

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30/09/2020



BOUYGUES

Making progress become reality

CONTENTS

| | | |
|----------------|---|-----------|
| NOTE 1 | SIGNIFICANT EVENTS | 3 |
| NOTE 2 | GROUP ACCOUNTING POLICIES..... | 8 |
| NOTE 3 | NON-CURRENT ASSETS | 10 |
| NOTE 4 | CONSOLIDATED SHAREHOLDERS' EQUITY | 13 |
| NOTE 5 | NON-CURRENT AND CURRENT PROVISIONS | 14 |
| NOTE 6 | NON-CURRENT AND CURRENT DEBT..... | 16 |
| NOTE 7 | CHANGE IN NET DEBT | 17 |
| NOTE 8 | SALES | 18 |
| NOTE 9 | OPERATING PROFIT/LOSS | 19 |
| NOTE 10 | INCOME TAXES | 20 |
| NOTE 11 | SEGMENT INFORMATION | 21 |
| NOTE 12 | EMPLOYEE BENEFIT OBLIGATIONS | 27 |
| NOTE 13 | OFF BALANCE SHEET COMMITMENTS | 28 |

NOTE 1 SIGNIFICANT EVENTS

1.1 Significant events of the first nine months of 2020

The principal corporate actions and acquisitions of the first nine months of 2020 are described below:

- On 20 January 2020, Bouygues Construction extended its arbitration proceedings against Alpiq (see Note 1.2) by increasing the amount of its initial claim from CHF 205 million to CHF 319 million (€297 million at the 30 September 2020 exchange rate) plus interest. The arbitration panel is not expected to deliver a ruling until 2022 at the earliest. No gain has been recognised in respect of these claims.
- On 30 January 2020, Bouygues Construction was the target of a ransomware attack caused by malware. Bouygues Construction initially shut down its IT system as a precaution to prevent the virus from spreading, and specific measures were taken 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 price for 100% of Bombardier Transportation's shares will be settled partly in cash, and partly in newly-issued Alstom shares. Closing of the transaction, which was approved by the European Commission at the end of July 2020, is expected in the first quarter of 2021. Bouygues expressed its support for the deal and committed to vote in favour of all related resolutions at the Extraordinary General Meeting, which was held on 29 October 2020.

On 29 September 2020, Bouygues announced its intention to divest 11 million Alstom shares (representing approximately 4.8% of the share capital). To that end, Bouygues contracted a forward sale contract with BNP Paribas, which was settled on 3 November 2020. As of 30 September 2020, the consolidated carrying amount of the shares was classified within "Held-for-sale assets and operations" in the balance sheet. The gain on the sale, amounting to €87 million, will be recognised in the fourth quarter of 2020. Following the divestment of the 11 million shares (generating proceeds of €450 million net of transaction costs), Bouygues holds a 9.7% equity interest in Alstom, which Bouygues has committed to retain until on or after 3 January 2021. 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 two Bouygues representatives (Bouygues SA and Olivier Bouygues) on the Alstom Board of Directors.

Following the divestment of the 11 million Alstom shares by Bouygues and Alstom's takeover of the rail division of Bombardier (Canada), Bouygues would hold approximately 6% of Alstom's share capital.

- 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 has 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 30 September 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 30 September 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 €1,000 million bond issue maturing 24 July 2028, bearing interest at 1.125%. The €1,000-million 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 (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 30 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 30 September 2020, Bouygues Telecom's interest in SDAIF was measured at €288 million. Bouygues Telecom has an option to take control 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. At the then current stage in the proceedings, no gain was recognised in the Bouygues group income statement for the first nine months of 2020.

- 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 2018. The purchase price comprises fixed consideration of €530 million payable 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 transaction is expected to be completed between now and early in 2021 subject to obtaining the necessary administrative clearances, in particular from the French Competition Authority.
- On 4 September 2020, a General Meeting of Bouygues shareholders approved payment of a reduced 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.
- 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 over the first nine months of 2020. The contraction was concentrated in the first half of the year, with both activity levels and profits recovering strongly in the third quarter.

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 third quarter, 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, results for the first nine months of 2020 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 financial statements for the first nine months of 2020

The Covid-19 pandemic has led to a reduction in sales. Current operating profit has been impacted by the erosion of current operating margin in the business segments, reflecting not only the reduction in sales but also unavoidable costs incurred in the three 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 in the third quarter to quantify separately the impact of Covid-19 on the Group's year-on-year performance. 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 Significant events of the first nine months of 2019

The principal corporate actions and acquisitions of the first nine months 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 30 September 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 30 September 2020.

- On 7 May 2019, Alstom announced that the Annual General Meeting of its shareholders, held on 10 July 2019, would be asked to approve a dividend of €5.50 per share. The resolution was approved, as a result of which Bouygues received €341 million in cash on 17 July 2019.
- On 12 September 2019, Bouygues SA announced that it had divested a 13% equity interest in Alstom at a price of €37 per share (a total of €1,079 million), 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 the first nine months of 2019, in “Share of net profits/(losses) of joint ventures and associates”. The residual 14.7% stake held by Bouygues in Alstom following the divestment continues to be accounted for by the equity method in “Investments in joint ventures and associates”. 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.

1.3 Significant events and changes in scope of consolidation subsequent to 30 September 2020

- Between 29 September and 1 October 2020, French telecoms regulator Arcep conducted an auction to award 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 (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, with the first payments expected at the end 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 confirms Bouygues’ support for Alstom’s strategy and proposed acquisition of Bombardier Transportation, without committing extra capital. Settlement of the Offering is scheduled for 19 November 2020. On completion of the rights issue, Bouygues will hold an equity interest of approximately 8% in Alstom. Bouygues will recognise a gain on dilution of approximately €30 million in the fourth quarter of 2020. In connection with this transaction, Bouygues has committed to retaining its Alstom shares for a 90-day period ending on 7 March 2021.

NOTE 2 GROUP ACCOUNTING POLICIES

2.1 Declaration of compliance

The interim condensed consolidated financial statements of Bouygues and its subsidiaries (“the Group”) for the nine months ended 30 September 2020 were prepared in accordance with IAS 34, “Interim Financial Reporting”, a standard issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. Because they are condensed, these financial statements do not include all the information required under the standards issued by the IASB, and should be read in conjunction with the full-year financial statements of the Bouygues group for the year ended 31 December 2019 as presented in the Universal Registration Document filed with the AMF on 23 March 2020.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 September 2020. Those standards (collectively referred to as “IFRS”) comprise International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee – previously the International Financial Reporting Interpretations Committee (IFRIC), itself the successor body to the Standing Interpretations Committee (SIC). The Group has not early adopted as of 30 September 2020 any standard or interpretation not endorsed by the European Union.

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

2.2 Basis of preparation of the financial statements

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

They were closed off by the Board of Directors on 18 November 2020.

The interim condensed consolidated financial statements for the nine months ended 30 September 2020 were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is required under IFRS. They include comparatives with the financial statements for the year ended 31 December 2019 and the nine months ended 30 September 2019.

In preparing the interim condensed consolidated financial statements, management used estimates and assumptions as described in Note 2.2 to the consolidated financial statements for the year ended 31 December 2019. In particular, the Covid-19 crisis led management to assess (i) the recoverable amount of goodwill based on impairment tests, and (ii) the amounts recognised for deferred tax assets and employee benefits.

