FIRST-HALF 2017 RESULTS

PARIS • THURSDAY 31 AUGUST 2017

FINANCIAL REPORT

BOUYGUES

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 30 August 2017.

1. COMPOSITION OF THE BOARD OF DIRECTORS

The Board at 30 June 2017

Chairman and CEO
Martin Bouygues

Director and Deputy CEO[a]
Olivier Bouygues

Directors

Francis Castagné
Director representing employees

Raphaëlle Deflesselle
Director representing employees

Clara Gaymard
Co-founder of Raise

Anne-Marie Idrac
Chair of the supervisory board of Toulouse-Blagnac Airport

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
Deputy CEO of Rothschild & Co

Edward Bouygues
Standing representative of SCDM

Cyril Bouygues
Standing representative of SCDM Participations

Rose-Marie Van Lerberghe
Senior Advisor de BPI Group

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

KEY FIGURES (€ million)	First-half 2016	First-half 2017	Change
Sales	14,669	15,162	+3%[a]
Current operating profit	206	385	+€179m
Current operating margin	*1.4%*	*2.5%*	*+1.1 pts*
Operating profit	57[b]	417[c]	+€360m
Net profit/(loss) attributable to the Group	(28)	240	+€268m
Net profit attributable to the Group excl. exceptional items[d]	46	217	+€171m
Net debt at 30 June	(4,354)	(4,265)	+€89m

(a) Up 3% like-for-like and at constant exchange rates (see glossary on page 17)
(b) Includes non-current charges of €149m at all the business segments
(c) Includes non-current income of €32m
(d) See reconciliation on page 15

Sharp improvement in Group profitability in the first half of 2017.

- Current operating profit was up €179 million on the first half of 2016 to €385 million. The current operating margin rose by 1.1 points year-on-year, driven by good performances at Bouygues Telecom and TF1.
  Operating profit increased €360 million in the first half of 2017 and included non-current income of €32 million, compared with non-current charges of €149 million in the first half of 2016.
- Net profit attributable to the Group improved by €268 million year-on-year to €240 million. Excluding exceptional items, it was up €171 million.

Commercial momentum continued in all the Group's business activities.

- The backlog in the **construction businesses** reached a record €31.2 billion at end-June 2017, up 5% year-on-year (up 6% at constant exchange rates). Three major contracts for the "Grand Paris Express" rapid transport project, worth a total of €1.1 billion, were booked in the first six months of the year (extension of the RER Eole suburban rail line and packages T2A and T3A of the future metro Line 15 South). On international markets, Colas won a €200-million contract for the Southwest Calgary Ring Road in Canada and Bouygues Construction won contracts for several residential and eco-neighborhood projects in Switzerland worth a total of €319 million.
- **Bouygues Telecom** had 13.6 million mobile customers at end-June 2017, representing 645,000 new adds since end-December 2016. The milestone of 10 million mobile plan customers excluding MtoM was passed, with 240,000 new adds in the first half of 2017. Furthermore, 133,000 new fixed customers joined Bouygues Telecom in the first half of 2017, taking the total number of customers to 3.2 million. FTTH contributed close to two-thirds of net growth in the second quarter of 2017 and totaled 171,000 customers at end-June 2017. In all, Bouygues Telecom had 552,000 very-high-speed customers at end-June 2017.

OUTLOOK

First-half results confirmed the **target of an improvement in Group profitability in 2017:**

- The current operating margin in the **construction businesses** should continue to improve (before including a capital gain of around €25 million in Q3 2017 on the sale of 50% of Nextdoor and on the remeasurement of the residual interest in the company).
- **Bouygues Telecom** expects to reach an EBITDA margin slightly above 25%. Furthermore, the rate of transfer of towers to Cellnex will speed up in H2 (around €220 million of non-current income related to Cellnex expected in 2017).

For 2018 and beyond:

- **TF1** expects to hold the annual average cost of programs[a] for its five freeview channels at €980 million over the 2017-2019 period and achieve €25-30 million of recurrent savings[b]. TF1 should also improve its profitability, with a double-digit current operating margin target in 2019.
- **Bouygues Telecom** confirms its target of €300 million of free cash flow in three years' time.

(a) Excluding sporting events
(b) Excluding cost of programs

DETAILED ANALYSIS BY SECTOR OF ACTIVITY

CONSTRUCTION BUSINESSES

The backlog in the construction businesses at end-June 2017 reached a record €31.2 billion, 5% higher than at end-June 2016 and up 6% at constant exchange rates.

In **France**, the improvement in the construction market was confirmed in the first half of 2017, with a backlog at end-June 2017 up 7% year-on-year to €15.0 billion.
Order intake at **Bouygues Construction** rose 13% in the first half of 2017, boosted notably by the award in the second quarter of package T3A for the metro Line 15 South, worth €304 million.
Residential property reservations at **Bouygues Immobilier** continued to grow strongly in the first half of 2017, up 20% year-on-year, in a market sustained by the Pinel tax incentive, extension of the zero-interest loan scheme and low interest rates.
Colas' backlog at end-June 2017 was up 9% year-on-year to €3.4 billion, confirming the recovery in the roads activity.

In **international markets**, the Group benefited from good momentum with a backlog at end-June 2017 of €16.1 billion, up 4% year-on-year (up 5% at constant exchange rates). Major contracts gained in the second quarter of 2017 included a €200-million contract for Colas to build and maintain the Southwest Calgary Ring Road in Canada, a contract for Bouygues Construction and Colas to design, build and renovate the airport infrastructure in Madagascar, and a €129-million contract for Bouygues Construction to develop the Crissier eco-neighborhood in Switzerland.
International business represented 57% of the backlog at Bouygues Construction and Colas at end-June 2017, stable year-on-year.

