Paris, 16 November 2016

Bouygues press release

Results for the first nine months of 2016

- **Current operating profit: €714 million, up 20%**
- **Net profit attributable to the Group excl. exceptional items: €412 million, up 29%**
- **2016 outlook confirmed**

Key figures (€ million)	**9-month 2015**	**9-month 2016**	**Change**
Sales	23,824	23,113	-3%[a]
Current operating profit	597	714	+20%
Operating profit	491[b]	570[b]	+16%
Net profit attributable to the Group	334	345	+3%
Net profit attributable to the Group excl. exceptional items	320[c]	412[c]	+29%
Net debt at 30 September[d]	4,883	3,890	-€993m

(a) Down 1% like-for-like and at constant exchange rates
(b) Including non-current charges of €106 million at Bouygues Telecom, TF1 and Bouygues Construction and Bouygues Immobilier in the first nine months of 2015 and non-current charges of €144 million in all businesses in the first nine months of 2016
(c) See reconciliation on page 10
(d) Net debt comprises an aggregate of cash and cash equivalents, overdrafts and short-term bank borrowings, non-current and current debt, and financial instruments

The first nine months of 2016 showed a sharp rise in the Group's results, driven by the good performance of Bouygues Telecom, whose EBITDA margin[a] improved by 3.4 points to 23.1% year-on-year.

- Current operating profit rose 20% to €714 million.

- Operating profit increased 16% to €570 million. This includes €144 million of non-current charges, essentially related to TF1 and Colas. Non-current charges in the first nine months of 2015 were €106 million.

- Net profit attributable to the Group grew 3% to €345 million. As a reminder, net profit attributable to the Group in the first nine months of 2015 notably included the impact of the sale of the stake in the A28 motorway concession company.
  Excluding exceptional items (non-current charges and disposals), net profit attributable to the Group improved by 29% to €412 million.

(a) EBITDA/sales from network

Outlook

The good performance in the first nine months strengthens the prospect of an improvement in the Group's profitability in 2016 as announced in previous disclosures.

- Profitability in the **construction businesses** is expected to improve starting in 2016.

- In a tougher-than-expected economic environment, **TF1** has revised downward the cost of programs at its five freeview channels and implemented an additional cost saving plan. **TF1** is continuing to expand into content, accelerating its digital transformation and adapting its channels' business model.

- **Bouygues Telecom** confirmed its return to long-term sales and earnings growth, and maintains its EBITDA margin target of 25% for 2017 with a plan to save at least €400 million in 2016 versus end-2013. Net capital expenditure is expected to reach around €800 million in 2016.

The Group's operating profit in 2016 will be affected by non-current charges of around €270 million, including the roll-out of network sharing with the SFR group and adaptation plans in the business segments, before taking into consideration non-current income related to the sale of towers by Bouygues Telecom.

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Other information

Detailed analysis by sector of activity

Construction businesses[a]

The order book for the construction businesses remained at the high level of €28.1 billion at end-September 2016, down 3% year-on-year and down 1% at constant exchange rates.

In **France**, the gradual stabilization of the construction market was confirmed in the first nine months of the year. The order book at end-September 2016 stood at €13.1 billion, up 1% year-on-year.
Residential property reservations at **Bouygues Immobilier** continued to grow strongly in the first nine months of 2016 (up 23% year-on-year) in a market boosted by historically low interest rates, the Pinel tax incentive and wider access to the zero-interest loan program.
Order intake at **Bouygues Construction** rose 12% in the first nine months of 2016 compared with the first nine months of 2015 following the signing of a number of major contracts since the start of the year, such as the Port of Calais extension, Tour Alto in La Défense and the renovation of the Louvre Post Office building in central Paris.
After two years of sharp decline, sales in **Colas'** roads business in mainland France stabilized compared with the first nine months of 2015.

In **international markets**, the order book at end-September 2016 stood at a high level (€15 billion, down 3% at constant exchange rates).
At Bouygues Construction, the order book does not yet include a certain number of significant contracts, notably in Northern Europe, Asia, the Middle East and Cuba, that should be finalized in the next few months. The projects in the pipeline[b] at end-September 2016 were therefore 28% higher year-on-year.
At Colas, the order book at end-September 2016 increased 3% (up 6% at constant exchange rates) despite delays in launching road and motorway programs in Central Europe and a decline in investment in Canada's oil-producing western provinces.
International business represented 58% of the order book at Bouygues Construction and Colas.

Sales in the **construction businesses** reached €18.2 billion in the first nine months of 2016, down 5% year-on-year. They were negatively impacted by a €280-million exchange rate effect and a €239-million scope effect, mostly at Colas due to the disposal of storage and bitumen sales activities in Asia to its Thai subsidiary Tasco, in which it has a 32% stake, and to the discontinuation of the refining activity in France. Like-for-like and at constant exchange rates, sales were down 2%.

Current operating profit in the first nine months of 2016 reached €568 million, up €49 million year-on-year. The improvement was mainly due to the discontinuation of activity at the Dunkirk refinery (SRD).
The current operating margin rose 0.4 points to 3.1%.
Operating profit was €512 million, up €8 million, including non-current charges of €56 million, of which €39 million at Colas due to the ongoing closure of the Dunkirk refinery.

(a) Bouygues Construction, Bouygues Immobilier and Colas
(b) Pipeline equals project amount times their signing probability for projects with a signing probability higher than 50%

TF1

Sales at **TF1** in the first nine months of 2016 were €1,427 million, up 2% on the first nine months of 2015. The increase was due to the integration of Newen Studios, consolidated since 1 January 2016, while the group's advertising revenue declined 2%.

Current operating profit in the first nine months of 2016 was €47 million, down €60 million year-on-year, mainly due to the cost of screening Euro 2016 and the deconsolidation of Eurosport France in 2015, which had a €34-million positive impact.

TF1 incurred an operating loss of €22 million in the first nine months of 2016, factoring in non-current charges of €69 million, which include transformation costs, the effects of LCI's migration to freeview, as well as the impacts of both Newen Studios and the decree on French drama.

Bouygues Telecom

Bouygues Telecom continued to report sales and earnings growth in the first nine months of 2016, driven by a good commercial performance.

The operator added 227,000 mobile customers in the third quarter of 2016 and 770,000 in the first nine months of the year to reach a total of 12.7 million customers at end-September 2016. The number of plan customers excluding MtoM[a] rose by 129,000 in the third quarter of 2016.
4G penetration within Bouygues Telecom's customer base continued, with 6.5 million 4G users[b] at end-September 2016, representing 62% of the mobile base excluding MtoM. The growth of 4G was driven by a sharp increase in mobile data usage: 4G customers' average data consumption[c] was 3.7 GB in September 2016, compared with 2.3 GB in September 2015.

In the fixed market, Bouygues Telecom continues to win customers and strengthens its position in households. The operator added 215,000 new customers in the first nine months of 2016, including 93,000 in the third quarter, to reach a total of over 3 million customers at end-September 2016. Bouygues Telecom now has 448,000 Very-High-Speed[d] customers, including 91,000 FTTH[e] customers. In the third quarter of 2016, 70% of Bouygues Telecom's fixed households are convergent, having at least one mobile line in addition to the fixed offer.

Bouygues Telecom's sales reached €3,503 million in the first nine months of 2016, up 6% year-on-year.
Sales from network increased for the fifth consecutive quarter, rising 7% in the third quarter of 2016. Sales from mobile network grew for the third consecutive quarter, up 6% in the third quarter of 2016.

EBITDA in the first nine months of 2016 improved 23% to €697 million. The EBITDA margin rose 3.4 points to 23.1%.
Current operating profit at end-September 2016 was €124 million compared with a loss of €9 million at end-September 2015, representing an increase of €133 million.
Operating profit was €117 million after non-current charges of €65 million, essentially related to the roll-out of network sharing with the SFR group, and a capital gain of €56 million on the sale of 230 towers to Cellnex.

(a) Machine-to-Machine
(b) Customers having used the 4G network during the last three months (Arcep definition)
(c) Data consumed on 4G cellular networks, excluding Wi-Fi
(d) Subscriptions with a peak download speed higher or equal to 30 Mbit/s. Includes FTTH, FTTLA and VDSL2 subscriptions (Arcep definition)
(e) Fiber To The Home – roll-out of optical fiber from the optical access node (place where the operator's transmission equipment is installed) to homes or business premises (Arcep definition)

Alstom

As announced on 9 November 2016, Alstom's contribution to Bouygues' net profit in the first nine months of 2016 was €36 million, after a contribution of €0 million in first-half 2016.

Financial situation

Net debt at end-September 2016 was €3.9 billion, an improvement of €993 million on end-September 2015. In 2016, net debt notably benefits from the impact of the Alstom public share buy-back offer (+€996 million) and includes the acquisition of Newen Studios (-€293 million at 100%) and the first installment of 700 MHz frequencies (-€117 million).
Net debt was higher than at 31 December 2015 due to the usual seasonal effects of the businesses and the dividend payments (-€655 million).

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Highlights since 30 June 2016

- 31 August 2016: Bouygues Construction started work on the €842-million first tranche of the 6-hectare offshore extension project in Monaco.

- 15 September 2016: Bouygues Immobilier, with its UrbanEra® approach, was awarded the development of the station district in Divonne-les-Bains, in eastern France.

- 26 September 2016: Laying of the foundation stone of the Port of Calais extension in the presence of the President of France.

- 26 October 2016: The Bouygues group is recognized for its action in favor of the climate and is added to CDP's Climate A List.

- 9 November 2016: Bouygues sold a 46.1% stake in Adelac, the concession company of the A41 Annecy North-Geneva motorway, to Eiffage for €130 million.