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

- Income taxes of consolidated entities for interim periods are assessed in accordance with IAS 34: the income taxes of each entity for the period are recognised on the basis of the best estimate of the average annual effective income tax rate for the financial year (except in the case of holding companies, which recognise income taxes on the basis of the actual tax position at the end of the period).
- Employee benefit expenses for interim periods are recognised pro rata based on the estimated expense for the full year, calculated using the actuarial assumptions and projections applied as of 31 December 2019. Employee headcount, salaries and actuarial assumptions may be revised where the impact is material. A net expense of €44 million was recognised in the statement of recognised income and expense as of 30 September 2020 in respect of revisions to actuarial assumptions (discount rate, and rate of return on plan assets); see Note 12.

2.3 New accounting standards and interpretations

The Bouygues group applied the same standards, interpretations and accounting policies in the nine months ended 30 September 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 (see below).

- Principal amendments effective within the European Union and mandatorily 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.

- Amendments to IFRS 3

On 22 October 2018, the IASB issued amendments to IFRS 3 to clarify the definition of a “business” in a business combination. Those amendments were endorsed by the European Union on 21 April 2020, and apply 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.

On 26 November 2019, the IFRIC Agenda Decision on IFRS 16 lease terms was finalised. Pending completion of an ongoing assessment of the impacts, the Bouygues group continues to account for leases under IFRS 16 using the policies and methods described in Note 2.7.2 to the consolidated financial statements for the year ended 31 December 2019.

2.4 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.

NOTE 3 NON-CURRENT ASSETS

3.1 Goodwill and impairment testing

3.1.1 Movement in the carrying amount of goodwill in the period

| | Carrying amount |
|---|--------------------|
| 31/12/2019 | 6,541 |
| Changes in scope of consolidation | 24 |
| Impairment losses charged during the period | |
| Other movements (including translation adjustments) | (27) |
| 30/09/2020 | 6,538 |

For the first nine months of 2020, “Changes in scope of consolidation” mainly relate to acquisitions made by Colas: the US operations of Granite Contracting LLC (€10 million), plus operations in the Czech Republic (€8 million) and in Africa (€3 million).

The table below shows how goodwill as of 30 September 2020 was determined for significant acquisitions where the 12-month purchase price allocation period was still in progress as at 31 December 2019. There have been no material changes since 31 December 2019.

| | Reel One | De Mensen | Nerim |
|---|-----------|-----------|---------------------|
| CGU | TF1 | TF1 | Bouygues Telecom |
| Purchase price (I) | 32 | 19 | 55 |
| Net assets acquired, excluding goodwill (II) | | | |
| Non-current assets | (20) | (10) | (13) |
| Current assets | (55) | (20) | (6) |
| Non-current liabilities | | 2 | |
| Current liabilities | 50 | 22 | 9 |
| Purchase price allocation (III) | | | |
| Remeasurement of acquired intangible assets | (13) | (4) | (9) |
| Remeasurement of acquired property, plant and equipment | | | |
| Remeasurement of assumed liabilities (deferred taxes & other) | 3 | 1 | 3 |
| Unacquired portion | 17 | 4 | |
| Goodwill (I)+(II)+(III) | 14 | 14 | 39 |
| Translation adjustments | | | |
| Goodwill at 30 September 2020 | 14 | 14 | 39 |

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

3.1.2 Split of goodwill by Cash Generating Unit (CGU)

| CGU | 30/09/2020 | | 31/12/2019 | |
|------------------------------------|--------------|----------------------------|--------------|----------------------------|
| | Total | % Bouygues or subsidiaries | Total | % Bouygues or subsidiaries |
| Bouygues Construction ^a | 1,080 | 99.97% | 1,088 | 99.97% |
| Colas ^b | 1,321 | 96.87% | 1,316 | 96.66% |
| TF1 ^b | 1,414 | 43.70% | 1,414 | 43.73% |
| Bouygues Telecom ^b | 2,723 | 90.53% | 2,723 | 90.53% |
| TOTAL | 6,538 | | 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.

3.1.3 Impairment testing of goodwill

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

- Cash flows beyond the projection period (normative cash flows) were extrapolated using a perpetual growth rate.
- The discount rates (weighted average cost of capital) and growth rates used as of 31 December 2019 were as follows:

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

(a) Depending on the capital structure: ½ debt - ½ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

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

With the pandemic continuing through the second quarter of 2020, simulations of the impacts of the Covid-19 crisis were carried out, starting from the business plans prepared at the end of 2019. As of 30 June 2020, impairment tests were performed on the basis of those cash flow simulations, applying discount rates updated as of that date. Based on those assumptions, the impairment tests did not indicate any evidence that any goodwill was impaired as of 30 June 2020.

For both Bouygues Construction and Colas, there was no reasonably possible scenario as of either 30 June 2020 or 31 December 2019 that would cause the recoverable amount to fall below the carrying amount of the assets.

For TF1, analyses were performed as of 30 June 2020 to determine the sensitivity of the calculation to key parameters (discount rates, growth rates, normative cash flows). The discount rates used for TF1 as of 30 June 2020 were as follows:

| | Discount rate | |
|-----|-------------------------|-------------------------|
| | Scenario 1 ^a | Scenario 2 ^a |
| TF1 | 7.6% | 7.1% |

(a) Depending on the capital structure: ½ debt - ½ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

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 | 8.1% | (9)% | (17)% | 0.8% | 0.3% |

(a) Depending on the capital structure: ½ debt - ½ equity (scenario 1); ⅔ debt - ⅓ equity (scenario 2).

In the absence of any new evidence of impairment, no further impairment testing was conducted as of 30 September 2020.

3.2 Joint ventures and associates

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

| | Carrying amount |
|--|-----------------|
| 31/12/2019 | 1,556 |
| Share of net profit/(loss) for the period | 109 |
| Translation adjustments | (53) |
| Other income and expense recognised directly in equity | 1 |
| Net profit/(loss) and other recognised income and expense | 57 |
| Acquisitions and share issues | |
| Dividends distributed, disposals, transfers and other movements | (111) |
| 30/09/2020 | 1,502 |

The carrying amount of investments in joint ventures and associates has decreased by €54 million. This year-on-year movement includes (i) the first-time inclusion of SDAIF in the Bouygues Telecom scope of consolidation (€295 million) and (ii) the reclassification of the carrying amount of 11 million Alstom shares to “Held-for-sale assets and operations” (see Note 1.1).

The investment in SDAIF had a carrying amount of €288 million in the Bouygues group financial statements as of 30 September 2020, including a €12 million share of net losses.

The profit contribution from Alstom recognised in the third quarter of 2020 is based on the results published by Alstom on 10 November 2020 for the first half of its 2020/21 financial year. Given the time-lag between the accounting year-ends of Alstom (31 March) and Bouygues (31 December), Alstom’s net profit contribution to the Bouygues group for the second half of Alstom’s 2019/2020 financial year was recognised in the Bouygues financial statements for the three months ended 31 March 2020.

Alstom’s contribution to the net profit of Bouygues for the first nine months of 2020 was €51 million, compared with €238 million for the first nine months of 2019; the latter figure includes a net gain of €172 million on the divestment of a 13% equity interest (see Note 1.2).