The **construction businesses** reported sales of €11.7 billion in the first half of 2017, 3% more than in the first half of 2016.
Current operating profit was €133 million, versus €125 million in the first half of 2016.
Current operating profit at Bouygues Construction and Bouygues Immobilier showed strong growth year-on-year. At Colas, the increase in current operating profit in the roads business in mainland France did not offset the delay in activity in North America, the still limited impact on results from the fast recovery of activity in Central Europe and a more challenging railway market in France.
The current operating margin in the construction businesses was stable in the first half of 2017. Following a slight year-on-year decrease of 0.3 points in the first quarter, the current operating margin increased 0.3 points in the second quarter. The Group is therefore confident that it will achieve its target of improving the construction businesses' current operating margin in 2017.

TF1

TF1 continued to roll out its multi-channel, multi-business, multi-media strategy in the first half of 2017. The five freeview channels (TF1, TMC, HD1, NT1, LCI) attracted a combined audience share of 32.5% among women under 50 who are purchasing decision-makers, up 1.1 points year-on-year.

TF1 reported sales of €1,037 million, up 1% versus the first half of 2016, driven by a 2% year-on-year increase in adverting sales.

Current operating profit in the first half of 2017 was €108 million, up €50 million year-on-year. This increase reflects the absence of any major sporting event in the first half of 2017, the effects of the strategy rolled out since the fall of 2016 and the transformation of TF1.

Operating profit was €96 million, including non-current charges of €12 million corresponding to amortization charged against goodwill recorded as part of the acquisition of Newen Studios.

BOUYGUES TELECOM

Growth in commercial and financial results at **Bouygues Telecom** continued in the first half of 2017.

Bouygues Telecom added 645,000 mobile customers in the first half of 2017, resulting in a total base of 13.6 million customers at end-June 2017. Bouygues Telecom is France's leading operator in terms of mobile recruitment for the period between January 2016 and June 2017[a].
There were over 10 million mobile plan customers excluding MtoM at end-June 2017, with 240,000 new adds in the first half of 2017, of which 110,000 in the second quarter.

In the fixed market, Bouygues Telecom signed up 133,000 new customers in the first half of 2017, of which 45,000 in the second quarter. Bouygues Telecom confirms its target of 1 million additional fixed customers by end-2017 versus end-2014.
The Miami FTTH offer accounted for close to two-thirds of net growth in the second quarter of 2017. As a result, Bouygues Telecom had 171,000 FTTH customers at end-June 2017, more than twice as many as at end-June 2016. Bouygues Telecom is continuing to roll out FTTH, with 16 million premises secured at end-June 2017, 7 million more than at end-2016, and 2.6 million premises marketed, 0.6 million more than at end-2016. Bouygues Telecom confirms its target of 12 million premises marketed in 2019 and 20 million in 2022.
In all, Bouygues Telecom had 552,000 very-high-speed customers at end-June 2017.

Bouygues Telecom reported sales of €2,434 million in the first half of 2017, 6% more than in the first half of 2016. Sales from network also rose 6% to €2,084 million and sales from network excluding incoming traffic rose 7% over the period.
The increase in data usage resulting from the decline in voice and text usage is leading to a decrease in sales from network generated by incoming traffic. However, there is no impact on EBITDA, since this decline in sales is offset by reduced interconnection costs.

EBITDA was up €139 million versus the first half of 2016 to €547 million. The EBITDA margin rose by 5.5 points year-on-year to 26.2%.

Operating profit was €215 million higher at €210 million. It included non-current income of €48 million, mainly related to the capital gain on the sale of towers to Cellnex, which more than offset non-current charges related to the roll-out of network sharing.

In the first half of 2017, gross capex stood at €585 million, in line with the 2017 full-year gross capex target of €1.2 billion.

ALSTOM

Alstom's contribution to the Group's net profit in the first half of 2017 was €45 million versus a contribution of €0 million in the first half of 2016.
For information, Bouygues does not book a contribution from Alstom in the second quarter.

(a) Figures reported in 2016 and Q1 2017 and company estimate in Q2 2017

FINANCIAL SITUATION

The rating agencies have raised their credit rating for Bouygues:

- on 27 June 2017, Standard & Poor's upgraded its credit rating from BBB to BBB+ with a positive outlook maintained,
- on 7 July 2017, Moody's lifted the outlook on its Baa1 credit rating from stable to positive.

Net debt at end-June 2017 was €4.3 billion versus €1.9 billion at end-December 2016. The change mainly reflects the usual seasonal effect of Colas' business.

ACQUISITION BY COLAS OF THE MILLER AND McASPHALT GROUP IN CANADA

Colas announced today the signature of an agreement to acquire the Miller and McAsphalt group, a major road construction player in Ontario and a leader in bitumen distribution in Canada. This acquisition will enable Colas Canada to expand its geographical coverage by increasing its presence in Ontario and considerably increasing its bitumen storage and distribution capacity across Canada.
More detailed information is available at www.bouygues.com and www.colas.com.

Note: the acquisition of the Miller and McAsphalt group by Colas was considered by Bouygues SA, before its disclosure, as non-public information within the meaning of the applicable regulations (Article 7.1 of EU Regulation 596/2014).

FINANCIAL CALENDAR:

16 November 2017: Nine-month 2017 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.
Please find the First-half 2017 Financial Report, the full financial statements and notes to the financial statements on www.bouygues.com
The results presentation to analysts will be webcast live on 31 August 2017 at 11am (CET) on www.bouygues.com

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FIRST-HALF 2017 BUSINESS ACTIVITY

BACKLOG AT THE CONSTRUCTION BUSINESSES (€ million)	End-June		
	2016	2017	Change
Bouygues Construction	18,741	20,030	+7%
Bouygues Immobilier	2,785	3,019	+8%
Colas	8,011	8,111	+1%
Total	**29,537**	**31,160**	**+5%**

BOUYGUES CONSTRUCTION ORDER INTAKE (€ million)	First-half		
	2016	2017	Change
France	2,770	3,122	+13%
International	2,416	2,486	+3%
Total	**5,186**	**5,608**	**+8%**

BOUYGUES IMMOBILIER RESERVATIONS (€ million)	First-half		
	2016	2017	Change
Residential property	1,004	1,182	+18%
Commercial property	191	90	-53%
Total	**1,195**	**1,272**	**+6%**

