# FIRST-HALF 2018 FINANCIAL REPORT

# CONTENTS



The first-half review of operations and condensed consolidated first-half financial statements were approved by the Board of Directors at its meeting on 29 August 2018.

# 1. COMPOSITION OF THE BOARD OF DIRECTORS

## The Board at 30 June 2018

**Chairman and CEO**
**Martin Bouygues**

**Director and Deputy CEO[a]**
**Olivier Bouygues**

**Directors**
**Francis Castagné**
Director representing employees

**Clara Gaymard**
Co-founder of Raise

**Anne-Marie Idrac**
Company director

**Patrick Kron**
Chairman of Truffle Capital

**Helman le Pas de Sécheval**
General Counsel of the Veolia group

**Colette Lewiner**
Advisor to the Chairman of Capgemini

**Sandra Nombret**
Director representing employee shareholders

**Alexandre de Rothschild**
Executive Chairman of Rothschild & Co Gestion, Managing Partner of Rothschild & Co

**Charlotte Bouygues**
Standing representative of SCDM

**William Bouygues**
Standing representative of SCDM Participations

**Rose-Marie Van Lerberghe**
Vice-Chairwoman and member of the supervisory board of Klépierre

**Michèle Vilain**
Director representing employee shareholders

(a) For information: Martin Bouygues is assisted by two other Deputy CEOs, Olivier Roussat and Philippe Marien, but they are not directors

## Board committees

### Accounts Committee
Helman le Pas de Sécheval (Chairman)
Clara Gaymard
Anne-Marie Idrac
Michèle Vilain

### Selection and Remuneration Committee
Colette Lewiner (Chairwoman)
Francis Castagné
Helman le Pas de Sécheval

### Ethics, CSR and Patronage Committee
Anne-Marie Idrac (Chairwoman)
Raphaëlle Deflesselle
Sandra Nombret
Rose-Marie Van Lerberghe

# 2. FIRST-HALF REVIEW OF OPERATIONS

## 2.1. The Group

*The condensed consolidated interim financial statements at 30 June 2018 are presented in comparison with the financial statements at 30 June 2017, restated to take account of the adoption of IFRS 15 on 1 January 2018.*

| KEY FIGURES (€ million) | H1 2017 Restated | H1 2018 | Change |
|---|---|---|---|
| Sales | 15,108 | 15,743 | +4%[a] |
| Current operating profit | 347 | 303 | -€44m |
| Operating profit | 379[b] | 383[c] | +€4m |
| Net profit attributable to the Group | 220 | 260 | +€40m |
| Net profit attributable to the Group excl. exceptional items[d] | 197 | 209 | +€12m |
| | | | |
| Net debt (-)/Net surplus cash (+) at 30 June | (4,265) | (5,042) | -€777m |

(a) Up 5% like-for-like and at constant exchange rates
(b) Including non-current charges of €12m at TF1 and €4m at Colas and non-current income of €48m at Bouygues Telecom
(c) Including non-current charges of €11m at TF1 and non-current income of €91m at Bouygues Telecom
(d) See reconciliation on page 10

First-half 2018 highlights:

- Continued good commercial performance at Bouygues Telecom and sharp improvement in its financial results:
  - 901,000 new mobile customers in first-half 2018, of which 253,000 mobile plan customers excluding MtoM;
  - 126,000 new FTTH customers in first-half 2018 (91,000 total net adds in the fixed segment);
  - Increase of 7% in total sales and 5% in sales from services year-on-year;
  - EBITDA margin of 26.5% in first-half 2018, up 1.7 points on first-half 2017.

- Backlog in the construction businesses stood at a record level of €33.7 billion at end-June 2018, up 9% year-on-year and up 13% at constant exchange rates. A number of major contracts were signed during the second quarter:
    - Construction and operation of the Biology-Pharmacy-Chemistry cluster for Paris-Sud University at Saclay (€335 million);
    - Construction of Cardiff University's Innovation Campus in Wales, United Kingdom (€134 million);
    - Contracts to resurface Highways 401 and 404 in Canada (€76 million).

The Group reported current operating profit of €303 million in first-half 2018 versus €347 million in first-half 2017. This reflects a rise in profitability at Bouygues Telecom and current operating profit in the construction businesses, which was still impacted by poor weather conditions in the first quarter.

The Group's operating profit was €383 million in first-half 2018, versus €379 million in first-half 2017 (including non-current income of €80 million in first-half 2018 versus €32 million in first-half 2017). Net profit attributable to the Group was up €40 million year-on-year at €260 million. Restated for exceptional items, it was €209 million, up €12 million year-on-year.

## Outlook

The outlook for 2018 announced with the first-quarter results release is confirmed.

**Bouygues expects to continue to improve its profitability in 2018**.

- Benefiting from an upbeat environment in France and international markets, the **construction businesses** will continue to be selective and focus on profitability rather than volumes. The current operating profit
- [1] and current operating margin[1] of the construction businesses are expected to improve versus 2017.
- **TF1** confirmed its targets to improve profitability:
    - In 2018, a higher current operating margin, excluding major sporting events;
    - In 2019, a double-digit current operating margin, and activities other than advertising on the five unencrypted channels to contribute at least one-third of consolidated sales;
    - The annual average cost of programs expected to be reduced to €960 million[2] over the 2018-2020 period for the five unencrypted channels.
- **Bouygues Telecom** is experiencing profitable growth momentum with a free cash flow target of €300 million for 2019. Sales from services are expected to grow by more than 3% in 2018 versus 2017, with an EBITDA/sales from services margin higher than in 2017 and gross capex of around €1.2 billion.

[1] Excluding a capital gain of €28 million in 2017 on the sale of 50% of Nextdoor and remeasurement of the residual interest

[2] Excluding major sporting events

## DETAILED ANALYSIS BY SECTOR OF ACTIVITY

## CONSTRUCTION BUSINESSES

The backlog in the construction businesses at end-June 2018 reached a record €33.7 billion, up 9% versus
end-June 2017 and up 13% at constant exchange rates. It includes orders worth €0.8 billion at the Miller McAsphalt group.

In **France**, good commercial momentum continued, with the backlog in the **construction businesses** at 30 June 2018 up 8% year-on-year at €15.8 billion.
The backlog at **Bouygues Construction** at end-June 2018 was €9.6 billion, up 9% year-on-year. In second-quarter 2018 it included contracts both in the Paris region (construction and operation of the Biology-Pharmacy-Chemistry cluster for Paris-Sud University at Saclay for €335 million) and elsewhere in France (design and construction of the Lille metropolitan authority offices for €154 million and construction of the Maubeuge Hospital for €63 million).
**Bouygues Immobilier** recorded a 5% year-on-year increase in backlog, which reached €2.6 billion at 30 June 2018.
The backlog at **Colas** was €3.6 billion, up 8% on 30 June 2017, driven by a growing roads market and new rail contracts, including a €63-million contract won in second-quarter 2018 for the construction of Line B of the Angers tram system.

In **international markets**, the Group is well-positioned in expanding markets and delivered a good commercial performance. The backlog at 30 June 2018 was €17.8 billion, up 11% year-on-year and up 17% at constant exchange rates (up 12% at constant exchange rates and excluding the Miller McAsphalt group). Several contracts were signed by Bouygues Construction in the second quarter, including the construction of an innovation campus at Cardiff University in Wales for €134 million. Furthermore, Colas won a €76-million contract to resurface Highways 401 and 404 in Canada.
At end-June 2018, international business represented 57% of the backlog at Bouygues Construction and Colas, stable year-on-year.

The **construction businesses** reported sales of €12.1 billion in first-half 2018, up 4% on first-half 2017. Like-for-like and at constant exchange rates, sales were up 5%.
Current operating profit was €70 million versus €122 million in first-half 2017.

Following a first quarter that was adversely impacted by poor weather in Europe, current operating profit in second-quarter 2018 was up €6 million year-on-year. The sharp increase in current operating profit at Bouygues Immobilier and a higher contribution from Colas' roads business more than offset the negative impact of strikes at SNCF in France on Colas' railways business and difficulties in completing three energies and services projects in Ireland and the United Kingdom. Excluding these three projects, the current operating margin of the construction businesses is 4.1% in second-quarter 2018.

The Miller McAsphalt group contributed €243 million to first-half 2018 sales[1]. However, its contribution to current operating profit was nil, given the seasonal nature of the business.

For 2018, the outlook for continued improvement in current operating profit[2] and the current operating margin[2] in the construction businesses is confirmed.

[1] The contribution from March to June was booked in Q2 2018

[2] Excluding a capital gain of €28 million in 2017 on the sale of 50% of Nextdoor and remeasurement of the residual interest

## TF1

In first-half 2018, the TF1 group maintained a high audience share of 32.5% among women under 50 who are purchasing decision-makers, a stable performance compared to first-half 2017.

TF1 reported sales of €1,084 million, up 4% on first-half 2017, driven by good performance in advertising revenue on the five unencrypted channels and the first revenue streams from distribution of the TF1 Premium service.

Current operating profit in first-half 2018 reached €101 million, down €7 million year-on-year. The cost of the Soccer World Cup (€46-million) was largely offset by tight control of programming costs and growth in production activities. The current operating margin was 9.3% in first-half 2018, down 1.1 points on first-half 2017. Excluding the cost of the World Cup, the current operating margin was 13.5%.

Operating profit in first-half 2018 was €90 million, down €6 million year-on-year, after factoring in non-current charges of €11 million related to the amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios.

## BOUYGUES TELECOM

**Bouygues Telecom** continued its good commercial performance and recorded robust growth in its financial results in first-half 2018.

Bouygues Telecom added 901,000 mobile customers in first-half 2018, of which 448,000 were in second-quarter 2018, for a total of 15.3 million mobile customers at end-June 2018. Mobile plan customers excluding MtoM reached 10.6 million, with 253,000 new adds in first-half 2018, of which 120,000 were in second-quarter 2018.
Bouygues Telecom provides the benefits of very-high-speed mobile to as many people as possible. In less dense areas, 82% of the shared network had already been rolled out at end-June 2018 (expected to be 95% at end-2018). A strategic agreement with Fnac Darty has been signed to sell Bouygues Telecom's mobile offers in around 50 Fnac Connect stores opening across France in 2018. Network densification continued in very dense areas with 2,000 additional mobile sites by 2022, up 50%. Therefore, by end-2018, 99% of the population will have 4G coverage, thanks to around 21,000 mobile sites. By end-2023, the goal is to cover over 99% of the population with more than 28,000 mobile sites.

Bouygues Telecom performed well in the fixed segment, adding 91,000 new customers in the first-half 2018, of which 41,000 were in second-quarter 2018, for a total of 3.5 million fixed customers at end-June 2018. Growth was driven by FTTH, with 126,000 new adds in first-half 2018, of which 62,000 were in second-quarter 2018. As a result, Bouygues Telecom had 391,000 FTTH customers at 30 June 2018. Bouygues Telecom continued to expand its FTTH footprint with 25 million premises secured at 30 June 2018 and 5.5 million marketed in 62 French departments.

Bouygues Telecom reported sales of €2,563 million in first-half 2018, up 7% year-on-year. In a highly competitive market, sales from services rose 5% to €2,074 million. Sales billed to customers were €1,977 million, up 5% year-on-year. This growth reflects the positive impact of the price increases introduced in May 2017 and the launch of a new range of fixed and mobile offers in second-quarter 2018.

EBITDA reached €549 million in first-half 2018, up 12% versus first-half 2017. The EBITDA margin was 26.5%, up 1.7 points year-on-year.

Current operating profit was €148 million, up 10% year-on-year.

Operating profit was €239 million in first-half 2018, up 31% year-on-year. It included mainly non-current income of €104 million related to the capital gain on the sale of sites to Cellnex and non-current charges of €18 million related to network sharing in less dense areas.

Bouygues Telecom spent €621 million gross capex in first-half 2018, in line with its plan of €1.2 billion gross capex for 2018.

## ALSTOM

Alstom's financial contribution to the Group's net profit in first-half 2018 was €73 million[1], versus a contribution of 45 million[1] in first-half 2017.
As a reminder, Bouygues does not book a contribution from Alstom in the second quarter.

## FINANCIAL SITUATION

Net debt at 30 June 2018 was €5.0 billion, versus €4.3 billion at 30 June 2017 and €1.9 billion at 31 December 2017. The difference from end-June 2017 mainly reflects the acquisition of the Miller McAsphalt group by Colas and of aufeminin by TF1. Net debt at 30 June 2018 has yet to include the acquisition of Alpiq Engineering Services by Bouygues Construction and Colas (enterprise value of CHF 850 million).
The difference in net debt between end-June 2018 and end-December 2017 also reflects the usual seasonal effect of Colas' business.

On 5 July 2018, Moody's upgraded Bouygues' credit rating from Baa1, positive outlook, to A3, stable outlook.
On 12 July 2018, Standard & Poor's maintained Bouygues' credit rating at BBB+, positive outlook.

## FINANCIAL CALENDAR:

**2 October 2018:** Capital Markets Day for the construction businesses (8.30am CET) in Paris
**15 November 2018:** Nine-month 2018 results (7.30am CET)
**21 February 2019:** Full-year 2018 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 Group's first Integrated Report, First-half 2018 Financial Report and the full financial statements and notes to the financial statements on www.bouygues.com
The results presentation to analysts will be webcast live on 30 August 2018 at 11am (CET) on www.bouygues.com


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[1] Before the impact of IFRS 15

## FIRST-HALF 2018 BUSINESS ACTIVITY

| BACKLOG AT THE CONSTRUCTION BUSINESSES (€ million) | End-June | | |
|---|---|---|---|
| | 2017 restated | 2018 | Change |
| Bouygues Construction | 20,030 | 21,426 | +7% |
| Bouygues Immobilier | 2,635 | 2,696 | +2% |
| Colas | 8,111 | 9,540 | +18% |
| **Total** | **30,776** | **33,662** | **+9%** |

| BOUYGUES CONSTRUCTION ORDER INTAKE (€ million) | First-half | | |
|---|---|---|---|
| | 2017 | 2018 | Change |
| France | 3,122 | 3,023 | -3% |
| International | 2,486 | 3,022 | +22% |
| **Total** | **5,608** | **6,045** | **+8%** |

| BOUYGUES IMMOBILIER RESERVATIONS (€ million) | First-half | | |
|---|---|---|---|
| | 2017 | 2018 | Change |
| Residential property | 1,182 | 1,075 | -9% |
| Commercial property | 90 | 76 | -16% |
| **Total** | **1,272** | **1,151** | **-10%** |

| COLAS BACKLOG (€ million) | End-June | | |
|---|---|---|---|
| | 2017 | 2018 | Change |
| Mainland France | 3,383 | 3,644 | +8% |
| International and French overseas territories | 4,728 | 5,896 | +25% |
| **Total** | **8,111** | **9,540** | **+18%** |

| TF1 AUDIENCE SHARE[a] | End-June | | |
|---|---|---|---|
| | 2017 | 2018 | Change |
| **Total** | **32.5%** | **32.5%** | **0 pts** |

(a) Source: Médiamétrie – women under 50 who are purchasing decision-makers

| BOUYGUES TELECOM CUSTOMER BASE ('000) | End-Dec 2017 | End-June 2018 | Change |
|---|---|---|---|
| Mobile customer base excl. MtoM | 10,998 | 11,175 | +177 |
| Mobile plan base excl. MtoM | 10,317 | 10,570 | +253 |
| **Total mobile customers** | **14,387** | **15,288** | **+901** |
| **Total fixed customers** | **3,442** | **3,533** | **+91** |

## FIRST-HALF 2018 FINANCIAL PERFORMANCE

| CONDENSED CONSOLIDATED INCOME STATEMENT (€ million) | H1 2017 restated | H1 2018 | Change |
|---|---|---|---|
| **Sales** | **15,108** | **15,743** | **+4%[a]** |
| **Current operating profit** | **347** | **303** | **-€44m** |
| Other operating income and expenses[b] | 32 | 80 | +€48m |
| **Operating profit** | **379** | **383** | **+€4m** |
| Cost of net debt | (115) | (107) | +€8m |
| Other financial income and expenses | 7 | 4 | -€3m |
| Income tax | (84) | (57) | +€27m |
| Share of net profit of joint ventures and associates | 85 | 89 | +€4m |
| *o/w Alstom* | *45[c]* | *73[c]* | *+€28m* |
| **Net profit from continuing operations** | **272** | **312** | **+€40m** |
| Net profit attributable to non-controlling interests | (52) | (52) | €0m |
| **Net profit attributable to the Group** | **220** | **260** | **+€40m** |
| **Net profit attributable to the Group excl. exceptional items[d]** | **197** | **209** | **+€12m** |

(a) Up 5% like-for-like and at constant exchange rates
(b) In H1 2017, including non-current charges of €12m at TF1 corresponding to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios and of €4m at Colas related to preliminary works for the dismantling of the Dunkirk site, and non-current income of €48m at Bouygues Telecom (of which non-current income of €72m related to the capital gain on the sale of sites to Cellnex and non-current charges of €33m related to network sharing)
In H1 2018, including non-current charges of €11m at TF1 corresponding to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios and non-current income of €91m at Bouygues Telecom (of which non-current income of €104m related to the capital gain on the sale of sites to Cellnex and non-current charges of €18m related to network sharing)
(c) Before application of IFRS 15
(d) See reconciliation on page 10

| CALCULATION OF EBITDA (€ million) | H1 2017 restated | H1 2018 | Change |
|---|---|---|---|
| **Current operating profit** | **347** | **303** | **-€44m** |
| Net depreciation and amortization expense | 721 | 803 | +€82m |
| Charges to provisions and impairment losses, net of reversals due to utilization | 2 | 34 | +€32m |
| Reversals of unutilized provisions and impairment losses and other | (156) | (208) | -€52m |
| **EBITDA** | **914** | **932** | **+€18m** |

| SALES BY SECTOR OF ACTIVITY (€ million) | H1 2017 restated | H1 2018 | Change | Forex effect | Scope effect | Ifl & constant fx |
|---|---|---|---|---|---|---|
| **Construction businesses[a]** | **11,691** | **12,115** | **+3.6%** | **+3.0%** | **-1.8%** | **+4.9%** |
| *o/w Bouygues Construction* | *5,714* | *5,726* | *+0.2%* | *+3.9%* | *+0.7%* | *+4.8%* |
| *o/w Bouygues Immobilier* | *1,123* | *1,140* | *+1.5%* | *0.0%* | *+1.8%* | *+3.3%* |
| *o/w Colas* | *5,002* | *5,361* | *+7.2%* | *+2.6%* | *-5.3%* | *+4.5%* |
| **TF1** | **1,043** | **1,084** | **+3.9%** | **0.0%** | **-3.1%** | **+0.9%** |
| **Bouygues Telecom** | **2,406** | **2,563** | **+6.5%** | - | - | **+6.5%** |
| **Holding company and other** | **73** | **76** | **nm** | - | - | **nm** |
| **Intra-Group eliminations[b]** | **(253)** | **(207)** | **nm** | - | - | **nm** |
| **Group sales** | **15,108** | **15,743** | **+4.2%** | **+2.3%** | **-1.6%** | **+5.0%** |
| *o/w France* | *9,797* | *10,143* | *+3.5%* | *0.0%* | *0.0%* | *+3.5%* |
| *o/w international* | *5,311* | *5,600* | *+5.4%* | *+6.7%* | *-4.4%* | *+7.7%* |

(a) Total of the sales contributions (after eliminations within the construction businesses)
(b) Includes intra-Group eliminations of the construction businesses

| CONTRIBUTION TO GROUP EBITDA BY SECTOR OF ACTIVITY (€ million) | H1 2017 restated | H1 2018 | Change |
|---|---|---|---|
| **Construction businesses** | **252** | **179** | **-€73m** |
| *o/w Bouygues Construction* | *200* | *173* | *-€27m* |
| *o/w Bouygues Immobilier* | *53* | *53* | *€0m* |
| *o/w Colas* | *(1)* | *(47)* | *-€46m* |
| **TF1** | **187** | **223** | **+€36m** |
| **Bouygues Telecom** | **490** | **549** | **+€59m** |
| **Holding company and other** | **(15)** | **(19)** | **-€4m** |
| **Group EBITDA** | **914** | **932** | **+€18m** |

| CONTRIBUTION TO GROUP CURRENT OPERATING PROFIT BY SECTOR OF ACTIVITY (€ million) | H1 2017 restated | H1 2018 | Change |
|---|---|---|---|
| **Construction businesses** | **122** | **70** | **-€52m** |
| *o/w Bouygues Construction* | *196* | *167* | *-€29m* |
| *o/w Bouygues Immobilier* | *62* | *77* | *+€15m* |
| *o/w Colas* | *(136)* | *(174)* | *-€38m* |
| **TF1** | **108** | **101** | **-€7m** |
| **Bouygues Telecom** | **135** | **148** | **+€13m** |
| **Holding company and other** | **(18)** | **(16)** | **+€2m** |
| **Group current operating profit** | **347** | **303** | **-€44m** |

| CONTRIBUTION TO GROUP OPERATING PROFIT BY SECTOR OF ACTIVITY (€ million) | H1 2017 restated | H1 2018 | Change |
|---|---|---|---|
| **Construction businesses** | **118** | **70** | **-€48m** |
| *o/w Bouygues Construction* | *196* | *167* | *-€29m* |
| *o/w Bouygues Immobilier* | *62* | *77* | *+€15m* |
| *o/w Colas* | *(140)* | *(174)* | *-€34m* |
| **TF1** | **96** | **90** | **-€6m** |
| **Bouygues Telecom** | **183** | **239** | **+€56m** |
| **Holding company and other** | **(18)** | **(16)** | **+€2m** |
| **Group operating profit** | **379[a]** | **383[b]** | **+€4m** |