The 9.7% retained equity interest in Alstom had a carrying amount of €665 million in the Bouygues financial statements as of 30 September 2020, including €306 million of goodwill and €42 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 main reason for the year-on-year decrease was the €333 million impact of the reclassification of 11 million Alstom shares to “Held-for-sale assets and operations” ahead of the divestment of those shares in the fourth quarter of 2020.

As of 30 September 2020, despite the fall in share prices triggered by Covid-19, the quoted market price of Alstom shares (€42.52) was still 40% higher than the consolidated carrying amount (€30.32), confirming that there are no impairment losses to be recognised. That conclusion is supported by the €50.99 three-month median consensus forecast for the Alstom share price as of 16 November 2020.

NOTE 4 CONSOLIDATED SHAREHOLDERS' EQUITY

Share capital of Bouygues SA

As of 30 September 2020, the share capital of Bouygues SA consisted of 380,644,860 shares with a par value of €1. Movements during the first nine months of 2020 were as follows:

| | 31/12/2019 | Movements during the first nine months of 2020 | | 30/09/2020 |
|--------------------------|--------------------|--|------------|--------------------|
| | | Increases | Reductions | |
| Shares | 379,828,120 | 816,740 ^a | | 380,644,860 |
| NUMBER OF SHARES | 379,828,120 | 816,740 | | 380,644,860 |
| Par value | €1 | | | €1 |
| SHARE CAPITAL (€) | 379,828,120 | 816,740 | | 380,644,860 |

(a) The increase of 816,740 shares was due to new shares being issued on exercise of stock options.

The €15 million residual balance of the €150 million share issue carried out in connection with the December 2019 Bouygues Confiance n°11 employee share ownership plan was collected in January 2020.

NOTE 5 NON-CURRENT AND CURRENT PROVISIONS

5.1 Non-current provisions

| | Employee benefits ^a | Litigation and claims ^b | Guarantees given ^c | Other non-current provisions ^d | Total |
|--|--------------------------------|------------------------------------|-------------------------------|---|--------------------|
| 31/12/2019 | 940 | 252 | 391 | 584 | 2,167 |
| Translation adjustments | (5) | (1) | (6) | (5) | (17) |
| Changes in scope of consolidation | | | | (1) | (1) |
| Charges to provisions | 62 | 28 | 39 | 55 | 184 |
| Reversals of provisions (utilised or unutilised) | (54) | (26) | (50) | (37) | (167) ^e |
| Actuarial gains and losses | 47 ^f | | | | 47 |
| Transfers and other movements | | 1 | 2 | 1 | 4 |
| 30/09/2020 | 990 | 254 | 376 | 597 | 2,217 |

| | | | |
|--|-------------|-------------------------------------|-----|
| (a) Employee benefits | 990 | Principal segments involved: | |
| Lump-sum retirement benefits | 608 | Bouygues Construction | 349 |
| Long-service awards | 137 | Colas | 446 |
| Pensions | 245 | TF1 | 53 |
| | | Bouygues Telecom | 98 |
| (b) Litigation and claims | 254 | Bouygues Construction | 81 |
| Provisions for customer disputes | 84 | Bouygues Immobilier | 18 |
| Subcontractor claims | 48 | Colas | 93 |
| Employee-related and other litigation and claims | 122 | Bouygues Telecom | 54 |
| (c) Guarantees given | 376 | Bouygues Construction | 292 |
| Provisions for 10-year construction guarantees | 263 | Bouygues Immobilier | 23 |
| Provisions for additional building/civil engineering/civil works guarantees | 113 | Colas | 61 |
| (d) Other non-current provisions | 597 | Bouygues Construction | 115 |
| Provisions for miscellaneous foreign risks | 43 | Colas | 314 |
| Provisions for risks on non-controlled entities | 84 | Bouygues Telecom | 134 |
| Dismantling and site rehabilitation | 310 | | |
| Provisions for social security inspections | 107 | | |
| Other non-current provisions | 53 | | |
| (e) Including reversals of unutilised provisions in the first nine months of 2020 | (34) | | |

(f) See Note 12.

5.2 Current provisions

Provisions related to the operating cycle

| | Provisions for customer warranties | Provisions for project risks and project completion ^a | Provisions for expected losses to completion ^a | Other current provisions ^b | Total |
|--|------------------------------------|--|---|---------------------------------------|--------------------|
| 31/12/2019 | 38 | 394 | 404 | 300 | 1,136 |
| Translation adjustments | (1) | (8) | (3) | (7) | (19) |
| Changes in scope of consolidation | | | | (1) | (1) |
| Charges to provisions | 4 | 58 | 238 | 120 | 420 |
| Reversals of provisions (utilised or unutilised) | (5) | (132) | (194) | (112) | (443) ^c |
| Transfers and other movements | (2) | (2) | (1) | 1 | (4) |
| 30/09/2020 | 34 | 310 | 444 | 301 | 1,089 |

(a) Mainly Bouygues Construction and Colas.

Individual project provisions are not disclosed for confidentiality reasons.

| (b) Other current provisions: | 301 | Principal segments involved: | |
|---------------------------------------|------------|-------------------------------------|-----|
| Reinsurance provisions | 45 | Bouygues Construction | 109 |
| Restructuring provisions | 66 | Bouygues Immobilier | 18 |
| Site rehabilitation (current portion) | 12 | Colas | 133 |
| Miscellaneous current provisions | 177 | TF1 | 8 |

(a) Includes reversals of unutilised provisions in the first nine months of 2020: €(108)m.

NOTE 6 NON-CURRENT AND CURRENT DEBT

6.1 Breakdown of debt

| | Current debt | | Non-current debt | |
|---|--------------|--------------|------------------|--------------|
| | 30/09/2020 | 31/12/2019 | 30/09/2020 | 31/12/2019 |
| Bond issues | 87 | 1,095 | 3,813 | 2,824 |
| Bank borrowings | 367 | 137 | 1,599 | 1,271 |
| Other borrowings | 69 | 63 | 154 | 141 |
| TOTAL NON-CURRENT AND CURRENT DEBT | 523 | 1,295 | 5,566 | 4,236 |

Non-current debt increased by €1,330 million, due mainly to a bond issue of €1,000 million carried out by Bouygues SA.

Current debt decreased by €772 million, mainly as a result of the redemption of a €1,000 million Bouygues SA bond issue that matured in July 2020.

6.2 Covenants and trigger events

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 €246 million financing obtained by Colas in Canada which temporarily includes a leveraged covenant clause based on the debt to EBITDA ratio as defined in the contract.