Financial calendar

23 February 2017: Full-year 2016 results (7.30am CET)

The financial statements have been subject to a limited review by the statutory auditors and the corresponding report has been issued.
You will find the full financial statements and notes to the financial statements on www.bouygues.com.

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9-month 2016 business activity

Order book at the construction businesses (€ million)	End-September		
	2015	2016	% change
Bouygues Construction	19,681	18,225	-7%
Bouygues Immobilier	2,274	2,722	+20%
Colas	7,083	7,178	+1%
TOTAL	**29,038**	**28,125**	**-3%**

Bouygues Construction order intake (€ million)	9-month		% change
	2015	2016	
France	3,407	3,802	+12%
International	5,705	3,841	-33%
TOTAL	**9,112**	**7,643**	**-16%**

Bouygues Immobilier reservations (€ million)	9-month		% change
	2015	2016	
Residential property	1,184	1,443	+22%
Commercial property	191	231	+21%
TOTAL	**1,375**	**1,674**	**+22%**

Colas order book (€ million)	End-September		% change
	2015	2016	
Mainland France	2,901	2,876	-1%
International and French overseas territories	4,182	4,302	+3%
TOTAL	**7,083**	**7,178**	**+1%**

TF1 audience share[a]	9-month		Pts change
	2015	2016	
TF1	21.3%	20.4%	-0.9 pts
TMC	3.1%	2.8%	-0.3 pts
NT1	2.0%	1.9%	-0.1 pts
HD1	1.2%	1.7%	+0.5 pts
LCI	nm	0.2%	nm
TOTAL	**27.6%**	**27.0%**	**-0.6 pts**

(a) Source: Médiamétrie - Individuals aged 4 and over

Bouygues Telecom customer base ('000 customers)	End-June 2016	End-September 2016	Change ('000 customers)
Plan subscribers	11,472	11,716	+244
Prepaid customers	961	944	-17
Total mobile customers	**12,433**	**12,660**	**+227**
Total fixed customers	**2,910**	**3,003**	**+93**

9-month 2016 financial performance

Condensed consolidated income statement (€ million)	**9-month 2015**	**9-month 2016**	**Change**
Sales	**23,824**	**23,113**	**-3%**[a]
Current operating profit	**597**	**714**	**+20%**
Other operating income and expenses	(106)[b]	(144)[b]	**+36%**
Operating profit	**491**	**570**	**+16%**
Cost of net debt	(210)	(171)	-19%
Other financial income and expenses	23	3	-87%
Income tax	(82)	(138)	+68%
Share of net profits of joint ventures and associates	159[c]	91	-43%
o/w Alstom	*0*[d]	*36*	*nm*
Net profit	**381**	**355**	**-7%**
Net profit attributable to non-controlling interests	(47)	(10)	nm
Net profit attributable to the Group	**334**	**345**	**+3%**
Net profit attributable to the Group excl. exceptional items	**320**[e]	**412**[e]	**+29%**

(a) Down 1% like-for-like and at constant exchange rates
(b) Non-current charges at Bouygues Telecom, TF1, Bouygues Construction and Bouygues Immobilier in the first nine months of 2015 and non-current charges in all Group business segments in the first nine months of 2016
(c) Including the impact of the sale of Bouygues Construction's stake in the A28 motorway concession company
(d) Alstom's contribution of -€301 million to Bouygues' net profit, a negative impact of €9 million for the amortization of fair value remeasurements of identifiable intangible assets and other items, and a partial reversal for €310 million of the write-down against Bouygues' interest in Alstom recognized in 2013
(e) See reconciliation on page 10

Calculation of EBITDA (€ million)	**9-month 2015**	**9-month 2016**	**Change**
Current operating profit	**597**	**714**	**+€117m**
Net depreciation and amortization expense	1,076	1,144	+€68m
Net charges to provisions and impairment losses	81	127	+€46m
Reversals of unutilized provisions and impairment losses	(219)	(234)	-€15m
EBITDA	**1,535**	**1,751**	**+€216m**

Third-quarter consolidated income statement (€ million)	**Third-quarter**		**Change**
	2015	**2016**	
Sales	8,726	8,444	-3%
Current operating profit	478	508	+6%
Operating profit	446[a]	513[a]	+15%
Net profit attributable to the Group	376	373	-1%

(a) Including non-current charges of €32 million at Bouygues Telecom, TF1, Bouygues Construction and Bouygues Immobilier in Q3 2015 and non-current income of €5 million in Q3 2016, which factors in non-current income of €36 million at Bouygues Telecom (non-current income of €59 million and non-current charges of €23 million) and non-current charges of €31 million at Bouygues Construction, Colas and TF1

Sales by sector of activity (€ million)	**9-month**		**% change**	**Change l-f-l and at constant exchange rates**
	2015	**2016**		
Construction businesses[a]	19,134	18,219	-5%	-2%
o/w Bouygues Construction	*8,826*	*8,698*	*-1%*	*0%*
o/w Bouygues Immobilier	*1,569*	*1,626*	*+4%*	*+3%*
o/w Colas	*8,933*	*8,115*	*-9%*	*-5%*
TF1	1,400	1,427	+2%	-4%
Bouygues Telecom	3,319	3,503	+6%	+6%
Holding company and other	105	101	nm	nm
Intra-Group elimination	(328)	(357)	nm	nm
TOTAL	**23,824**	**23,113**	**-3%**	**-1%**
o/w France	*14,650*	*14,520*	*-1%*	*-1%*
o/w international	*9,174*	*8,593*	*-6%*	*-1%*

(a) Total of the sales contributions (after eliminations within the construction businesses)

Contribution to EBITDA[a] by sector of activity (€ million)	**9-month**		**Change**
	2015	**2016**	
Construction businesses	872	891	+€19m
o/w Bouygues Construction	*324*	*335*	*+€11m*
o/w Bouygues Immobilier	*67*	*68*	*+€1m*
o/w Colas	*481*	*488*	*+€7m*
TF1	117	193	+€76m
Bouygues Telecom	565	697	+€132m
Holding company and other	(19)	(30)	-€11m
TOTAL	**1,535**	**1,751**	**+€216m**

(a) EBITDA = current operating profit + net depreciation and amortization expense + net provisions and impairment losses - reversals of unutilized provisions and impairment losses

Contribution to current operating profit by sector of activity (€ million)	**9-month**		**Change**
	2015	**2016**	
Construction businesses	519	568	+€49m
o/w Bouygues Construction	*235*	*235*	*€0m*
o/w Bouygues Immobilier	*89*	*92*	*+€3m*
o/w Colas	*195*	*241*	*+€46m*
TF1	107	47	-€60m
Bouygues Telecom	(9)	124	+€133m
Holding company and other	(20)	(25)	-€5m
TOTAL	**597**	**714**	**+€117m**

Contribution to operating profit by sector of activity (€ million)	**9-month**		**Change**
	2015	**2016**	
Construction businesses	504	512	+€8m
o/w Bouygues Construction	*223*[a]	*220*[a]	*-€3m*
o/w Bouygues Immobilier	*86*[a]	*90*[a]	*+€4m*
o/w Colas	*195*	*202*[b]	*+€7m*
TF1	92[c]	(22)[c]	-€114m
Bouygues Telecom	(85)[d]	117[d]	+€202m
Holding company and other	(20)	(37)	-€17m
TOTAL	**491**	**570**	**+€79m**

(a) Including non-current charges of €12 million in the first nine months of 2015 and of €15 million in the first nine months of 2016 at Bouygues Construction and of €3 million in the first nine months of 2015 and of €2 million in the first nine months of 2016 at Bouygues Immobilier related to the implementation of their new organizations
(b) Including non-current charges of €39 million related to the discontinuation of activity at the SRD subsidiary in Dunkirk
(c) Including non-current charges of €15 million in the first nine months of 2015 related to the new organization and of €69 million in the first nine months of 2016, which include transformation costs, the effects of LCI's migration to freeview and the impacts of both Newen Studios and the decree on French drama
(d) Including non-current charges of €76 million in the first nine months of 2015 essentially related to the roll-out of network sharing with SFR and of €7 million in the first nine months of 2016 essentially related to a capital gain of €56 million on the sale of 230 towers to Cellnex and to non-current charges of €65 million mainly related to the roll-out of network sharing with SFR

Contribution to net profit attributable to the Group by sector of activity (€ million)	**9-month**		**Change**
	2015	**2016**	
Construction businesses	471	379	-€92m
o/w Bouygues Construction	*243*	*165*	*-€78m*
o/w Bouygues Immobilier	*46*	*53*	*+€7m*
o/w Colas	*182*	*161*	*-€21m*
TF1	28	(6)	-€34m
Bouygues Telecom	(50)	57	+€107m
Alstom	0[a]	36	+€36m
Holding company and other	(115)	(121)	-€6m
Net profit attributable to the Group	**334**	**345**	**+€11m**
Net profit attributable to the Group excl. exceptional items	**320[b]**	**412[b]**	**+€92m**

(a) Alstom's contribution of -€301 million to Bouygues' net profit, a negative impact of €9 million for the amortization of fair value remeasurements of identifiable intangible assets and other items, and a partial reversal for €310 million of the write-down against Bouygues' interest in Alstom recognized in 2013
(b) See reconciliation below

Impacts of exceptional items on net profit attributable to the Group (€ million)	**9-month**		**Change**
	2015	**2016**	
Net profit attributable to the Group	**334**	**345**	**+€11m**
non-current income/charges related to Bouygues Telecom (net of taxes)	*43*	*4*	*-€39m*
non-current income/charges related to the construction businesses (net of taxes)	*9*	*36*	*+€27m*
non-current income/charges related to TF1 (net of taxes)	*4*	*19*	*+€15m*
non-current income/charges related to Holding company (net of taxes)	-	*8*	*+€8m*
associates of Bouygues Construction (A28 motorway, etc.)	*(70)*	-	*+€70m*
Net profit attributable to the Group excl. exceptional items	**320**	**412**	**+€92m**