COLAS BACKLOG (€ million)	End-June		
	2016	2017	Change
France and overseas departments	3,115	3,383	+9%
International and French overseas territories	4,896	4,728	-3%
Total	**8,011**	**8,111**	**+1%**

TF1 AUDIENCE SHARE[a]	First-half		
	2016	2017	Change
TF1	22.5%	21.9%	-0.6 pts
TMC	3.4%	4.5%	+1.1 pts
NT1	3.4%	3.7%	+0.3 pts
HD1	2.1%	2.2%	+0.1 pts
LCI[b]	nm	0.2%	+0.2 pts
Total	**31.4%**	**32.5%**	**+1.1 pts**

(a) Source: Médiamétrie – women under 50 who are purchasing decision-makers
(b) LCI was included in TF1's freeview channels on 5 April 2016

BOUYGUES TELECOM CUSTOMER BASE ('000)	End-Dec 2016	End-June 2017	Change
Plan customers	12,130	12,879	+6%
Prepaid customers	866	762	-12%
Total mobile customers	**12,996**	**13,641**	**+5%**
Total fixed customers	**3,101**	**3,234**	**+4%**

FIRST-HALF 2017 FINANCIAL PERFORMANCE

	First-half		
CONDENSED CONSOLIDATED INCOME STATEMENT (€ million)	**2016**	**2017**	**Change**
Sales	14,669	15,162	+3%[a]
Current operating profit	206	385	+€179m
Other operating income and expenses[b]	(149)	32	+€181m
Operating profit	57	417	+€360m
Cost of net debt	(118)	(115)	+€3m
Other financial income and expenses	2	7	+€5m
Income tax	1	(100)	-€101m
Share of net profit of joint ventures and associates	32	85	+€53m
o/w Alstom	*0*[c]	*45*	*+€45m*
Net profit/(loss) from continuing operations	(26)	294	+€320m
Net profit attributable to non-controlling interests	(2)	(54)	-€52m
Net profit/(loss) attributable to the Group	(28)	240	+€268m
Net profit attributable to the Group excl. exceptional items[d]	46	217	+€171m

(a) Up 3% like-for-like and at constant exchange rates (see glossary on page 17)
(b) In H1 2016, includes non-current charges of €55m at TF1, €43m at Bouygues Telecom, €30m at Colas, €8m at Bouygues Construction and €2m at Bouygues Immobilier
In H1 2017, includes non-current charges of €12m at TF1, €4m at Colas and non-current income of €48m at Bouygues Telecom (of which mainly non-current charges of €33m related to network sharing and non-current income of €72m related to the capital gain on the sale of towers)
(c) After taking into account Alstom's contribution to Bouygues' net profit, the impacts on Bouygues' accounts of the sale of Alstom's Energy activities, the public share buy-back offer carried out by Alstom in January 2016 and the reversal of the remainder of the write-down recognized at Bouygues at 31 December 2015
(d) See reconciliation on page 15

CALCULATION OF EBITDA (€ million)	First-half 2016	First-half 2017	Change
Current operating profit	206	385	+€179m
Net depreciation and amortization expense	743	750	+€7m
Charges to provisions and impairment losses, net of reversals due to utilization	31	2	-€29m
Reversals of unutilized provisions and impairment losses	(178)	(156)	+€22m
EBITDA	**802**	**981**	**+€179m**

SALES BY SECTOR OF ACTIVITY (€ million)	First-half 2016	First-half 2017	Change	Forex effect	Scope effect	lfl & constant fx
Construction businesses[a]	**11,383**	**11,723**	**+3.0%**	**0.0%**	**+0.1%**	**+3.1%**
o/w Bouygues Construction	*5,800*	*5,714*	*-1.5%*	*+0.3%*	*+0.2%*	*-1.0%*
o/w Bouygues Immobilier	*1,047*	*1,155*	*+10.3%*	-	-	*+10.3%*
o/w Colas	*4,678*	*5,002*	*+6.9%*	*-0.3%*	*+0.1%*	*+6.7%*
TF1	**1,025**	**1,037**	**+1.2%**	**0.0%**	**-1.6%**	**-0.4%**
Bouygues Telecom	**2,291**	**2,434**	**+6.2%**	-	-	**+6.2%**
Holding company and other	**73**	**73**	**nm**	-	-	**nm**
Intra-Group eliminations[b]	**(245)**	**(253)**	**nm**	-	-	**nm**
Group sales	**14,669**	**15,162**	**+3.4%**	**0.0%**	**0.0%**	**+3.4%**
o/w France	*9,532*	*9,851*	*+3.3%*	*0.0%*	*0.0%*	*+3.3%*
o/w international	*5,137*	*5,311*	*+3.4%*	*0.0%*	*+0.1%*	*+3.5%*

(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)	First-half 2016	First-half 2017	Change
Construction businesses	**256**	**263**	**+€7m**
o/w Bouygues Construction	*185*	*200*	*+€15m*
o/w Bouygues Immobilier	*32*	*64*	*+€32m*
o/w Colas	*39*	*(1)*	*-€40m*
TF1	**162**	**187**	**+€25m**
Bouygues Telecom	**408**	**547**	**+€139m**
Holding company and other	**(24)**	**(16)**	**+€8m**
Group EBITDA	**802**	**981**	**+€179m**

	First-half		
CONTRIBUTION TO GROUP CURRENT OPERATING PROFIT BY SECTOR OF ACTIVITY (€ million)	**2016**	**2017**	**Change**
Construction businesses	**125**	**133**	**+€8m**
o/w Bouygues Construction	*151*	*196*	*+€45m*
o/w Bouygues Immobilier	*59*	*73*	*+€14m*
o/w Colas	*(85)*	*(136)*	*-€51m*
TF1	**58**	**108**	**+€50m**
Bouygues Telecom	**38**	**162**	**+€124m**
Holding company and other	**(15)**	**(18)**	**-€3m**
Group current operating profit	**206**	**385**	**+€179m**