6.3 Confirmed credit facilities and drawdowns

| Description | Confirmed facilities – Maturity | | | | Drawdowns – Maturity | | | |
|--|---------------------------------|-------------------|-------------------|---------------|----------------------|-------------------|-------------------|--------------------|
| | Less than 1 year | 1 year to 5 years | More than 5 years | Total | Less than 1 year | 1 year to 5 years | More than 5 years | Total |
| Bond issues (mainly Bouygues SA) | 87 | 1,495 | 2,318 | 3,900 | 87 | 1,495 | 2,318 | 3,900 |
| Bank borrowings | 462 | 8,700 | 486 | 9,648 | 367 | 1,534 | 65 | 1,966 ^b |
| Other borrowings | 69 | 136 | 18 | 223 | 69 | 136 | 18 | 223 |
| TOTAL CREDIT FACILITIES^a | 618 | 10,331 | 2,822 | 13,771 | 523 | 3,165 | 2,401 | 6,089 |

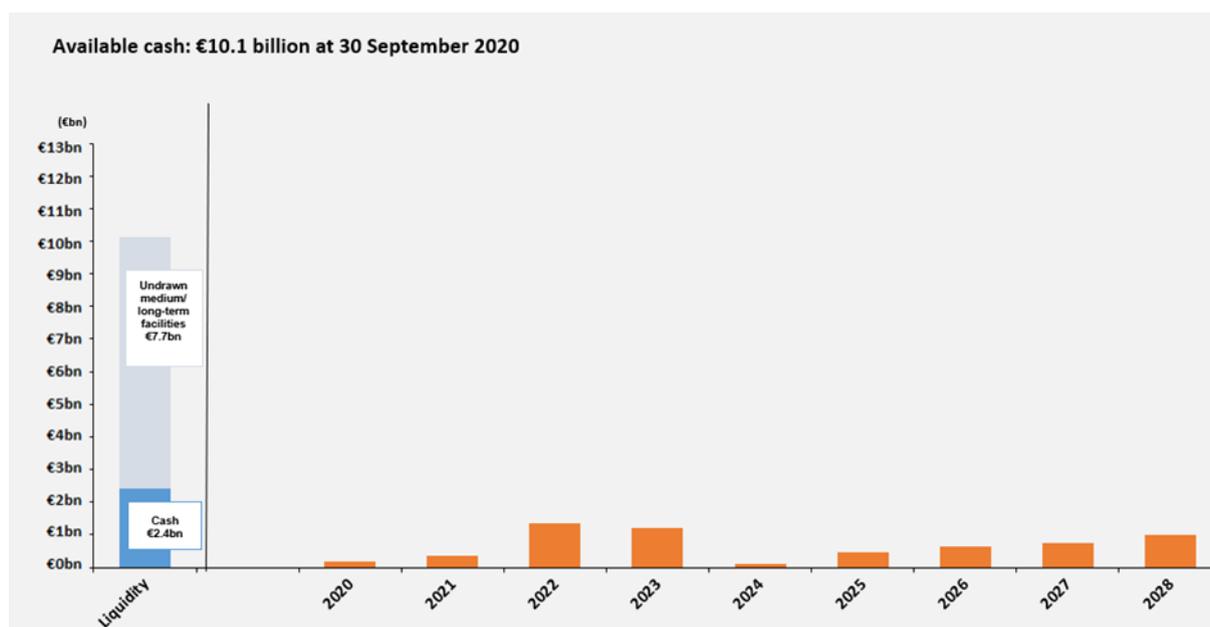
(a) Confirmed undrawn credit facilities: €7,682m.

(b) Includes Negotiable European Commercial Paper: €40m.

6.4 Liquidity as of 30 September 2020

As of 30 September 2020, available cash stood at €2,428 million, including a positive impact of €1 million in respect of financial instruments contracted to hedge net debt. The Group also had €7,682 million of undrawn confirmed credit facilities as at the same date.

Debt maturity schedule at 30 September 2020



NOTE 7 CHANGE IN NET DEBT

| | 31/12/2019 | Translation adjustments | Changes in scope of consolidation | Cash flows | Fair value adjustments | Other movements | 30/09/2020 |
|---|----------------|--------------------------|-----------------------------------|---------------------------|------------------------|-----------------|----------------|
| Cash and cash equivalents | 3,574 | (49) | 11 | (831) | | 25 | 2,730 |
| Overdrafts and short-term bank borrowings | (220) | (22) | (8) | (27) | | (25) | (302) |
| NET CASH POSITION (A) | 3,354 | (71) ^a | 3 ^a | (858) ^a | | | 2,428 |
| Non-current debt | 4,236 | (40) | | 1,373 ^b | (8) | 5 | 5,566 |
| Current debt | 1,295 | (2) | | (780) ^b | | 10 | 523 |
| Financial instruments, net | 45 | | | | (45) | | |
| TOTAL DEBT (B) | 5,576 | (42) | | 593 | (53) | 15 | 6,089 |
| NET DEBT (A) - (B) | (2,222) | (29) | 3 | (1,451) | 53 ^c | (15) | (3,661) |

(a) Decrease of €926m in the net cash position over the first nine months of 2020, as reported in the cash flow statement.

(b) Net cash inflow of €593m from financing activities over the first nine months of 2020, as reported in the cash flow statement, and comprising total inflows of €2,311m and total outflows of €1,718m.

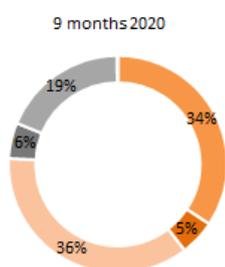
(c) Movement related mainly to the settlement of the swap used to hedge the April 2020 bond issue (see Note 1.1), payment of which was recorded in the cash flow statement in "Other cash flows related to financing activities".

NOTE 8 SALES

| | First nine months of 2020 | | | | First nine months of 2019 | | | |
|---------------------------|---------------------------|---------------|---------------|------------|---------------------------|---------------|---------------|------------|
| | France | International | Total | % | France | International | Total | % |
| Bouygues Construction | 3,227 | 5,323 | 8,550 | 34 | 3,817 | 6,020 | 9,837 | 35 |
| Bouygues Immobilier | 1,242 | 81 | 1,323 | 5 | 1,507 | 103 | 1,610 | 6 |
| Colas | 3,951 | 5,104 | 9,055 | 36 | 4,842 | 5,294 | 10,136 | 37 |
| TF1 | 1,219 | 111 | 1,330 | 6 | 1,464 | 117 | 1,581 | 6 |
| Bouygues Telecom | 4,659 | | 4,659 | 19 | 4,406 | | 4,406 | 16 |
| Bouygues SA & other | 8 | 23 | 31 | | 7 | 24 | 31 | |
| CONSOLIDATED SALES | 14,306 | 10,642 | 24,948 | 100 | 16,043 | 11,558 | 27,601 | 100 |

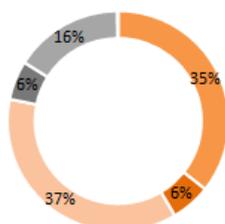
Split of total sales

By business segment



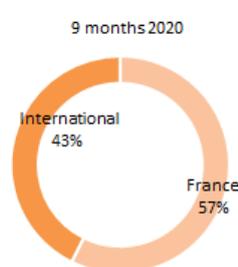
- Bouygues Construction
- TF1

9 months 2019

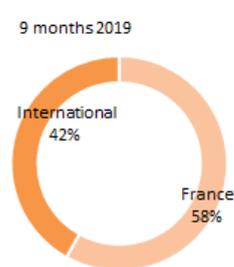


- Bouygues Immobilier
- Bouygues Telecom

By geographical region



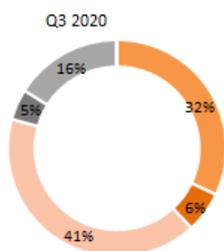
- Bouygues SA & other



| | 3rd quarter of 2020 | | | | 3rd quarter of 2019 | | | |
|---------------------------|---------------------|---------------|---------------|------------|---------------------|---------------|---------------|------------|
| | France | International | Total | % | France | International | Total | % |
| Bouygues Construction | 1,380 | 1,884 | 3,264 | 32 | 1,286 | 2,046 | 3,332 | 33 |
| Bouygues Immobilier | 596 | 26 | 622 | 6 | 492 | 32 | 524 | 5 |
| Colas | 1,728 | 2,472 | 4,200 | 41 | 1,797 | 2,532 | 4,329 | 43 |
| TF1 | 440 | 28 | 468 | 5 | 411 | 47 | 458 | 4 |
| Bouygues Telecom | 1,627 | | 1,627 | 16 | 1,505 | | 1,505 | 15 |
| Bouygues SA & other | 2 | 7 | 9 | | (1) | 8 | 7 | |
| CONSOLIDATED SALES | 5,773 | 4,417 | 10,190 | 100 | 5,490 | 4,665 | 10,155 | 100 |