(a) including non-current charges of €12m at TF1 corresponding to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios and of €4m at Colas related to preliminary works for the dismantling of the Dunkirk site, and non-current income of €48m at Bouygues Telecom (of which non-current income of €72m related to the capital gain on the sale of sites to Cellnex and non-current charges of €33m related to network sharing)
(b) Including non-current charges of €11m at TF1 corresponding to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios and non-current income of €91m at Bouygues Telecom (of which non-current income of €104m related to the capital gain on the sale of sites to Cellnex and non-current charges of €18m related to network sharing)

| CONTRIBUTION TO NET PROFIT ATTRIBUTABLE TO THE GROUP BY SECTOR OF ACTIVITY (€ million) | H1 2017 restated | H1 2018 | Change |
|---|---|---|---|
| **Construction businesses** | **104** | **55** | **-€49m** |
| *o/w Bouygues Construction* | *159* | *139* | *-€20m* |
| *o/w Bouygues Immobilier* | *30* | *42* | *+€12m* |
| *o/w Colas* | *(85)* | *(126)* | *-€41m* |
| **TF1** | **33** | **29** | **-€4m** |
| **Bouygues Telecom** | **108** | **141** | **+€33m** |
| **Alstom** | **45** | **73** | **+€28m** |
| **Holding company and other** | **(70)** | **(38)** | **+€32m** |
| **Net profit attributable to the Group** | **220** | **260** | **+€40m** |

| IMPACT OF EXCEPTIONAL ITEMS ON NET PROFIT ATTRIBUTABLE TO THE GROUP (€ million) | H1 2017 restated | H1 2018 | Change |
|---|---|---|---|
| **Net profit attributable to the Group** | **220** | **260** | **+€40m** |
| *o/w non-current income/charges related to the construction businesses (net of taxes)* | *4* | ***0*** | *-€4m* |
| *o/w non-current income/charges related to TF1 (net of taxes)* | *3* | ***3*** | *€0m* |
| *o/w non-current income/charges related to Bouygues Telecom (net of taxes)* | *(30)* | ***(54)*** | *-€24m* |
| **Net profit attributable to the Group excl. exceptional items** | **197** | **209** | **+€12m** |

| NET DEBT (-)/NET SURPLUS CASH (+) BY BUSINESS SEGMENT (€ million) | End-Dec 2017 restated | End-June 2018 | Change |
|---|---|---|---|
| Bouygues Construction | 3,409 | 2,993 | -€416m |
| Bouygues Immobilier | (86) | (491) | -€405m |
| Colas | 433 | (1,314) | -€1,747m |
| TF1 | 257 | (122) | -€379m |
| Bouygues Telecom | (976) | (1,201) | -€225m |
| Holding company and other | (4,954) | (4,907) | +€47m |
| **TOTAL** | **(1,917)** | **(5,042)** | **-€3,125m** |

| CONTRIBUTION TO NET CAPITAL EXPENDITURE BY SECTOR OF ACTIVITY (€ million) | H1 2017 restated | H1 2018 | Change |
|---|---|---|---|
| **Construction businesses** | **183** | **220** | **+€37m** |
| *o/w Bouygues Construction* | *34* | *64* | *+€30m* |
| *o/w Bouygues Immobilier* | *11* | *4* | *-€7m* |
| *o/w Colas* | *138* | *152* | *+€14m* |
| **TF1** | **91** | **88** | **-€3m** |
| **Bouygues Telecom** | **405** | **461** | **+€56m** |
| **Holding company and other** | **5** | **2** | **-€3m** |
| **TOTAL** | **684** | **771** | **+€87m** |

| CONTRIBUTION TO GROUP FREE CASH FLOW BY SECTOR OF ACTIVITY (€ million) | H1 2017 restated | H1 2018 | Change |
|---|---|---|---|
| **Construction businesses** | **135** | **90** | **-€45m** |
| *o/w Bouygues Construction* | *182* | *140* | *-€42m* |
| *o/w Bouygues Immobilier* | *27* | *39* | *+€12m* |
| *o/w Colas* | *(74)* | *(89)* | *-€15m* |
| **TF1** | **58** | **84** | **+€26m** |
| **Bouygues Telecom** | **(25)** | **(27)** | **-€2m** |
| **Holding company and other** | **(65)** | **(36)** | **+€29m** |
| **TOTAL** | **103** | **111** | **+€8m** |

| IMPACT OF IFRS 15 ON 2017 FINANCIAL STATEMENTS (€ million) | 2017 reported | o/w Bouygues Immobilier | o/w Bouygues Telecom | o/w TF1 | 2017 restated |
|---|---|---|---|---|---|
| **Sales** | **32,904** | +37 | -26 | +7 | **32,923** |
| **Current operating profit** | **1,420** | -5 | -9 | 0 | **1,406** |
| **Operating profit** | **1,533** | -5 | -9 | 0 | **1,519** |
| **Income tax** | **(303)** | 0 | +4 | 0 | **(299)** |
| **Share of net profit of joint ventures and associates** | **163** | +6 | 0 | 0 | **169** |
| **Net profit from continuing operations** | **1,205** | +1 | -5 | 0 | **1,201** |
| **Net profit attributable to non-controlling interests** | **(120)** | 0 | +1 | 0 | **(119)** |
| **Net profit attributable to the Group** | **1,085** | +1 | -4 | 0 | **1,082** |

## IMPACT OF IFRS 15 ON 2017 INTERIM RESULTS

| €m | Q1 | | | Q2 | | | Q3 | | | Q4 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Reported | Impact | Restated | Reported | Impact | Restated | Reported | Impact | Restated | Reported | Impact | Restated |
| **Sales** | **6,847** | **-10** | **6,837** | **8,315** | **-44** | **8,271** | **8,666** | **-22** | **8,644** | **9,076** | **+95** | **9,171** |
| *o/w Bouygues Telecom* | *1,222* | *-12* | *1,210* | *1,212* | *-16* | *1,196* | *1,293* | *-4* | *1,289* | *1,359* | *+6* | *1,365* |
| *o/w Bouygues Immobilier* | *517* | *-3* | *514* | *638* | *-29* | *609* | *591* | *-19* | *572* | *966* | *+88* | *1,054* |
| *o/w TF1* | *499* | *+4* | *503* | *538* | *+2* | *540* | *429* | *+2* | *431* | *659* | *-1* | *658* |
| **Current operating profit** | **(67)** | **-8** | **(75)** | **452** | **-30** | **422** | **591** | **-5** | **586** | **444** | **+29** | **473** |
| *o/w Bouygues Telecom* | *41* | *-9* | *32* | *121* | *-18* | *103* | *128* | *0* | *128* | *39* | *+18* | *57* |
| *o/w Bouygues Immobilier* | *31* | *0* | *31* | *42* | *-11* | *31* | *66* | *-5* | *61* | *84* | *+11* | *95* |
| **Operating profit** | **(84)** | **-8** | **(92)** | **501** | **-30** | **471** | **641** | **-5** | **636** | **475** | **+29** | **504** |
| *o/w Bouygues Telecom* | *34* | *-9* | *25* | *176* | *-18* | *158* | *185* | *0* | *185* | *75* | *+18* | *93* |
| *o/w Bouygues Immobilier* | *31* | *0* | *31* | *42* | *-11* | *31* | *66* | *-5* | *61* | *84* | *+11* | *95* |
| **Net profit attributable to the Group** | **(38)** | **-3** | **(41)** | **278** | **-17** | **261** | **473** | **-4** | **469** | **372** | **+21** | **393** |

## GLOSSARY

**4G consumption**: data consumed on 4G cellular networks, excluding Wi-Fi.

**4G users**: customers who have used the 4G network during the last three months (Arcep definition).

**ABPU (Average Billing Per User)**:
- In the mobile segment, it is equal to the total of mobile sales billed to customers (B2C or B2B) divided by the average number of customers over the period. It excludes MtoM SIM cards and free SIM cards.
- In the fixed segment, it is equal to the total of fixed sales billed to customers (excluding B2B) divided by the average number of customers over the period.

**BtoB (business to business)**: when one business makes a commercial transaction with another.

**Backlog (Bouygues Construction, Colas)**: the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensory clauses have been lifted).

**Backlog (Bouygues Immobilier):** sales outstanding from notarized sales plus total sales from signed reservations that have still to be notarized.
Under IFRS 11, Bouygues Immobilier's backlog does not include sales from reservations taken via companies accounted for by the equity method (co-promotion companies where there is joint control).

**Construction businesses**: Bouygues Construction, Bouygues Immobilier and Colas.

**EBITDA**: current operating profit before net depreciation and amortization expense, net provisions and impairment losses, reversals of unutilized provisions and impairment losses and before effects of acquisition/loss of control.

**EBITDA margin (Bouygues Telecom):** EBITDA/sales from services.

**Free cash flow**: cash flow minus cost of net debt minus income tax expense minus net capital expenditures. It is calculated before changes in WCR. The calculation of free cash flow by business segment is set out in Note 11 "Segment information" to the consolidated financial statements at 30 June 2018, available at bouygues.com.

**FTTH (Fiber to the Home)**: optical fiber from the central office (where the operator's transmission equipment is installed) all the way to homes or business premises (Arcep definition).

**FTTH premises secured**: the horizontal deployed, being deployed or ordered up to the concentration point.

**FTTH premises marketed:** the connectable sockets, i.e. the horizontal and vertical deployed and connected via the concentration point.

**Growth in sales like-for-like and at constant exchange rates:**
- at constant exchange rates: change after translating foreign-currency sales for the current period at the exchange rates for the comparative period;
- on a like-for-like basis: change in sales for the periods compared, adjusted as follows:
    - for acquisitions, by deducting from the current period those sales of the acquired entity that have no equivalent during the comparative period;
    - for divestments, by deducting from the comparative period those sales of the divested entity that have no equivalent during the current period.

**MtoM:** machine to machine communication. This refers to direct communication between machines or smart devices or between smart devices and people via an information system using mobile communications networks, generally without human intervention.

**Net surplus cash/(net debt):** the aggregate of; cash and cash equivalents, overdrafts and short-term bank borrowings, non-current and current debt, and financial instruments. A positive figure represents net surplus cash and a negative one represents net debt. The main components of change in net debt are presented in Note 7 to the consolidated financial statements at 30 June 2018, available at bouygues.com.

**Order intake (Bouygues Construction, Colas):** a project is included under order intake when the contract has been signed and has taken effect (the notice to proceed has been issued and all suspensory clauses have been lifted) and the financing has been arranged. The amount recorded corresponds to the sales the project will generate.

**PIN:** Public-Initiative Network.

**Reservations by value (Bouygues Immobilier)**: the € amount of the value of properties reserved over a given period.
- Residential properties: the sum of the value of unit and block reservation contracts signed by customers and approved by Bouygues Immobilier, minus registered cancellations.
- Commercial properties: these are registered as reservations on notarized sale.
For co-promotion companies:

- if Bouygues Immobilier has exclusive control over the co-promotion company (full consolidation), 100% of amounts are included in reservations;
- if joint control is exercised (the company is accounted for by the equity method), commercial activity is recorded according to the amount of the equity interest in the co-promotion company.

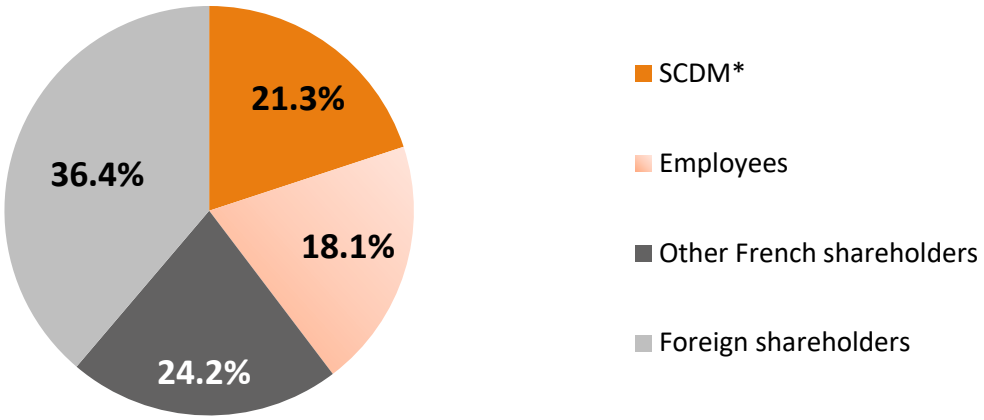
**Sales from services (Bouygues Telecom)** comprise:
- Sales billed to customers, which include:
  - In Mobile:
    - For BtoC customers: sales from outgoing call charges (voice, texts and data), connection fees, and value-added services.
    - For BtoB customers: sales from outgoing call charges (voice, texts and data), connection fees, and value-added services, plus sales from business services.
    - Machine-To-Machine (MtoM) sales.
    - Visitor roaming sales.
    - Sales generated with Mobile Virtual Network Operators (MVNOs).
  - In Fixed:
    - For BtoC customers: sales from outgoing call charges, fixed broadband services, TV services (including Video on Demand and catch-up TV), and connection fees and equipment hire.
    - For BtoB customers: sales from outgoing call charges, fixed broadband services, TV services (including Video on Demand and catch-up TV), and connection fees and equipment hire, plus sales from business services.
    - Sales from bulk sales to other fixed line operators.
- Sales from incoming Voice and Texts.
- Spreading of handset subsidies over the projected life of the customer account, required to comply with IFRS 15.
- Capitalization of connection fee sales, which is then spread over the projected life of the customer account.

**Other sales (Bouygues Telecom):** difference between Bouygues Telecom's total sales and sales from services. It comprises:
- Sales from handsets, accessories and other
- Roaming sales
- Non-telecom services (construction of sites or installation of FTTH lines)
- Co-financing of advertising

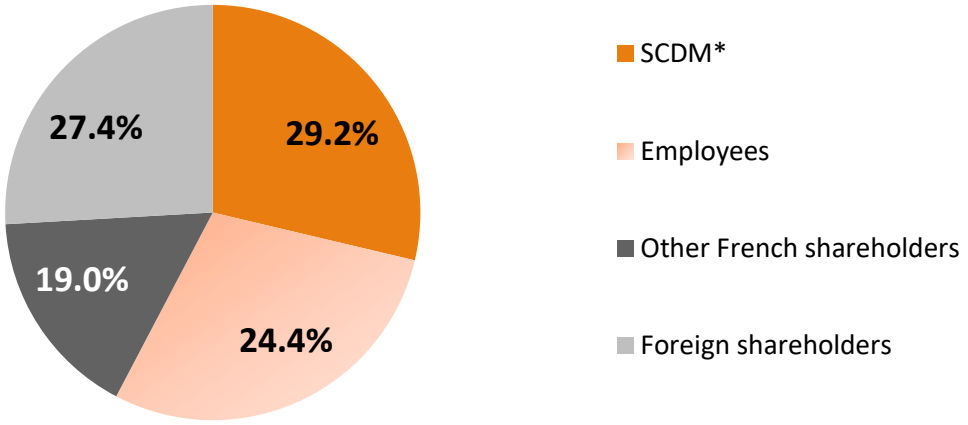
**Very-high-speed**: subscriptions with peak downstream speeds higher or equal to 30 Mbit/s. Includes FTTH, FTTLA, 4G box and VDSL2 subscription

## Share ownership at 30 June 2018

### Main shareholders at 30 June 2018




### Voting rights at 30 June 2018




* SCDM is a company controlled by Martin and Olivier Bouygues

## 2.2. Bouygues Construction

A global player in construction with operations in over 80 countries, Bouygues Construction designs, builds and operates building, infrastructure and industrial projects.
A leader in sustainable construction, Bouygues Construction sees innovation as its primary source of added value.

### 2.2.1 Key figures

| KEY FIGURES (€ million) | FIRST HALF 2017 restated | FIRST HALF 2018 | CHANGE |
|---|---|---|---|
| **Sales** | **5,714** | **5,726** | **0%** |
| *o/w France* | *2,662* | *2,739* | *+3%* |
| *o/w International* | *3,052* | *2,987* | *-2%* |
| **Current operating profit** | **196** | **167** | **-€29m** |
| *Current operating margin* | *3.4%* | *2.9%* | *-0.5 pts* |
| **Operating profit** | **196** | **167** | **-€29m** |
| **Net profit attributable to the Group** | **159** | **139** | **-€20m** |

Bouygues Construction's sales remained stable in the first half of 2018 at €5,726 million. Like-for-like and at constant exchange rates, sales were up €274 million (up 4.8%). Building and civil works accounted for 78% of sales and energy and services 22%. Sales in France rose 3% to €2,739 million and international sales were down 2% at €2,987 million (but up 6% at €3,209 million at constant exchange rates).

Current operating profit was €167 million, giving a current operating margin of 2.9%, down 0.5 points on the first half of 2017. The main reason for this decline was an unfavourable comparative with a high current operating margin in the first half of 2017. It was also due to difficulties with the completion of three energy and services projects in Ireland and the UK. Financial income was €16 million, stable versus the first half of 2017. Net profit attributable to the Group was €139 million, €20 million less than in the first half of 2017.

Net surplus cash stood at €2,993 million at end-June 2018, €228 million more than at end-June 2017.

### 2.2.2 First-half highlights

Bouygues Construction took orders worth €6,045 million in the first half of 2018, 8% more than in the first half of 2017.

- Order intake in France was €3,023 million, down 3% versus the first half of 2017. It includes the PPP project for the construction and operation of the Biology-Pharmacy-Chemistry cluster for Paris-Sud University at Saclay. It also includes commercial property projects such as the design and construction of the Lille metropolitan authority offices (Biotope project) and the development of the Chapelle International neighbourhood in the 18th *arrondissement* of Paris.

- International order intake in the first half of 2018 stood at €3,022 million, up 22%. It includes a conference centre and a hotel in Turkmenistan, a solar farm in Australia, construction of a campus for Cardiff University, further eco-neighbourhood projects in Switzerland and another modular construction project in Singapore.

Backlog at 30 June 2018 stood at €21.4 billion, a record for Bouygues Construction, up 7% versus end-June 2017 (up 11% at constant exchange rates). 55% of orders are for execution in international markets, stable versus 30 June 2017. Backlog in Europe (excluding France) is the largest in international markets, just ahead of the Asia-Pacific zone. Orders secured at end-June 2018 to be executed in 2018 stood at €5.2 billion and orders to be executed beyond 2018 stood at €16.2 billion, giving good visibility for future activity.

Two other highlights of the first half of 2018 were the conclusion of memorandums of understanding for the acquisition of Alpiq Engineering Services in Switzerland and AW Edwards in Australia. The transactions will help Bouygues Construction to expand in two countries where it has long-established operations. The acquisition of Alpiq Engineering Services will lead to the creation of a benchmark player in energies and services in Europe, ranking in the European Top 5, while the acquisition of AW Edwards will boost Bouygues Construction's building activity in Australia.

## Building and civil works

Overall, demand for building and civil works remains high, driven by considerable infrastructure needs in both emerging and developed countries.

Bouygues Construction's building and civil works activity generated €4,480 million.

### France: €2,064 million, stable (up 0.6%)

Building activity in the Paris region was slightly lower than at end-June 2017 due to the completion of major projects such as the Paris law courts building and the western corner of the Balard project. A number of large-scale office and residential projects are under way, such as the Tour Alto in La Défense, the Trigone office project in Issy-les-Moulineaux and housing in the Clichy Batignolles mixed-use development zone. The Longchamp racecourse renovation project was handed over in the second quarter. The civil works activity was boosted by projects for the Grand Paris programme, such as packages T2A and T3A for the southern extension of metro Line 15 and the RER Eole East-West Express Rail Link from Saint-Lazare railway station to Porte Maillot. Tunnelling work on metro Line 14 was completed in the first half of 2018 and track-laying has now begun.

Elsewhere in France, Bouygues Construction's four regional building subsidiaries continued to operate in an economic environment characterised by slight growth. The Prado shopping centre, part of the Vélodrome stadium redevelopment project in Marseille, was handed over in the first half of 2018 and work on Lyon Saint-Exupéry airport was completed.
The Port of Calais extension is currently the largest civil works project in France outside the Paris region.

### Europe (excluding France): €1,040 million, stable (down 0.5%)

In the UK, Bouygues Construction continued work on the Hinkley Point C nuclear plant. Bouygues Construction's UK building subsidiary has a number of education-related projects such as The Triangle, the new headquarters of Cambridge University's examination board. It continued work on the Manhattan Loft Gardens tower in London and the regeneration of a neighbourhood in Barking, in the eastern suburbs of London. Construction work continued on the proton-beam therapy cancer treatment centre in London, where the cyclotron was successfully delivered and installed.

In Switzerland, Bouygues Construction strengthened its property development expertise, especially with projects in Basel, Zurich and Crissier that are part of an urban development approach based on sustainable development principles. Other projects are under way in the healthcare sector, such as Limmatal hospital in Zurich.

Work continued on the Anse du Portier offshore extension project in Monaco and the caissons are being built in Marseille.

### International (excluding Europe): €1,376 million, down 1%

In Asia-Pacific, Bouygues Construction has developed its expertise through its building and civil works subsidiaries, giving it strong local operations, especially in Hong Kong and Singapore. A number of major projects are under way in Hong Kong, including the Tuen Mun-Chek Lap Kok subsea road tunnel, two road tunnels at Liantang linking Hong Kong to mainland China, and the extension of the Shatin to Central Link metro line. The bridge linking Hong Kong, Zhuhai and Macao was handed over in early 2018. In civil works, Bouygues Construction continued major projects in Australia with the construction of the NorthConnex motorway tunnel in Sydney and the start of works on the Melbourne metro. The company is also a recognised player in the building segment,

especially for high-rise buildings in Singapore, where It is building several major condominium towers. One of them, on Clementi Avenue, is a modular construction project of a type that Bouygues Construction is developing

with a new order for a complex on Serangoon North Avenue. In Macao, the company completed construction of the 39-floor City of Dreams luxury hotel complex, inaugurated in the second quarter. In Myanmar, Bouygues Construction continued work on the second phase of the Star City residential complex in Yangon and confirmed its presence in the country with new orders, including for the construction of a four-tower multi-use complex.

In Africa, Bouygues Construction completed the headquarters of Nigeria LNG in Nigeria and continued work on phase 3 of the Cairo metro in Egypt and the renovation of airports in Madagascar (Antananarivo and Nosy Be). It continued earthworks for open-cast mining at gold mines at Kibali in the Democratic Republic of Congo, Tongon in Ivory Coast and Gounkoto in Mali.

In the Middle East, work continued on sewage tunnels at Doha in Qatar.

In the Americas-Caribbean zone, Bouygues Construction operates mainly in the United States and Cuba. In Cuba, the company is building luxury hotel complexes such as Laguna Del Este on Cayo Santa Maria and Mintur International at Varadero. It took orders for three new hotels in Cuba in the first half of 2018.