	First-half		
CONTRIBUTION TO GROUP OPERATING PROFIT BY SECTOR OF ACTIVITY (€ million)	**2016**	**2017**	**Change**
Construction businesses	**85**	**129**	**+€44m**
o/w Bouygues Construction	*143*[a]	*196*	*+€53m*
o/w Bouygues Immobilier	*57*[a]	*73*	*+€16m*
o/w Colas	*(115)*[a]	*(140)*[b]	*-€25m*
TF1	**3**[a]	**96**[b]	**+€93m**
Bouygues Telecom	**(5)**[a]	**210**[b]	**+€215m**
Holding company and other	**(26)**	**(18)**	**+€8m**
Group operating profit	**57**	**417**	**+€360m**

(a) In H1 2016, includes non-current charges of €55m at TF1 related to transformation costs, the effects of LCI's migration to freeview, as well as the impacts of both Newen Studios and the decree on French drama, of €43m at Bouygues Telecom essentially related to network sharing, of €30m at Colas essentially related to the discontinuation of activity at the SRD subsidiary, of €8m at Bouygues Construction and of €2m at Bouygues Immobilier related to the adaptation plans

(b) In H1 2017, includes non-current charges of €12m at TF1 corresponding to amortization charged against goodwill recorded 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 mainly non-current charges of €33m essentially related to network sharing and non-current income of €72m related to the capital gain on the sale of towers)

	First-half		
CONTRIBUTION TO NET PROFIT ATTRIBUTABLE TO THE GROUP BY SECTOR OF ACTIVITY (€ million)	**2016**	**2017**	**Change**
Construction businesses	**65**	**111**	**+€46m**
o/w Bouygues Construction	*100*	*159*	*+€59m*
o/w Bouygues Immobilier	*34*	*37*	*+€3m*
o/w Colas	*(69)*	*(85)*	*-€16m*
TF1	**0**	**33**	**+€33m**
Bouygues Telecom	**(12)**	**122**	**+€134m**
Alstom	**0**[a]	**45**	**+€45m**
Holding company and other	**(81)**	**(71)**	**+€10m**
Net profit/(loss) attributable to the Group	**(28)**	**240**	**+€268m**
Net profit attributable to the Group excl. exceptional items	**46**	**217**	**+€171m**

(a) After taking into account Alstom's contribution to Bouygues' net profit, the impacts on Bouygues' accounts of the sale of Alstom's Energy activities, the public share buy-back offer carried out by Alstom in January 2016 and the reversal of the remainder of the write-down recognized at Bouygues at 31 December 2015

	First-half		
IMPACT OF EXCEPTIONAL ITEMS ON NET PROFIT ATTRIBUTABLE TO THE GROUP (€ million)	**2016**	**2017**	**Change**
Net profit/(loss) attributable to the Group	**(28)**	**240**	**+€268m**
o/w non-current income/charges related to Bouygues Telecom (net of taxes)	*25*	*(30)*	*-€55m*
o/w non-current income/charges related to TF1 (net of taxes)	*16*	*3*	*-€13m*
o/w non-current income/charges related to the construction businesses (net of taxes)	*26*	*4*	*-€22m*
o/w non-current income/charges related to Holding company (net of taxes)	*7*	*0*	*-€7m*
Net profit attributable to the Group excl. exceptional items	**46**	**217**	**+€171m**

NET SURPLUS CASH/(NET DEBT) BY BUSINESS SEGMENT (€ million)	End-June		
	2016	2017	Change
Bouygues Construction	2,707	2,765	+€58m
Bouygues Immobilier	(240)	(454)	-€214m
Colas	(316)	(570)	-€254m
TF1	133[a]	248	+€115m
Bouygues Telecom	(1,267)[b]	(1,010)	+€257m
Holding company and other	(5,371)[c]	(5,244)	+€127m
TOTAL	**(4,354)**	**(4,265)**	**+€89m**

(a) Includes the acquisition of Newen Studios for €293m at 100%
(b) Includes the first instalment for the 700MHz frequencies for €117m
(c) Includes the positive impact of Alstom's public share buy-back offer in January 2016 for €996m

	First-half		
CONTRIBUTION TO NET CAPITAL EXPENDITURE BY SECTOR OF ACTIVITY (€ million)	**2016**	**2017**	**Change**
Construction businesses	**227**	**183**	**-€44m**
o/w Bouygues Construction	*89*	*34*	*-€55m*
o/w Bouygues Immobilier	*10*	*11*	*+€1m*
o/w Colas	*128*	*138*	*+€10m*
TF1	**96**	**91**	**-€5m**
Bouygues Telecom	**464**	**444**	**-€20m**
Holding company and other	**2**	**4**	**+€2m**
TOTAL	**789**	**722**	**-€67m**

	First-half		
CONTRIBUTION TO GROUP FREE CASH FLOW BY SECTOR OF ACTIVITY (€ million)	**2016**	**2017**	**Change**
Construction businesses	**53**	**142**	**+€89m**
o/w Bouygues Construction	*81*	*182*	*+€101m*
o/w Bouygues Immobilier	*24*	*34*	*+€10m*
o/w Colas	*(52)*	*(74)*	*-€22m*
TF1	**24**	**58**	**+€34m**
Bouygues Telecom	**(69)**	**(19)**	**+€50m**
Holding company and other	**(78)**	**(65)**	**+€13m**
TOTAL	**(70)**	**116**	**+€186m**

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).

ARPU (Average Revenue Per User) – quarterly mobile: the monthly sales figure per customer. It is calculated by dividing:

- the quarterly sales generated from incoming and outgoing calls (voice, texts and data), commissioning expenses, value-added services;
- by the weighted average number of customers (excluding machine to machine customers) in the quarter.

The weighted average number of customers is the average of monthly averages during the period under consideration. The monthly average is the daily average number of customers over the month.

ARPU (Average Revenue Per User) – quarterly fixed: the monthly sales figure per customer. It is calculated by dividing:

- the sales generated by incoming and outgoing calls, broadband services, television services (mainly VOD and Catch-up TV) and sales from commissioning expenses and equipment rental;
- by the weighted average number of connections in the quarter.