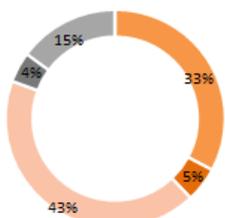
Split of total sales

By business segment



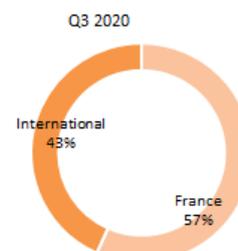
- Bouygues Construction
- TF1

Q3 2019

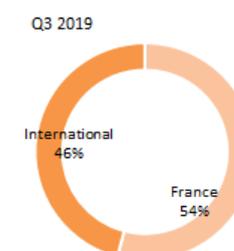


- Bouygues Immobilier
- Bouygues Telecom

By geographical region



- Bouygues SA & other



NOTE 9 OPERATING PROFIT/LOSS

| | 9 months | | 3rd quarter | |
|--|------------|--------------|-------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| CURRENT OPERATING PROFIT/(LOSS) | 681 | 1,118 | 813 | 665 |
| Other operating income | 26 | 66 | 19 | 12 |
| Other operating expenses | (71) | (16) | (20) | (4) |
| OPERATING PROFIT/(LOSS) | 636 | 1,168 | 812 | 673 |

See Note 11, “Segment information”, for an analysis of current operating profit and operating profit by business segment.

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

First nine months of 2020

Over the first nine months of 2020, the items included in other operating income and expenses related to Bouygues Telecom and Colas, and represented a net expense of €45 million:

- €24 million of gains on asset disposals (transfer of sites to Cellnex) plus €2 million of other operating income, minus €10 million of network sharing costs (Bouygues Telecom);
- €61 million of provisions recognized to cover additional dismantling costs at the Dunkirk refinery and the consequences of the reorganization of operations in France (Colas).

First nine months of 2019

Over the first nine months of 2019, the items included in other operating income and expenses related to Bouygues Telecom and Bouygues Construction, and represented net income of €50 million:

- €58 million of gains on asset disposals (transfer of sites and towers to Cellnex) plus €8 million of other operating income, minus €6 million of network sharing costs (Bouygues Telecom);
- €10 million of restructuring expenses (Bouygues Construction).

NOTE 10 INCOME TAXES

Income tax expense for the first nine months of 2020 was €203 million.

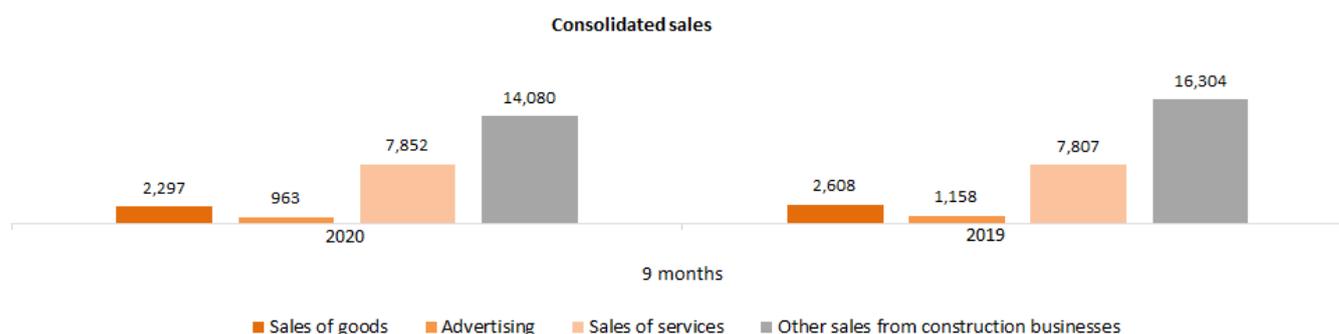
| | 9 months | | 3rd quarter | |
|----------------------------------|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| INCOME TAX GAIN/(EXPENSE) | (203) | (325) | (215) | (193) |

The effective tax rate for the first nine months of 2020 was 46%, versus 33% for the first nine months of 2019. The main impacts on the 2020 effective tax rate are due to (i) tax losses outside France for which no deferred tax asset was recognised, and (ii) the fact that deferred taxes recognised in respect of tax losses incurred in the first nine months of 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 2023.