Net cash by business segment (€ million)	**At end-September**		**Change**
	2015	**2016**	
Bouygues Construction	2,642	2,758	+€116m
Bouygues Immobilier	(188)	(274)	-€86m
Colas	(231)	(17)	+€214m
TF1	235	148[a]	-€87m
Bouygues Telecom	(1,012)	(1,123)[b]	-€111m
Holding company and other	(6,329)	(5,382)[c]	+€947m
TOTAL	**(4,883)**	**(3,890)**	**+€993m**

(a) Including the acquisition of Newen Studios for €293 million at 100%
(b) Including the first installment for the 700 MHz frequencies for €117 million and proceeds related to the disposal of 230 towers to Cellnex for €80 million
(c) Including the impact of Alstom's public share buy-back offer in January 2016 for €996 million

Contribution to net capital expenditure by sector of activity (€ million)	**9-month**		**Change**
	2015	**2016**	
Construction businesses	281	320	+€39m
o/w Bouygues Construction	*130*	*127*	-€3m
o/w Bouygues Immobilier	*10*	*17*	+€7m
o/w Colas	*141*	*176*	+€35m
TF1	29	147	+€118m
Bouygues Telecom	571	605	+€34m
Holding company and other	0	3	+€3m
TOTAL	**881**	**1,075**	**+€194m**

Contribution to free cash flow[a] by sector of activity before change in working capital requirement (€ million)	**9-month**		**Change**
	2015	**2016**	
Construction businesses	424	432	+€8m
o/w Bouygues Construction	*133*	*161*	*+€28m*
o/w Bouygues Immobilier	*32*	*34*	*+€2m*
o/w Colas	*259*	*237*	*-€22m*
TF1	50	(5)	-€55m
Bouygues Telecom	(24)	24	+€48m
Holding company and other	(135)	(115)	+€20m
TOTAL	**315**	**336**	**+€21m**

(a) Free cash flow = cash flow - cost of net debt - income tax expense - net capital expenditure

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET *(€ million)*

ASSETS	Note	30/09/2016 Net	31/12/2015 Net	30/09/2015 Net
Property, plant and equipment	11	6,463	6,523	6,419
Intangible assets	11	2,196	2,131	1,668
Goodwill	3.1	5,358	5,261	5,271
Investments in joint ventures and associates	3.2	2,380	3,401	3,379
Other non-current financial assets		524	542	557
Deferred tax assets and non-current tax receivable		368	352	333
NON-CURRENT ASSETS		**17,289**	**18,210**	**17,627**
Inventories, programmes and broadcasting rights		3,150	3,059	3,083
Advances and down-payments made on orders		486	446	502
Trade receivables		7,300	5,814	7,410
Tax asset (receivable)		312	233	202
Other current receivables and prepaid expenses		2,396	2,217	2,335
Cash and cash equivalents		2,341	3,785	2,435
Financial instruments - Hedging of debt		21	21	20
Other current financial assets		17	15	18
CURRENT ASSETS		**16,023**	**15,590**	**16,005**
Held-for-sale assets and operations			35	541
TOTAL ASSETS		**33,312**	**33,835**	**34,173**

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	30/09/2016	31/12/2015	30/09/2015
Share capital	4	347	345	338
Share premium and reserves		6,750	6,971	6,770
Translation reserve		87	146	93
Treasury shares				
Consolidated net profit/(loss)	11	345	403	334
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP		**7,529**	**7,865**	**7,535**
Non-controlling interests		1,244	1,428	1,417
SHAREHOLDERS' EQUITY		**8,773**	**9,293**	**8,952**
Non-current debt	6.1	5,442	5,305	5,301
Non-current provisions	5.1	2,167	2,160	2,216
Deferred tax liabilities and non-current tax liabilities		128	97	127
NON-CURRENT LIABILITIES		**7,737**	**7,562**	**7,644**
Advances and down-payments received on orders		1,067	1,178	1,100
Current debt	6.1	415	831	1,533
Current taxes payable		102	118	106
Trade payables		6,766	6,513	6,760
Current provisions	5.2	972	1,092	972
Other current liabilities		7,066	6,965	6,551
Overdrafts and short-term bank borrowings		304	196	469
Financial instruments - Hedging of debt		91	35	35
Other current financial liabilities		19	52	51
CURRENT LIABILITIES		**16,802**	**16,980**	**17,577**
Liabilities related to held-for-sale operations				
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**33,312**	**33,835**	**34,173**
Net surplus cash/(net debt)	**7/11**	**(3,890)**	**(2,561)**	**(4,883)**

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT *(€ million)*

	Note	Nine months 2016	Nine months 2015	Third quarter 2016	Third quarter 2015	Full year 2015
SALES [a]	**8**	**23,113**	**23,824**	**8,444**	**8,726**	**32,428**
Other revenues from operations		90	62	25	12	92
Purchases used in production		(10,717)	(11,611)	(3,868)	(4,217)	(15,936)
Personnel costs		(5,402)	(5,426)	(1,774)	(1,801)	(7,128)
External charges		(5,090)	(4,938)	(1,782)	(1,746)	(6,659)
Taxes other than income tax		(493)	(503)	(135)	(131)	(650)
Net depreciation and amortisation expense		(1,144)	(1,076)	(401)	(396)	(1,454)
Net charges to provisions and impairment losses		(127)	(81)	(96)	(8)	(417)
Changes in production and property development inventories		59	40	(27)	(4)	128
Other income from operations [b]		1,035	981	320	231	1,441
Other expenses on operations		(610)	(675)	(198)	(188)	(904)
CURRENT OPERATING PROFIT/(LOSS)	**9/11**	**714**	**597**	**508**	**478**	**941**
Other operating income		64	28	58	39	32
Other operating expenses		(208)	(134)	(53)	(71)	(305)
OPERATING PROFIT/(LOSS)	**9/11**	**570**	**491**	**513**	**446**	**668**
Financial income		20	29	6	8	33
Financial expenses		(191)	(239)	(59)	(72)	(308)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)		**(171)**	**(210)**	**(53)**	**(64)**	**(275)**
Other financial income		41	71	15	23	91
Other financial expenses		(38)	(48)	(14)	(25)	(85)
Income tax	10	(138)	(82)	(139)	(118)	(118)
Share of net profits/losses of joint ventures and associates	11	91	159	59	130	199
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**355**	**381**	**381**	**392**	**480**
Net profit/(loss) from discontinued and held-for-sale operations						
NET PROFIT/(LOSS)		**355**	**381**	**381**	**392**	**480**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**11**	**345**	**334**	**373**	**376**	**403**
Net profit/(loss) attributable to non-controlling interests		10	47	8	16	77
Basic earnings per share from continuing operations (€)		**1.00**	**0.99**	**1.08**	**1.11**	**1.19**
Diluted earnings per share from continuing operations (€)		**0.99**	**0.98**	**1.07**	**1.10**	**1.18**
(a) Of which sales generated abroad		*8,593*	*9,174*	*3,456*	*3,713*	*12,370*
(b) Of which reversals of unutilised provisions/impairment losses		*234*	*219*	*56*	*75*	*401*

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE *(€ million)*

	Nine months 2016	Nine months 2015	Full year 2015
NET PROFIT/(LOSS)	**355**	**381**	**480**
Items not reclassifiable to profit or loss			
Actuarial gains/losses on post-employment benefits	(55)	(2)	7
Change in remeasurement reserve			
Net tax effect of items not reclassifiable to profit or loss	17		(2)
Share of non-reclassifiable income and expense of joint ventures and associates [a]	(42)	(150)	(150)
Items reclassifiable to profit or loss			
Change in cumulative translation adjustment	(22)	37	87
Net change in fair value of financial instruments used for hedging purposes and of other financial assets (including available-for-sale financial assets)	(22)	(27)	(30)
Net tax effect of items reclassifiable to profit or loss	15	7	7
Share of reclassifiable income and expense of joint ventures and associates [a]	36	(59)	(52)
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**(73)** [b]	**(194)** [c]	**(133)**
TOTAL RECOGNISED INCOME AND EXPENSE	**282**	**187**	**347**
Recognised income and expense attributable to the Group	**277**	**140**	**269**
Recognised income and expense attributable to non-controlling interests	**5**	**47**	**78**

(a) Relates mainly to Alstom (accounted for by the equity method)

(b) Of which income and expense recognised in the third quarter of 2016 = (56)

(c) Of which income and expense recognised in the third quarter of 2015 = (146)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY *(€ million)*