The weighted average number of connections is the average of the monthly averages over the period under consideration. The monthly average is the arithmetical average of the number of connections at the beginning and end of the month.

B2B (business to business): involves a situation where 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.

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 (i) net depreciation and amortization expense and (ii) net charges to provisions and impairment losses.

EBITDA margin (Bouygues Telecom): EBITDA/sales from network.

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.

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 debt: current debt, non-current debt and financial instruments minus cash, cash equivalents and bank credit balances.

Order intake (Bouygues Construction, Colas): 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.

Sales from network (Bouygues Telecom) comprise:
- in the mobile segment: sales from incoming (voice and texts) and outgoing calls (voice, texts and data), commissioning expenses, value-added services, machine to machine (MtoM) sales, roaming sales and sales generated from mobile virtual network operators (MVNOs);
- in the fixed segment: sales from incoming and outgoing calls, fixed broadband services, television services (especially VOD and Catch-up TV) and sales from commissioning expenses and equipment rental.

Other sales (Bouygues Telecom): difference between Bouygues Telecom's book sales and sales from network. It includes sales of handsets, accessories, blind spot roaming, non-telecom services and the co-financing of advertising.

PIN: Public-Initiative Network.

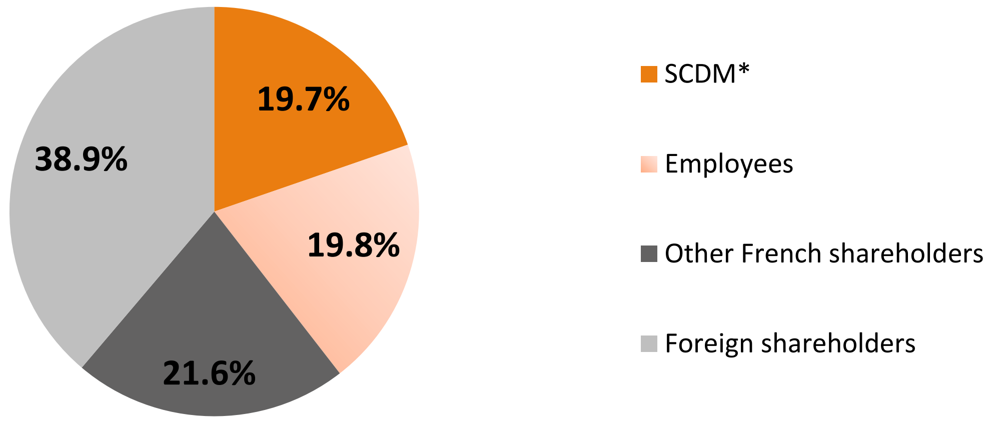
Reservations by value (Bouygues Immobilier): the € amount of the value of properties reserved over a given period.
- Residential properties: the sum of the value of unit and block reservation contracts signed by customers and approved by Bouygues Immobilier, minus registered cancellations.
- Commercial 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.

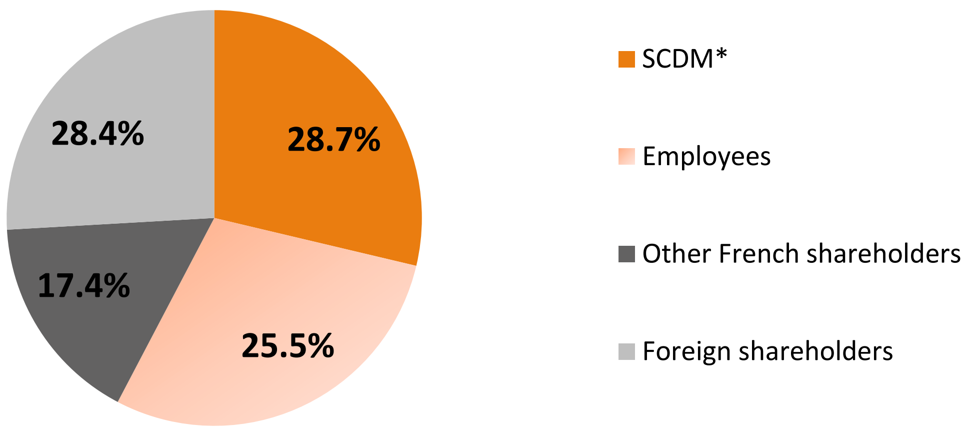
Very-high-speed: subscriptions with peak downstream speeds higher or equal to 30 Mbit/s. Includes FTTH, FTTLA, 4G box and VDSL2 subscriptions (Arcep definition).

Share ownership at 30 June 2017

Main shareholders at 30 June 2017



Voting rights at 30 June 2017



* 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 projects in the building, infrastructure and manufacturing sectors.
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 2016	FIRST HALF 2017	CHANGE
Sales	**5,800**	**5,714**	**-1%**
o/w France	*2,757*	*2,662*	*-3%*
o/w International	*3,043*	*3,052*	*0%*
Current operating profit	**151**	**196**	**+€45m**
Current operating margin	*2.6%*	*3.4%*	*+0.8 pts*
Operating profit	**143[a]**	**196**	**+€53m**
Net profit attributable to the group	**100**	**159**	**+€59m**

(a) Includes non-current charges of €8 million in the first half of 2016 related to implementation of the new organisation

Bouygues Construction's sales declined slightly in the first half of 2017, down 1% to €5,714 million, with building and civil works accounting for 79% and energy and services for 21%. Sales were stable in international markets at €3,052 million but decreased in France to €2,662 million. Like-for-like and at constant exchange rates, sales were down €56 million (down 1%).

Current operating profit was €196 million, giving a current operating margin of 3.4%, up 0.8 points on the first half of 2016. This sharp increase was due in particular to a constant focus on tight control over the execution of major projects and a selective approach to orders. Financial income was €16 million, down €3 million on the first half of 2016. Net profit attributable to the group was €159 million, €59 million higher than in the first half of 2016.

Net surplus cash stood at €2,765 million at end-June 2017, €58 million more than at end-June 2016.

2.2.2 First-half highlights

Bouygues Construction took orders worth €5,608 million in the first half of 2017, 8% more than in the first half of 2016.