## Energy and services

Bouygues Energies & Services contributed €1,246 million to Bouygues Construction's consolidated sales in the first half of 2018, 2% more than in the first half of 2017. Bouygues Energies & Services has three main business lines: network infrastructure, electrical and HVAC engineering and facilities management. It also provides turnkey power plants (biomass, solar farms, etc.).

### France: €675 million, up 11%

Bouygues Energies & Services, through its Axione network infrastructure subsidiary, helps local authorities to implement their digital development policies. Axione continued to roll out very-high-speed FTTH networks in the Nord Pas-de-Calais and manages networks in 36 departments.
Bouygues Energies & Services is also developing its expertise in electrical and HVAC engineering packages, with the hospital at Saint-Laurent du Maroni in French Guiana.
Under public-private partnership contracts, Bouygues Energies & Services provides facilities management for the Paris law courts building and the French Ministry of Defence in Paris. The company also has a number of street lighting contracts, especially with the City of Paris, which in 2020 will generate energy savings of 30% in relation to the level in 2010.
In a consortium with Citelum (EDF), Suez and Capgemini, Bouygues Energies & Services is developing France's first smart-city project at Dijon.

### International: €571 million, down 7%

In international markets, Bouygues Energies & Services rolls out bespoke or turnkey projects for solar, thermal, cogeneration and biomass power plants. It continued work on a thermal power plant in Gibraltar and two waste-to-energy gasification plants at Hoddesdon and Belfast in the UK. It is completing five solar farms in Australia and one in Japan and confirmed its expertise by taking an order for a solar farm in Australia.
Bouygues Energies & Services is also providing the Hinkley Point C backup plant.
In Canada, Bouygues Energies & Services continued to expand on the electrical engineering market with its Plan Group and Gastier subsidiaries.
It continued to provide facilities management for the National Physical Laboratory in the UK and Crédit Suisse offices in Switzerland.

### 2.2.3 Outlook for 2018

In a French market sustained mainly by the Grand Paris programme and an international market that offers many opportunities, Bouygues Construction enjoys good visibility, backed up notably by:

- orders at 30 June 2018 to be executed in 2018 worth €5.2 billion;
- sustained international activity in countries where it has long-established operations, notably Hong Kong, Singapore, Canada, Switzerland, UK and Australia;
- a medium- and long-term backlog worth €16.2 billion at 30 June 2018;
- a sound financial structure, with net surplus cash of €2,993 million;
- a lead in sustainable construction, to which a substantial proportion of the R&D budget is devoted;
- a commitment to shared innovation for the benefit of customers.

Tight control over the execution of major projects, a selective approach to orders, innovation and safety will continue to be central priorities for Bouygues Construction in 2018.

## 2.3. Bouygues Immobilier

A leading property developer in France, Bouygues Immobilier develops residential, office building, retail and sustainable neighbourhood projects to make urban living better for all its customers.

### 2.3.1 Key figures

| KEY FIGURES (€ million) | FIRST HALF 2017 restated | FIRST HALF 2017 | CHANGE |
|---|---|---|---|
| **Sales** | 1,123 | **1,140** | **+2%** |
| *o/w residential property* | *972* | *996* | *+2%* |
| *o/w commercial property* | *151* | *144* | *-5%* |
| **Current operating profit** | **62** | **77** | **+24%** |
| *Current operating margin* | *5.5%* | *6.8%* | *+1.3 pts* |
| **Operating profit** | **62** | **77** | **+24%** |
| **Net profit attributable to the Group** | **30** | **42** | **+40%** |

Bouygues Immobilier reported sales of €1,140 million in the first half of 2018, a 2% increase on the first half of 2017 (up 2% in residential property, down 5% in commercial property).

The operating margin in the first half of 2018 was 6.8%, up 1.3 points on the first half of 2017 due to improved profitability in residential property and a favourable comparative.

### 2.3.2 Business activity

**Context**

Demand for unit sales on the residential property market slowed in the first half of 2018, especially among private investors, despite still very low interest rates, prolongation of the Pinel tax incentive and extension of the zero-interest loan scheme. Block sales remained robust.

The commercial property market was very upbeat in the first half of the year, against a background of short supply within Paris itself. Immediately available space and the vacancy rate in the capital are at their lowest level since 2008. The investment market is growing, boosted by a still-positive economic and rental environment.

**Reservations**

| RESERVATIONS | FIRST HALF 2017 restated | FIRST HALF 2018 | CHANGE |
|---|---|---|---|
| **Residential property**[a] | | | |
| Units | 6,444 | 6,090 | -5% |
| Value (€m) | 1,182 | 1,075 | -9% |
| **Commercial property** | | | |
| Surface area (m²) | 36,000 | 14,000 | -61% |
| Value (€m) | 90 | 76 | -16% |
| **Total reservations (€m)**[b] | **1,272** | **1,151** | **-10%** |

(a) Residential reservations include building land
(b) Definition: residential property reservations are reported net of cancellations. Commercial property reservations are firm orders which cannot be cancelled (notarised deeds of sale)

#### Residential property

The number of residential property reservations taken by Bouygues Immobilier in the first half of 2018 was 5% lower than in the first half of 2017 (down 2% in France and down 39% in international markets). The decline in France was mainly due to lower reservations by private individual investors. Most of the fall in international markets was in Poland, caused by having less marketable stock in the first half of 2018. As most marketing is expected to take place in the second half of the year, the level of reservations will increase by the end of the year.

#### Commercial property

Bouygues Immobilier took commercial property reservations worth €76 million in the first half of 2018. The largest item was the off-plan sale of Green Office Outside to Ivanhoé Cambridge, worth €54 million and spanning 9,000 m² in the Nanterre Cœur Université eco-neighbourhood.

### 2.3.3 Highlights

In the first half of 2018, the foundation stone of an up-market residential programme for Bouygues Immobilier Premium was laid at Neuilly-sur-Seine, west of Paris. Called D'une Rive à l'Autre, the development comprises 284 apartments in four buildings and includes 103 social housing units.

As part of the call for projects for the "Invent the Grand Paris metropolitan area", UrbanEra, the Major Urban Projects division of Bouygues Immobilier specialised in designing and developing sustainable mixed-use neighbourhoods, was selected to develop the Charenton-Bercy project. This urban redevelopment project, involving about 10% of the surface area of Charenton-le-Pont, will be carried out in liaison with the developer, Grand Paris Aménagement, chosen by the municipality. Spanning 12 hectares and 360,000 m², it will help to make the location more attractive in economic, residential, urban and cultural terms while improving residents' quality of life.

In addition, Bouygues Immobilier, Crédit Agricole Immobilier and Spirit won the call for projects launched by Cergy-Pontoise Aménagement. With their project on the Plaine des Linandes, involving over 600 housing units on a 3-hectare site north-west of Paris, the team will offer a new way of living within a neighbourhood that combines sustainability with connectivity.

At Issy-les-Moulineaux, Bouygues Immobilier inaugurated Green Office Quartz, a 7,500-m² office building that is Colas' new headquarters.

**Backlog**

| BACKLOG (€ million) | END-DECEMBER 2017 restated | END-JUNE 2018 | CHANGE |
|---|---|---|---|
| **Backlog** | **2,635** | **2,696** | **+2%** |
| *o/w residential property* | *2,310* | *2,343* | *+1%* |
| *o/w commercial property* | *325* | *353* | *+9%* |

Bouygues Immobilier's backlog at end-June 2018 stood at €2,696 million, representing 12 months of sales.

### 2.3.4 Outlook and strategy

The number of residential property reservations is likely to remain stable over full-year 2018, in a market that is expected to contract slightly. Bouygues Immobilier aims to drive growth through a differentiated offering of products (managed residences, adaptable housing, etc.) and services (help with financing, online home configurator, connected dwellings, etc.).

Thanks to the growing recognition of green value, Bouygues Immobilier continues to be well-placed in the commercial property market with its positive-energy buildings (Green Office®) and its commercial property rehabilitation services package (Rehagreen®), which meet the increasingly stringent requirements of users and investors.

Bouygues Immobilier is continuing to pursue its objective of maintaining a robust financial structure and keeping debt under tight control.

## 2.4. Colas

Operating in over 50 countries worldwide, Colas is a world leader whose mission is to promote infrastructure solutions for responsible mobility. With an international network of 800 profit centres and 2,000 materials production units, Colas completes around 80,000 projects each year, mostly involving the construction and maintenance of road, airport and railway infrastructure, and spans the full range of production and recycling activities associated with most of its lines of business.

### 2.4.1 Key figures

| KEY FIGURES (€ million) | FIRST HALF 2017 restated | FIRST HALF 2018 | CHANGE |
|---|---|---|---|
| **Sales** | **5,002** | **5,361** | **+7%[a]** |
| *o/w France* | *2,812* | *2,855* | *+2%* |
| *o/w international* | *2,190* | *2,506* | *+14%* |
| **Current operating profit/(loss)** | **(136)** | **(174)** | **-€38m** |
| **Operating profit/(loss)** | **(140)[b]** | **(174)** | **-€34m** |
| **Net profit/(loss) attributable to the Group** | **(88)** | **(130)** | **-€42m** |

(a) Up 4% like-for-like and at constant exchange rates
(b) Including non-current charges of €4million in H1 2017 related to preliminary works for the dismantling of the Dunkirk site

### 2.4.2 First-half highlights

- Acquisitions:
  - The Miller McAsphalt group (roadworks and bitumen distribution) in Canada (closing completed on 28 February 2018).
- Award of significant contracts:
  - €76-million contract to surface Highways 401 and 404 in Ontario, Canada;
  - €58-million 25-year maintenance contract as part of the Autoroute 25 PPP in Ontario, Canada;
  - €43-million contract to rehabilitate the runways at Anchorage airport in Alaska, United States;
  - €42-million contract to install a drinking water network near Fairbanks in Alaska, United States;
  - €60-million contract with Midland Metro Alliance for a tramway extension in Birmingham, UK;
  - €48-million contract with Network Rail, UK, for work on switches and crossings;
  - €63-million contract to build Line B of the tram system in Angers, western France;
  - €38-million contract to lay tracks and surface subgrade for the T9 Paris-Orly Ville tramway, France.

**Sales by sector**

Consolidated sales in first-half 2018 were €5,361 million, up 7% on first-half 2017 and up 4% like-for-like and at constant exchange rates. The situation is contrasted between roads, up 11% (up 7% like-for-like and at constant exchange rates) and specialised activities, down 7% (down 7% like-for-like and at constant exchange rates).

| SALES BY SECTOR (€ million) | FIRST HALF 2017 restated | FIRST HALF 2018 | CHANGE | lfl & constant fx |
|---|---|---|---|---|
| **Sales** | **5,002** | **5,361** | **+7%** | **+4%** |
| *o/w roads mainland France* | 1,954 | 2,060 | +5% | +5% |
| *o/w roads Europe* | 669 | 749 | +12% | +14% |
| *o/w roads North America* | 814 | 1,009 | +24% | +3% |
| *o/w roads Rest of the World* | 583 | 629 | +8% | +12% |
| *o/w specialised activities* | 976 | 903 | -7% | -7% |
| *o/w holding company* | 6 | 11 | nm | nm |

**Roads**

Sales in **mainland France** were 5% higher than in first-half 2017. The six regional subsidiaries contributed to this rise, which was in line with growth in the market.

Sales in **Europe** rose 12% on first-half 2017 (up 14% like-for-like and at constant exchange rates). Growth was sustained, both in the British Isles and on the continent, especially in central Europe.

Sales in **North America** rose 24% on first-half 2017 (up 3% like-for-like and at constant exchange rates), mostly in Canada as a result of the contribution from the Miller McAsphalt group (€243 million from March through June booked in the second quarter of 2018).

Sales in the **Rest of the World (international excl. Europe and North America)** were up 8% on first-half 2017 (up 12% like-for-like and at constant exchange rates). Growth was strong in Oceania (up 17% like-for-like and at constant exchange rates), driven by Australia.

### Specialised activities

Sales in specialised activities in first-half 2018 were €903 million, down 7% on first-half 2017. Networks (down 16%) and rail (down 10%) accounted for most of the decrease. The rail business was impacted by a decline in business activity in France, related in particular to the consequences of the situation at SNCF.

### Production of materials

A significant proportion of Colas' activity, both in France and abroad, consists in the production of construction materials, especially aggregates, from an international network of 741 quarries, 568 asphalt plants, 125 emulsion plants and 168 ready-mix concrete plants. In the first half of 2018, they produced 49 million tonnes of aggregates (up 14% on first-half 2017), 16 million tonnes of asphalt mix (up 14%), 876,000 tonnes of binders and emulsions (up 18%) and 1.3 million cubic metres of ready-mix concrete (up 17%).

## Profitability

Colas reported a current operating loss of €174 million in the first half of 2018, compared with a current operating loss of €136 million in the first half of 2017, an increase of €38 million.

The current operating loss remained stable in the second quarter at €128 million:

- it benefited from an increased contribution from the roads business after a first quarter impacted by particularly poor weather in most geographic regions;
- in contrast, it was impacted by the difficulties of the rail business in France, especially due to the situation at SNCF.

The share of profits from joint ventures and associates was €17 million, compared with €33 million at end-June 2017, due to a lower contribution from Tipco Asphalt caused by reduced activity.

Colas traditionally reports a first-half loss due to the usual seasonal effect of its business. The net loss attributable to the group in the first half of 2018 was €130 million, compared with a net loss attributable to the group of €88 million in the first half of 2017.

### Financial position

Net debt at end-June 2018 stood at €1,314 million, compared with €570 million at end-June 2017. The change versus 31 December 2017 (net surplus cash of €433 million) factors in the acquisition of the Miller McAsphalt group in Canada as well as the usual seasonal effect of Colas' business.

### Backlog

The backlog at end-June 2018 stood at €9.5 billion, up 18% on end-June 2017. It includes €0.8 billion corresponding to the Miller McAsphalt group. At constant exchange rates, the backlog was up 21% (up 11% excluding the Miller McAsphalt group). The backlog in mainland France was up 8%, while the backlog in international and French overseas territories was up 25%.

## 2.4.3 Outlook

Full-year 2018 sales are likely to be significantly higher than in 2017, due in particular to the contribution from the Miller McAsphalt group.

The current operating margin is expected to improve, subject to the usual vagaries of the weather and the availability of raw materials.

## 2.5. TF1

TF1 is an integrated media group whose mission is to inform and entertain. The TF1 group produces France's leading unencrypted television channel and offers content and services to suit all devices.

### 2.5.1 Key figures

| KEY FIGURES (€ million)[a] | FIRST HALF 2017 restated | FIRST HALF 2018 | CHANGE |
|---|---|---|---|
| **Sales** | **1,043** | **1,084** | **+3.9%** |
| *o/w advertising* | *784* | *813* | *+3.6%* |
| *o/w other activities* | *259* | *271* | *+4.9%* |
| **Current operating profit** | **108** | **101** | **-€7m** |
| *Current operating margin* | *10.4%* | *9.3%* | *-1.1 pts* |
| **Operating profit** | **96[b]** | **90[c]** | **-€6m** |
| **Net profit attributable to the Group** | **75** | **66** | **-€9m** |

(a) aufeminin has been consolidated since May 2018
(b) Including non-current charges of €12 million corresponding to amortisation charged against goodwill recorded as part of the acquisition of Newen Studios
(c) Including non-current charges of €11 million corresponding to amortisation charged against goodwill recorded as part of the acquisition of Newen Studios

TF1 reported consolidated sales of €1,084 million in the first half of 2018 compared with €1,043 million in the first half of 2017, an increase of 3.9%. This figure comprised:

- advertising sales of €813 million, a 3.6% increase on first-quarter 2017, driven by growth in sales at the five unencrypted channels, up 1%, and in digital advertising sales in the first half-year;
- sales from other activities of €271 million, up 4.9% year-on-year, mainly due to the first revenue streams from distribution of the TF1 Premium service to telecom operators.

Current operating profit at end-June 2018 was €101 million, versus €108 million a year earlier, a decline of €7 million. The cost of the Soccer World Cup, with a first-half impact of €46 million, was largely offset by tight control over the cost of programmes and growth in production activities.
The current operating margin was down 1.1 points at 9.3%. Excluding the cost of the World Cup, the current operating margin in the first half of the year is 13.5%.

Operating profit in the first half of 2018 was €90 million after non-current charges of €11 million corresponding to the amortisation of audiovisual rights remeasured as part of the acquisition of Newen Studios.

Net profit attributable to the group was €66 million, down €9 million. Net profit in the first half of 2017 included part of the gain on the divestment of the equity interest in Groupe AB.

### 2.5.2 First-half highlights

- TF1 was the exclusive unencrypted broadcaster of the Soccer World Cup, which took place from 14 June to 15 July, drawing an average audience of 9 million viewers for the 28 matches shown.
- New distribution agreements were concluded with all telecom operators: Altice-SFR in late 2017 was followed by Bouygues Telecom on 30 January, Orange on 8 March and Iliad-Free on 25 April. The agreements concern payment for content and enhanced services.
- On 5 April 2018, TF1 and the minority shareholders of Newen Studios, a 70% subsidiary of TF1, concluded an agreement under which TF1 acquired the remaining 30% of the company's shares and voting rights, giving TF1 sole ownership. The acquisition of the 30% interest was completed on 5 July.
- On 27 April 2018, TF1 completed the acquisition of Axel Springer's 78.1% interest in aufeminin, having obtained approval from the French and Austrian regulators. Olivier Abecassis, a member of TF1's Executive Committee, was appointed Chairman and CEO of aufeminin.
- On 15 June 2018, France Télévisions, M6 and TF1 joined forces to create a French OTT platform called SALTO. The outcome of this partnership between the three main content providers on the market will be an offering combining TV programmes (live and catch-up) and exclusive content.

**Audiences[1]**

TF1 maintained its high-level share of target audiences in the first half of 2018, with 32.5% for women under 50 who are purchasing decision-makers, unchanged from 2017, and 29.2% for individuals aged 25 to 49, down 0.2 points year-on-year.

The TF1 core channel increased its share of the target audience of women under 50 who are purchasing decision-makers for the third consecutive quarter, posting a 22.4% share in the second quarter of 2018, up 0.5 points year-on-year, and strengthening its lead over its nearest private-sector rival in the first half of the year.
The channel also scored the top 20 audience ratings among individuals aged 25 to 49. The World Cup games involving the French team attracted 11.2 million viewers on average, 68% of the audience of individuals aged 4 and over.

The channel's daily news bulletins are still by far the leaders in France, attracting a growing audience share among individuals aged 4 and over.

The DTT channels (TMC, TFX, TF1 Séries Films, LCI) occupy a leading position in French DTT broadcasting, taking a combined share of 10.2% of the target audience of women under 50 who are purchasing decision-makers and 9.3% of individuals aged 25 to 49.

MYTF1 performed well during the first half with 704 million video views[2], up 12% year-on-year, largely driven by flagship shows such as *Tomorrow is Ours*, *Paw Patrol* and the Soccer World Cup.

**Broadcasting**

Sales for the Broadcasting segment rose €11.5 million in the first half of 2018 to €869 million, driven mainly by good advertising sales from the five unencrypted channels and the first revenue streams from distribution of the TF1 Premium service to telecom operators.

The cost of programmes on the five unencrypted channels was €499 million, up €17 million. This figure includes the €46-million cost of screening 18 games from the Soccer World Cup in June[3]. Excluding the impact of this special event, the cost of programmes was €453 million, compared with €482 million in the first half of 2017. The savings, achieved without any loss of audience share, reflect the benefits of the rights-buying strategy pursued by TF1 over the last two years.

(a) Source: Médiamétrie-Médiamat
(b) Excluding news content, XTRA content and live sessions
(3) The cost of replacement programmes in the second quarter was €8.8 million

Current operating profit for the Broadcasting segment for the first half of 2018 was down €12 million to €79 million, after factoring in the cost of screening the Soccer World Cup.

**Studios & Entertainment**

Sales for the Studios & Entertainment segment were stable year-on-year at €186 million. Increased sales at Newen Studios offset lower sales at TF1 Studio[1] caused mainly by a weaker performance by films at the box office in the first half of the year and by the home shopping business.

Current operating profit rose 13% year-on-year to €19 million.

**Digital**

Following the acquisition of aufeminin on 27 April[2], a new segment split was introduced from the second quarter of 2018; this led to the creation of a new Digital segment, comprising the activities of aufeminin, Neweb, Studio 71, TF1 Digital Factory and MinuteBuzz.

The new segment generated sales of €29 million in the first half of the year including aufeminin, consolidated as of May 2018. First-half current operating profit was €3 million.

### 2.5.3 Outlook

On the basis of the first-half results, TF1 can confirm its guidance:

- an increase in the current operating margin in 2018 (excluding major sporting events);
- an annual average cost of programmes of €960 million (excluding major sporting events) for the five unencrypted channels over the period 2018-2020 as a result of optimised investment in content;
- growth in sales from activities other than advertising on the five unencrypted channels, expected to account for at least a third of consolidated sales in 2019;
- a target double-digit current operating margin in 2019.

## 2.6. Bouygues Telecom

A major player in the French electronic communications market, Bouygues Telecom is committed to delivering the best possible digital experience for everyone by developing uses.

(1) TF1 Studio produces and distributes made-for-cinema films
(2) Acquisition of Axel Springer's 78.1% stake on 27 April 2018. Following completion of the transaction on 4 July 2018, TF1 now holds 93.28% of the aufeminin group

### 2.6.1 Key figures

| KEY FIGURES (€ million) | FIRST HALF 2017 restated | FIRST HALF 2018 | CHANGE |
|---|---|---|---|
| **Sales** | **2,406** | **2,563** | **+7%** |
| *o/w sales from services* | *1,978* | *2,074* | *+5%* |
| **EBITDA** | **490** | **549** | **+12%** |
| *EBITDA/sales from services* | *24.8%* | *26.5%* | *+1.7 pts* |
| **Current operating profit** | **135** | **148** | **+10%** |
| **Operating profit** | **183[a]** | **239[b]** | **+31%** |
| **Net profit attributable to the Group** | **119** | **156** | **+31%** |

(a) Including non-current income of €72 million related to the capital gain on the sale of sites to Cellnex and non-current charges of €33 million related to network sharing
(b) Including non-current income of €104 million related to the capital gain on the sale of sites to Cellnex and non-current charges of €18 million related to network sharing

Bouygues Telecom's sales and financial results improved in the first half of 2018.