	Share capital & share premium	Reserves related to capital/ retained earnings	Consolidated reserves and profit/(loss)	Treasury shares	Items recognised directly in equity	TOTAL ATTRIBUTABLE TO THE GROUP	Non-controlling interests	TOTAL
POSITION AT 31 DECEMBER 2014	**1,631**	**2,425**	**4,096**		**(298)**	**7,854**	**1,601**	**9,455**
Movements during the first nine months of 2015								
Capital and reserves transactions, net	55	(124)	124			55		55
Acquisitions/disposals of treasury shares			(2)			(2)		(2)
Acquisitions/disposals without loss of control			(3)			(3)	(20)	(23)
Dividend paid			(538)			(538)	(198)	(736)
Other transactions with shareholders			4			4		4
Net profit/(loss)			334			334	47	381
Translation adjustment					(17)	(17)	1	(16)
Other recognised income and expense					(177)	(177)	(1)	(178)
Total recognised income and expense [b]			**334**		**(194)**	**140**	**47**	**187**
Other transactions (changes in scope of consolidation and other items)			25			25	(13)	12
POSITION AT 30 SEPTEMBRER 2015	**1,686**	**2,301**	**4,040**		**(492)**	**7,535**	**1,417**	**8,952**
Movements during the fourth quarter of 2015								
Capital and reserves transactions, net	167					167		167
Acquisitions/disposals of treasury shares			2			2		2
Acquisitions/disposals without loss of control			2			2	(13)	(11)
Dividend paid							(1)	(1)
Other transactions with shareholders			6			6	1	7
Net profit/(loss)			69			69	30	99
Translation adjustment					53	53	2	55
Other recognised income and expense					7	7	(1)	6
Total recognised income and expense [b]			**69**		**60**	**129**	**31**	**160**
Other transactions (changes in scope of consolidation and other items)		1	23			24	(7)	17
POSITION AT 31 DECEMBER 2015	**1,853**	**2,302**	**4,142**		**(432)**	**7,865**	**1,428**	**9,293**
Movements during the first nine months of 2016								
Capital and reserves transactions, net	48	293	(293)			48		48
Acquisitions/disposals of treasury shares			(1)			(1)		(1)
Acquisitions/disposals without loss of control			(57)			(57)	(67)	(124)
Dividend paid			(552)			(552)	(103)	(655)
Other transactions with shareholders			7			7	1	8
Net profit/(loss)			345			345	10	355
Translation adjustment					3 [a]	3	(1) [a]	2
Other recognised income and expense					(71)	(71)	(4)	(75)
Total recognised income and expense [b]			**345**		**(68)**	**277**	**5**	**282**
Other transactions (changes in scope of consolidation and other items)			(587)		529 [d]	(58)	(20)	(78)
POSITION AT 30 SEPTEMBER 2016	**1,901**	**2,595**	**3,004**		**29**	**7,529**	**1,244** [c]	**8,773**

(a) Change in translation reserve:

Attributable to:	*Group*	*Non-controlling interests*	*Total*
Controlled entities	*(21)*	*(1)*	*(22)*
Joint ventures and associates	*24*		*24*
Total	***3***	***(1)***	***2***

(b) See statement of recognised income and expense.

(c) Includes TF1: 815

(d) Reclassification to consolidated reserves of items recognised directly in equity relating to Alstom's Energy business, following the divestment of that business.

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT *(€ million)*

	Note	Nine months 2016	Nine months 2015	Full year 2015
I - CASH FLOW FROM CONTINUING OPERATIONS				
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES				
Net profit/(loss) from continuing operations		355	381	480
Share of profits/losses reverting to joint ventures and associates, net of dividends received		(58)	(39)	(74)
Elimination of dividends (non-consolidated companies)		(15)	(14)	(17)
Charges to/(reversals of) depreciation, amortisation, impairment & non-current provisions		1,252	1,094	1,539
Gains and losses on asset disposals		(120)	(225)	(251)
Miscellaneous non-cash charges		(3)	(1)	(3)
Sub-total		**1,411**	**1,196**	**1,674**
(Income from net surplus cash)/cost of net debt		171	210	275
Income tax		138	82	118
Cash flow	**11**	**1,720**	**1,488**	**2,067**
Income taxes paid		(193)	(112)	(194)
Changes in working capital related to operating activities [a]		(1,392)	(1,341)	203
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		**135**	**35**	**2,076**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES				
Purchase price of property, plant and equipment and intangible assets	11	(1,259)	(965)	(2,028)
Proceeds from disposals of property, plant and equipment and intangible assets	11	184	84	138
Net liabilities related to property, plant and equipment and intangible assets		(238)	(116)	517
Purchase price of non-consolidated companies and other investments		(9)	(17)	(25)
Proceeds from disposals of non-consolidated companies and other investments		5	2	6
Net liabilities related to non-consolidated companies and other investments		2	6	6
Effects of changes in scope of consolidation				
Purchase price of investments in consolidated activities		(211)	(27)	(28)
Proceeds from disposals of investments in consolidated activities		1,087	165	703
Net liabilities related to consolidated activities		1	3	6
Other effects of changes in scope of consolidation (cash of acquired and divested companies)		75	(33)	(30)
Other cash flows related to investing activities (changes in loans, dividends received from non-consolidated companies)		31	32	39
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		**(332)**	**(866)**	**(696)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES				
Capital increases/(reductions) paid by shareholders & non-controlling interests and other transactions between shareholders		26	17	173
Dividends paid				
Dividends paid to shareholders of the parent company		(552)	(538)	(538)
Dividends paid by consolidated companies to non-controlling interests		(103)	(198)	(199)
Change in current and non-current debt		(479)	(291)	(994)
Income from net surplus cash/(cost of net debt)		(171)	(210)	(275)
Other cash flows related to financing activities		(1)	(9)	(10)
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES		**(1,280)**	**(1,229)**	**(1,843)**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS		**(76)**	**117**	**143**
CHANGE IN NET CASH POSITION (A + B + C + D)		**(1,553)**	**(1,943)**	**(320)**
Net cash position at start of period	**7**	**3,589**	**3,910**	**3,910**
Net cash flows	7	(1,553)	(1,943)	(320)
Other non-monetary flows		1	(1)	(1)
Net cash position at end of period	**7**	**2,037**	**1,966**	**3,589**
II - CASH FLOWS FROM DISCONTINUED AND HELD-FOR-SALE OPERATIONS				
Net cash position at start of period				
Net cash flows				
Net cash position at end of period				

(a) Definition of change in working capital related to operating activities: Current assets minus current liabilities (excluding income taxes paid, which are reported separately).

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

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(Figures in millions of euros unless otherwise indicated)

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Declaration of compliance:

The interim condensed consolidated financial statements of Bouygues and its subsidiaries (the "Group") for the nine months ended 30 September 2016 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 2015.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 September 2016. Those standards 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 2016 any standard or interpretation not endorsed by the European Union.

The financial statements are presented in millions of euros (unless otherwise indicated) and 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.

The comparatives presented are from the consolidated financial statements for the year ended 31 December 2015, and from the interim condensed consolidated financial statements for the nine months ended 30 September 2015.

NOTE 1 SIGNIFICANT EVENTS

1.1 Significant events of the first nine months of 2016

The principal corporate actions and acquisitions of the first nine months of 2016 are presented below:

- On 5 January 2016, Bouygues announced that it had started preliminary discussions with Orange to explore all possible options, and that Bouygues and Orange had signed a confidentiality agreement. After three months of discussions, it was not possible to reach an agreement. As a result, at its meeting of 1 April 2016, Bouygues' Board of Directors decided unanimously to bring the negotiations to an end.

- On 26 January 2016, TF1 acquired a 70% equity interest in FLCP, renamed Newen Studios, the holding company of the Newen production company. The parties signed a shareholders' agreement setting out rules governing the operational management of Newen, and providing for call and put options relating to the residual equity interest. The vendors have a put option, and TF1 has a call option, over the residual equity interest, exercisable during a five-year period starting in 2018. Newen Studios is consolidated with effect from 1 January 2016. The commitment entered into by TF1 to buy out the 30% non-controlling interest was measured at fair value on the basis of discounted cash flow projections and the resulting amount has been recognised as a non-current financial liability, with the corresponding entry recorded as a deduction from consolidated shareholders' equity. The impact of this acquisition on the net debt of the Bouygues group is €293 million. On 24 February 2016, Newen Studios acquired 100% of the equity capital of Rendez Vous Production Serie (RDVPS), which is also consolidated with effect from 1 January 2016. Both acquisitions were accounted for using the partial goodwill method. The purchase price allocation resulted in the recognition of provisional goodwill of €113 million, after remeasuring acquired production and distribution rights at a provisional fair value of €68 million to be amortised over an average period of three years (depending on the nature of the programme) through "Other operating expenses" starting on 1 January 2016.

- On 28 January 2016, Alstom repurchased 91.5 million of its own shares, including 28,457,641 from Bouygues. The disposal of the shares held by Bouygues generated cash proceeds of €996 million. Following this transaction, Bouygues holds an equity interest of 28.33% in Alstom.

- On 2 February 2016, Colas announced the sale of its 15.56% equity interest in Atlandes (the company that holds the concession for the A63 motorway in France) to various investment funds for €96 million. Colas hopes to be able to complete the sale in early 2017, once all the conditions precedent have been met.

- On 8 February 2016, the French state announced that the memorandum of understanding with Bouygues relating to Alstom had come into effect, along with a stock lending transaction by Bouygues, valid for a period of approximately 20 months, that will enable the French state to exercise 20% of Alstom's voting rights. Bouygues:

  - retains a seat on Alstom's Board of Directors;
  - is entitled to the dividends on its entire shareholding in Alstom;
  - will recover the voting rights attached to the loaned shares in the event they are not purchased by the French state; and
  - will retain at least 8.33% of the voting rights.

In accordance with paragraphs 6 and 13 of IAS 28, Bouygues retains significant influence over Alstom, and the entire 28.33% equity interest in Alstom continues to be accounted for by the equity method as an investment in an associate.

- On 11 July 2016, Bouygues Telecom entered into a definitive agreement for the sale of towers to Cellnex. The agreement initially covers 230 towers for a total amount of €80 million, although the number of towers could rise to 500. A gain of €56 million on the sale of the first 230 towers was recognised as of 30 September 2016, in "Other operating income" (see Note 9 to the condensed consolidated financial statements).
  The sale was accompanied by a 20-year hosting and service framework agreement between the parties. The remaining 270 towers were not accounted for as held-for-sale assets in the balance sheet as of 30 September 2016 because they were not ready for sale in their present condition as of that date.