- Order intake in France rose 13% compared with the first half of 2016 to €3,122 million, boosted by projects for the Grand Paris Express, including packages T2A and T3A of metro Line 15 South and extension of the RER Eole suburban rail line from Saint-Lazare railway station to Porte Maillot. They also included major renovation projects, including the Bourse du Commerce in Paris, commercial and residential projects such as a complex of offices and student residences at Malakoff, south of Paris, and industrial projects such as two regional logistics hubs for Lidl.

- International order intake in the first half of 2017 stood at €2,486 million, up 3%. They included a number of projects in Switzerland, such as the Lentillères Nord complex at Crissier, rehabilitation of the Swiss Post Office headquarters in Bern, and the Vortex complex at Chavannes-près-Renens. Other international highlights included a design-build contract for the Hinkley Point C backup plant in the UK, the Bideford complex in Singapore, five solar farms in Australia and an airport in Madagascar.

Backlog at 30 June 2017 stood at a very high €20 billion (up 7% versus end-June 2016 and up 8% at constant exchange rates). 56% of orders are for execution in international markets, stable versus 30 June 2016. Backlog in Europe (excluding France) is the largest in international markets, ahead of the Asia-Pacific zone. Orders secured at end-June 2017 to be executed in 2017 stood at €5.4 billion and orders to be executed beyond 2017 stood at €14.7 billion, giving good visibility for future activity.

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 €4,490 million.

France: €2,052 million, down 8%

Building activity in the Paris region was slightly lower than at end-June 2016. A number of major projects are under way, including the Longchamp racecourse renovation and the western zone of the Balard project. Construction work started on the Tour Alto in La Défense. La Seine Musicale in Boulogne-Billancourt and the newly renovated Hôtel Crillon in Paris were handed over. The civil works activity was boosted by projects for the Grand Paris programme, such as the extension of metro Line 14 and the construction of Fort d'Issy-Vanves-Clamart station. Highlights of the first half of 2017 included orders for the extension of the RER Eole suburban rail line from Saint-Lazare railway station to Porte Maillot and packages T2A and T3A for metro Line 15 South.

Elsewhere in France, Bouygues Construction's four regional building subsidiaries continued to operate in an economic environment that started to stabilise. Major construction projects continued, such as the property development programme associated with the Stade Vélodrome in Marseille and the extension of Lyon Saint-Exupéry airport.

Business in the civil works segments was sustained by major projects such as construction of the New coastal road on Reunion Island, the L2 Marseille bypass and the Port of Calais extension. Construction of the Nîmes-Montpellier railway bypass is nearing completion.

Europe (excluding France): €1,045 million, up 2%

Bouygues Construction continued its activity in the UK with the construction of the Manhattan Loft Gardens tower in London, the Canning Town regeneration project and construction of The Triangle, the new headquarters of Cambridge University's examination board. Bouygues Construction's building and civil works subsidiaries continued to work together to build a proton-beam therapy cancer treatment centre in London. Work also started on the Hinkley Point C nuclear plant.

In Switzerland, Bouygues Construction capitalised on its expertise in putting together complex property development projects, especially in Basel, Zurich and Lenzburg. Commercial activity was boosted by orders for three major projects, the Lentillères Nord complex at Crissier, rehabilitation of the Swiss Post Office headquarters in Bern, and the Vortex complex at Chavannes-près-Renens.

In Central Europe, several long-standing local operations (Poland and the Czech Republic, etc.) continued their building activities. Elsewhere in Europe, the company is involved in major infrastructure projects such as the new confinement shelter for the damaged nuclear reactor at Chernobyl in Ukraine, in partnership with Vinci, and recently started work on the Monaco offshore extension project. It also handed over Zagreb Airport in Croatia in the first half.

International (excluding Europe): €1,393 million, down 4%

In Asia-Pacific, Bouygues Construction benefits from strong local operations, especially in Hong Kong and Singapore. Civil works business is very strong in Hong Kong, where several major projects are under way. They include a section of the bridge linking Hong Kong, Zhuhai and Macao, the Tuen Mun-Chek Lap Kok subsea road tunnel, the extension of the Shatin to Central Link metro line and two road tunnels linking the north-east of Hong Kong to Liantang in mainland China. Bouygues Construction is a recognised player in the building segment in Asia, especially for high-rise buildings. The company is building several major condominium towers in Singapore, such as the one on Clementi Avenue, and recently took an order for the Bideford complex. It is completing construction work on the 39-floor City of Dreams luxury hotel complex in Macao and continued work on the NorthConnex motorway tunnel in Sydney, Australia. In Myanmar, Bouygues Construction continued work on the second phase of the Star City residential complex in Rangoon.

In Africa, the company's expertise in earthworks for open-cast mining was illustrated in the operation of gold mines at Kibali in the Democratic Republic of Congo, Tongon in Ivory Coast and Gounkoto in Mali. Elsewhere, Bouygues Construction completed the Ridge Hospital extension in Ghana and continued work on the headquarters of Nigeria LNG, a company producing liquefied natural gas, in Nigeria. In Egypt, the company continued work on a new phase of Line 3 of the Cairo metro. It also took an order to build a new airport in Madagascar.

In the Middle East, Bouygues Construction continued work on sewage tunnels in Qatar as part of a project to collect, pump and treat wastewater in the south of Doha.

In the Americas–Caribbean zone, Bouygues Construction operates mainly in Cuba, the United States and Canada. In Cuba, the company is building luxury hotel complexes such as Laguna Del Este on Cayo Santa Maria and Las Conchas at Varadero, and took a new order for the Gran Hotel in the first half of 2017. In the United States, Bouygues Construction handed over the Brickell City Centre development in Miami. In Canada, the company continued work on Iqaluit International Airport in the country's Arctic north. The company also has civil works activities in Latin America.

Energy and services

Bouygues Energies & Services contributed €1,224 million to Bouygues Construction's consolidated sales in the first half of 2017, 11% more than in the first half of 2016. 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: €611 million, up 16%

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 broadband networks in the Nord, Pas-de-Calais and Savoie departments and manages networks in 33 departments altogether.