The company posted sales of €2,563 million in the first half of the year, up 7% on the first half of 2017. Sales from services rose 5% to €2,074 million due to growth in the number of mobile and fixed customers and the impact of the price increases introduced in late May 2017. Bouygues Telecom launched new offers for both mobile and fixed customers in the second quarter of 2018 with the aim of enhancing the value of the product mix.

EBITDA in the first half of 2018 was €549 million, €59 million higher than in the first half of 2017. The EBITDA margin[1] rose by 1.7 points year-on-year to 26.5%.

Current operating profit was €148 million, 10% higher than in the first half of 2017. Operating profit of €239 million in the first half of 2018 included non-current income of €104 million from capital gains on sales of telecoms sites to Cellnex.

Gross capital expenditure rose €75 million year-on-year to €621 million, due to expansion of the mobile and fixed networks.

### 2.6.2 First-half highlights

In the first half of 2018, Bouygues Telecom successfully continued its strategy based on four priorities:

#### Offering customers the simplest possible user experience

Bouygues Telecom aims to provide excellent service quality in terms of both networks and customer experience, central to its strategy. The customer experience is a top priority: it must be simple, quick and seamless.

**Bouygues Telecom has therefore introduced new offerings with a wide range of services designed to satisfy customers, such as guaranteed internet, customer call-back within 15 minutes or in a chosen time-bracket, customer service open until 10pm and, as always, rich and varied content.**

(1) EBITDA/sales from network

## Ensuring reliable and high-quality access to mobile and fixed

The quality of Bouygues Telecom's 4G network is attracting growing numbers of customers. Bouygues Telecom had 15.3 million mobile customers at 30 June 2018, including over 10.5 million plan customers excluding MtoM[1], adding 253,000 net new non-MtoM plan customers in the first six months of the year.
The company continued its programme of increasing the number of sites in very dense areas, with the aim of a more than 50% rise in the number of sites within four years in order to prepare for the arrival of 5G. It also continued to roll out new sites in less dense areas under its network sharing agreement with SFR. More than 10,000 sites had been rolled out jointly by end-June 2018, representing 82% of the total target number.
Bouygues Telecom covered 97% of the French population with 4G at end-June 2018 and aims to cover 99% by the end of the year.

Bouygues Telecom helps its customers to increase their use of digital services by offering high-quality, affordable fixed broadband packages.
Bouygues Telecom had over 3.5 million fixed broadband[2] customers at end-June 2018, representing 91,000 net adds in the first half of the year, including 126,000 new FTTH[3] customers. The company had 391,000 FTTH customers at end-June 2018.
Bouygues Telecom draws on all the available fixed broadband infrastructure on the French market to provide the service best suited to its customers' needs. In ADSL, the company is rolling out its own network in strategic areas and covered 17.2 million households at end-June 2018. Bouygues Telecom continued to roll out its FTTH network, with a total of 25 million premises secured[4] at end-June 2018, and 5.5 million marketed[5] in 62 French departments.

## Energising communities by helping to reduce the digital divide

As a result of sharing mobile infrastructure and rolling out fibre, Bouygues Telecom is able to offer its services to new customers all over France, especially in less densely populated areas. To that end it is stepping up efforts to keep close to customers by expanding local sales of its products and services.

(1) Machine to Machine
(2) Includes broadband and very-high-speed
(3) Fibre To The Home
(4) Premises secured: the horizontal deployed, being deployed or ordered up to the concentration point
(5) Premises marketed: connectable sockets, i.e. the horizontal and vertical deployed and connected via the concentration point

### Offering businesses a comprehensive range of fixed and mobile solutions

The business market is a growth opportunity for Bouygues Telecom, in both the mobile and fixed segments, especially as it rolls out its optical fibre network. Its Objenious subsidiary also supports development of the Internet of Things (IoT). Using LoRa technology, the Objenious network covers 93% of the French population. From the choice of sensors, the processing platform and business applications to a secure network, Objenious helps customers get the most out of their wealth of data.

### 2.6.3 Outlook

Bouygues Telecom expects sales from services in 2018 to increase by more than 3% in relation to 2017. The EBITDA margin[1] should be higher than in 2017 and gross capex should amount to around €1.2 billion.

Bouygues Telecom maintains its target of free cash flow[2] of €300 million in 2019.

## 2.7. Alstom

Bouygues held 27.93% of Alstom's share capital at 30 June 2018.

As a promoter of sustainable mobility, Alstom offers a comprehensive range of solutions from high-speed trains to metros, tramways and e-buses, customised services such as maintenance and modernisation, passenger services, and infrastructure, signalling and digital solutions. A world leader in integrated transport systems, Alstom employs 34,500 people in 60 countries.

### 2.7.1 FY2017/18

Alstom released its results for FY2017/18 (ended 31 March 2018) on 16 May 2018.

Alstom booked €7.2 billion of orders between 1 April 2017 and 31 March 2018. Sales were up 9% year-on-year to €8 billion (up 10% like-for-like and at constant exchange rates). Adjusted operating profit rose 22% year-on-year to €514 million, giving an adjusted margin of 6.5%. Net profit attributable to the Group amounted to €475 million, compared with €289 million in the previous year.

Alstom has a very strong balance sheet. Free cash flow was €128 million during FY2017/18. Net debt remained roughly stable at €255 million at 31 March 2018, while shareholders' equity stood at €4.0 billion.

As approved at the Shareholders' Meeting on 17 July 2018, Alstom paid a dividend of €0.35 per share for FY2017/18.

### 2.7.2 Figures at 30 June 2018 (first quarter of FY2018/19)

Alstom booked orders worth €2.6 billion in the first quarter of FY2018/19 (from 1 April to 30 June 2018), compared with €1.9 billion over the same period in the previous year. Sales in the first quarter of FY2018/19 were €2.0 billion, up 14% (17% like-for-like and at constant exchange rates) on the first quarter of FY2017/18.

The backlog at 30 June 2018 stood at €35.5 billion, giving good visibility for future sales.

(1) EBITDA/sales from services
(2) Free cash flow = cash flow minus cost of net debt minus income tax expense minus net capital expenditures. It is calculated before changes in working capital requirement

### 2.7.3 Acquisitions – Partnerships – Investments

On 17 July 2018, over 95% of Alstom's shareholders approved resolutions relating to the proposed merger of Alstom with Siemens Mobility, including its rail traction drives business. The transaction brings together two innovative players on the railway market in an entity that will offer value to customers and unique operational potential. The two businesses are highly complementary in terms of activities and geographical coverage.

The transaction is subject to approval by the competition authorities and is expected to close in the first half of 2019.

### 2.7.4 Outlook

Alstom's projections are prepared on a like-for-like basis at constant exchange rates. They comply with IFRS 15, now the standard for recognising sales. Sales of €8.0 billion are expected in FY2018/19 and the adjusted operating margin is expected to reach 7%. In the medium term, Alstom expects to grow more strongly than the market, gradually improve profitability and improve cash generation, with the possibility of some short-term volatility.

## 2.8. Bouygues SA

Net profit, according to French accounting standards, in the first half of 2018 was €1,103 million, €1,063 million more than in the first half of 2017. The change was mainly due to a €648-million increase in dividends received in respect of the previous year (interim dividends of €534 million were received in December 2016) and by the reversal of a €358-million provision for the write-down of Alstom shares.

## 2.9. Risks and uncertainties

This report contains forward-looking statements. Those statements, which express targets based on current assessments and estimates, are subject to the risks and uncertainties described below. The main risks and uncertainties that the Group could face in the second half of 2018 are similar to those described in the 2017 Registration Document (pages 143 to 177).

The main changes in relation to claims and litigation concern the following matters.

### 2.9.1 Bouygues Construction

**France: Eole**

Following a Competition Council (now Competition Authority) ruling of 21 March 2006 imposing fines on a number of companies for general collusion relating to work packages 34B and 37B of the East-West Express Rail Link (Eole) project, in 2011 SNCF brought an action in damages before the Paris Administrative Court seeking relief for losses that it claims to have suffered as a result of anti-competitive practices by construction companies in relation to the abovementioned work packages. The Paris Administrative Court rejected all of SNCF's claims on 31 May 2016. On 29 December 2017, the Paris Administrative Court of Appeal handed down a judgment dismissing SNCF's application on the grounds that the claim to cancel the contract and SNCF's claim for damages were both statute-barred. In early 2018, SNCF lodged an appeal with the Conseil d'État.

### 2.9.2 TF1

**Complaint for restrictive practices**

The Canal Plus group has filed a complaint with the Competition Authority for restrictive practices relating to TF1 Films Production's first and last right of refusal and pre-emption right in relation to the cinematographic works it finances. The complaint also concerns M6 and France Télévisions. The Competition Authority sent TF1 a statement of objections in early 2018, to which TF1 responded in April.

**Request for payment for the signal and add-on services of the TF1 programme (TF1 Premium)**

In connection with the renewal of contracts with the leading internet service providers and the Canal Plus group to distribute the TF1, TMC, NT1, TF1 Séries Films and LCI channels and the MYTF1 service, TF1 requested an overall fee for all its services effective as of 1 January 2017. Various legal proceedings were engaged in 2017 and 2018 in the context of negotiations on these TF1 Premium agreements with the main internet service providers. Agreements were finally reached with SFR, Bouygues Telecom, Orange and Free. The Canal Plus group and TF1 have both taken legal action against each other, though discussions continue with a view to reaching an agreement.

## 2.10. Related-party transactions

No related-party transactions liable to materially affect Bouygues' financial situation or results were concluded in the first half of 2018. Likewise, no change to related-party transactions liable to materially affect Bouygues' financial situation or results occurred during that period. Under the terms of agreements authorised by the Board of Directors and approved by the Annual General Meeting, Bouygues provided services to its sub-groups, mainly in the areas of management, human resources, information systems and finance.

More detailed information about related-party transactions is given in Note 13 of the notes to the condensed consolidated first-half financial statements.

## 2.11. Main events since 1 July 2018

On 5 July 2018, the TF1 group completed the buyout of the remaining 30% of the share capital and voting rights of Newen Studios from the non-controlling shareholders, giving TF1 100% of the company's shares and voting rights. This transaction followed clearance from the French Competition Authority, obtained on 3 July 2018.

On 4 July 2018, the public tender offer by TF1 for the listed shares of the aufeminin group closed. Following the completion of this offer, TF1 holds 93.28% of the shares.

On 5 July 2018, Bouygues Construction completed the acquisition of all the shares of the Australian company AW Edwards Pty Limited. This company is specialised in the building sector and is a leading independent player on the Australian market.

On 31 July 2018, Bouygues Construction and Colas completed the acquisition of Alpiq Engineering Services, a leading Swiss player in the energy, industrial services and rail infrastructure sectors, on the basis of an enterprise value of CHF 850 million. The Alpiq group had selected Bouygues Construction and Colas Rail on 26 March 2018 to acquire these activities.

# 3. CONDENSED CONSOLIDATED FIRST-HALF FINANCIAL STATEMENTS

## BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEET (€ million)

| ASSETS | Note | 30/06/2018 net | 31/12/2017 net restated [a] | 30/06/2017 net restated [b] |
|---|---|---|---|---|
| Property, plant and equipment | 11 | 6,897 | 6,658 | 6,526 |
| Intangible assets | 11 | 2,088 | 2,132 | 2,171 |
| Goodwill | 3.1 | 6,249 | 5,385 | 5,391 |
| Investments in joint ventures and associates | 3.2 | 2,542 | 2,502 | 2,449 |
| Other non-current financial assets | | 570 | 568 | 566 |
| Deferred tax assets and non-current tax receivable | | 356 | 323 | 388 |
| **NON-CURRENT ASSETS** | | **18,702** | **17,568** | **17,491** |
| Inventories | | 3,083 | 2,822 | 3,180 |
| Advances and down-payments made on orders | | 504 | 432 | 413 |
| Trade receivables | | 7,170 | 6,130 | 6,423 |
| Customer contract assets | | 2,037 | 1,570 | 1,819 |
| Tax asset (receivable) | | 231 | 331 | 285 |
| Other current receivables and prepaid expenses | | 2,939 | 2,562 | 2,666 |
| Cash and cash equivalents | 7 | 2,505 | 4,820 | 3,149 |
| Financial instruments - Hedging of debt | 7 | 12 | 15 | 16 |
| Other current financial assets | | 12 | 15 | 22 |
| **CURRENT ASSETS** | | **18,493** | **18,697** | **17,973** |
| Held-for-sale assets and operations | | 16 | 38 | 90 |
| **TOTAL ASSETS** | | **37,211** | **36,303** | **35,554** |

| LIABILITIES AND SHAREHOLDERS' EQUITY | Note | 30/06/2018 | 31/12/2017 restated [a] | 30/06/2017 restated [b] |
|---|---|---|---|---|
| Share capital | 4 | 366 | 366 | 357 |
| Share premium and reserves | | 8,089 | 7,678 | 7,399 |
| Translation reserve | | (102) | (88) | 101 |
| Treasury shares | | | | |
| Consolidated net profit/(loss) | 11 | 260 | 1,082 | 220 |
| **SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP** | | **8,613** | **9,038** | **8,077** |
| Non-controlling interests | | 1,334 | 1,378 | 1,303 |
| **SHAREHOLDERS' EQUITY** | | **9,947** | **10,416** | **9,380** |
| Non-current debt | 6.1 / 7 | 6,786 | 5,791 | 6,182 |
| Non-current provisions | 5.1 | 2,029 | 2,058 | 2,089 |
| Deferred tax liabilities and non-current tax liabilities | | 255 | 279 | 313 |
| **NON-CURRENT LIABILITIES** | | **9,070** | **8,128** | **8,584** |
| Current debt | 6.1 / 7 | 459 | 736 | 758 |
| Current taxes payable | | 137 | 115 | 83 |
| Trade payables | | 7,603 | 7,489 | 7,085 |
| Customer contract liabilities | | 3,831 | 3,184 | 3,395 |
| Current provisions | 5.2 | 765 | 885 | 834 |
| Other current liabilities | | 5,073 | 5,101 | 4,934 |
| Overdrafts and short-term bank borrowings | 7 | 295 | 209 | 473 |
| Financial instruments - Hedging of debt | 7 | 19 | 16 | 17 |
| Other current financial liabilities | | 12 | 24 | 11 |
| **CURRENT LIABILITIES** | | **18,194** | **17,759** | **17,590** |
| Liabilities related to held-for-sale operations | | | | |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **37,211** | **36,303** | **35,554** |
| **NET SURPLUS CASH/(NET DEBT)** | 7/11 | **(5,042)** | **(1,917)** | **(4,265)** |

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

(b) The balance sheet as of 30 June 2017 has been restated for the effects of applying IFRS 15.

## BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT (€ million)

| | | First half | | Second quarter | | Full year |
|---|---|---|---|---|---|---|
| | Note | 2018 | 2017 restated[a] | 2018 | 2017 restated[a] | 2017 restated[a] |
| **SALES [b]** | **8/11** | **15,743** | **15,108** | **8,917** | **8,271** | **32,923** |
| Other revenues from operations | | 91 | 68 | 28 | 30 | 150 |
| Purchases used in production | | (7,291) | (6,976) | (4,230) | (3,842) | (15,303) |
| Personnel costs | | (3,741) | (3,671) | (1,982) | (1,911) | (7,336) |
| External charges | | (3,769) | (3,518) | (2,005) | (1,774) | (7,327) |
| Taxes other than income tax | | (372) | (365) | (136) | (133) | (668) |
| Net depreciation and amortisation expense | | (803) | (721) | (437) | (361) | (1,596) |
| Charges to provisions and impairment losses, net of reversals due to utilisation | | (34) | (2) | (51) | (22) | (330) |
| Changes in production and property development inventories | | 117 | 105 | 82 | (15) | 60 |
| Other income from operations [c] | | 690 | 649 | 366 | 340 | 1,668 |
| Other expenses on operations | | (328) | (330) | (138) | (161) | (835) |
| **CURRENT OPERATING PROFIT/(LOSS)** | **9/11** | **303** | **347** | **414** | **422** | **1,406** |
| Other operating income | | 109 | 81 | 38 | 75 | 233 |
| Other operating expenses | | (29) | (49) | (13) | (26) | (120) |
| **OPERATING PROFIT/(LOSS)** | **11** | **383** | **379** | **439** | **471** | **1,519** |
| Financial income | | 15 | 10 | 5 | 5 | 25 |
| Financial expenses | | (122) | (125) | (58) | (63) | (251) |
| **INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)** | | **(107)** | **(115)** | **(53)** | **(58)** | **(226)** |
| Other financial income | | 33 | 41 | 21 | 35 | 113 |
| Other financial expenses | | (29) | (34) | (15) | (26) | (75) |
| Income tax | 10 | (57) | (84) | (111) | (130) | (299) |
| Share of net profits/losses of joint ventures and associates | 3.2 / 11 | 89 | 85 | 6 | 10 | 169 |
| **NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS** | | **312** | **272** | **287** | **302** | **1,201** |
| Net profit/(loss) from discontinued and held-for-sale operations | | | | | | |
| **NET PROFIT/(LOSS)** | | **312** | **272** | **287** | **302** | **1,201** |
| **NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP** | **11** | **260** | **220** | **248** | **261** | **1,082** |
| Net profit/(loss) attributable to non-controlling interests | | 52 | 52 | 39 | 41 | 119 |
| **Basic earnings per share from continuing operations attributable to the Group** (€) | | **0.71** | **0.62** | **0.68** | **0.73** | **3.02** |
| **Diluted earnings per share from continuing operations attributable to the Group** (€) | | **0.70** | **0.61** | **0.67** | **0.72** | **3.00** |

(a) The first-half 2017, second-quarter 2017 and full-year 2017 income statements have been restated for the effects of applying IFRS 15.

| | | | | | |
|---|---|---|---|---|---|
| (b) Of which sales generated abroad | 5,600 | 5,311 | 3,443 | 3,065 | 11,915 |
| (c) Of which reversals of unutilised provisions/impairment losses & other items | 208 | 156 | 107 | 72 | 434 |

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

| | First half | | Full year |
|---|---|---|---|
| | 2018 | 2017 restated [a] | 2017 restated [a] |
| **NET PROFIT/(LOSS)** | **312** | **272** | **1,201** |
| **Items not reclassifiable to profit or loss** | | | |
| Actuarial gains/losses on post-employment benefits | 1 | | (4) |
| Net change in fair value of equity instruments | (3) | | |
| Net tax effect of items not reclassifiable to profit or loss | | | (3) |
| Share of non-reclassifiable income and expense of joint ventures and associates [b] | 6 | 13 | 22 |
| **Items reclassifiable to profit or loss** | | | |
| Change in cumulative translation adjustment | 5 | (43) | (180) |
| Net change in fair value of financial instruments used for hedging purposes | (1) | 13 | 9 |
| Net tax effect of items reclassifiable to profit or loss | (3) | 2 | (1) |
| Share of reclassifiable income and expense of joint ventures and associates [b] | (18) | 13 | (39) |
| **INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY** | **(13)** [c] | **(2)** [d] | **(196)** |
| **TOTAL RECOGNISED INCOME AND EXPENSE** | **299** | **270** | **1,005** |
| **Recognised income and expense attributable to the Group** | **246** | **223** | **897** |
| **Recognised income and expense attributable to non-controlling interests** | **53** | **47** | **108** |

(a) The first-half 2017 and full-year 2017 statements of recognised income and expense have been restated for the effects of applying IFRS 15.
(b) Relates mainly to Alstom
(c) Of which income and expense recognised in second-quarter 2018 = 50
(d) Of which income and expense recognised in second-quarter 2017 = (23)

## 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 2016 RESTATED** [a] | **2,060** | **2,595** | **3,641** | | **57** | **8,353** | **1,295** | **9,648** |
| **Movements during the first half of 2017 restated** | | | | | | | | |
| Net profit/(loss) | | | 220 | | | 220 | 52 | 272 |
| Translation adjustment | | | | | (27) | (27) | (4) | (31) |
| Other recognised income and expense | | | | | 30 | 30 | (1) | 29 |
| **Total recognised income and expense** [d] | | | **220** | | **3** | **223** | **47** | **270** |
| Capital and reserves transactions, net | 69 | 405 | (405) | | | 69 | | 69 |
| Acquisitions/disposals of treasury shares | | | (5) | | | (5) | | (5) |
| Acquisitions/disposals without loss of control | | | (1) | | | (1) | (3) | (4) |
| Dividend paid | | | (568) | | | (568) | (39) | (607) |
| Other transactions with shareholders | | | 6 | | | 6 | 1 | 7 |
| Other transactions (changes in scope of consolidation and other items) | | | | | | | 2 | 2 |
| **POSITION AT 30 JUNE 2017 RESTATED** [a] | **2,129** | **3,000** | **2,888** | | **60** | **8,077** | **1,303** | **9,380** |
| **Movements during the second half of 2017 restated** | | | | | | | | |
| Net profit/(loss) | | | 862 | | | 862 | 67 | 929 |
| Translation adjustment | | | | | (189) | (189) | (3) | (192) |
| Other recognised income and expense | | | | | 1 | 1 | (3) | (2) |
| **Total recognised income and expense** [d] | | | **862** | | **(188)** | **674** | **61** | **735** |
| Capital and reserves transactions, net | 276 | | | | | 276 | | 276 |
| Acquisitions/disposals of treasury shares | | | 3 | | | 3 | | 3 |
| Acquisitions/disposals without loss of control | | | 8 | | | 8 | 9 | 17 |
| Dividend paid | | | | | | | 1 | 1 |
| Other transactions with shareholders | | | 10 | | | 10 | 2 | 12 |
| Other transactions (changes in scope of consolidation and other items) | | | 13 | | | 13 | (2) | 11 |
| Impact of applying IFRS 9 | | | (20) | | (3) | (23) | 4 | (19) |
| **POSITION AT 31 DECEMBER 2017 RESTATED** [b] | **2,405** | **3,000** | **3,764** | | **(131)** | **9,038** | **1,378** | **10,416** |
| **Movements during the first half of 2018** | | | | | | | | |
| Net profit/(loss) | | | 260 | | | 260 | 52 | 312 |
| Translation adjustment | | | | | (14) [c] | (14) | 1 [c] | (13) |
| Other recognised income and expense | | | | | | | | |
| **Total recognised income and expense** [d] | | | **260** | | **(14)** | **246** | **53** | **299** |
| Capital and reserves transactions, net | (22) | (519) | 519 | | | (22) | | (22) |
| Acquisitions/disposals of treasury shares | | | (6) | | | (6) | | (6) |
| Acquisitions/disposals without loss of control | | | (28) | | | (28) | (38) | (66) |
| Dividend paid | | | (620) | | | (620) | (60) | (680) |
| Other transactions with shareholders | | | 5 | | | 5 | | 5 |
| Other transactions (changes in scope of consolidation and other items) | | | | | | | 1 | 1 |
| **POSITION AT 30 JUNE 2018** | **2,383** | **2,481** | **3,894** | | **(145)** | **8,613** | **1,334** [e] | **9,947** |

(a) Shareholders' equity as of 31 December 2016 and 30 June 2017 has been restated for the effects of applying IFRS 15.
(b) Shareholders' equity as of 31 December 2017 has been restated for the effects of applying IFRS 9 and IFRS 15.
(c ) Change in translation reserve:

| Attributable to: | Group | Non-controlling interests | Total |
|---|---|---|---|
| Controlled entities | 4 | 1 | 5 |
| Joint ventures and associates | (18) | | (18) |
| | **(14)** | **1** | **(13)** |

(d) See statement of recognised income and expense.
(e) Of which TF1: €854 million.