1.2 Significant events of the first nine months of 2015

The principal acquisitions and corporate actions of the first nine months of 2015 are presented below:

- On 31 March 2015, Eurosport SAS, 49% owned by TF1, acquired 100% of the capital of Eurosport France, which was previously 80% owned by TF1. As a result of this transaction, which generated a non-taxable capital gain of €34 million, the Eurosport group (including Eurosport France) came to be owned 51% by Discovery Communications and 49% by TF1.

- On 22 July 2015, pursuant to the initial agreements, the TF1 and Discovery Communications groups mutually agreed that TF1 would (i) exercise its put option over its 49% interest in Eurosport for €490 million and (ii) buy back Discovery's 20% interest in the pay-TV channels (TV Breizh, Histoire and Ushuaïa) for €15 million.

  These transactions were completed on 1 October 2015. As of 30 September 2015, the interest in Eurosport held by TF1 was classified as a held-for-sale asset with a carrying amount of €490 million. This new agreement extinguished the reciprocal commitments between the two groups.

- Bouygues Construction sold its equity interest in Autoroute de Liaison Seine Sarthe. This disposal took place in two stages: (i) 23.17% of the capital and shareholder loans on 30 September 2015 for €76 million, resulting in the loss of significant influence; and (ii) 10% of the capital and shareholder loans in June 2016 for €35 million. The residual 10% interest was shown as a held-for-sale asset at that amount in the balance sheet as of 30 September 2015 and 31 December 2015.

- On 31 July 2015, Bouygues sold its 18.63% equity interest in Eranove for €47 million.

1.3 Significant events and changes in scope of consolidation subsequent to 30 September 2016

- On 9 November 2016, Bouygues sold a 46.1% equity interest in Adelac, the company that holds the concession for the A41 North motorway between Annecy and Geneva. This equity interest, which was owned by subsidiaries of Bouygues Construction (39.2%) and by Colas (6.9%) was sold for €130 million, an amount that is close to the gain on the transaction that will be recognised in the fourth quarter of 2016.

NOTE 2 GROUP ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

The interim condensed consolidated financial statements of the Bouygues group include the financial statements of Bouygues SA and its subsidiaries, its investments in joint ventures and associates, and its joint operations. The financial statements are presented in millions of euros, the currency in which the majority of the Group's transactions are denominated, and take account of the recommendations on the presentation of financial statements (Recommendation 2013-03) issued on 7 November 2013 by the Autorité des Normes Comptables (ANC), the French national accounting standard-setter.

They were adopted by the Board of Directors on 15 November 2016.

The interim condensed consolidated financial statements for the nine months ended 30 September 2016 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 2015 and the nine months ended 30 September 2015.

Accounting policies specific to the interim condensed 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 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 same actuarial assumptions and projections as those applied as of 31 December 2015 except for the discount rate, which has reduced from 2.09% as of 31 December 2015 to 1.10% as of 30 September 2016, resulting in an increase of €55 million in the provision. A further reduction of 70 basis points in the discount rate would increase the provision for retirement benefit obligations by €49 million. That impact would be recognised in the consolidated statement of recognised income and expense.

2.2 New accounting standards and interpretations

The Bouygues group applied the same standards, interpretations and accounting policies for the nine months ended 30 September 2016 as applied in its financial statements for the year ended 31 December 2015, except for changes required to meet new IFRS requirements applicable from 1 January 2016 as described below.

- Other key standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union.

  - **IFRS 15: Revenue from Contracts with Customers**

    On 28 May 2014, the IASB issued a new standard on revenue recognition intended to replace most of the current IFRS pronouncements on this subject, in particular IAS 11 and IAS 18. IFRS 15, which has not yet been endorsed by the European Union, is applicable from 1 January 2018.

  - **IFRS 9:**

    On 24 July 2014, the IASB issued a new standard on financial instruments intended to replace most of the current IFRS pronouncements on this subject, in particular IAS 39. The new standard, which has not yet been endorsed by the European Union, is applicable from 1 January 2018.

- **IFRS 16:**

  On 16 January 2016, the IASB issued IFRS 16, “Leases”. IFRS 16 will replace IAS 17, along with the associated IFRIC and SIC interpretations, and will end the distinction currently made between operating leases and finance leases. Lessees will be required to account for all leases with a term of more than one year in a manner similar to that currently specified for finance leases under IAS 17, involving the recognition of an asset for the rights, and a liability for the obligations, arising under the lease. IFRS 16, which has not yet been endorsed by the European Union, is applicable from 1 January 2019.

NOTE 3 NON-CURRENT ASSETS

For an analysis of the carrying amount of property, plant and equipment and intangible assets by business segment see Note 11, “Segment information”.

3.1 Goodwill

3.1.1 Movement in the carrying amount of goodwill in the period

(€ million)	Gross	Impairment	Carrying amount
31/12/2015	**5,339**	**(78)**	**5,261**
Changes in scope of consolidation	120 [a]		120
Other movements (including translation adjustments)	(24)	1	(23)
Impairment losses			
30/09/2016	**5,435**	**(77)**	**5,358**

(a) Essentially an increase of €113m following the acquisition of 70% of Newen Studios and RDVPS by TF1.

3.1.2 Split of goodwill by Cash Generating Unit (CGU)

CGU	**30/09/2016**		**31/12/2015**	
(€ million)	**Total**	**% Bouygues**	**Total**	**% Bouygues**
Bouygues Construction (subsidiaries) [a]	472	99.97%	488	99.97%
Colas [b]	1,115	96.60%	1,125	96.60%
TF1 [b]	1,123	43.91%	1,000	43.98%
Bouygues Telecom [b]	2,648	90.53%	2,648	90.53%
Other				
Total	**5,358**		**5,261**	

(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.

Given the absence of any evidence of impairment, the goodwill recognised for Bouygues Telecom and Colas as of 30 September 2016 has not been subject to further impairment testing.

As regards TF1, the recoverable amount used for goodwill impairment testing purposes as of 31 December 2015, determined on the basis of discounted cash flows, exceeded the carrying amount. The share price has fallen since 31 March 2016. The actual operating performance to end September 2016 does not invalidate the assumptions retained in the end-2015 business plan. The recoverable amount will be reassessed at the end of the year on the basis of the forthcoming business plan prepared by management.

3.2 Joint ventures and associates

(€ million)	Carrying amount
31/12/2015	**3,401**[a]
Share of net profit/(loss) for the period	91
Translation adjustments	24
Other income and expense recognised directly in equity	(30)
Net profit/(loss) and other recognised income and expense	**85**
Changes in scope of consolidation	(1)
Other movements	(1,105)[c]
30/09/2016	**2,380**[b]

(a) Includes Alstom: €2,977m, net of impairment of €1,091m.
(b) Includes Alstom: €1,939m.
(c) Essentially a €996m reduction related to the impact of the Alstom public share buyback offer.

A segmental analysis of the share of net profit for the first nine months of 2016 is provided in Note 11, "Segment information".

Given the time-lag between the annual accounting period-ends of Alstom (31 March) and of Bouygues (31 December), Alstom's contribution to the net profit of Bouygues for the nine months ended 30 September 2016 was calculated on the basis of the half-year results for the 2016/2017 financial year published by Alstom on 9 November 2016.

The Alstom contribution for the first nine months of 2016 was €36 million, after taking account of:

- the results published by Alstom for the second half of its 2015/2016 financial year and the first half of its 2016/2017 financial year;
- the derecognition (based on relative values) of the fair value adjustments and goodwill allocated to Alstom's Energy activities, which have been sold;
- the effects of the public share buyback offer carried out by Alstom in January 2016; and
- the reversal of the residual balance of the impairment loss recognised as of 31 December 2015.

The carrying amount of the interest in Alstom as of 30 September 2016 was €1,939 million, including €865 million of goodwill and €120 million of non-depreciable fair value adjustments relating mainly to the Alstom brand name. This is €1,038 million less than the carrying amount as of 31 December 2015, reflecting (i) the €996 million payment made to Bouygues in connection with the public share buyback offer and (ii) a net change of €42 million in equity at Group level.

The impairment loss recognised against Alstom as of 31 December 2015 was reduced to zero as of 31 March 2016, essentially as a result of the derecognition of goodwill following the sale of Alstom's Energy activities and the calculation of the effects of the public share buyback offer. The residual balance was released to profit or loss. After taking account of the figures released by Alstom for the first half of its 2016/17 financial year, the carrying amount per share in the balance sheet as of 30 September 2016 was €31.24, below the range of recoverable amounts estimated by Bouygues.

Alstom's profit contribution to the Bouygues group in the first nine months of 2015 was zero, following the partial reversal of the impairment loss recognised by Bouygues in 2013.

NOTE 4 CONSOLIDATED SHAREHOLDERS' EQUITY

Share capital of Bouygues SA

As of 30 September 2016, the share capital of Bouygues SA consisted of 347,100,965 shares with a par value of €1.

		Movements		
	31/12/2015	**Reductions**	**Increases**	**30/09/2016**
Shares	345,135,316		1,965,649 [a]	347,100,965
NUMBER OF SHARES	**345,135,316**		**1,965,649**	**347,100,965**
Par value	€1			€1
SHARE CAPITAL (€)	**345,135,316**		**1,965,649**	**347,100,965**

(a) The increase of 1,965,649 shares was due to new shares being issued on exercise of stock options, resulting in an increase of €48m in shareholders' equity.