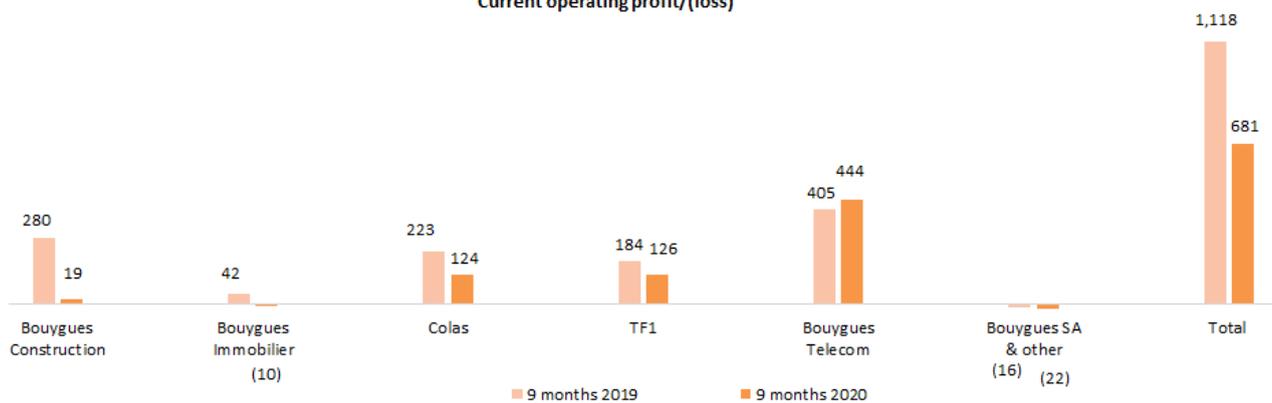
NOTE 11 SEGMENT INFORMATION

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

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|--|--------------------------|------------------------|---------------|--------------|---------------------|------------------------|---------------|
| INCOME STATEMENT: 9 months 2020 | | | | | | | |
| Sales of goods | 64 | | 1,690 | 57 | 486 | | 2,297 |
| Advertising | | | | 963 | | | 963 |
| Sales of services | 2,912 | 92 | 181 | 341 | 4,189 | 137 | 7,852 |
| Other sales from construction businesses | 5,635 | 1,231 | 7,214 | | | | 14,080 |
| Total sales | 8,611 | 1,323 | 9,085 | 1,361 | 4,675 | 137 | 25,192 |
| Inter-segment sales | (61) | | (30) | (31) | (16) | (106) | (244) |
| THIRD-PARTY SALES | 8,550 | 1,323 | 9,055 | 1,330 | 4,659 | 31 | 24,948 |
| CURRENT OPERATING PROFIT/(LOSS) | 19 | (10) | 124 | 126 | 444 | (22) | 681 |
| OPERATING PROFIT/(LOSS) | 19 | (10) | 63 | 126 | 460 | (22) | 636 |
| Share of net profits/(losses) of joint ventures and associates | 41 | (1) | 32 | (2) | (12) | 51 | 109 |
| NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP | 5 | (18) | 19 | 34 | 253 | (10) | 283 |
| INCOME STATEMENT: 9 months 2019 | | | | | | | |
| Sales of goods | 75 | | 1,912 | 84 | 537 | | 2,608 |
| Advertising | | | | 1,158 | | | 1,158 |
| Sales of services | 3,130 | 34 | 236 | 373 | 3,889 | 145 | 7,807 |
| Other sales from construction businesses | 6,694 | 1,576 | 8,034 | | | | 16,304 |
| Total sales | 9,899 | 1,610 | 10,182 | 1,615 | 4,426 | 145 | 27,877 |
| Inter-segment sales | (62) | | (46) | (34) | (20) | (114) | (276) |
| THIRD-PARTY SALES | 9,837 | 1,610 | 10,136 | 1,581 | 4,406 | 31 | 27,601 |
| CURRENT OPERATING PROFIT/(LOSS) | 280 | 42 | 223 | 184 | 405 | (16) | 1,118 |
| OPERATING PROFIT/(LOSS) | 270 | 42 | 223 | 184 | 465 | (16) | 1,168 |
| Share of net profits/(losses) of joint ventures and associates | 16 | | 32 | | | 238 | 286 |
| NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP | 226 | 20 | 135 | 52 | 251 | 164 | 848 |

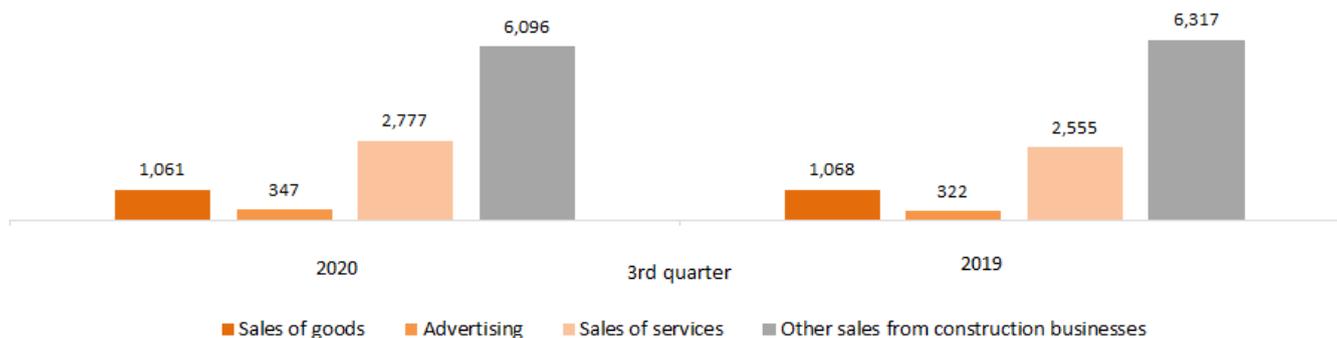


Current operating profit/(loss)

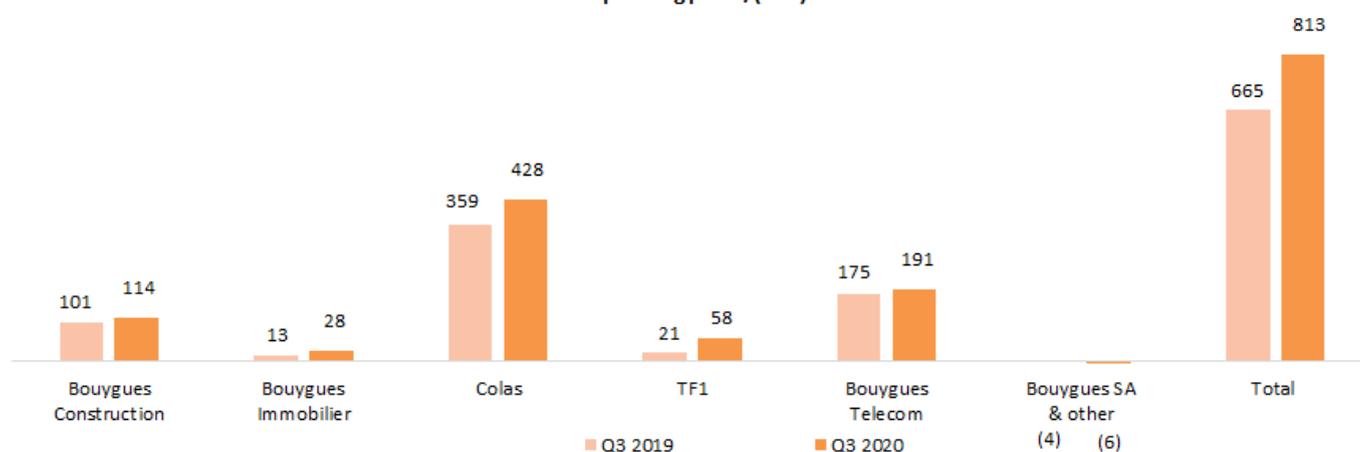


| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|--|-----------------------|---------------------|--------------|------------|------------------|---------------------|---------------|
| INCOME STATEMENT 3rd quarter of 2020 | | | | | | | |
| Sales of goods | 26 | | 822 | 24 | 189 | | 1,061 |
| Advertising | | | | 347 | | | 347 |
| Sales of services | 1,093 | 73 | 17 | 106 | 1,444 | 44 | 2,777 |
| Other sales from construction businesses | 2,171 | 549 | 3,376 | | | | 6,096 |
| Total sales | 3,290 | 622 | 4,215 | 477 | 1,633 | 44 | 10,281 |
| Inter-segment sales | (26) | | (15) | (9) | (6) | (35) | (91) |
| THIRD-PARTY SALES | 3,264 | 622 | 4,200 | 468 | 1,627 | 9 | 10,190 |
| CURRENT OPERATING PROFIT/(LOSS) | 114 | 28 | 428 | 58 | 191 | (6) | 813 |
| OPERATING PROFIT/(LOSS) | 114 | 28 | 412 | 58 | 206 | (6) | 812 |
| Share of net profits/(losses) of joint ventures and associates | 2 | (1) | 28 | (1) | (12) | 16 | 32 |
| NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP | 71 | 15 | 304 | 17 | 111 | 9 | 527 |
| INCOME STATEMENT 3rd quarter of 2019 | | | | | | | |
| Sales of goods | 22 | | 834 | 26 | 186 | | 1,068 |
| Advertising | | | | 322 | | | 322 |
| Sales of services | 1,013 | 5 | 41 | 122 | 1,327 | 47 | 2,555 |
| Other sales from construction businesses | 2,325 | 519 | 3,473 | | | | 6,317 |
| Total sales | 3,360 | 524 | 4,348 | 470 | 1,513 | 47 | 10,262 |
| Inter-segment sales | (28) | | (19) | (12) | (8) | (40) | (107) |
| THIRD-PARTY SALES | 3,332 | 524 | 4,329 | 458 | 1,505 | 7 | 10,155 |
| CURRENT OPERATING PROFIT/(LOSS) | 101 | 13 | 359 | 21 | 175 | (4) | 665 |
| OPERATING PROFIT/(LOSS) | 99 | 13 | 359 | 21 | 185 | (4) | 673 |
| Share of net profits/(losses) of joint ventures and associates | 12 | 2 | 7 | | | 206 | 227 |
| NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP | 105 | 7 | 234 | 5 | 101 | 171 | 623 |