## CONSOLIDATED CASH FLOW STATEMENT (€ million)

| | Note | First half 2018 | First half 2017 restated[a] | Full year 2017 restated[a] |
|---|---|---|---|---|
| **I - CASH FLOW FROM CONTINUING OPERATIONS** | | | | |
| **A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES** | | | | |
| Net profit/(loss) from continuing operations | | 312 | 272 | 1,201 |
| Adjustments: | | | | |
| Share of profits/losses reverting to joint ventures and associates, net of dividends received | | (57) | (56) | (93) |
| Dividends from non-consolidated companies | | (9) | (14) | (19) |
| Net charges to/(reversals of) depreciation, amortisation, and non-current impairment and provisions | | 788 | 717 | 1,579 |
| Gains and losses on asset disposals | | (132) | (124) | (367) |
| Miscellaneous non-cash charges | | (20) | (8) | (15) |
| **Cash flow after income from net surplus cash/(cost of net debt) and income tax** | **11** | **882** | **787** | **2,286** |
| Reclassification of (income from net surplus cash)/cost of net debt | | 107 | 115 | 226 |
| Elimination of income tax | | 57 | 84 | 299 |
| **Cash flow** | **11** | **1,046** | **986** | **2,811** |
| Income taxes paid | | (121) | (64) | (236) |
| Changes in working capital related to operating activities (including current impairment and provisions) [b] | | (1,274) | (1,886) | (516) |
| **NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES** | | **(349)** | **(964)** | **2,059** |
| **B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES** | | | | |
| Purchase price of property, plant and equipment and intangible assets | 11 | (963) | (873) | (1,931) |
| Proceeds from disposals of property, plant and equipment and intangible assets | 11 | 192 | 189 | 509 |
| Net liabilities related to property, plant and equipment and intangible assets | | (231) | (93) | 6 |
| Purchase price of non-consolidated companies and other investments | | (5) | (33) | (43) |
| Proceeds from disposals of non-consolidated companies and other investments | | 5 | 10 | 33 |
| Net liabilities related to non-consolidated companies and other investments | | | 67 | 65 |
| Purchase price of investments in consolidated activities | | (935) | (124) | (191) |
| Proceeds from disposals of investments in consolidated activities | | 2 | 87 | 121 |
| Net liabilities related to consolidated activities | | (3) | (3) | (2) |
| Other effects of changes in scope of consolidation: cash of acquired and divested companies | 7 | 60 | 5 | (9) |
| Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies | | 14 | (10) | (39) |
| **NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES** | | **(1,864)** | **(778)** | **(1,481)** |
| **C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES** | | | | |
| Capital increases/(reductions) paid by shareholders & non-controlling interests and other transactions between shareholders | | (47) | 64 | 326 |
| Dividends paid to shareholders of the parent company | | (620) | (568) | (568) |
| Dividends paid by consolidated companies to non-controlling interests | | (60) | (39) | (38) |
| Change in current and non-current debt | 7 | 596 | 508 | 123 |
| Income from net surplus cash/(cost of net debt) | | (107) | (115) | (226) |
| Other cash flows related to financing activities | | 19 | 42 | 21 |
| **NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES** | | **(219)** | **(108)** | **(362)** |
| **D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS** | **7** | **31** | **(56)** | **(187)** |
| **CHANGE IN NET CASH POSITION (A + B + C + D)** | | **(2,401)** | **(1,906)** | **29** |
| | | | | |
| **NET CASH POSITION AT START OF PERIOD** | **7** | **4,611** | **4,581** | **4,581** |
| Net cash flows | 7 | (2,401) | (1,906) | 29 |
| Other non-monetary flows | | | 1 | 1 |
| **NET CASH POSITION AT END OF PERIOD** | **7** | **2,210** | **2,676** | **4,611** |
| | | | | |
| **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) The first-half 2017 and full-year 2017 cash flow statements have been restated for the effects of applying IFRS 15.

(b) Definition of changes in working capital related to operating activities: current assets minus current liabilities, excluding (i) income taxes paid, which are presented separately and (ii) current debt and financial instruments used to hedge debt, which are classified in financing activities.

## CONTENTS

(figures in millions of euros unless otherwise indicated)

Declaration of compliance:

The interim condensed consolidated financial statements of Bouygues and its subsidiaries ("the Group") for the six months ended 30 June 2018 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 2017.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 June 2018. 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 June 2018 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 2017 (restated for the application of IFRS 9 and IFRS 15) and from the interim condensed consolidated financial statements for the six months ended 30 June 2017 (restated for the application of IFRS 15).

# NOTE 1 SIGNIFICANT EVENTS

## 1.1 Significant events of the first half of 2018

The principal corporate actions and acquisitions of the first half of 2018 are presented below:

- On 12 January 2018, the French government and Arcep (French telecoms regulator) reached an agreement with the four mobile operators to increase mobile coverage in France between now and 2031 (especially on the road and rail networks), and in dead zones and fringe zones between now and 2025. Once finalised, this agreement is expected to result in Bouygues Telecom installing a further 5,000 sites (sharing with the other operators) in dead and fringe zones, and several thousand additional sites on the strategic road and rail networks. In return for this investment, Bouygues Telecom will have its current licences extended for a further ten years, and will be granted a five-year exemption from the flat-rate tax on network operators (*IFER*) for some of the new sites. In addition, Bouygues Telecom will benefit from measures to streamline network roll-out administrative procedures. To implement the agreement, Arcep has launched a public consultation on the reallocation of the 900, 1800 and 2100 MHz frequencies that are due to expire between 2022 and 2024. The agreement to increase mobile coverage by 2031 cannot be implemented until the consultation has been completed.

- On 17 January 2018, an agreement was signed for the acquisition by the TF1 group of the Axel Springer group's majority equity interest of 78.07% in the aufeminin group, which in its financial year ended 31 December 2017 generated sales of €113 million and an operating profit of €12 million. The acquisition was completed on 27 April 2018 at a price of €39.47 per share, or €292 million in total. On 22 May 2018, TF1 filed a mandatory simplified tender offer for the remaining shares at the same price; by 30 June 2018, TF1 held an equity interest of 82.99% in aufeminin (93.28% as of 4 July 2018, the closing date of the tender offer). As of the date control was obtained, provisional goodwill of €249 million was recognised and net debt increased by €332 million, including the commitment to buy out the remaining shares not held by TF1. The contribution to first-half sales and current operating profit is immaterial.

- In line with the memorandum of understanding signed on 30 August 2017, Colas completed the acquisition of the entire share capital of the Miller McAsphalt group on 28 February 2018. The Miller McAsphalt group is a major player in road construction and bitumen distribution in Canada, with a particularly strong presence in Ontario. Over the last three years, it has generated average annual sales of approximately CAD 1.3 billion; it employs 3,300 people. The provisional purchase price paid on the completion date was CAD 913 million, equivalent to €585 million, of which €410 million was financed by debt. Provisional goodwill of €585 million has been recognised pending finalisation of the purchase price allocation. The Miller McAsphalt group contributed €243 million to sales over the last four months of the first half. The impact on current operating profit is immaterial.

- On 26 March 2018, Bouygues Construction and Colas announced the acquisition of Alpiq Engineering Services, which specialises in hard and soft services in construction and in energy, industrial and transport infrastructures. Alpiq employs nearly 7,650 people and generated sales of approximately CHF 1.7 billion in 2017, mainly in Switzerland (57%), Germany (24%) and Italy (12%). The acquisition was completed on the basis of an enterprise value of CHF 850 million (CHF 700 million for Bouygues Construction, CHF 150 million for Colas Rail).

- Under the agreement of 31 January 2017 between Bouygues Telecom and Cellnex (Spain), transfers of the 1,800 existing telecoms sites continued during the first half of 2018. As of 31 December 2017, 715 sites were presented in the balance sheet as "Held-for-sale assets", at a carrying amount of €38 million. During the first half of 2018, 503 sites were transferred to Cellnex for a total of €143 million. "Held-for-sale assets" was reduced to €16 million to reflect the reduction in the number of sites still held by Bouygues; the resulting gain of €104 million was recognised in "Other operating income" in the consolidated income

statement for the first half of 2018. The sale of the 1,200 new sites is being spread over a five-year period as and when the sites are constructed.

- The TF1 group and the non-controlling shareholders of Newen Studios, a 70%-owned subsidiary of TF1, signed an agreement on 5 April 2018 with a view to the acquisition by TF1 of the remaining 30% of the share capital and voting rights, which would give TF1 100% of Newen Studios. This transaction, which remained subject to clearance from the French Competition Authority as of 30 June 2018, will be treated as a transaction between shareholders in the third-quarter 2018 financial statements. The related commitment, which was already recognised as a financial liability as of 31 December 2017, has been adjusted as of 30 June 2018 to the actual amount that will be paid. All the costs associated with the completion of this transaction are provided for in the financial statements for the six months ended 30 June 2018.

- On 28 May 2018, Bouygues Construction announced the acquisition of AW Edwards, a well-established Australian construction company. The acquisition marks a further step in the Group's development strategy in Australia, and strengthens its position in the construction market. Bouygues Bâtiment International, a Bouygues Construction subsidiary, will buy all the shares of AW Edwards. AW Edwards is a family business, founded in 1921 and based in Sydney. Specialising in the building sector, it is a well-established independent player in the Australian market. The company generated sales of AUD 277 million in 2017 and employs 250 people.

## 1.2 Significant events of the first half of 2017

The principal corporate actions and acquisitions of the first half of 2017 are presented below:

- On 30 January 2017, TF1 accepted a conditional offer from Mediawan SA to buy the TF1 group's 33.5% equity interest in Groupe AB. As of 30 June 2017, the conditions had been met and the divestment of the equity interest took effect, generating a provisional gain of €7 million. The final purchase price was determined in September 2017, and the resulting gain of €14 million was recognised in "Share of net profits/losses of joint ventures and associates" in the consolidated income statement for the year ended 31 December 2017.

- On 31 January 2017, Bouygues Telecom signed an agreement with Cellnex (Spain) covering 3,000 telecoms sites in France, for a total amount of €854 million. The transaction involves the transfer by Bouygues Telecom of an initial batch of 1,800 existing sites to Cellnex over a two-year period for €500 million, followed by the construction of 1,200 new sites over a five-year period for €354 million. In addition, Bouygues Telecom and Cellnex signed a renewable 15-year hosting and services agreement. As of 30 June 2017, 350 sites had been transferred to Cellnex for a total of €99 million. "Held-for-sale assets" was reduced to €90 million to reflect the reduction in the number of sites still held by Bouygues; the resulting gain of €72 million was recognised in "Other operating income" in the consolidated income statement for the first half of 2017. As of 31 December 2017, 1,085 sites had been transferred for a total of €307 million. "Held-for-sale assets" was reduced to €38 million to reflect the reduction in the number of sites still held by Bouygues; the resulting gain of €223 million was recognised in "Other operating income" in the consolidated income statement for the year ended 31 December 2017.

## 1.3 Significant events and changes in scope of consolidation subsequent to 30 June 2018

- On 5 July 2018, the TF1 group completed the buyout of the remaining 30% of the share capital and voting rights of Newen Studios from the non-controlling shareholders, giving TF1 100% of the company's shares and voting rights. This transaction followed clearance from the French Competition Authority, obtained on 3 July 2018.
- On 5 July 2018, the acquisition of AW Edwards was finalised.
- On 17 July 2018, the Alstom shareholders approved resolutions relating to the proposed merger between Alstom and the Siemens Mobility businesses. The merger is subject to clearance from the competition authorities, and is expected to be finalised in the first half of 2019. The Alstom shareholders also approved the renewal of the terms of office as Directors of Olivier Bouygues and Bouygues SA (standing representative: Philippe Marien). On 17 July 2018, the commitment by Bouygues to retain its Alstom shares (as described in the consolidated financial statements for the year ended 31 December 2017) ended.
- On 31 July 2018, closing occurred on the acquisition of Alpiq Engineering Services, following clearance from the European and Swiss competition authorities on 11 July 2018. A provisional purchase price of €682 million was paid to acquire the entire share capital.

# 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 five business segments, along with 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 2016-01) issued on 2 December 2016 by the Autorité des Normes Comptables (ANC), the French national accounting standard-setter.

They were closed off by the Board of Directors on 29 August 2018.

The interim condensed consolidated financial statements for the six months ended 30 June 2018 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 as of and for the year ended 31 December 2017 and the six months ended 30 June 2017, restated to take account of the first-time application of IFRS 9 and IFRS 15 as of 1 January 2018 (see Note 14 to the financial statements).

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 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 2017. An increase of 70 basis points in the discount rate (1.50% as of 31 December 2017) would increase the provision for retirement benefit obligations by €47 million. That impact would be recognised in the 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 six months ended 30 June 2018 as were applied in its consolidated financial statements for the year ended 31 December 2017, except for changes required to meet new IFRS requirements applicable from 1 January 2018 as described below.

- Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption with effect from 1 January 2018:

  - **IFRS 9: Financial Instruments**

    On 24 July 2014, the IASB issued a new standard on financial instruments that replaces most of the previous IFRS pronouncements on this subject, in particular IAS 39. The new standard was endorsed by the European Union on 22 November 2016 and is mandatorily applicable from 1 January 2018. Bouygues did not early adopt IFRS 9.

    The Group has applied the classification, measurement and impairment principles of IFRS 9 retrospectively, with no restatement of prior period comparatives. The hedge accounting principles of IFRS 9 are being applied using a prospective approach in accordance with the standard.

    The impact of applying IFRS 9 as of 1 January 2018 is not material, and is presented in Note 14 to the consolidated financial statements.

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

  On 28 May 2014, the IASB issued a new standard on revenue recognition that replaces most of the previous IFRS pronouncements on this subject, in particular IAS 11 and IAS 18. The new standard was endorsed by the European Union on 29 October 2016, and is applicable from 1 January 2018. Bouygues did not early adopt IFRS 15. The Group has applied IFRS 15 retrospectively with effect from 1 January 2018, with the 2017 first-half and full-year comparatives restated to reflect the impacts of the new standard.

  The impacts of applying IFRS 15 on the financial statements for the six months ended 30 June 2017 and the year ended 31 December 2017 are presented in Note 14 to the consolidated financial statements.

- Standard effective within the European Union and mandatorily applicable from 1 January 2019:

  - **IFRS 16: Leases**

    On 13 January 2016, the IASB issued IFRS 16, "Leases". IFRS 16 will replace IAS 17, along with the associated IFRIC and SIC interpretations, and for lessees will end the distinction previously 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. The new standard was endorsed by the European Union on 31 October 2017 and is applicable from 1 January 2019.

    Bouygues has not early adopted IFRS 16, and for first-time application has elected the retrospective approach with presentation of a comparative year.

    The impact of IFRS 16 is currently under review. Given the expected changes in lease accounting and various uncertainties (including determination of the term of some leases), the detailed information on leases as provided in the notes to the consolidated financial statements for the year ended 31 December 2017 is not indicative of the actual impact that IFRS 16 might have on those financial statements.

- Essential interpretation issued by the IASB but not yet endorsed by the European Union:

  - **IFRIC 23: Uncertainty Over Income Tax Treatments**

    On 7 June 2017, the IFRS Interpretations Committee issued IFRIC 23, which is mandatorily applicable from 1 January 2019 and has not yet been endorsed by the European Union. IFRIC 23 clarifies the accounting treatments used to recognise the fiscal consequences of uncertainties relating to income taxes. The Bouygues group has not elected early adoption of IFRIC 23, and is reviewing the potential consequences of applying it.

## 2.3 Seasonal fluctuations

Sales and operating profit are subject to strong seasonal fluctuations due to low activity levels during the first half of the year, primarily at Colas due to weather conditions. The extent of those fluctuations varies from year to year. In accordance with IFRS, sales for interim accounting periods are recognised on the same basis as full-year sales.

# NOTE 3 NON-CURRENT ASSETS

Analyses by business segment of the carrying amount of property, plant and equipment and intangible assets, and of the share of net profits/losses of joint ventures and associates, are provided in Note 11, "Segment information".

## 3.1 Goodwill

### 3.1.1 Movement in the carrying amount of goodwill in the period

| | Gross value | Impairment | Carrying amount |
|---|---|---|---|
| **31/12/2017 restated** | **5,457** | **(72)** | **5,385** |
| Changes in scope of consolidation | 857 a | | 857 |
| Other movements (including translation adjustments) | 8 | (1) | 7 |
| Impairment losses | | | |
| **30/06/2018** | **6,322** | **(73)** | **6,249** |

(a) Includes €585m of provisional goodwill on the acquisition of the Miller McAsphalt group by Colas and €249m of provisional goodwill on the acquisition of the aufeminin group.

### 3.1.2 Split of goodwill by Cash Generating Unit (CGU)

| CGU | 30/06/2018 | | 31/12/2017 restated | |
|---|---|---|---|---|
| | Total | % Bouygues | Total | % Bouygues |
| Bouygues Construction [a] | 458 | 99.97% | 457 | 99.97% |
| Colas [b] | 1,736 | 96.61% | 1,131 | 96.60% |
| TF1 [b] | 1,407 | 43.81% | 1,149 | 43.81% |
| Bouygues Telecom [b] | 2,648 | 90.53% | 2,648 | 90.53% |
| **Total** | **6,249** | | **5,385** | |

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

As regards TF1, the recoverable amount used for goodwill impairment testing purposes as of 31 December 2017, determined on the basis of discounted cash flows, exceeded the carrying amount. The quoted share price has fallen since that date, but actual operating performance to 30 June 2018 does not invalidate the assumptions retained in the end-2017 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.

For the other CGUs, given the absence of any evidence of impairment, the goodwill recognised as of 30 June 2018 has not been subject to further impairment testing.

## 3.2 Investments in joint ventures and associates

| | Carrying amount |
|---|---|
| **31/12/2017 restated** | **2,502 a** |
| Share of net profit/(loss) for the period | 89 |
| Translation adjustments | (18) |
| Other income and expense recognised directly in equity | 6 |
| **Net profit/(loss) and other recognised income and expense** | **77** |
| Changes in scope of consolidation | (11) |
| Other movements (dividends, etc.) | (26) |
| **30/06/2018** | **2,542** |

(a) Includes Alstom: €2,028m.

The profit contribution from Alstom recognised in the Bouygues group's financial statements for the first half of 2018 is based on the results published by Alstom on 16 May 2018 for its 2017/18 financial year. Given the time-lag between the accounting year-ends of Alstom (31 March) and Bouygues (31 December), Alstom's net profit contribution to the Bouygues group for the first half of Alstom's 2017/18 financial year was recognised in the Bouygues financial statements for the nine months ended 30 September 2017.

Alstom's contribution to the net profit of Bouygues for the first half of 2018 was €73 million, compared with €45 million in the first half of 2017.

The €2,093 million carrying amount of the interest in Alstom in the Bouygues consolidated balance sheet as of 30 June 2018 was calculated on the basis of Alstom's equity before applying IFRS 9 and IFRS 15, which are expected to reduce the amount of Alstom's equity. The impact of this change as of the transition date (1 April 2017) will be recognised in equity by the Bouygues group as of 30 September 2018.

# NOTE 4 CONSOLIDATED SHAREHOLDERS' EQUITY

## Share capital of Bouygues SA

As of 30 June 2018, the share capital of Bouygues SA consisted of 365,793,396 shares with a par value of €1.

| | | Change | | |
|---|---|---|---|---|
| | **31/12/2017** | **Increases** | **Reductions** | **30/06/2018** |
| Shares | 366,125,285 | 825,955 a | (1,157,844) b | 365,793,396 |
| **NUMBER OF SHARES** | **366,125,285** | **825,955** | **(1,157,844)** | **365,793,396** |
| Par value | €1 | | | €1 |
| **SHARE CAPITAL (€)** | **366,125,285** | **825,955** | **(1,157,844)** | **365,793,396** |

(a) The increase of 825,955 shares was due to new shares being issued on exercise of stock options.
(b) Cancellation of treasury shares acquired by Bouygues SA on 8 January 2018, which reduced share capital and share premium by €47m.