NOTE 5 NON-CURRENT AND CURRENT PROVISIONS

5.1 Non-current provisions

(€ million)	**Long-term employee benefits** [a]	**Litigation and claims** [b]	**Guarantees given** [c]	**Other non-current provisions** [d]	**Total**
31/12/2015	**692**	**363**	**392**	**713**	**2,160**
Translation adjustments	(7)	(1)	(3)	1	(10)
Changes in scope of consolidation	1			(1)	
Charges to provisions	34	30	44	51	159
Reversals of provisions (utilised or unutilised)	(24)	(56)	(39)	(61)	(180) [e]
Actuarial gains and losses	55				55
Transfers and other movements		(2)	2	(17)	(17)
30/09/2016	**751**	**334**	**396**	**686**	**2,167**

(a) Long-term employee benefits	***751***	***Principal segments involved:***	
Lump-sum retirement benefits	*540*	*Bouygues Construction*	*215*
Long-service awards	*154*	*Colas*	*394*
Other long-term employee benefits	*57*	*TF1*	*42*
		Bouygues Telecom	*61*
(b) Litigation and claims	***334***	*Bouygues Construction*	*152*
Provisions for customer disputes	*120*	*Bouygues Immobilier*	*32*
Subcontractor claims	*70*	*Colas*	*87*
Employee-related and other litigation and claims	*144*	*Bouygues Telecom*	*56*
(c) Guarantees given	***396***	*Bouygues Construction*	*303*
Provisions for 10-year construction guarantees	*302*	*Bouygues Immobilier*	*22*
Provisions for additional building/civil engineering/civil works guarantees	*94*	*Colas*	*71*
(d) Other non-current provisions	***686***	*Bouygues Construction*	*156*
Provisions for risks related to official inspections	*231*	*Colas*	*305*
Provisions for miscellaneous foreign risks	*13*	*Bouygues Telecom*	*147*
Provisions for subsidiaries and affiliates	*23*		
Dismantling and site rehabilitation	*269*		
Other non-current provisions	*150*		
(e) Of which: reversals of unutilised provisions in the first nine months of 2016	***(79)***		

5.2 Current provisions

Provisions related to the operating cycle *(€ million)*	**Provisions for customer warranties**	**Provisions for project risks and project completion**	**Provisions for expected losses to completion**	**Other current provisions**	**Total**
31/12/2015	**54**	**411**	**334**	**293**	**1,092**
Translation adjustments	(1)	(3)		(1)	(5)
Changes in scope of consolidation				2	2
Charges to provisions	7	70	100	66	243
Reversals of provisions (utilised or unutilised)	(10)	(134)	(139)	(76)	(359) [a]
Transfers and other movements		2		(3)	(1)
30/09/2016	**50**	**346**	**295**	**281**	**972**
(a) Of which: reversals of unutilised provisions in the first nine months of 2016		***(118)***			

NOTE 6 NON-CURRENT AND CURRENT DEBT

6.1 Breakdown of debt

(€ million)	Current debt		Non-current debt	
	Total 30/09/2016	Total 31/12/2015	Total 30/09/2016	Total 31/12/2015
Bond issues [a]	133	729	4,552	4,548
Bank borrowings	110	76	699	691
Finance lease obligations	8	7	8	12
Other borrowings [a & b]	164	19	183	54
TOTAL DEBT	**415**	**831**	**5,442**	**5,305**

(a) Current debt: mainly relates to Bouygues SA, and includes redemption of a €600m bond issue maturing May 2016 and subscription to commercial paper of €145m.
(b) Non-current debt: the increase in "Other borrowings" is mainly due to the recognition of TF1's commitment to buy out the 30% non-controlling interest in Newen Studios.

6.2 Covenants and trigger events

The bond issues maturing 2018, 2019, 2022, 2023 and 2026 contain a change of control clause relating to Bouygues SA.

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

NOTE 7 CHANGE IN NET DEBT

(€ million)	31/12/2015	Cash flows	Changes in scope of consolidation	Translation adjustments	Other items	30/09/2016
Cash and cash equivalents	3,785	(1,478)	71	(41)	4	2,341
Overdrafts and short-term bank borrowings	(196)	(74)	4	(35)	(3)	(304)
NET CASH POSITION	**3,589**	**(1,552)** [a]	**75** [a]	**(76)** [a]	**1** [a]	**2,037**
Non-current debt	5,305	7	(16)	(9)	155	5,442
Current debt	831	(486)	28	(1)	43	415
Financial instruments, net	14				56	70
TOTAL DEBT	**6,150**	**(479)** [b]	**12**	**(10)**	**254**	**5,927**
NET DEBT	**(2,561)**	**(1,073)**	**63**	**(66)**	**(253)**	**(3,890)**

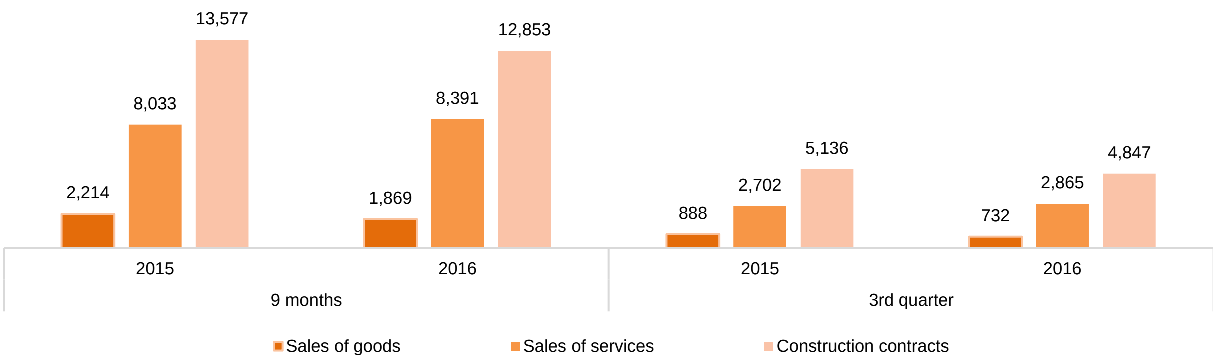
(a) Net cash flows as reported in the cash flow statement for the period.
(b) Net cash outflow reported in the cash flow statement for the period at an amount of €479m before the effect of exchange rate fluctuations and other movements.

NOTE 8 ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

8.1 Analysis by accounting classification

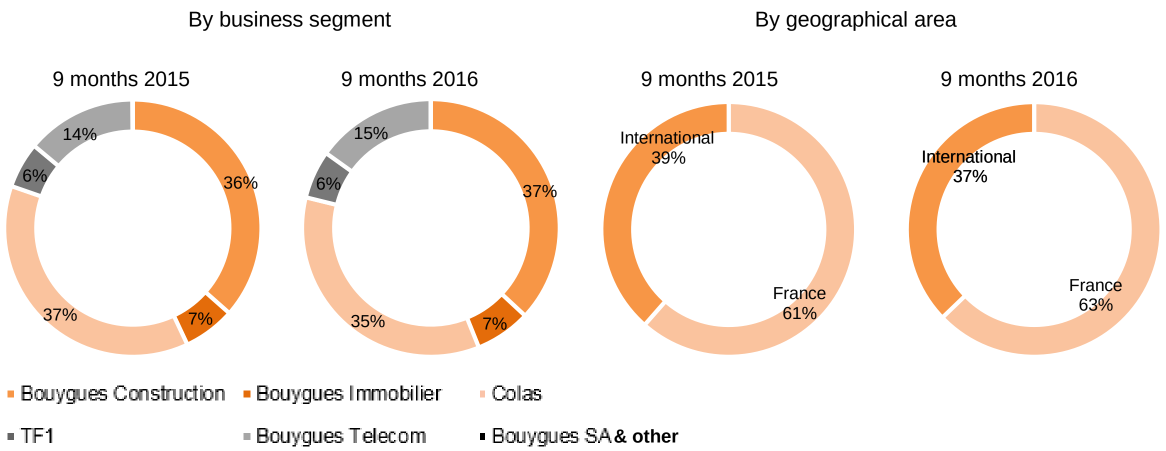
(€ million)	9 months		3rd quarter	
	2016	2015	2016	2015
Sales of goods	1,869	2,214	732	888
Sales of services	8,391	8,033	2,865	2,702
Construction contracts	12,853	13,577	4,847	5,136
CONSOLIDATED SALES	**23,113**	**23,824**	**8,444**	**8,726**
OTHER REVENUES FROM OPERATIONS	**90**	**62**	**25**	**12**
TOTAL REVENUES	**23,203**	**23,886**	**8,469**	**8,738**

Consolidated sales (€ million)



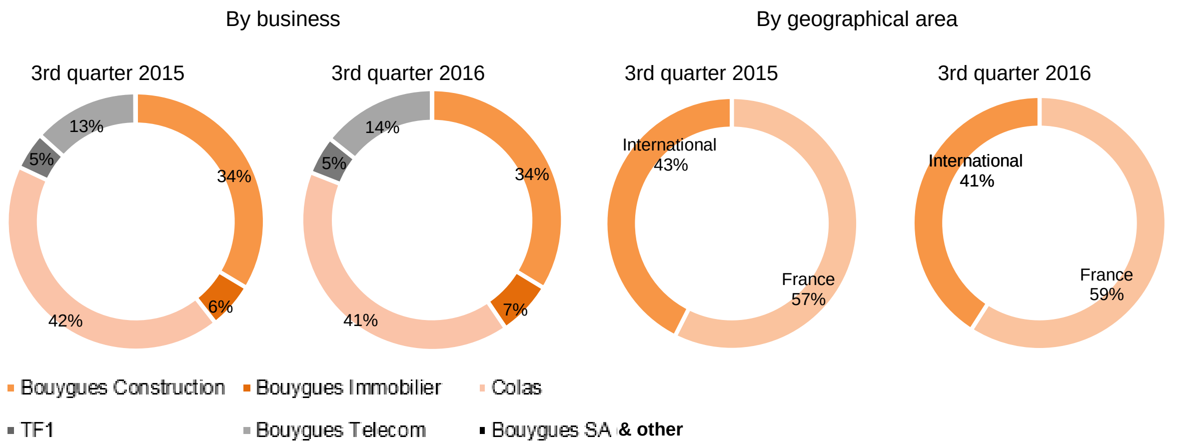
(€ million)	9 months 2016			9 months 2015		
	France	International	Total	France	International	Total
Bouygues Construction	3,919	4,620	8,539	4,096	4,600	8,696
Bouygues Immobilier	1,542	71	1,613	1,491	66	1,557
Colas	4,209	3,858	8,067	4,426	4,455	8,881
TF1	1,360	38	1,398	1,327	45	1,372
Bouygues Telecom	3,486		3,486	3,305		3,305
Bouygues SA & other	4	6	10	5	8	13
CONSOLIDATED SALES	**14,520**	**8,593**	**23,113**	**14,650**	**9,174**	**23,824**