Consolidated sales



Current operating profit/(loss)



| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|--|-----------------------|---------------------|------------|------------|------------------|---------------------|--------------|
| Current operating profit/(loss) | 19 | (10) | 124 | 126 | 444 | (22) | 681 |
| * Interest expense on lease obligations | (7) | (1) | (11) | (3) | (18) | | (40) |
| Elimination of net depreciation and amortisation expense and of net charges to provisions and impairment losses | | | | | | | |
| * Net depreciation and amortisation expense on property, plant and equipment and intangible assets | 153 | 8 | 332 | 166 | 675 | 8 | 1,342 |
| * Charges to provisions and impairment losses, net of reversals due to utilisation | 37 | 8 | 71 | (29) | 32 | | 119 |
| Elimination of items included in other income from operations | | | | | | | |
| * Reversals of unutilised provisions and impairment and other items | (123) | (10) | (44) | (7) | (10) | | (194) |
| EBITDA AFTER LEASES: 9 months 2020 | 79 | (5) | 472 | 253 | 1,123 | (14) | 1,908 |
| Current operating profit/(loss) | 280 | 42 | 223 | 184 | 405 | (16) | 1,118 |
| * Interest expense on lease obligations | (8) | (1) | (11) | (3) | (18) | (1) | (42) |
| Elimination of net depreciation and amortisation expense and of net charges to provisions and impairment losses | | | | | | | |
| * Net depreciation and amortisation expense on property, plant and equipment and intangible assets | 133 | 7 | 341 | 154 | 634 | 9 | 1,278 |
| * Charges to provisions and impairment losses, net of reversals due to utilisation | 83 | (5) | 58 | | 34 | 1 | 171 |
| Elimination of items included in other income from operations | | | | | | | |
| * Reversals of unutilised provisions and impairment and other items | (93) | (11) | (58) | (7) | (5) | 1 | (173) |
| EBITDA AFTER LEASES: 9 months 2019 | 395 | 32 | 553 | 328 | 1,050 | (6) | 2,352 |

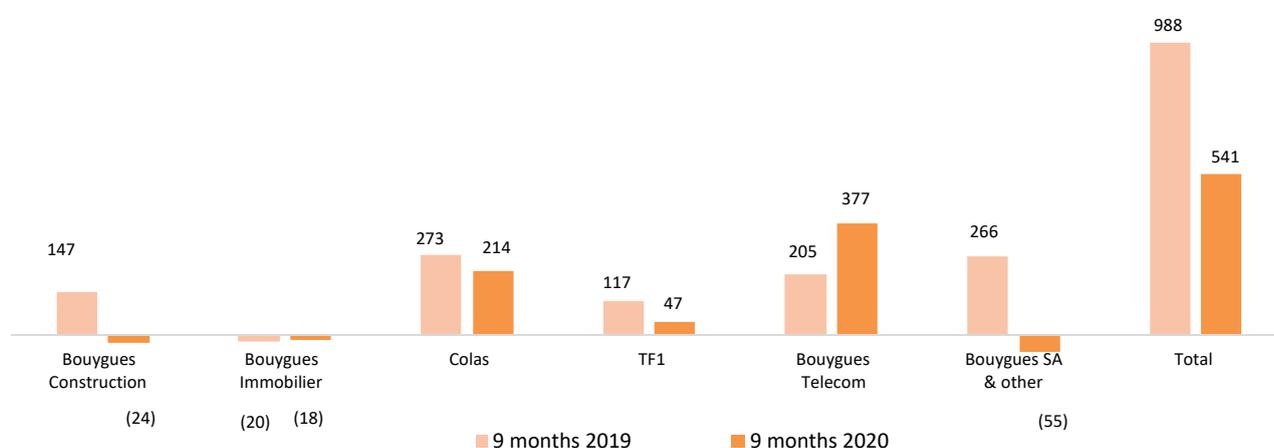
| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|--|--------------------------|------------------------|------------|-----------|---------------------|------------------------|--------------|
| Current operating profit/(loss) | 114 | 28 | 428 | 58 | 191 | (6) | 813 |
| ▪ Interest expense on lease obligations | (2) | | (4) | (1) | (7) | (1) | (15) |
| Elimination of net depreciation and amortisation expense and of net charges to provisions and impairment losses | | | | | | | |
| ▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets | 54 | 3 | 146 | 55 | 229 | 4 | 491 |
| ▪ Charges to provisions and impairment losses, net of reversals due to utilisation | (3) | 4 | 54 | (18) | 2 | 4 | 43 |
| Elimination of items included in other income from operations | | | | | | | |
| ▪ Reversals of unutilised provisions and impairment and other items | (22) | (3) | (19) | (1) | (3) | 1 | (47) |
| EBITDA AFTER LEASES: 3rd quarter of 2020 | 141 | 32 | 605 | 93 | 412 | 2 | 1,285 |
| Current operating profit/(loss) | 101 | 13 | 359 | 21 | 175 | (4) | 665 |
| ▪ Interest expense on lease obligations | (2) | | (3) | (1) | (5) | (2) | (13) |
| Elimination of net depreciation and amortisation expense and of net charges to provisions and impairment losses | | | | | | | |
| ▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets | 47 | 2 | 146 | 49 | 217 | 5 | 466 |
| ▪ Charges to provisions and impairment losses, net of reversals due to utilisation | 14 | 3 | 39 | | 12 | 5 | 73 |
| Elimination of items included in other income from operations | | | | | | | |
| ▪ Reversals of unutilised provisions and impairment and other items | (32) | (2) | (17) | (5) | (2) | 1 | (57) |
| EBITDA AFTER LEASES: 3rd quarter of 2019 | 128 | 16 | 524 | 64 | 397 | 5 | 1,134 |

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|--|--------------------------|------------------------|--------------|--------------|---------------------|------------------------|----------------|
| Financial indicators: balance sheet at 30/09/2020 | | | | | | | |
| NET SURPLUS CASH/(NET DEBT) | 2,297 | (434) | (838) | (71) | (1,659) | (2,956) | (3,661) |
| Financial indicators: balance sheet at 31/12/2019 | | | | | | | |
| NET SURPLUS CASH/(NET DEBT) | 3,113 | (279) | (367) | (127) | (1,454) | (3,108) | (2,222) |