# NOTE 5 NON-CURRENT AND CURRENT PROVISIONS

## 5.1 Non-current provisions

| | Long-term employee benefits [a] | Litigation and claims [b] | Guarantees given [c] | Other non-current provisions [d] | Total | |
|---|---|---|---|---|---|---|
| **31/12/2017 restated** | **772** | **323** | **383** | **580** | **2,058** | |
| Translation adjustments | 1 | | | | 1 | |
| Changes in scope of consolidation | 1 | 1 | | | 2 | |
| Charges to provisions | 21 | 26 | 31 | 15 | 93 | |
| Reversals of provisions (utilised or unutilised) | (15) | (35) | (36) | (49) | (135) | e |
| Actuarial gains and losses | | | | 1 | 1 | |
| Transfers and other movements | | 1 | (3) | 11 | 9 | |
| **30/06/2018** | **780** | **316** | **375** | **558** | **2,029** | |

| | | | |
|---|---|---|---|
| **(a) Long-term employee benefits** | **780** | **Principal segments involved:** | |
| Lump-sum retirement benefits | 525 | Bouygues Construction | 207 |
| Long-service awards | 155 | Colas | 433 |
| Other long-term employee benefits | 100 | TF1 | 38 |
| | | Bouygues Telecom | 64 |
| **(b) Litigation and claims** | **316** | Bouygues Construction | 131 |
| Provisions for customer disputes | 114 | Bouygues Immobilier | 29 |
| Subcontractor claims | 60 | Colas | 96 |
| Employee-related and other litigation and claims | 142 | Bouygues Telecom | 53 |
| **(c) Guarantees given** | **375** | Bouygues Construction | 287 |
| Provisions for 10-year construction guarantees | 291 | Bouygues Immobilier | 23 |
| Provisions for additional building/civil engineering/civil works guarantees | 84 | Colas | 65 |
| **(d) Other non-current provisions** | **558** | Bouygues Construction | 75 |
| Provisions for risks related to official inspections | 139 | Colas | 297 |
| Provisions for miscellaneous foreign risks | 22 | Bouygues Telecom | 157 |
| Provisions for subsidiaries and affiliates | 33 | | |
| Dismantling and site rehabilitation | 301 | | |
| Other non-current provisions | 63 | | |
| **(e) Including reversals of unutilised provisions during the first half of 2018** | **(66)** | | |

## 5.2 Current provisions

| Provisions related to the operating cycle | Provisions for customer warranties | Provisions for project risks and project completion | Provisions for expected losses to completion | Other current provisions | Total |
|---|---|---|---|---|---|
| **31/12/2017 restated** | **42** | **335** | **274** | **234** | **885** |
| Translation adjustments | 1 | 3 | (1) | | 3 |
| Changes in scope of consolidation | | (2) | | 1 | (1) |
| Charges to provisions | 4 | 51 | 69 | 37 | 161 |
| Reversals of provisions (utilised or unutilised) | (5) | (82) | (118) | (80) | (285)[a] |
| Transfers and other movements | | 8 | (9) | 3 | 2 |
| **30/06/2018** | **42** | **313** | **215** | **195** | **765** |

(a) Includes reversals of unutilised provisions in the first half of 2018: €(95)m.

# NOTE 6 NON-CURRENT AND CURRENT DEBT

## 6.1 Breakdown of debt

| | Current debt | | Non-current debt | |
|---|---|---|---|---|
| | Total 30/06/2018 | Total 31/12/2017 restated | Total 30/06/2018 | Total 31/12/2017 restated |
| Bond issues | 119 | 620 | 4,812 | 4,806 |
| Bank borrowings | 139 | 87 | 1,899 | 811 |
| Finance lease obligations | 7 | 6 | 7 | 9 |
| Other borrowings | 194 | 23 | 68 | 165 |
| **TOTAL DEBT** | **459** | **736** | **6,786** | **5,791** |

Non-current debt rose by €995 million, the main movements being at Colas (increase of €1,103 million including the impact of the acquisition of the Miller McAsphalt group, €410 million of which was financed by debt) and at TF1 (reclassification as current debt of the €103 million commitment to buy out the remaining 30% equity interest in Newen Studios).

Current debt decreased by €277 million, the main movements being at Bouygues SA (redemption on 12 February 2018 of the €500 million February 2010 bond issue) and at TF1 (reclassification as current debt of the €103 million commitment to buy out the remaining 30% equity interest in Newen Studios, and recognition of the commitment to buy out the remaining shares of the aufeminin group not held by TF1 as of 30 June 2018).

## 6.2 Covenants and trigger events

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

The bank credit facilities contracted by Bouygues SA contain no financial covenants or trigger event clauses. The same applies to Bouygues SA subsidiaries, except for the €410 million financing of the acquisition of the Miller McAsphalt group by Colas in Canada which temporarily includes a leveraged covenant clause based on the debt to EBITDA ratio.

# NOTE 7 CHANGE IN NET DEBT

| | 31/12/2017 restated | Cash flows | Changes in scope of consolidation | Translation adjustments | Fair value adjustments | Other movements | 30/06/2018 |
|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | 4,820 | (2,405) | 77 | 12 | | 1 | 2,505 |
| Overdrafts and short-term bank borrowings | (209) | (87) | (17) | 19 | | (1) | (295) |
| **NET CASH POSITION** | **4,611** | **(2,492) a** | **60 a** | **31 a** | **a** | **a** | **2,210** |
| Non-current debt | 5,791 | 1,069 b | 41 | 12 | (2) | (125) | 6,786 |
| Current debt | 736 | (473) b | 2 | | | 194 | 459 |
| Financial instruments, net | 1 | | | | 6 | | 7 |
| **TOTAL DEBT** | **6,528** | **596** | **43** | **12** | **4** | **69** | **7,252** |
| **NET DEBT** | **(1,917)** | **(3,088)** | **17** | **19** | **(4)** | **(69)** | **(5,042)** |

(a) Net cash outflow of €2,401m for the first half of 2018, as reported in the cash flow statement.
(b) Net cash inflow of €596m for the first half of 2018, as reported in the cash flow statement.

The amount payable to the non-controlling shareholders of aufeminin was recognised in current debt on the date of the decision by TF1 to initiate a public tender offer. At the same time, an escrow account was set up at Rothschild Martin Maurel to ensure TF1 met its commitment to settle the shares tendered into the offer up to and including 4 July 2018, the closing date of the tender offer. As of 30 June 2018, the €76 million balance on the escrow account was included in “Cash and cash equivalents”.

Following completion of the public tender offer for the aufeminin group on 4 July 2018, the TF1 group holds 93.28% of the shares, and part of the financial liability recognised as of 30 June 2018 for the buyout commitment was reversed out. That part amounts to €26 million and corresponds to the interests held by shareholders who did not tender their shares into the offer.

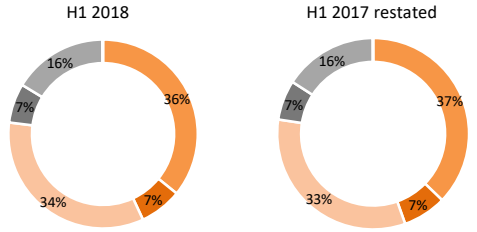
“Other movements” comprise (i) the reclassification of TF1’s commitment to buy out the remaining 30% equity interest in Newen Studios from non-current debt to current debt; (ii) the commitment to buy out the non-controlling shareholders of aufeminin and its subsidiaries; and (iii) the remeasurement of the put options relating to Newen and its subsidiaries.

# NOTE 8 ANALYSIS OF SALES – FRANCE & INTERNATIONAL

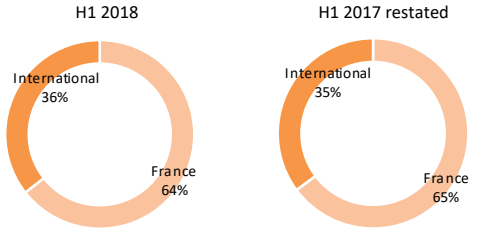
| | 1st half of 2018 | | | | 1st half of 2017 restated | | | |
|---|---|---|---|---|---|---|---|---|
| | France | International | Total | % | France | International | Total | % |
| Bouygues Construction | 2,664 | 2,978 | 5,642 | 36 | 2,582 | 3,040 | 5,622 | 37 |
| Bouygues Immobilier | 1,086 | 53 | 1,139 | 7 | 1,068 | 44 | 1,112 | 7 |
| Colas | 2,830 | 2,504 | 5,334 | 34 | 2,767 | 2,190 | 4,957 | 33 |
| TF1 | 1,009 | 53 | 1,062 | 7 | 982 | 33 | 1,015 | 7 |
| Bouygues Telecom | 2,551 | 0 | 2,551 | 16 | 2,395 | 0 | 2,395 | 16 |
| Bouygues SA & other | 3 | 12 | 15 | | 3 | 4 | 7 | |
| **CONSOLIDATED SALES** | **10,143** | **5,600** | **15,743** | **100** | **9,797** | **5,311** | **15,108** | **100** |

Split of total sales

By business segment




By geographical area

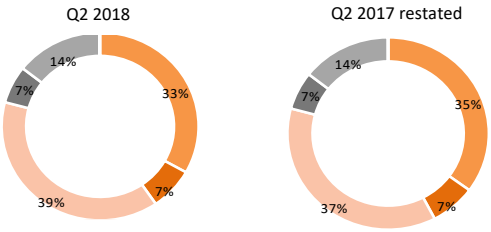



Bouygues Construction · Bouygues Immobilier · Colas · TF1 · Bouygues Telecom · Bouygues SA & other

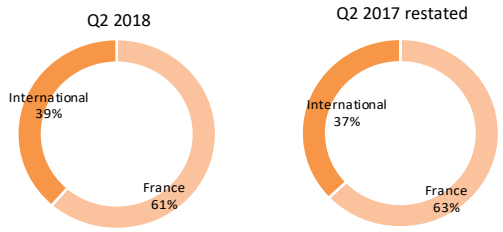
| | 2nd quarter of 2018 | | | | 2nd quarter of 2017 restated | | | |
|---|---|---|---|---|---|---|---|---|
| | France | International | Total | % | France | International | Total | % |
| Bouygues Construction | 1,365 | 1,589 | 2,954 | 33 | 1,309 | 1,590 | 2,899 | 35 |
| Bouygues Immobilier | 615 | 37 | 652 | 7 | 580 | 24 | 604 | 7 |
| Colas | 1,678 | 1,773 | 3,451 | 39 | 1,605 | 1,442 | 3,047 | 37 |
| TF1 | 540 | 36 | 576 | 7 | 519 | 8 | 527 | 7 |
| Bouygues Telecom | 1,275 | 0 | 1,275 | 14 | 1,192 | 0 | 1,192 | 14 |
| Bouygues SA & other | 1 | 8 | 9 | | 1 | 1 | 2 | |
| **CONSOLIDATED SALES** | **5,474** | **3,443** | **8,917** | **100** | **5,206** | **3,065** | **8,271** | **100** |

Split of total sales

By business segment




By geographical area




Bouygues Construction · Bouygues Immobilier · Colas · TF1 · Bouygues Telecom · Bouygues SA & other

# NOTE 9 OPERATING PROFIT AND EBITDA

| | 1st half | | | | 2nd quarter | |
|---|---|---|---|---|---|---|
| | 2018 | | 2017 restated | | 2018 | 2017 restated |
| **CURRENT OPERATING PROFIT/(LOSS)** | **303** | | **347** | | **414** | **422** |
| Other operating income | 109 | a | 81 | b | 38 | 75 |
| Other operating expenses | (29) | a | (49) | b | (13) | (26) |
| **OPERATING PROFIT/(LOSS)** | **383** | | **379** | | **439** | **471** |

See Note 11, "Segment information", for an analysis by business segment.

(a) Relates to:
Bouygues Telecom: €91 million, comprising a €104 million gain on the transfer of 503 sites to Cellnex plus €5 million of other operating income, partly offset by an €18 million expense on the roll-out of network sharing.
TF1: Amortisation of €11 million charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation.

(b) Relates to:
Bouygues Telecom: €48 million, mainly comprising a €72 million gain on the transfer of 350 sites to Cellnex plus an €8 million net reversal of provisions, partly offset by a €33 million expense on the roll-out of network sharing.
TF1: Amortisation of €12 million charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation.
Colas: Costs of €4 million incurred on the discontinuation of the Dunkirk refinery (SRD).

The Bouygues group reported EBITDA of €932 million for the first half of 2018, up €18 million relative to the first half of 2017. EBITDA is calculated on the basis of current operating profit, to which the following adjustments are made:

| | 1st half | | 2nd quarter | |
|---|---|---|---|---|
| | 2018 | 2017 restated | 2018 | 2017 restated |
| **CURRENT OPERATING PROFIT/(LOSS)** | **303** | **347** | **414** | **422** |
| Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses | | | | |
| • Net depreciation & amortisation expense | 803 | 721 | 437 | 361 |
| • Charges to provisions and impairment losses, net of reversals due to utilisation | 34 | 2 | 51 | 22 |
| Elimination of items included in other income from operations: | | | | |
| • Reversals of unutilised provisions and impairment and other items | (208) | (156) | (107) | (72) |
| **EBITDA** | **932** | **914** | **795** | **733** |

For a breakdown of EBITDA by business segment see Note 11, "Segment Information".

# NOTE 10 INCOME TAXES

| | 1st half | | 2nd quarter | |
|---|---|---|---|---|
| | 2018 | 2017 restated | 2018 | 2017 restated |
| Tax payable to the tax authorities | (116) | (101) | (94) | (97) |
| Deferred taxes, net | 59 | 17 | (17) | (33) |
| **INCOME TAX GAIN/(EXPENSE)** | **(57)** | **(84)** | **(111)** | **(130)** |

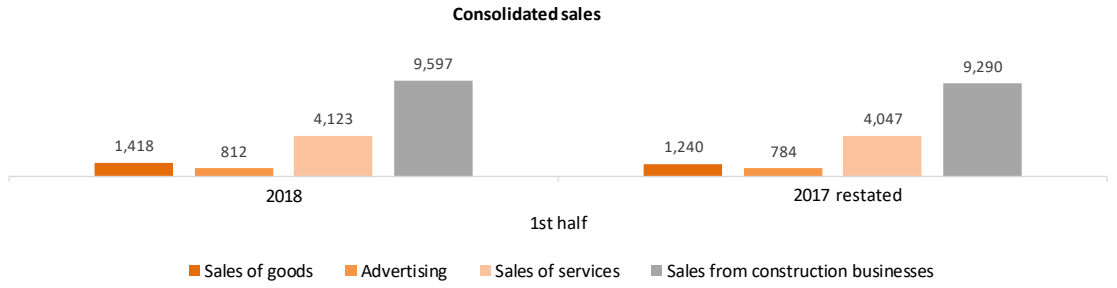
The effective tax rate for the first half of 2018 was 20%, versus 31% for the first half of 2017 (including €17 million of the 3% tax on dividends in France, which was abolished in 2018). After stripping out the tax on dividends, the effective tax rate for the first half of 2017 was 25%.

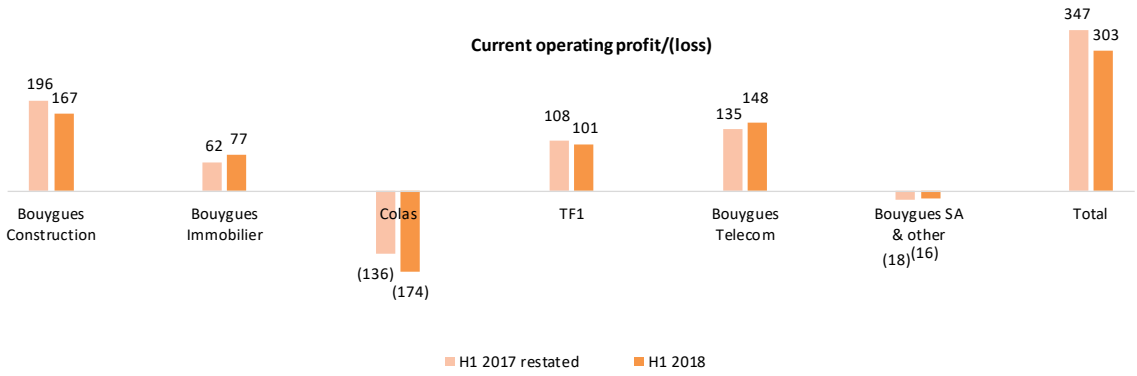
The net cash outflow for income taxes paid within the cash flow statement has been restated for the first half of 2017 and full year 2017 to exclude movements related to tax credits, which are now presented within “Changes in working capital related to operating activities”.

# NOTE 11 SEGMENT INFORMATION

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

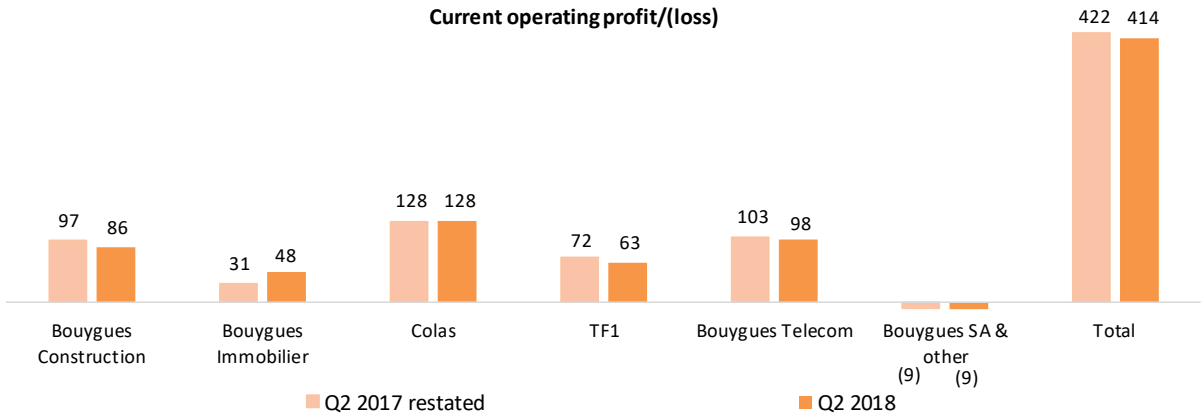
| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|---|---|---|---|---|---|---|
| **Income statement: 1st half of 2018** | | | | | | | |
| Sales of goods | 76 | | 951 | 53 | 338 | | 1,418 |
| Advertising | | | | 812 | | | 812 |
| Sales of services | 1,415 | 19 | 169 | 219 | 2,225 | 76 | 4,123 |
| Other sales from construction businesses | 4,235 | 1,121 | 4,241 | | | | 9,597 |
| Total sales | 5,726 | 1,140 | 5,361 | 1,084 | 2,563 | 76 | 15,950 |
| Inter-segment sales | (84) | (1) | (27) | (22) | (12) | (61) | (207) |
| **Third-party sales** | **5,642** | **1,139** | **5,334** | **1,062** | **2,551** | **15** | **15,743** |
| **Current operating profit/(loss)** | **167** | **77** | **(174)** | **101** | **148** | **(16)** | **303** |
| **Operating profit/(loss)** | **167** | **77** | **(174)** | **90** | **239** | **(16)** | **383** |
| **Share of net profits/(losses) of joint ventures and associates** | **1** | **(1)** | **17** | | | **72** | **89** |
| **Net profit/(loss) attributable to the Group** | **139** | **42** | **(126)** | **29** | **141** | **35** | **260** [a] |
| **Income statement: 1st half of 2017 restated** | | | | | | | |
| Sales of goods | 64 | | 801 | 54 | 321 | | 1,240 |
| Advertising | | | | 784 | | | 784 |
| Sales of services | 1,483 | 25 | 176 | 205 | 2,085 | 73 | 4,047 |
| Other sales from construction businesses | 4,167 | 1,098 | 4,025 | | | | 9,290 |
| Total sales | 5,714 | 1,123 | 5,002 | 1,043 | 2,406 | 73 | 15,361 |
| Inter-segment sales | (92) | (11) | (45) | (28) | (11) | (66) | (253) |
| **Third-party sales** | **5,622** | **1,112** | **4,957** | **1,015** | **2,395** | **7** | **15,108** |
| **Current operating profit/(loss)** | **196** | **62** | **(136)** | **108** | **135** | **(18)** | **347** |
| **Operating profit/(loss)** | **196** | **62** | **(140)** | **96** | **183** | **(18)** | **379** |
| **Share of net profits/(losses) of joint ventures and associates** | | **(1)** | **33** | **7** | | **46** | **85** |
| **Net profit/(loss) attributable to the Group** | **159** | **30** | **(85)** | **33** | **108** | **(25)** | **220** [b] |




(a) Net profit attributable to the Group excluding exceptional items for the first half of 2018 amounts to €209m, and corresponds to the net profit attributable to the Group adjusted by €(51)m to exclude non-current income net of taxes.
(b) Net profit attributable to the Group excluding exceptional items for the first half of 2017 amounts to €197m, and corresponds to the net profit attributable to the Group adjusted by €(23)m to exclude non-current income net of taxes.