In electrical and HVAC engineering, Bouygues Energies & Services is responsible for providing mechanical and electrical equipment for the L2 Marseille bypass and for electrical and HVAC engineering packages for the hospital at Saint-Laurent du Maroni in French Guiana.

Under public-private partnership contracts, Bouygues Energies & Services continued to provide maintenance services for the French Ministry of Defence in Paris and Bordeaux University. 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.

International: €613 million, up 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 in the UK and continued to operate a solar power plant in Thailand. It took orders for five solar farms in Australia and one in Japan.

In Canada, Bouygues Energies & Services expanded on the electrical engineering market with its Plan Group and Gastier subsidiaries.

Bouygues Energies & Services continued to provide facilities management for Crédit Suisse offices in Switzerland, King's College London (UK) and Surrey hospital in Canada.

2.2.3 Outlook for 2017

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

- orders at 30 June 2017 to be executed in 2017 worth €5.4 billion;
- sustained international activity, especially in low-risk, growing countries such as Hong Kong, Singapore, Canada, Switzerland, UK and Australia;
- a medium- and long-term backlog worth €14.7 billion at 30 June 2017;
- a sound financial structure, with net surplus cash of €2.8 billion;
- 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 2017.

2.3. Bouygues Immobilier

A leading property developer in France, Bouygues Immobilier develops residential, office building, retail and sustainable neighbourhood projects. For a number of years, Bouygues Immobilier has been developing low-carbon solutions for its various programmes.

2.3.1 Key figures

KEY FIGURES (€ million)	FIRST HALF 2016	FIRST HALF 2017	CHANGE
Sales	1,047	**1,155**	**+10%**
o/w residential property	*894*	*968*	*+8%*
o/w commercial property	*153*	*187*	*+22%*
Current operating profit	**59**	**73**	**+€14m**
Current operating margin	*5.6%*	*6.3%*	*+0.7 pts*
Operating profit	**57**[a]	**73**	**+€16m**
Net profit attributable to the group	**34**	**37**	**+€3m**

(a) Includes non-current charges of €2 million related to the new organisation

Bouygues Immobilier reported sales of €1,155 million in the first half of 2017, an increase compared with the first half of 2016 (up 8% in residential property and up 22% in commercial property), reflecting an upturn in the residential property market and in commercial property activity.

The operating margin in the first half of 2017 was 6.3%, up 0.7 year-on-year.

2.3.2 Business activity

Context

In the first half of 2017, the residential property market in France continued to be supported by low interest rates, the attractiveness of the Pinel tax incentive and the extension of the zero-interest loan scheme.

Activity in the commercial property segment held firm in the first half of 2017, sustained by a major transaction in Paris as well as by solid activity in the western crescent and the first ring of suburbs. Immediate availability and vacancy rates continued to fall. The number of speculative developments increased, especially in Paris, where immediately available new-build space is at a historically low level.

Reservations

RESERVATIONS	FIRST HALF 2016	FIRST HALF 2017	CHANGE
Residential property[a]			
Units	5,731	6,444	+12%
Value (€m)	1,004	1,182	+18%
Commercial property			
Surface area (m²)	27,000	36,000	+33%
Value (€m)	191	90	-53%
Total reservations (€m)[b]	**1,195**	**1,272**	**+6%**

(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 2017 was 12% higher than in the first half of 2016 (up 17% in France and down 21% in international markets). The rise in France was mainly due to the success of the Pinel tax incentive and continuing low interest rates. Most of the decline in international markets was in Poland, caused by having less marketable stock in the first half of 2017. As most marketing is expected to take place in the second half of 2017, the level of reservations in 2017 will increase by the end of the year.

Commercial property

Bouygues Immobilier took commercial property reservations worth €90 million in the first half of 2017, mainly with the conclusion of a property development contract with Schneider in Grenoble for a 27,000-m² complex worth €67 million.

2.3.3 Highlights

Bouygues Immobilier inaugurated a number of flagship residential projects in the first half of 2017, such as the connected and innovative 5th Avenue development at La Madeleine, near Lille.

In the commercial property segment, Bouygues Immobilier and Scor Auber inaugurated Intown, a rehabilitated office building in Paris with 21,300 m² of floorspace. Intown is a symbol of Bouygues Immobilier's Rehagreen® package, which involves enhancing property values by rehabilitating commercial property.

In Montrouge, just south of Paris, Bouygues Immobilier inaugurated Ipso Facto, a 14-126-m² office building, another flagship example of the Rehagreen® initiative.

Backlog

BACKLOG (€ million)	END-DECEMBER 2016	END-JUNE 2017	CHANGE
Backlog	**2,966**	**3,019**	**+2%**
o/w residential property	*2, 432*	*2,592*	*+7%*
o/w commercial property	*534*	*427*	*-20%*

Bouygues Immobilier's backlog at end-June 2017 stood at €3,019 million, representing 14 months of sales.

2.3.4 Outlook and strategy

Residential property reservations are likely to rise in 2017 in a growing market. Bouygues Immobilier is focusing growth on a differentiated range of products such as managed residences and adaptable housing, and services such as financing packages, an online configurator and connected homes.

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 in transport infrastructure construction and maintenance, meeting the challenges of mobility, urbanisation and the environment. With an international network of 800 profit centres and 2,000 materials production units, Colas completes around 90,000 projects each year and spans the full range of production and recycling activities associated with most of its lines of business. Colas has two main operating divisions: roads, its core business, and complementary specialised activities (railway, waterproofing, road safety and signalling, and networks).