Split of total sales



(€ million)	3rd quarter 2016			3rd quarter 2015		
	France	International	Total	France	International	Total
Bouygues Construction	1,257	1,589	2,846	1,323	1,609	2,932
Bouygues Immobilier	539	34	573	485	21	506
Colas	1,598	1,819	3,417	1,648	2,065	3,713
TF1	387	13	400	395	16	411
Bouygues Telecom	1,206		1,206	1,159		1,159
Bouygues SA & other	1	1	2	3	2	5
CONSOLIDATED SALES	**4,988**	**3,456**	**8,444**	**5,013**	**3,713**	**8,726**

Split of total sales



8.2 Analysis by business segment

(€ million)	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total 9 months 2016**	**Total 3rd quarter 2016**
Total sales	8,698	1,626	8,115	1,427	3,503	101	23,470	8,556
Inter-segment sales	(159)	(13)	(48)	(29)	(17)	(91)	(357)	(112)
THIRD-PARTY SALES	**8,539**	**1,613**	**8,067**	**1,398**	**3,486**	**10**	**23,113**	**8,444**

(€ million)	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total 9 months 2015**	**Total 3rd quarter 2015**
Total sales	8,826	1,569	8,933	1,400	3,319	105	24,152	8,828
Inter-segment sales	(130)	(12)	(52)	(28)	(14)	(92)	(328)	(102)
THIRD-PARTY SALES	**8,696**	**1,557**	**8,881**	**1,372**	**3,305**	**13**	**23,824**	**8,726**

NOTE 9 OPERATING PROFIT/(LOSS)

(€ million)	9 months		3rd quarter	
	2016	**2015**	**2016**	**2015**
CURRENT OPERATING PROFIT/(LOSS)	**714**	**597**	**508**	**478**
Other operating income	64 [a]	28 [b]	58	5
Other operating expenses	(208) [a]	(134) [b]	(53)	(37)
OPERATING PROFIT/(LOSS)	**570**	**491**	**513**	**446**

(a) Comprises:
TF1: Expense of €69m comprising:

- *one-off additional expense of €21m related to a change in the accounting treatment of French drama;*
- *amortisation of €19m charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation;*
- *other costs of €29m incurred on the reorganisation of the TF1 group and the freeview switchover of LCI.*

Colas: Costs of €39m incurred on discontinuation of operations at Société de la Raffinerie de Dunkerque.
Bouygues Construction: Adaptation costs of €15m arising from the ongoing implementation of the new organisational structure that began in 2015.
Bouygues Telecom: Net expense of €7m, mainly comprising €65m of accelerated depreciation arising from the rollout of network sharing, partly offset by the €56m gain on the sale of 230 towers to Cellnex.
Bouygues Immobilier: Expense of €2m for adaptation costs relating to the organisational structure.
Bouygues SA: Expense of €12m relating to costs incurred on the proposed transaction with Orange.

(b) Mainly comprises:
Bouygues Telecom: Other operating income of €28m (reversals of miscellaneous provisions) and other operating expenses of €104m (mainly €71m on the rollout of network sharing with SFR).
TF1: Mainly an expense of €15m for adaptation costs in news operations associated with the discontinuation of the print edition of Metro France.
Bouygues Construction: Adaptation costs of €12m arising from implementation of the new organisational structure in 2015.
Bouygues Immobilier: Expense of €3m for adaptation costs relating to the organisational structure.

NOTE 10 INCOME TAXES

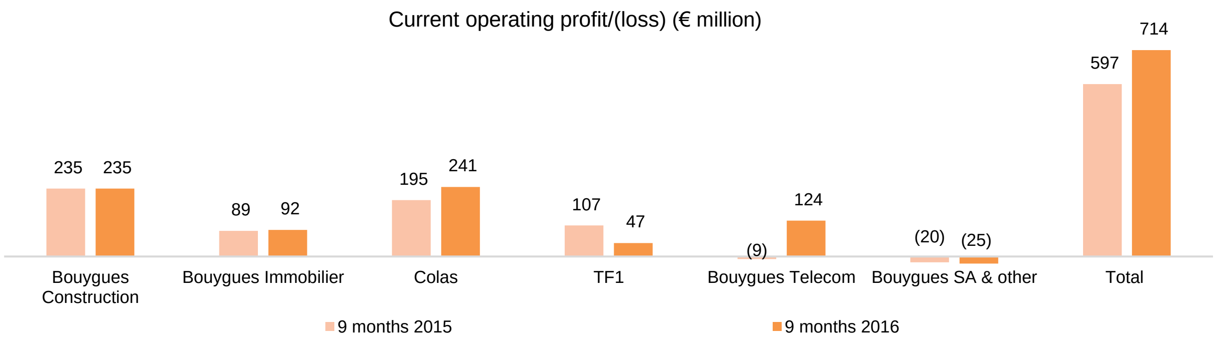
(€ million)	9 months		3rd quarter	
	2016	**2015**	**2016**	**2015**
Tax payable to the tax authorities	(142)	(155)	(84)	(72)
Deferred taxes, net	4	73	(55)	(46)
INCOME TAX GAIN/(EXPENSE)	**(138)**	**(82)**	**(139)**	**(118)**

The effective tax rate for the first nine months of 2016 was 34%, compared with 27% for the first nine months of 2015. In 2015, the non-taxable gain on the sale of Eurosport France had a favourable impact on the effective tax rate, which would have been 30% without that impact.

NOTE 11 SEGMENT INFORMATION

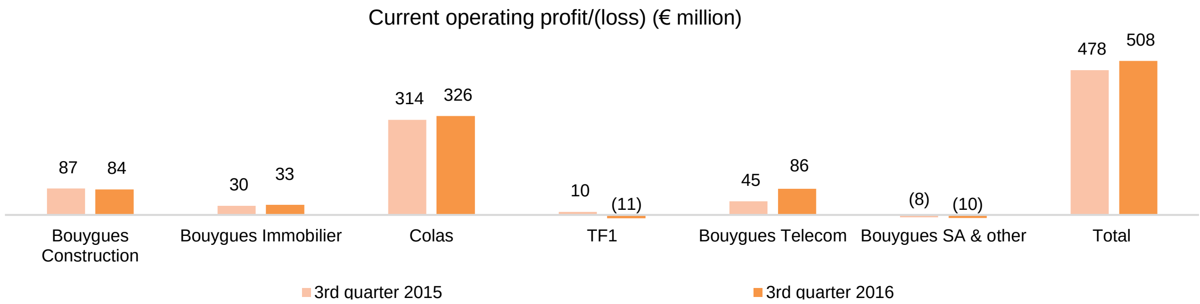
The table below shows the contribution made by each business segment to key items in the income statement, balance sheet and cash flow statement:

(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Income statement - first 9 months of 2016							
Current operating profit/(loss)	235	92	241	47	124	(25)	714
Operating profit/(loss)	220	90	202	(22)	117	(37)	570
Share of profits/(losses) of joint ventures and associates	10		40	4		37	91
Net profit/(loss) attributable to the Group	165	53	161	(6)	57	(85)	345 [a]
Income statement - first 9 months of 2015							
Current operating profit/(loss)	235	89	195	107	(9)	(20)	597
Operating profit/(loss)	223	86	195	92	(85)	(20)	491
Share of profits/(losses) of joint ventures and associates	64		67	1	1	26	159
Net profit/(loss) attributable to the Group	243	46	182	28	(50)	(115)	334 [b]



(a) Net profit attributable to the Group for the first nine months of 2016 excluding exceptional items amounted to €412m, equivalent to net profit attributable to the Group after stripping out non-current expenses of €67m net of taxes.
(b) Net profit attributable to the Group for the first nine months of 2015 excluding exceptional items amounted to €320m, equivalent to net profit attributable to the Group after stripping out (i) non-current expenses of €56m net of taxes and (ii) profits of €70m from joint ventures and associates of Bouygues Construction.