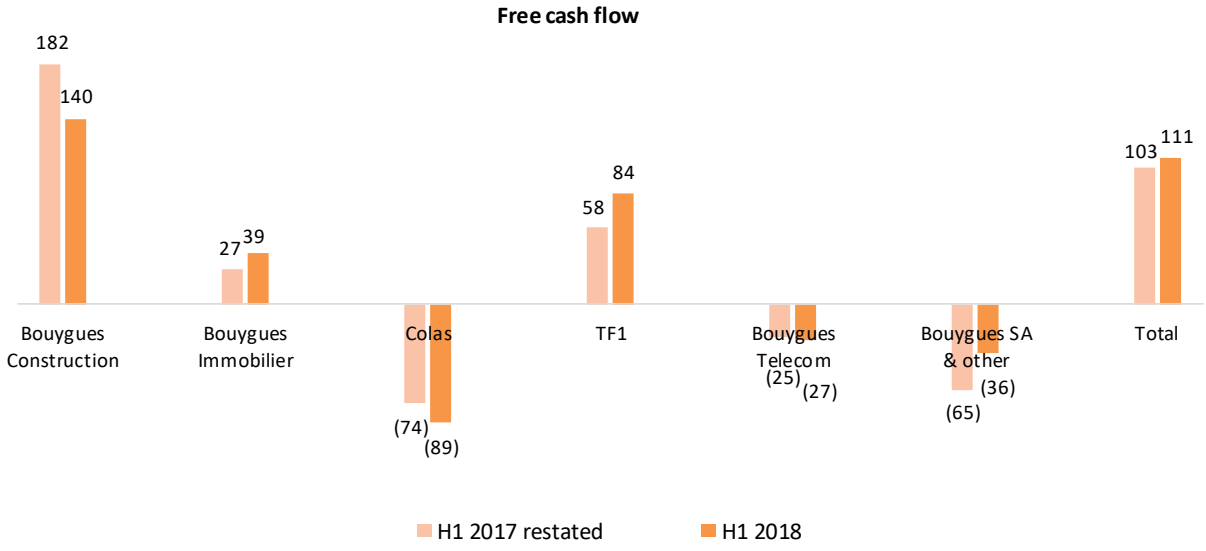
| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total | |
|---|---|---|---|---|---|---|---|---|
| **Income statement: 2nd quarter of 2018** | | | | | | | | |
| Sales of goods | 47 | | 658 | 28 | 162 | | **895** | |
| Advertising | | | | 443 | | | **443** | |
| Sales of services | 731 | 10 | | 114 | 1,120 | 39 | **2,014** | |
| Other sales from construction businesses | 2,209 | 643 | 2,805 | | | | **5,657** | |
| Total sales | 2,987 | 653 | 3,463 | 585 | 1,282 | 39 | **9,009** | |
| Inter-segment sales | (33) | (1) | (12) | (9) | (7) | (30) | **(92)** | |
| **Third-party sales** | **2,954** | **652** | **3,451** | **576** | **1,275** | **9** | **8,917** | |
| **Current operating profit/(loss)** | **86** | **48** | **128** | **63** | **98** | **(9)** | **414** | |
| **Operating profit/(loss)** | **86** | **48** | **128** | **58** | **128** | **(9)** | **439** | |
| **Share of net profits/(losses) of joint ventures and associates** | | **(1)** | **8** | | | **(1)** | **6** | |
| **Net profit/(loss) attributable to the Group** | **76** | **25** | **85** | **18** | **73** | **(29)** | **248** | a |
| **Income statement: 2nd quarter of 2017 restated** | | | | | | | | |
| Sales of goods | 35 | | 500 | 28 | 153 | | **716** | |
| Advertising | | | | 418 | | | **418** | |
| Sales of services | 748 | 13 | 73 | 94 | 1,043 | 32 | **2,003** | |
| Other sales from construction businesses | 2,163 | 596 | 2,501 | | | | **5,260** | |
| Total sales | 2,946 | 609 | 3,074 | 540 | 1,196 | 32 | **8,397** | |
| Inter-segment sales | (47) | (5) | (27) | (13) | (4) | (30) | **(126)** | |
| **Third-party sales** | **2,899** | **604** | **3,047** | **527** | **1,192** | **2** | **8,271** | |
| **Current operating profit/(loss)** | **97** | **31** | **128** | **72** | **103** | **(9)** | **422** | |
| **Operating profit/(loss)** | **97** | **31** | **128** | **66** | **158** | **(9)** | **471** | |
| **Share of net profits/(losses) of joint ventures and associates** | | | **10** | | | | **10** | |
| **Net profit/(loss) attributable to the Group** | **80** | **14** | **104** | **21** | **94** | **(52)** | **261** | b |



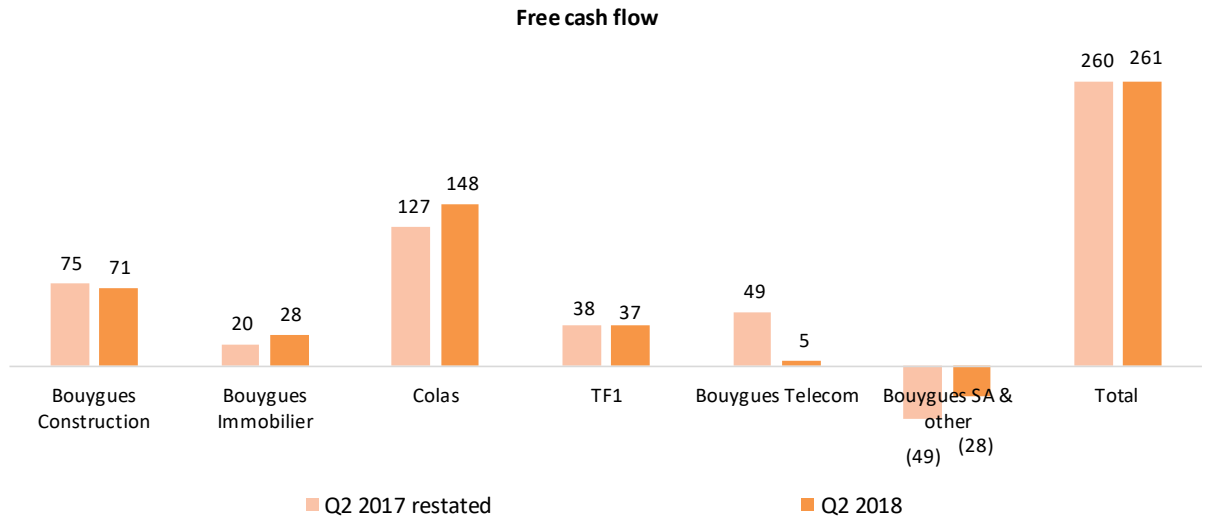

(a) Net profit attributable to the Group excluding exceptional items for the second quarter of 2018 amounts to €232m, and corresponds to the net profit attributable to the Group adjusted by €(16)m to exclude non-current income net of taxes.
(b) Net profit attributable to the Group excluding exceptional items for the second quarter of 2017 amounts to €230m, and corresponds to the net profit attributable to the Group adjusted by €(31)m to exclude non-current income net of taxes.

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|---|---|---|---|---|---|---|
| **Balance sheet: 30 June 2018** | | | | | | | |
| **Property, plant and equipment** | **546** | **21** | **2,405** | **180** | **3,578** | **167** | **6,897** |
| **Intangible assets** | **37** | **34** | **100** | **216** | **1,648** | **53** | **2,088** |
| **Net debt** | **2,993** | **(491)** | **(1,314)** | **(122)** | **(1,201)** | **(4,907)** | **(5,042)** |
| **Balance sheet: 31 December 2017 restated** | | | | | | | |
| **Property, plant and equipment** | **573** | **20** | **2,383** | **178** | **3,338** | **166** | **6,658** |
| **Intangible assets** | **40** | **37** | **90** | **231** | **1,682** | **52** | **2,132** |
| **Net debt** | **3,409** | **(86)** | **433** | **257** | **(976)** | **(4,954)** | **(1,917)** |

| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|---|---|---|---|---|---|---|
| **Other financial indicators: 1st half of 2018** | | | | | | | |
| **Cash flow after cost of net debt and income tax (I)** | **204** | **43** | **63** | **172** | **434** | **(34)** | **882** |
| **Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)** | **(64)** | **(4)** | **(152)** | **(88)** | **(461)** | **(2)** | **(771)** |
| **Free cash flow (I) + (II)** | **140** | **39** | **(89)** | **84** | **(27)** | **(36)** | **111** |
| **Cash flow** | **239** | **68** | **35** | **201** | **513** | **(10)** | **1,046** |
| **EBITDA** | **173** | **53** | **(47)** | **223** | **549** | **(19)** | **932** |
| **Other financial indicators: 1st half of 2017 restated** | | | | | | | |
| **Cash flow after cost of net debt and income tax (I)** | **216** | **38** | **64** | **149** | **380** | **(60)** | **787** |
| **Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)** | **(34)** | **(11)** | **(138)** | **(91)** | **(405)** | **(5)** | **(684)** |
| **Free cash flow (I) + (II)** | **182** | **27** | **(74)** | **58** | **(25)** | **(65)** | **103** |
| **Cash flow** | **263** | **62** | **45** | **183** | **440** | **(7)** | **986** |
| **EBITDA** | **200** | **53** | **(1)** | **187** | **490** | **(15)** | **914** |



| | Bouygues Construction | Bouygues Immobilier | Colas | TF1 | Bouygues Telecom | Bouygues SA & other | Total |
|---|---|---|---|---|---|---|---|
| **Other financial indicators: 2nd quarter of 2018** | | | | | | | |
| **Cash flow after cost of net debt and income tax (I)** | **115** | **30** | **221** | **85** | **242** | **(29)** | **664** |
| **Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)** | **(44)** | **(2)** | **(73)** | **(48)** | **(237)** | **1** | **(403)** |
| **Free cash flow (I) + (II)** | **71** | **28** | **148** | **37** | **5** | **(28)** | **261** |
| **Cash flow** | **129** | **48** | **267** | **106** | **286** | **(8)** | **828** |
| **EBITDA** | **122** | **50** | **207** | **122** | **302** | **(8)** | **795** |
| **Other financial indicators: 2nd quarter of 2017 restated** | | | | | | | |
| **Cash flow after cost of net debt and income tax (I)** | **91** | **25** | **217** | **77** | **191** | **(46)** | **555** |
| **Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)** | **(16)** | **(5)** | **(90)** | **(39)** | **(142)** | **(3)** | **(295)** |
| **Free cash flow (I) + (II)** | **75** | **20** | **127** | **38** | **49** | **(49)** | **260** |
| **Cash flow** | **115** | **39** | **248** | **101** | **243** | **(3)** | **743** |
| **EBITDA** | **106** | **40** | **211** | **113** | **271** | **(8)** | **733** |




# NOTE 12 OFF BALANCE SHEET COMMITMENTS

For changes in off balance sheet commitments relating to Alstom, refer to Note 1.3 to the consolidated financial statements.

For changes in off balance sheet commitments relating to Colas and the acquisition of the entire share capital of the Miller McAsphalt group, refer to Note 1.1 to the consolidated financial statements.

There have been no material changes in the Bouygues group's other off balance sheet commitments since 31 December 2017.

# NOTE 13 RELATED PARTY DISCLOSURES

| Transactions with: *(€ million)* | Expenses | | Income | | Receivables | | Payables | |
|---|---|---|---|---|---|---|---|---|
| | H1 2018 | H1 2017 restated | H1 2018 | H1 2017 restated | 30/06/2018 | 31/12/2017 restated | 30/06/2018 | 31/12/2017 restated |
| Parties with an ownership interest | 3 | 3 | | | | | | |
| Joint operations | 53 | 45 | 114 | 156 | 230 | 260 | 296 | 268 |
| Joint ventures and associates | 12 | 14 | 65 | 48 | 207 | 145 | 30 | 29 |
| Other related parties | 14 | 21 | 55 | 62 | 77 | 91 | 47 | 51 |
| **Total** | **82** | **83** | **234** | **266** | **514** | **496** | **373** | **348** |
| | | | | | | | | |
| . Maturity | | | | | | | | |
| less than 1 year | | | | | 472 | 457 | 373 | 345 |
| 1 to 5 years | | | | | | 22 | | 3 |
| more than 5 years | | | | | 42 | 17 | | |
| . of which impairment of doubtful receivables | | | | | | | | |
| (mainly non-consolidated companies) | | | | | 72 | 71 | | |

# NOTE 14 IMPACTS OF FIRST-TIME APPLICATION OF IFRS 15, "REVENUE FROM CONTRACTS WITH CUSTOMERS" AND IFRS 9, "FINANCIAL INSTRUMENTS"

This note presents the effect of first-time application of IFRS 15 and IFRS 9 on the consolidated financial statements and key performance indicators of the Bouygues group.

The Bouygues group is applying IFRS 15 with effect from 1 January 2018, with retrospective application and presentation of comparatives. The impacts on the balance sheet as of 31 December 2016, and on the financial statements as of 30 June 2017 and 31 December 2017, are presented below.

The principal restatements arising from the first-time application of IFRS 15 relate to:

- Construction businesses (Bouygues Construction, Bouygues Immobilier and Colas), and especially at Bouygues Immobilier, in particular off-plan sales under "VEFA" (*Ventes en l'État Futur d'Achèvement*) contracts in France. The principle of recognising revenue and margin over time is not called into question by IFRS 15. However, the calculation of the percentage of completion on residential and commercial property development projects now incorporates land-related costs. This means that more revenue and margin are recognised at the start of the project as compared with previous practice. The resulting restatement increases shareholders' equity as of 31 December 2016 by €64 million, net of deferred taxes.

  For Bouygues Construction and Colas, the method used to recognise revenue over time is consistent with IFRS 15.

- Bouygues Telecom, as a result of the identification of two performance obligations on business and consumer contracts that combine a subscription with a subsidised handset; such contracts have to be split into separate components. Under IFRS 15, there are changes to (i) the split between the sale of the handset and the supply of the service and (ii) the revenue recognition pattern. This leads to accelerated revenue recognition on sales of handsets, resulting in a trade receivable being reported in the balance sheet for the difference between (i) the price paid by the customer on initial subscription and (ii) the transaction price. This asset is charged to profit or loss over the average life of the contract. Further impacts relate to certain contract origination and execution costs previously recognised as an expense in the period or capitalised, which under IFRS 15 are recognised in "Customer contract assets" and "Customer contract liabilities" in the balance sheet on signature of the contract and then charged as an operating expense over the average life of the contract. The resulting restatement increases shareholders' equity as of 31 December 2016 by €165 million, net of deferred taxes.

- TF1, where IFRS 15 changes the accounting treatment of distribution contracts, and the date of recognition of revenue generated by rights sales (especially TV and SVoD[a]), but with no material impact.

In addition, two new line items have been added to the consolidated balance sheet:

- **"Customer contract assets"**, which consists of the following items:
  - Customer contract origination and execution costs, previously recognised as an expense in the period or capitalised.
  - Differences relating to the percentage of completion on a contract, previously recognised in "Trade receivables".

(a) Subscription Video on Demand, where users have unlimited access to a video catalogue in return for a monthly subscription.

- **"Customer contract liabilities"**, which consists of the following items:
  - Advances and down-payments received on orders, previously reported as a separate line item on the liabilities side of the balance sheet.
  - Differences relating to the percentage of completion on a contract, previously recognised in "Other current liabilities".

| | 30/06/2018 | 31/12/2017 restated |
|---|---|---|
| Customer contract origination costs | 196 | 190 |
| Customer contract execution costs | 223 | 186 |
| Differences relating to percentage of completion on a contract | 1,618 | 1,194 |
| **CUSTOMER CONTRACT ASSETS** | **2,037** | **1,570** |

| | 30/06/2018 | 31/12/2017 restated |
|---|---|---|
| Advances and down-payments received on orders | 1,361 | 959 [a] |
| Differences relating to percentage of completion on a contract | 2,470 | 2,225 |
| **CUSTOMER CONTRACT LIABILITIES** | **3,831** | **3,184** |

(a) "Advances and down-payments received on orders" amounts to €959m, after IFRS 15 restatements.

The Bouygues group is applying the classification, measurement and impairment principles of IFRS 9 retrospectively with effect from 1 January 2018, with no restatement of prior period comparatives on first-time application. The hedge accounting principles of IFRS 9 are also being applied with effect from 1 January 2018, using a prospective approach in accordance with the standard.

The principal restatements arising from the first-time application of IFRS 9 as of 31 December 2017 relate to:

- Investments in non-consolidated companies measured at fair value, for which the Group may elect, for each investment, to recognise changes in fair value either in shareholders' equity or in profit or loss.

- Impairment charged against trade receivables, which are based on expected losses.

The finalisation of the transition project confirmed the income statement impacts as presented in Note 23 to the consolidated financial statements for the year ended 31 December 2017, and led to a few reclassifications in the interim balance sheets within line items that impact on working capital related to operating activities.
Finally, shareholders' equity as of 31 December 2017 after application of IFRS 9 and IFRS 15 amounts to €10,416 million, compared with €10,409 million as presented in Note 23 to the consolidated financial statements for the year ended 31 December 2017. The difference is due to the finalisation of the IFRS 9 transition project.

## Consolidated financial statements as of 31 December 2016, restated for IFRS 15

### Balance sheet

| ASSETS | 31/12/2016 published | Construction businesses [a] | Bouygues Telecom | TF1 & other | Total IFRS 15 impacts | 31/12/2016 restated |
|---|---|---|---|---|---|---|
| Property, plant and equipment | 6,566 | | (154) | | (154) | 6,412 |
| Intangible assets | 2,180 | | | | | 2,180 |
| Goodwill | 5,367 | | | | | 5,367 |
| Investments in joint ventures and associates | 2,429 | | | | | 2,429 |
| Other non-current financial assets | 523 | | | | | 523 |
| Deferred tax assets and non-current tax receivable | 367 | (19) | | | (19) | 348 |
| **NON-CURRENT ASSETS** | **17,432** | **(19)** | **(154)** | | **(173)** | **17,259** |
| Inventories | 2,955 | (191) | | | (191) | 2,764 |
| Advances and down-payments made on orders | 395 | | | | | 395 |
| Trade receivables | 6,367 | (777) | 229 | | (548) | 5,819 |
| Customer contract assets | | 1,128 | 311 | | 1,439 | 1,439 |
| Tax asset (receivable) | 285 | | | | | 285 |
| Other current receivables and prepaid expenses | 2,509 | (19) | | | (19) | 2,490 |
| Cash and cash equivalents | 4,749 | | | | | 4,749 |
| Financial instruments – Hedging of debt | 17 | | | | | 17 |
| Other current financial assets | 24 | | | | | 24 |
| **CURRENT ASSETS** | **17,301** | **141** | **540** | | **681** | **17,982** |
| Held-for-sale assets and operations | 121 | | | | | 121 |
| **TOTAL ASSETS** | **34,854** | **122** | **386** | | **508** | **35,362** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | **31/12/2016 published** | **Construction businesses [a]** | **Bouygues Telecom** | **TF1 & other** | **Total IFRS 15 impacts** | **31/12/2016 restated** |
| | | | | | | |
| Share capital | 355 | | | | | 355 |
| Share premium and reserves | 6,925 | 64 | 149 | | 213 | 7,138 |
| Translation reserve | 128 | | | | | 128 |
| Treasury shares | | | | | | |
| Consolidated net profit/(loss) | 732 | | | | | 732 |
| **SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP** | **8,140** | **64** | **149** | | **213** | **8,353** |
| Non-controlling interests | 1,280 | | 16 | (1) | 15 | 1,295 |
| **SHAREHOLDERS' EQUITY** | **9,420** | **64** | **165** | **(1)** | **228** | **9,648** |
| Non-current debt | 6,180 | | | | | 6,180 |
| Non-current provisions | 2,199 | (21) | | | (21) | 2,178 |
| Deferred tax liabilities and non-current tax liabilities | 159 | 15 | 118 | | 133 | 292 |
| **NON-CURRENT LIABILITIES** | **8,538** | **(6)** | **118** | | **112** | **8,650** |
| Advances and down-payments received on orders | 1,010 | (1,002) | (5) | (3) | (1,010) | |
| Current debt | 265 | | | | | 265 |
| Current taxes payable | 109 | | | | | 109 |
| Trade payables | 7,140 | 124 | | | 124 | 7,264 |
| Customer contract liabilities | | 3,221 | 210 | 17 | 3,448 | 3,448 |
| Current provisions | 1,002 | | (8) | | (8) | 994 |
| Other current liabilities | 7,159 | (2,279) | (94) | (13) | (2,386) | 4,773 |
| Overdrafts and short-term bank borrowings | 168 | | | | | 168 |
| Financial instruments – Hedging of debt | 19 | | | | | 19 |
| Other current financial liabilities | 24 | | | | | 24 |
| **CURRENT LIABILITIES** | **16,896** | **64** | **103** | **1** | **168** | **17,064** |
| Liabilities related to held-for-sale operations | | | | | | |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **34,854** | **122** | **386** | | **508** | **35,362** |
| **Net surplus cash/(net debt)** | **(1,866)** | | | | | **(1,866)** |

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

## Consolidated financial statements as of 30 June 2017, restated for IFRS 15

### Balance sheet

| ASSETS | 30/06/2017 published | Construction businesses [a] | Bouygues Telecom | TF1 & other | Total IFRS 15 impacts | 30/06/2017 restated |
|---|---|---|---|---|---|---|
| Property, plant and equipment | 6,689 | | (163) | | (163) | 6,526 |
| Intangible assets | 2,171 | | | | | 2,171 |
| Goodwill | 5,391 | | | | | 5,391 |
| Investments in joint ventures and associates | 2,449 | | | | | 2,449 |
| Other non-current financial assets | 566 | | | | | 566 |
| Deferred tax assets and non-current tax receivable | 403 | (15) | | | (15) | 388 |
| **NON-CURRENT ASSETS** | **17,669** | **(15)** | **(163)** | | **(178)** | **17,491** |
| Inventories | 3,363 | (183) | | | (183) | 3,180 |
| Advances and down-payments made on orders | 413 | | | | | 413 |
| Trade receivables | 7,372 | (1,168) | 219 | | (949) | 6,423 |
| Customer contract assets | | 1,499 | 320 | | 1,819 | 1,819 |
| Tax asset (receivable) | 285 | | | | | 285 |
| Other current receivables and prepaid expenses | 2,682 | (16) | | | (16) | 2,666 |
| Cash and cash equivalents | 3,149 | | | | | 3,149 |
| Financial instruments – Hedging of debt | 16 | | | | | 16 |
| Other current financial assets | 22 | | | | | 22 |
| **CURRENT ASSETS** | **17,302** | **132** | **539** | | **671** | **17,973** |
| Held-for-sale assets and operations | 90 | | | | | 90 |
| **TOTAL ASSETS** | **35,061** | **117** | **376** | | **493** | **35,554** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | **30/06/2017 published** | **Construction businesses [a]** | **Bouygues Telecom** | **TF1 & other** | **Total IFRS 15 impacts** | **30/06/2017 restated** |
| Share capital | 357 | | | | | 357 |
| Share premium and reserves | 7,186 | 64 | 149 | | 213 | 7,399 |
| Translation reserve | 101 | | | | | 101 |
| Treasury shares | | | | | | |
| Consolidated net profit/(loss) | 240 | (7) | (13) | | (20) | 220 |
| **SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP** | **7,884** | **57** | **136** | | **193** | **8,077** |
| Non-controlling interests | 1,289 | | 14 | | 14 | 1,303 |
| **SHAREHOLDERS' EQUITY** | **9,173** | **57** | **150** | | **207** | **9,380** |
| Non-current debt | 6,182 | | | | | 6,182 |
| Non-current provisions | 2,110 | (21) | | | (21) | 2,089 |
| Deferred tax liabilities and non-current tax liabilities | 193 | 15 | 106 | (1) | 120 | 313 |
| **NON-CURRENT LIABILITIES** | **8,485** | **(6)** | **106** | **(1)** | **99** | **8,584** |
| Advances and down-payments received on orders | 1,061 | (1,051) | (4) | (6) | (1,061) | |
| Current debt | 758 | | | | | 758 |
| Current taxes payable | 83 | | | | | 83 |
| Trade payables | 6,966 | 119 | | | 119 | 7,085 |
| Customer contract liabilities | | 3,141 | 225 | 29 | 3,395 | 3,395 |
| Current provisions | 842 | | (8) | | (8) | 834 |
| Other current liabilities | 7,192 | (2,143) | (93) | (22) | (2,258) | 4,934 |
| Overdrafts and short-term bank borrowings | 473 | | | | | 473 |
| Financial instruments – Hedging of debt | 17 | | | | | 17 |
| Other current financial liabilities | 11 | | | | | 11 |
| **CURRENT LIABILITIES** | **17,403** | **66** | **120** | **1** | **187** | **17,590** |
| Liabilities related to held-for-sale operations | | | | | | |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **35,061** | **117** | **376** | | **493** | **35,554** |
| **Net surplus cash/(net debt)** | **(4,265)** | | | | | **(4,265)** |

