TOTAL	**(9,300)**	**100%**	**(7,138)**	**100%**	**(9,400)**	**100%**	**(7,525)**	**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 to audit firms that do not belong to the network of either of the firms that audit the financial statements of Bouygues SA was €3,800 thousand in respect of the 2020 financial year and €4,094 thousand for the 2019 financial year (mainly PwC for Colas).

Note 24 List of principal consolidated companies at 31 December 2020

Company	City/Country	% interest		% direct and indirect control [a]	
		2020	2019	2020	2019
FRANCE					
Companies controlled by Bouygues					
Construction					
Bouygues Construction SA	**Saint-Quentin-en-Yvelines**	**99.97**	**99.97**		
Bouygues Bâtiment Ile-de-France SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment International SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues TP SA	Saint-Quentin-en-Yvelines	99.97	99.97		
BYTP Régions France SA	Balma	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		
Linkcity Centre Sud-Ouest (ex Bouygues Bâtiment Centre Sud-Ouest)	Lormont	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	Lyon	99.97	99.97		
Bouygues Bâtiment Grand Ouest	Nantes	99.97	99.97		
Bouygues Construction Central Europe	Saint-Quentin-en-Yvelines	99.97	99.97		
Bouygues Bâtiment Nord-Est	Villeneuve d'Ascq	99.97	99.97		
Linkcity IDF	Saint-Quentin-en-Yvelines	99.96	99.96		
Bouygues Bâtiment IDF PPP SA	Saint-Quentin-en-Yvelines	99.97	99.97		
Linkcity Sud-Est	Lyon	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**	**96.87**	**96.66**		
Aximum and its subsidiaries	Magny-les-Hameaux	96.87	96.66	100.00	100.00
Colas Rail and its subsidiaries	Courbevoie	96.87	96.66	100.00	100.00
Grands Travaux Océan Indien (GTOI) SA	Le Port (Reunion Island)	96.87	96.66	100.00	100.00
Spac and its subsidiaries	Nanterre	96.87	96.66	100.00	100.00
Media					
Télévision Française 1 SA	**Boulogne-Billancourt**	**43.70**	**43.73**		
Aufeminin and its subsidiaries	Paris	43.70	43.73	100.00	100.00
Dujardin and its subsidiaries	Cestas	43.70	43.73	100.00	100.00
E-TF1	Boulogne-Billancourt	43.70	43.73	100.00	100.00
TF1 Séries Films	Boulogne-Billancourt	43.70	43.73	100.00	100.00
La Chaîne Info	Boulogne-Billancourt	43.70	43.73	100.00	100.00
Newen and its subsidiaries	Paris	43.70	43.73 [b]	100.00	100.00
TFX	Boulogne-Billancourt	43.70	43.73	100.00	100.00
Télé Monte Carlo	Monaco	43.70	43.73	100.00	100.00
TF1 Droits Audiovisuels	Boulogne-Billancourt	43.70	43.73	100.00	100.00
TF1 Entertainment	Boulogne-Billancourt	43.70	43.73	100.00	100.00
TF1 Publicité	Boulogne-Billancourt	43.70	43.73	100.00	100.00
TF1 Vidéo	Boulogne-Billancourt	43.70	43.73	100.00	100.00

Company	City/Country	% interest 2020	% interest 2019	% direct and indirect control [a] 2020	% direct and indirect control [a] 2019
Telecoms					
Bouygues Telecom SA and its subsidiaries	**Paris**	**90.53**	**90.53**		
Euro-Information Telecom (EIT)	Paris	90.53		100.00	
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 from 2019.

Company	City/Country	% interest 2020	% interest 2019	% direct and indirect control [a] 2020	% direct and indirect control [a] 2019
Joint operations					
Construction					
Evesa	Paris	47.52 [b]	47.49		
Oc'via Construction	Nîmes	73.22 [c]	73.16		
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					
Telecoms					
Société de Développement pour l'Accès à l'Infrastructure Fibre (SDAIF)	Malakoff	44.36		49.00	
Other subsidiaries					
Alstom	Saint-Ouen	7.99	14.67		
INTERNATIONAL					
Companies controlled by Bouygues					
Construction					
Americaribe LLC	Miami/United States	99.97	99.97		
AW Edwards Pty and its subsidiaries	Northbrigde, 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	Bangkok/Thailand	48.99	48.99		
Bouygues UK Ltd	London/United Kingdom	99.97	99.97		
Bouygues E&S Intec AG (Alpiq Engineering Services)	Olten/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	Holytown/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	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		

Company	City/Country	% interest 2020	% interest 2019	% direct and indirect control [a] 2020	% direct and indirect control [a] 2019
Property					
Bouygues Immobilier Polska Sarl	Warsaw/Poland	100.00	100.00		
Roads					
Colas Australia Group and its subsidiaries	Sydney/Australia	96.87	96.66	100.00	100.00
Colas Belgium and its subsidiaries	Brussels/Belgium	96.87	96.66	100.00	100.00
Colas Canada Inc. and its subsidiaries	Toronto, Ontario/Canada	96.87	96.66	100.00	100.00
Colas CZ	Prague/Czech Republic	96.00	95.79	99.10	99.10
Colas Danmark A/S and its subsidiaries	Glostrup/Denmark	96.87	96.66	100.00	100.00
Colas Hungaria and its subsidiaries	Budapest /Hungary	96.87	96.66	100.00	100.00
Colas Inc. and its subsidiaries	Morristown, New Jersey/United States	96.87	96.66	100.00	100.00
Colas Ltd and its subsidiaries	Rowfant, Crawley/United Kingdom	96.87	96.66	100.00	100.00
Colas du Maroc and its subsidiaries	Casablanca/Morocco	96.87	96.66	100.00	100.00
Colas Suisse Holding SA and its subsidiaries	Lausanne/Switzerland	96.11	95.91	99.22	99.22
Colas Slovakia	Kosice/Slovakia	96.87	96.66	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		
Roads					
Gamma Materials	Beau Bassin/Mauritius	48.44	48.33	50.00	50.00
Mak Mecsek zrt	Budapest /Hungary	29.06	29.00	30.00	30.00
Tipco Asphalt	Bangkok/Thailand	30.13	30.06	31.10	31.10

(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.

In accordance with ANC recommendation 2016-01 of 2 December 2016, a full list of companies included in the consolidation is available from Karine Adam Gruson, Investor Relations Director.