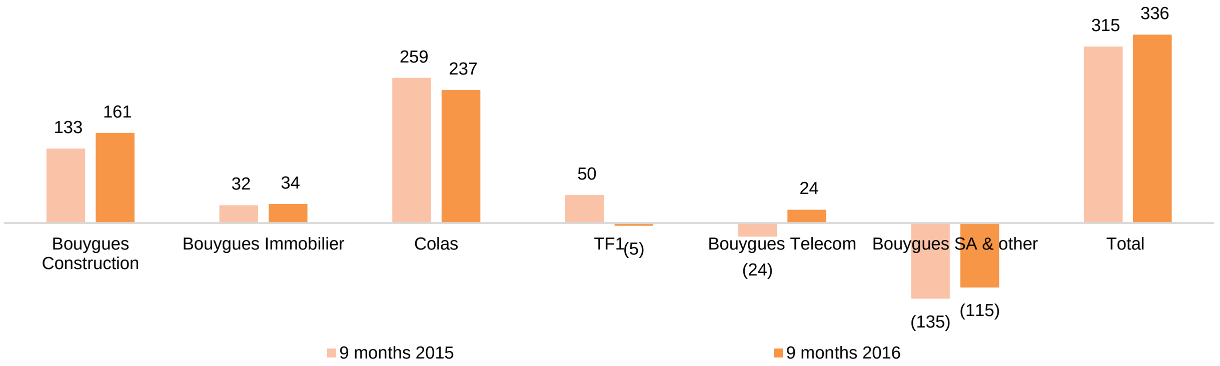
(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Income statement - 3rd quarter of 2016							
Current operating profit/(loss)	**84**	**33**	**326**	**(11)**	**86**	**(10)**	**508**
Operating profit/(loss)	**77**	**33**	**317**	**(25)**	**122**	**(11)**	**513**
Share of profits/(losses) of joint ventures and associates	**9**		**9**	**4**		**37**	**59**
Net profit/(loss) attributable to the Group	**65**	**19**	**230**	**(6)**	**69**	**(4)**	**373**
Income statement - 3rd quarter of 2015							
Current operating profit/(loss)	**87**	**30**	**314**	**10**	**45**	**(8)**	**478**
Operating profit/(loss)	**82**	**27**	**314**	**7**	**24**	**(8)**	**446**
Share of profits/(losses) of joint ventures and associates	**69**		**37**			**24**	**130**
Net profit/(loss) attributable to the Group	**133**	**12**	**248**	**1**	**16**	**(34)**	**376**



(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Balance sheet - 30 September 2016							
Property, plant and equipment	**687**	**26**	**2,263**	**176**	**3,176**	**135**	**6,463**
Intangible assets	**38**	**38**	**64**	**246**	**1,763**	**47**	**2,196**
Net debt	**2,758**	**(274)**	**(17)**	**148**	**(1,123)**	**(5,382)**	**(3,890)**
Balance sheet - 31 December 2015							
Property, plant and equipment	**717**	**22**	**2,396**	**170**	**3,081**	**137**	**6,523**
Intangible assets	**40**	**30**	**70**	**124**	**1,820**	**47**	**2,131**
Net debt	**3,272**	**5**	**560**	**701**	**(890)**	**(6,209)**	**(2,561)**

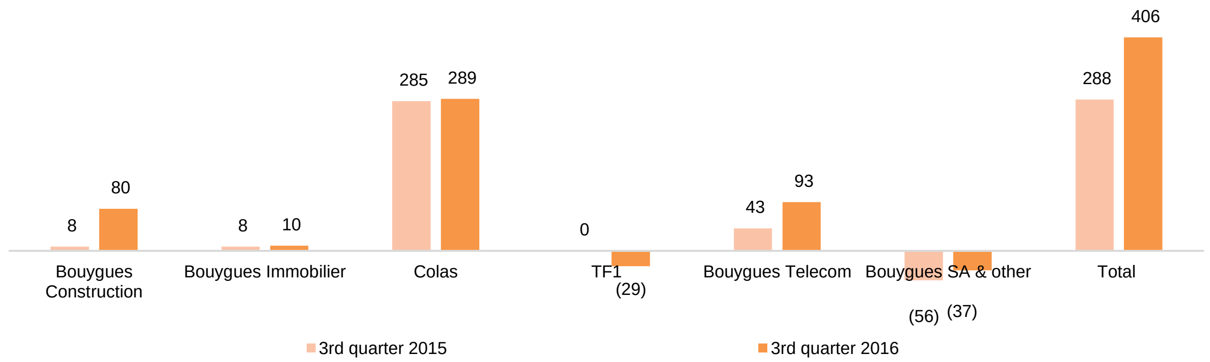
(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators – first 9 months of 2016							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	127	17	176	147	605	3	1,075
EBITDA	335	68	488	193	697	(30)	1,751
Cash flow	366	81	489	135	678	(29)	1,720
Free cash flow	161	34	237	(5)	24	(115)	336
Other financial indicators – first 9 months of 2015							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	130	10	141	29	571		881
EBITDA	324	67	481	117	565	(19)	1,535
Cash flow	328	75	471	104	513	(3)	1,488
Free cash flow	133	32	259	50	(24)	(135)	315

Free cash flow (€ million)



(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators - 3rd quarter of 2016							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	38	7	48	51	141	1	286
EBITDA	150	36	449	31	289	(6)	949
Cash flow	141	28	428	14	277	(4)	884
Free cash flow	80	10	289	(29)	93	(37)	406
Other financial indicators - 3rd quarter of 2015							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	64	4	57	14	191	(2)	328
EBITDA	96	29	432	15	242	(7)	807
Cash flow	92	25	433	17	240	(9)	798
Free cash flow	8	8	285		43	(56)	288

Free cash flow (€ million)



NOTE 12 OFF BALANCE SHEET COMMITMENTS

There have been no material changes in off balance sheet commitments since 31 December 2015 other than the following items:

● **Bouygues Immobilier**

Increase in commitments of €47 million over a 10-year period relating to commercial leases for "Nextdoor" work space solutions.

● **TF1**

Commitment to buy out the non-controlling interests in Newen Studios (see Note 1.1, "Significant events of the first nine months of 2016").

● **Bouygues Telecom**

Increase in commitments of €96 million over a 20-year period relating to tower rentals and services (see Note 1.1, "Significant events of the first nine months of 2016").

● **Alstom**

As mentioned in Note 1.1, "Significant events of the first nine months of 2016", the French state announced on 8 February 2016 that the memorandum of understanding entered into with Bouygues on 22 June 2014 relating to Alstom had come into effect.

The principal terms that came into effect, as set forth in Notice 214C1292 published by the AMF on 3 July 2014, are as follows:

- On 4 February 2016, Bouygues entered into a simple loan agreement with the French state under which Bouygues loaned to the French state on that date 43,825,360 Alstom shares, enabling the French state to hold 20% of the share capital and voting rights of Alstom at that date. Under the same agreement, the loan attracts variable remuneration equal to the dividends paid in respect of the loaned shares, after neutralising the tax effects. The loan expires when the call options described below are exercised, or on 17 October 2017 if they are not exercised.

- Bouygues granted the French state a call option exercisable at any time up to and including 5 October 2017 for a number of shares representing 20% of the share capital of Alstom as of 28 January 2016 (i.e. 43,825,360 shares) at an exercise price equal to 95% of the Volume Weighted Average Price (VWAP) of Alstom shares during the 60 trading days preceding the date of exercise, subject to a minimum price of €35 per share (adjusted to take account of any dividend and any transaction affecting Alstom's share capital).

- Bouygues also granted the French state a second call option, exercisable in the event that the call option described above is not exercised. This second option is exercisable between 6 October 2017 and 17 October 2017 and is for a number of shares representing 15% of the share capital of Alstom as of 28 January 2016 (i.e. 32,869,020 shares) at an exercise price equal to 98% of the Volume Weighted Average Price (VWAP) of Alstom shares during the 60 trading days preceding 5 October 2017.

- Bouygues is free to sell some or all of the callable shares to a third party at any time, provided that (i) it has previously sold all of the other Alstom shares in its possession and (ii) the French state is offered first refusal on the callable shares (and on those shares alone).

- Under the corporate governance terms of the memorandum of understanding of 22 July 2014, Bouygues (represented by Philippe Marien) and Olivier Bouygues sit on the Alstom Board of Directors.

As of 30 September 2016, the shares in Alstom held by Bouygues that are callable by the French state are not classified as available for sale because it is not highly probable that the option will be exercised.

If the French state were to exercise its call option at any time up to and including 5 October 2017, Bouygues would receive a cash inflow for the proceeds from the disposal of 43,825,360 Alstom shares, and a gain or loss on disposal per share equivalent to the difference between the exercise price (minimum €35) and the carrying amount per share in the consolidated financial statements.

If the French state were to exercise its call option between 6 October 2017 and 17 October 2017, Bouygues would receive a cash inflow for the proceeds from the disposal of 32,869,020 Alstom shares, and a gain or loss on disposal per share equivalent to the difference between the discounted share price (which was €26.17 on 14 November 2016) and the carrying amount per share in the consolidated financial statements.

For information, the carrying amount per share as of 30 September 2016 was €31.24.

MAZARS

ERNST & YOUNG Audit

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This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Bouygues

Period from January 1 to September 30, 2016

Statutory auditors' review report on the condensed interim consolidated financial statements

MAZARS
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92075 Paris La Défense Cedex
S.A. au capital de €8.320.000

Commissaire aux Comptes
Membre de la compagnie
Régionale de Versailles

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S.A.S à capital variable

Commissaire aux Comptes
Membre de la compagnie
Régionale de Versailles

Bouygues

Period from January 1 to September 30, 2016

Statutory auditors' review report on the condensed interim consolidated financial statements

To the Chief Executive Officer,

In our capacity as statutory auditors of Bouygues and in accordance with your request, we have performed a review of the accompanying condensed interim consolidated financial statements of Bouygues for the period from January 1 to September 30, 2016.

The preparation of these condensed interim consolidated financial statements is the responsibility of your board of directors. Our role is to express a conclusion on these condensed interim consolidated financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRS's as adopted by the European Union applicable to interim financial information.

Paris-La Défense, November 15, 2016

The statutory auditors
French original signed by

MAZARS

Guillaume Potel

ERNST & YOUNG Audit

Laurent Vitse