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

## Income statement

| | H1 2017 published | Construction businesses [a] | Bouygues Telecom | TF1 & other | Total IFRS 15 impacts | H1 2017 restated |
|---|---|---|---|---|---|---|
| **SALES** | **15,162** | **(32)** | **(28)** | **6** | **(54)** | **15,108** |
| Other revenues from operations | 68 | | | | | 68 |
| Purchases used in production | (6,993) | 17 | | | 17 | (6,976) |
| Personnel costs | (3,673) | 2 | | | 2 | (3,671) |
| External charges | (3,488) | 4 | (29) | (5) | (30) | (3,518) |
| Taxes other than income tax | (365) | | | | | (365) |
| Net depreciation & amortisation expense | (750) | | 30 | (1) | 29 | (721) |
| Charges to provisions & impairment losses, net of reversals due to utilisation | (2) | | | | | (2) |
| Change in production and property development inventories | 107 | (2) | | | (2) | 105 |
| Other income from operations | 649 | | | | | 649 |
| Other expenses on operations | (330) | | | | | (330) |
| **CURRENT OPERATING PROFIT/(LOSS)** | **385** | **(11)** | **(27)** | | **(38)** | **347** |
| Other operating income | 81 | | | | | 81 |
| Other operating expenses | (49) | | | | | (49) |
| **OPERATING PROFIT/(LOSS)** | **417** | **(11)** | **(27)** | | **(38)** | **379** |
| Financial income | 10 | | | | | 10 |
| Financial expenses | (125) | | | | | (125) |
| **INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)** | **(115)** | | | | | **(115)** |
| Other financial income | 41 | | | | | 41 |
| Other financial expenses | (34) | | | | | (34) |
| Income tax | (100) | 4 | 12 | | 16 | (84) |
| Share of net profits/losses of joint ventures and associates | 85 | | | | | 85 |
| **NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS** | **294** | **(7)** | **(15)** | | **(22)** | **272** |
| Net profit/(loss) from discontinued and held-for-sale operations | | | | | | |
| **NET PROFIT/(LOSS)** | **294** | **(7)** | **(15)** | | **(22)** | **272** |
| **NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP** | **240** | **(7)** | **(13)** | | **(20)** | **220** |
| Net profit/(loss) attributable to non-controlling interests | 54 | | (2) | | (2) | 52 |
| **BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)** | **0.67** | | | | | **0.62** |
| **DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)** | **0.67** | | | | | **0.61** |
| | | | | | | |
| **EBITDA** | **981** | **(11)** | **(57)** | **1** | **(67)** | **914** |

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

## Cash flow statement

| | H1 2017 published | Construction businesses [a] | Bouygues Telecom | TF1 & other | Total IFRS 15 impacts | H1 2017 restated |
|---|---|---|---|---|---|---|
| I - CASH FLOW FROM CONTINUING OPERATIONS | | | | | | |
| **A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES** | | | | | | |
| Net profit/(loss) from continuing operations | 294 | (7) | (15) | | (22) | 272 |
| Adjustments: | | | | | | |
| Share of profits/losses reverting to joint ventures and associates, net of dividends received | (56) | | | | | (56) |
| Dividends from non-consolidated companies | (14) | | | | | (14) |
| Net charges to/(reversals of) depreciation, amortisation and non-current impairment and provisions | 746 | | (30) | 1 | (29) | 717 |
| Gains and losses on asset disposals | (124) | | | | | (124) |
| Miscellaneous non-cash charges | (8) | | | | | (8) |
| **Cash flow after income from net surplus cash/(cost of net debt) and income tax** | **838** | **(7)** | **(45)** | **1** | **(51)** | **787** |
| Reclassification of (income from net surplus cash)/cost of net debt | 115 | | | | | 115 |
| Elimination of income tax | 100 | (4) | (12) | | (16) | 84 |
| **Cash flow** | **1,053** | **(11)** | **(57)** | **1** | **(67)** | **986** |
| Income taxes paid | (64) | | | | | (64) |
| Changes in working capital related to operating activities (including current impairment and provisions) | (1,915) | 11 | 18 | | 29 | (1,886) |
| **NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES** | **(926)** | | **(39)** | **1** | **(38)** | **(964)** |
| **B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES** | | | | | | |
| Purchase price of property, plant & equipment and intangible assets | (911) | | 39 | (1) | 38 | (873) |
| Proceeds from disposals of property, plant & equipment and intangible assets | 189 | | | | | 189 |
| Net liabilities related to property, plant & equipment and intangible assets | (93) | | | | | (93) |
| Purchase price of non-consolidated companies and other investments | (33) | | | | | (33) |
| Proceeds from disposals of non-consolidated companies and other investments | 10 | | | | | 10 |
| Net liabilities related to non-consolidated companies and other investments | 67 | | | | | 67 |
| Purchase price of investments in consolidated activities | (124) | | | | | (124) |
| Proceeds from disposals of consolidated activities | 87 | | | | | 87 |
| Net liabilities related to consolidated activities | (3) | | | | | (3) |
| Other effects of changes in scope of consolidation: cash of acquired or divested companies | 5 | | | | | 5 |
| Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies | (10) | | | | | (10) |
| **NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES** | **(816)** | | **39** | **(1)** | **38** | **(778)** |
| **C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES** | | | | | | |
| Capital increases/(reductions) paid by shareholders & non-controlling interests and other transactions between shareholders | 64 | | | | | 64 |
| Dividends paid to shareholders of the parent company | (568) | | | | | (568) |
| Dividends paid by consolidated companies to non-controlling interests | (39) | | | | | (39) |
| Change in current and non-current debt | 508 | | | | | 508 |
| Income from net surplus cash/(cost of net debt) | (115) | | | | | (115) |
| Other cash flows related to financing activities | 42 | | | | | 42 |
| **NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES** | **(108)** | | | | | **(108)** |
| **D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS** | **(56)** | | | | | **(56)** |
| **CHANGE IN NET CASH POSITION (A + B + C + D)** | **(1,906)** | | | | | **(1,906)** |
| NET CASH POSITION AT START OF PERIOD | **4,581** | | | | | **4,581** |
| Net cash flows | (1,906) | | | | | (1,906) |
| Other non-monetary flows | 1 | | | | | 1 |
| NET CASH POSITION AT END OF PERIOD | **2,676** | | | | | **2,676** |
| FREE CASH FLOW | **116** | **(7)** | **(6)** | | **(13)** | **103** |

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

## Consolidated financial statements as of 31 December 2017, restated for IFRS 15 and IFRS 9

### Balance sheet

| ASSETS | 31/12/2017 published | Construction businesses [a] | Bouygues Telecom | TF1 & other | Total IFRS 15 impacts | IFRS 9 impacts | 31/12/2017 restated |
|---|---|---|---|---|---|---|---|
| Property, plant and equipment | 6,858 | | (199) | (1) | (200) | | 6,658 |
| Intangible assets | 2,132 | | | | | | 2,132 |
| Goodwill | 5,385 | | | | | | 5,385 |
| Investments in joint ventures and associates | 2,502 | | | | | | 2,502 |
| Other non-current financial assets | 563 | | | (1) | (1) | 6 | 568 |
| Deferred tax assets and non-current tax receivable | 337 | (14) | | | (14) | | 323 |
| **NON-CURRENT ASSETS** | **17,777** | **(14)** | **(199)** | **(2)** | **(215)** | **6** | **17,568** |
| Inventories | 3,037 | (215) | | | (215) | | 2,822 |
| Advances and down-payments made on orders | 432 | | | | | | 432 |
| Trade receivables | 6,732 | (812) | 233 | | (579) | (23) | 6,130 |
| Customer contract assets | | 1,194 | 376 | | 1,570 | | 1,570 |
| Tax asset (receivable) | 331 | | | | | | 331 |
| Other current receivables and prepaid expenses | 2,581 | (21) | | 2 | (19) | | 2,562 |
| Cash and cash equivalents | 4,820 | | | | | | 4,820 |
| Financial instruments – Hedging of debt | 15 | | | | | | 15 |
| Other current financial assets | 15 | | | | | | 15 |
| **CURRENT ASSETS** | **17,963** | **146** | **609** | **2** | **757** | **(23)** | **18,697** |
| Held-for-sale assets and operations | 38 | | | | | | 38 |
| **TOTAL ASSETS** | **35,778** | **132** | **410** | | **542** | **(17)** | **36,303** |

| LIABILITIES AND SHAREHOLDERS' EQUITY | 31/12/2017 published | Construction businesses [a] | Bouygues Telecom | TF1 & other | Total IFRS 15 impacts | IFRS 9 impacts | 31/12/2017 restated |
|---|---|---|---|---|---|---|---|
| Share capital | 366 | | | | | | 366 |
| Share premium and reserves | 7,488 | 64 | 149 | | 213 | (23) | 7,678 |
| Translation reserve | (88) | | | | | | (88) |
| Treasury shares | | | | | | | |
| Consolidated net profit/(loss) | 1,085 | 1 | (4) | | (3) | | 1,082 |
| **SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP** | **8,851** | **65** | **145** | | **210** | **(23)** | **9,038** |
| Non-controlling interests | 1,359 | | 15 | | 15 | 4 | 1,378 |
| **SHAREHOLDERS' EQUITY** | **10,210** | **65** | **160** | | **225** | **(19)** | **10,416** |
| Non-current debt | 5,788 | | | | | 3 | 5,791 |
| Non-current provisions | 2,085 | (27) | | | (27) | | 2,058 |
| Deferred tax liabilities and non-current tax liabilities | 147 | 20 | 113 | | 133 | (1) | 279 |
| **NON-CURRENT LIABILITIES** | **8,020** | **(7)** | **113** | | **106** | **2** | **8,128** |
| Advances and down-payments received on orders | 1,101 | (1,093) | (4) | (4) | (1,101) | | |
| Current debt | 736 | | | | | | 736 |
| Current taxes payable | 115 | | | | | | 115 |
| Trade payables | 7,349 | 140 | | | 140 | | 7,489 |
| Customer contract liabilities | | 2,895 | 266 | 23 | 3,184 | | 3,184 |
| Current provisions | 889 | 1 | (5) | | (4) | | 885 |
| Other current liabilities | 7,109 | (1,869) | (120) | (19) | (2,008) | | 5,101 |
| Overdrafts and short-term bank borrowings | 209 | | | | | | 209 |
| Financial instruments – Hedging of debt | 16 | | | | | | 16 |
| Other current financial liabilities | 24 | | | | | | 24 |
| **CURRENT LIABILITIES** | **17,548** | **74** | **137** | | **211** | | **17,759** |
| Liabilities related to held-for-sale operations | | | | | | | |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **35,778** | **132** | **410** | | **542** | **(17)** | **36,303** |
| | | | | | | | |
| **NET SURPLUS CASH/(NET DEBT)** | **(1,914)** | | | | | **(3)** | **(1,917)** |

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

The impacts of IFRS 9 relate primarily to Colas, and to the recognition of impairment of trade receivables on the basis of expected losses.

## Non-current financial assets

The tables below show financial assets by category and impairment losses, included in "Other non-current financial assets", in accordance with IFRS 9:

| | Available-for-sale financial assets | | | Financial assets at fair value through profit or loss | Held-to-maturity assets | Loans and receivables | Total |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| **31/12/2016 published** | **187** | | | | **78** | **258** | **523** |
| **Movements during 2017** | | | | | 13 | 27 | 40 |
| **31/12/2017 published** | **187** | | | **0** | **91** | **285** | **563** |
| Due within less than 1 year | 1 | | | | | 14 | 15 |
| Due within 1 to 5 years | | | | | | 80 | 80 |
| Due after more than 5 years | 186 | | | | 91 | 191 | 468 |
| | | | | | | | |
| **31/12/2017 restated** | **Fair value through OCI [a]** | **Fair value through profit or loss** | **Amortised cost** | **Fair value through profit or loss** | **Amortised cost** | **Amortised cost** | **Total** |
| **CARRYING AMOUNT** | 129 | 57 | 7 | 0 | 91 | 284 | 568 |

| 31/12/2017 restated | Total fair value through OCI [a] | Total fair value through profit or loss | Total amortised cost | Total |
|---|---|---|---|---|
| **CARRYING AMOUNT** | 129 | 57 | 382 | 568 |

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

## Current financial assets

| | 31/12/2017 published | | |
|---|---|---|---|
| | **Gross value** | **Impairment** | **Carrying amount** |
| Trade receivables | 7,313 | (581) | 6,732 |
| Current tax assets (tax receivable) | 333 | (2) | 331 |
| Other current receivables | | | |
| • Employees, social security, government and other | 1,440 | (10) | 1,43 |
| • Other receivables | 1,051 | (198) | 853 |
| • Prepaid expenses | 298 | | 298 |
| **TOTAL OTHER CURRENT RECEIVABLES & PREPAID EXPENSES** | **2,789** | **(208)** | **2,581** |
| **TOTAL** | **10,435** | **(791)** | **9,644** |

| | 31/12/2017 restated | | |
|---|---|---|---|
| | **Gross value** | **Impairment** | **Carrying amount** |
| Trade receivables | 6,734 | (604) | 6,13 |
| Customer contract assets | 1,570 | | 1,57 |
| Current tax assets (tax receivable) | 333 | (2) | 331 |
| Other current receivables & prepaid expenses | | | |
| • Employees, social security, government and other | 1,421 | (10) | 1,411 |
| • Other receivables | 1,051 | (198) | 853 |
| • Prepaid expenses | 298 | | 298 |
| **TOTAL OTHER CURRENT RECEIVABLES & PREPAID EXPENSES** | **2,770** | **(208)** | **2,562** |
| **TOTAL** | **11,407** | **(814)** | **10,593** |

## Income statement

| | 2017 published | Construction businesses [a] | Bouygues Telecom | TF1 & other | Total IFRS 15 impacts | 2017 restated |
|---|---|---|---|---|---|---|
| **SALES** | **32,904** | **37** | **(26)** | **8** | **19** | **32,923** |
| Other revenues from operations | 150 | | | | | 150 |
| Purchases used in production | (15,287) | (16) | | | (16) | (15,303) |
| Personnel costs | (7,336) | | | | | (7,336) |
| External charges | (7,280) | | (39) | (8) | (47) | (7,327) |
| Taxes other than income tax | (668) | (1) | | 1 | | (668) |
| Net depreciation & amortisation expense | (1,655) | | 59 | | 59 | (1,596) |
| Charges to provisions & impairment losses, net of reversals due to utilisation | (330) | | | | | (330) |
| Change in production and property development inventories | 85 | (25) | | | (25) | 60 |
| Other income from operations | 1,672 | | (3) | (1) | (4) | 1,668 |
| Other expenses on operations | (835) | | | | | (835) |
| **CURRENT OPERATING PROFIT/(LOSS)** | **1,420** | **(5)** | **(9)** | | **(14)** | **1,406** |
| Other operating income | 233 | | | | | 233 |
| Other operating expenses | (120) | | | | | (120) |
| **OPERATING PROFIT/(LOSS)** | **1,533** | **(5)** | **(9)** | | **(14)** | **1,519** |
| Financial income | 25 | | | | | 25 |
| Financial expenses | (251) | | | | | (251) |
| **INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)** | **(226)** | | | | | **(226)** |
| Other financial income | 113 | | | | | 113 |
| Other financial expenses | (75) | | | | | (75) |
| Income tax | (303) | | 4 | | 4 | (299) |
| Share of net profits/losses of joint ventures and associates | 163 | 6 | | | 6 | 169 |
| **NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS** | **1,205** | **1** | **(5)** | | **(4)** | **1,201** |
| Net profit/(loss) from discontinued and held-for-sale operations | | | | | | |
| **NET PROFIT/(LOSS)** | **1,205** | **1** | **(5)** | | **(4)** | **1,201** |
| **NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP** | **1,085** | **1** | **(4)** | | **(3)** | **1,082** |
| Net profit/(loss) attributable to non-controlling interests | 120 | | (1) | | (1) | 119 |
| **BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)** | **3.03** | | | | | **3.02** |
| **DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)** | **3.01** | | | | | **3.00** |
| | | | | | | |
| **EBITDA** | **2,968** | **(5)** | **(65)** | | **(70)** | **2,898** |

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

## Cash flow statement

| | 2017 published | Construction businesses [a] | Bouygues Telecom | TF1 & other | Total IFRS 15 impacts | 2017 restated |
|---|---|---|---|---|---|---|
| I - CASH FLOW FROM CONTINUING OPERATIONS | | | | | | |
| **A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES** | | | | | | |
| Net profit/(loss) from continuing operations | 1,205 | 1 | (5) | | (4) | 1,201 |
| Adjustments: | | | | | | |
| Share of profits/losses reverting to joint ventures and associates, net of dividends received | (87) | (6) | | | (6) | (93) |
| Dividends from non-consolidated companies | (19) | | | | | (19) |
| Net charges to/(reversals of) depreciation, amortisation and non-current impairment and provisions | 1,638 | | (59) | | (59) | 1,579 |
| Gains and losses on asset disposals | (367) | | | | | (367) |
| Miscellaneous non-cash charges | (15) | | | | | (15) |
| **Cash flow after income from net surplus cash/(cost of net debt) and income tax** | **2,355** | **(5)** | **(64)** | | **(69)** | **2,286** |
| Reclassification of (income from net surplus cash)/cost of net debt | 226 | | | | | 226 |
| Elimination of income tax | 303 | | (4) | | (4) | 299 |
| **Cash flow** | **2,884** | **(5)** | **(68)** | | **(73)** | **2,811** |
| Income taxes paid | (236) | | | | | (236) |
| Changes in working capital related to operating activities (including current impairment and provisions) | (484) | 5 | (36) | (1) | (32) | (516) |
| **NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES** | **2,164** | | **(104)** | **(1)** | **(105)** | **2,059** |
| **B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES** | | | | | | |
| Purchase price of property, plant & equipment and intangible assets | (2,036) | | 104 | 1 | 105 | (1,931) |
| Proceeds from disposals of property, plant & equipment and intangible assets | 509 | | | | | 509 |
| Net liabilities related to property, plant & equipment and intangible assets | 6 | | | | | 6 |
| Purchase price of non-consolidated companies and other investments | (43) | | | | | (43) |
| Proceeds from disposals of non-consolidated companies and other investments | 33 | | | | | 33 |
| Net liabilities related to non-consolidated companies and other investments | 65 | | | | | 65 |
| Purchase price of investments in consolidated activities | (191) | | | | | (191) |
| Proceeds from disposals of consolidated activities | 121 | | | | | 121 |
| Net liabilities related to consolidated activities | (2) | | | | | (2) |
| Other effects of changes in scope of consolidation: cash of acquired or divested companies | (9) | | | | | (9) |
| Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies | (39) | | | | | (39) |
| **NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES** | **(1,586)** | | **104** | **1** | **105** | **(1,481)** |
| **C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES** | | | | | | |
| Capital increases/(reductions) paid by shareholders & non-controlling interests and other transactions between shareholders | 326 | | | | | 326 |
| Dividends paid to shareholders of the parent company | (568) | | | | | (568) |
| Dividends paid by consolidated companies to non-controlling interests | (38) | | | | | (38) |
| Change in current and non-current debt | 123 | | | | | 123 |
| Income from net surplus cash/(cost of net debt) | (226) | | | | | (226) |
| Other cash flows related to financing activities | 21 | | | | | 21 |
| **NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES** | **(362)** | | | | | **(362)** |
| **D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS** | **(187)** | | | | | **(187)** |
| **CHANGE IN NET CASH POSITION (A + B + C + D)** | **29** | | | | | **29** |
| | | | | | | |
| NET CASH POSITION AT START OF PERIOD | **4,581** | | | | | **4,581** |
| Net cash flows | 29 | | | | | 29 |
| Other non-monetary flows | 1 | | | | | 1 |
| NET CASH POSITION AT END OF PERIOD | **4,611** | | | | | **4,611** |
| | | | | | | |
| FREE CASH FLOW | **828** | **(5)** | **40** | **1** | **36** | **864** |

(a) Comprises Bouygues Construction, Bouygues Immobilier and Colas.

# 4. AUDITORS' REPORT ON FIRST-HALF FINANCIAL INFORMATION

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code Monétaire et Financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Bouygues, for the period from 1 January to 30 June 2018;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

### 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information 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 the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying the conclusions expressed above, we draw your attention to the accounting changes relating to the application of standards IFRS 9, concerning financial instruments, and IFRS 15, affecting the revenue and cash flows from a contract with a customer, as described in Note 14 to the condensed half-yearly consolidated financial statements.

### 2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, 29 August 2018

The statutory Auditors

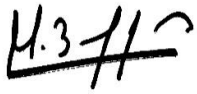
*French original signed by*

| MAZARS | ERNST & YOUNG Audit |
|---|---|
| Gilles Rainaut | Laurent Vitse |

# 5. STATEMENT BY THE PERSON RESPONSIBLE FOR THE FIRST-HALF FINANCIAL REPORT

I certify that to the best of my knowledge the condensed consolidated first-half financial statements for the past half-year have been prepared in accordance with the relevant accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of affiliated undertakings and that the attached first-half review of operations provides an accurate representation of significant events in the first six months of the year and of their impact on the first-half financial statements, of the main related-party transactions and of the main risks and uncertainties for the remaining six months.

Paris, 29 August 2018



**Martin Bouygues**
**Chairman and CEO**


A *Société Anonyme* (public limited company) with a share capital of €365,104,531
Registered office: 32 avenue Hoche, 75008 Paris, France
Registration No. 572 015 246 Paris – APE code: 7010Z

Photo: Augustin Detienne/Capa Pictures.
Architect: RPBW