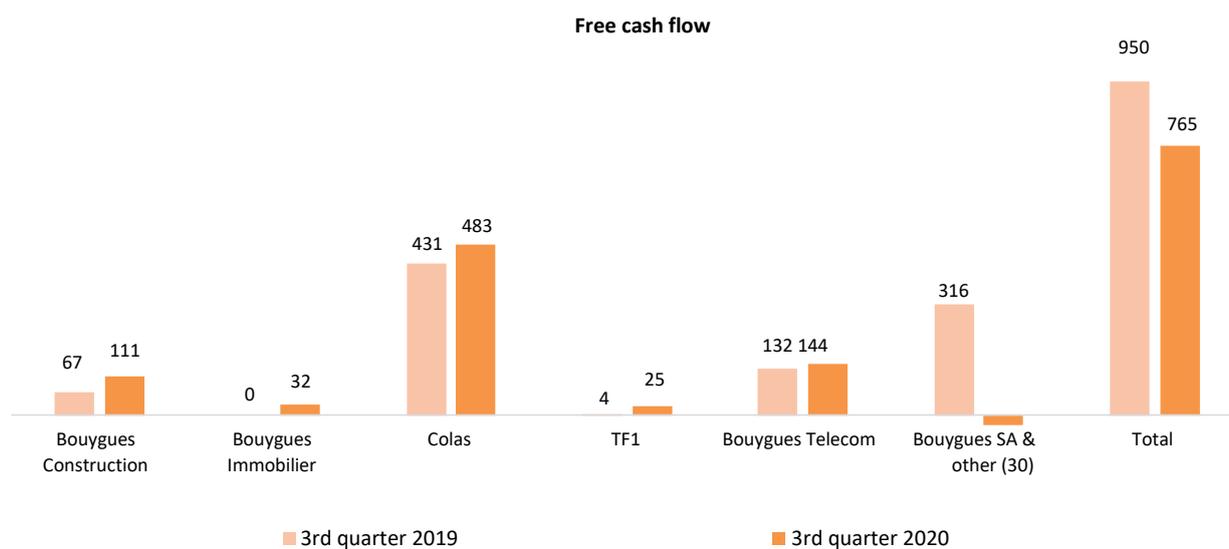
| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|--------------------------|------------------------|--------------|-------------|---------------------|------------------------|----------------|
| Other financial indicators: 9 months 2020 | | | | | | | |
| Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I) | 119 | (9) | 391 | 230 | 1,091 | (51) | 1,771 |
| Acquisitions of property, plant & equipment and intangible assets, net of disposals (II) | (67) | (3) | (107) | (169) | (615) | (2) | (963) |
| Repayment of lease obligations (III) | (76) | (6) | (70) | (14) | (99) | (2) | (267) |
| FREE CASH FLOW (I) + (II) + (III) | (24) | (18) | 214 | 47 | 377 | (55) | 541 |
| CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS) | | | | | | | |
| | (447) | (133) | (383) | 26 | (187) | 28 | (1,096) |
| Other financial indicators: 9 months 2019 | | | | | | | |
| Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I) | 367 | (7) | 484 | 291 | 936 | 268 | 2,339 |
| Acquisitions of property, plant & equipment and intangible assets, net of disposals (II) | (149) | (7) | (148) | (161) | (638) | (2) | (1,105) |
| Repayment of lease obligations (III) | (71) | (6) | (63) | (13) | (93) | | (246) |
| FREE CASH FLOW (I) + (II) + (III) | 147 | (20) | 273 | 117 | 205 | 266 | 988 |
| CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS) | | | | | | | |
| | (919) | (200) | (674) | (18) | (232) | (33) | (2,076) |

Free cash flow was €447 million lower than in the first nine months of 2019. After stripping out the €341 million of dividends received from Alstom in 2019, the year-on-year decrease was €106 million (€541 million in 2020, versus €647 million in 2019).

Free cash flow



| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|--------------------------|------------------------|------------|-----------|---------------------|------------------------|------------|
| Other financial indicators: 3rd quarter of 2020 | | | | | | | |
| Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I) | 164 | 35 | 541 | 91 | 396 | (29) | 1,198 |
| Acquisitions of property, plant & equipment and intangible assets, net of disposals (II) | (30) | (1) | (35) | (62) | (228) | | (356) |
| Repayment of lease obligations (III) | (23) | (2) | (23) | (4) | (24) | (1) | (77) |
| FREE CASH FLOW (I) + (II) + (III) | 111 | 32 | 483 | 25 | 144 | (30) | 765 |
| CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS) | | | | | | | |
| | (42) | 84 | (49) | (79) | (83) | 110 | (59) |
| Other financial indicators: 3rd quarter of 2019 | | | | | | | |
| Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I) | 135 | 3 | 504 | 55 | 345 | 316 | 1,358 |
| Acquisitions of property, plant & equipment and intangible assets, net of disposals (II) | (43) | (1) | (51) | (47) | (184) | (1) | (327) |
| Repayment of lease obligations (III) | (25) | (2) | (22) | (4) | (29) | 1 | (81) |
| FREE CASH FLOW (I) + (II) + (III) | 67 | 0 | 431 | 4 | 132 | 316 | 950 |
| CHANGES IN WORKING CAPITAL RELATED TO OPERATING ACTIVITIES (INCLUDING CURRENT IMPAIRMENT AND PROVISIONS) | | | | | | | |
| | (325) | (55) | (79) | (28) | (33) | 73 | (447) |



NOTE 12 EMPLOYEE BENEFIT OBLIGATIONS

12.1 Provisions for retirement benefit and pension obligations

| | Lump-sum retirement benefits | Pensions | Total |
|--|------------------------------------|------------|------------|
| 31/12/2019 | 595 | 210 | 805 |
| Total expense recognised | 38 | 17 | 55 |
| Reversals of provisions utilised (benefits and contributions paid) | (24) | (25) | (49) |
| Translation adjustments | | (5) | (5) |
| Changes in scope of consolidation | | | |
| Actuarial gains and losses recognised in equity | | 47 | 47 |
| Transfers and other movements | (1) | 1 | |
| 30/09/2020 | 608 | 245 | 853 |

Employee benefit obligations have increased by €44 million as a result of net actuarial gains and losses. This net expense, recorded in the statement of recognised income and expense, comprises (i) a gain of €3 million arising from an increase in net plan assets and (ii) an expense of €47 million for an increase in the provision for employee benefits. The net expense was due to changes in discount rates (€39 million) and a decrease in plan assets outside France (€5 million).

In France, the discount rate used to determine the obligation for lump-sum retirement benefits as of 30 September 2020 was unchanged relative to 31 December 2019 at 0.92%. Consequently, no gains or losses were recognised in respect of changes in that rate.

12.2 Sensitivity analysis

The table below shows the impact on the provision of an additional increase or decrease in discount rates in France and outside France:

| | Scenario | Up | Down |
|---------------------------------------|-----------------|------|------|
| Lump-sum retirement benefits (France) | 50 basis points | (38) | 37 |
| Pensions (outside France) | 20 basis points | (33) | 44 |

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

NOTE 13 OFF BALANCE SHEET COMMITMENTS

There has been no material change in off balance sheet commitments since 31 December 2019, other than the new commitments described in Note 1.1. These relate to:

- the commitment to retain until 31 October 2020 at the latest the 14.5% equity interest in Alstom held as of 30 September 2020;
- the commitments relating to (i) the forward sale agreement with BNP Paribas relating to a 4.8% equity interest in Alstom and (ii) the retention of the residual 9.7% equity interest in Alstom until 3 January 2021 (retention period extended to 7 March 2021, see Note 1.3);
- call options over the shares of the three companies set up by Bouygues Telecom with Cellnex, Phoenix Tower International and Vauban Infrastructures Partners;
- Bouygues Telecom's undertaking to access FTTH premises solely via SDAIF in Orange's medium dense areas for a 30-year period at a pre-determined price.