2.4.1 Key figures

KEY FIGURES (€ million)	FIRST HALF 2016	FIRST HALF 2017	CHANGE
Sales	**4,678**	**5,002**	**+7%**
o/w France	*2,638*	***2,812***	***+7%***
o/w international	*2,040*	***2,190***	***+7%***
Current operating profit/(loss)	**(85)**	**(136)**	**-€51m**
Operating profit/(loss)[a]	**(115)**	**(140)**	**-€25m**
Net profit/(loss) attributable to the group	**(71)**	**(88)**	**-€17m**

(a) Includes non-current charges of €30 million in H1 2016 essentially related to the discontinuation of activity at the SRD subsidiary and of €4 million in H1 2017 related to preliminary works for the dismantling of the Dunkirk site

2.4.2 First-half highlights

- Upturn in the roads market in mainland France after a decline for three consecutive years.
- Acquisitions in North America:
  - the assets of the Graymont Materials group (production of materials) in New York State, US;
  - Compagnie Meloche Inc. (production of materials and roadworks) in Quebec, Canada.
  - Allied Infrastructure Management, specialised notably in airport maintenance and services in the UK.
- Award of significant contracts:
  - €200-million, 30-year contract to build and maintain the Southwest Calgary Ring Road in Alberta, Canada;
  - €52-million earthworks and decontamination contract for the extension of metro Line 15 of the Grand Paris Express project;
  - several contracts worth €46 million for the construction of bus rapid transit (BRT) corridors at Lens in northern France;
  - €38-million contract to refurbish and widen two sections of the D1 motorway in the Czech Republic;
  - €104-million contract for the construction and renovation of the Antananarivo and Nosy Be airports in Madagascar.

Sales by sector

Consolidated sales at 30 June 2017 were €5,002 million, 7% higher than at 30 June 2016. The rise confirms the upturn in the first quarter of 2017. There were no significant scope or exchange rate effects during the first half of 2017.

SALES BY SECTOR (€ million)	FIRST HALF 2016	FIRST HALF 2017	CHANGE	lfl & constant fx
Sales	**4,678**	**5,002**	**+7%**	**+7%**
o/w roads mainland France	1,779	1,954	+10%	+10%
o/w roads Europe	585	669	+14%	+17%
o/w roads North America	802	814	+1%	-3%
o/w roads Rest of the World	545	583	+7%	+4%
o/w specialised activities	957	976	+2%	+5%
o/w holding company	10	6	nm	nm

Roads

Sales in **mainland France** were 10% higher than in the first half of 2016 (up 10% like-for-like and at constant exchange rates). All the regional subsidiaries contributed to this rise, which reflects the recovery in the market after a decline for three consecutive years.

Sales in **Europe** rose 14% versus the first half of 2016 (up 17% at constant exchange rates).

Sales in **North America** increased 1% versus the first half of 2016 (down 3% like-for-like and at constant exchange rates) as unfavourable weather conditions delayed the start of work.

Sales in the **Rest of the World (international excl. Europe and North America)** were up 7% versus the first half of 2016 (up 4% like-for-like and at constant exchange rates). Growth was strong in Oceania, especially Australia.

Specialised activities

Sales in specialised activities in the first half of 2017 saw a slight increase of 2% year-on-year (up 5% like-for-like and at constant exchange rates). Networks and waterproofing accounted for most of the increase, with road safety and signalling remaining stable and the railway business declining slightly.

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 714 quarries, 553 asphalt plants, 129 emulsion plants and 197 ready-mix concrete plants. In the first half of 2017, they produced 43 million tonnes of aggregates (up 3% versus the first half of 2016), 15 million tonnes of asphalt mix (up 8%), 744,000 tonnes of binders and emulsions (down 2%) and 1.1 million cubic metres of ready-mix concrete (stable).

Profitability

Colas reported a current operating loss of €136 million at 30 June 2017, compared with a current operating loss of €85 million at 30 June 2016, an increase of €51 million.

This was mainly attributable to:

- the delay in activity in North America,
- the still limited impact on results from the fast recovery of activity in Central Europe,
- a more challenging railway market in France for Colas Rail, especially in the freight business.

The share of profits from joint ventures and associates was €33 million, compared with €31 million at end-June 2016.

Colas traditionally reports a first-half loss due to the usual seasonal effect of its business. The net loss attributable to the group at end-June 2017 was €88 million, compared with a net loss attributable to the group of €71 million at 30 June 2016.

Financial position

Net debt at end-June 2017 stood at €570 million, compared with €316 million at end-June 2016. The change versus 31 December 2016 (net surplus cash of €517 million) reflects the usual seasonal effect of Colas' business.

Backlog

The backlog at end-June 2017 remained at a high level, standing at €8.1 billion, up 1% on end-June 2016 (up 2% at constant exchange rates). The backlog in mainland France was up 9%, while the backlog on international and French overseas territories was down 3%.

2.4.3 Outlook

On the basis of currently available data, full-year sales like-for-like and at constant exchange rates are likely to be slightly higher than in 2016.

As regards results, with activity and margins holding up well in France and Central Europe, and subject to the usual vagaries of the weather in North America, Colas should be able to offset in the second half of 2017 a significant part the lag observed at end-June 2017 compared with end-June 2016.

2.5. TF1

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

2.5.1 Key figures

KEY FIGURES (€ million)	FIRST HALF 2016	FIRST HALF 2017	CHANGE
Sales	**1,025**	**1,037**	**+1%**
o/w advertising	*770*	*782*	*+2%*
o/w other activities	*255*	*255*	*stable*
Current operating profit	**58**	**108**	**+€50m**
Current operating margin	*5.7%*	*10.4%*	*+4.7 pts*
Operating profit	**3**[a]	**96**[b]	**+€93m**
Net profit attributable to the group	**(1)**	**75**	**+€76m**

(a) Includes non-current charges of €55 million related to transformation costs, the effects of LCI's migration to freeview as well as the impacts of both Newen and the decree on French drama
(b) Includes non-current charges of €12 million corresponding to amortisation charged against goodwill recorded as part of the acquisition of Newen Studios.

TF1 reported consolidated sales of €1,037 million in the first half of 2017, up €12 million (up 1%) year-on-year. This figure comprised:

- advertising sales of €782 million, a 2% increase driven mainly by higher sales at the DTT channels and very good results from sponsorship;
- sales from other activities of €255 million, stable year-on-year.

Current operating profit at end-June was €108 million, up €50 million year-on-year, including savings of €31 million due to the lack of any major sporting event in the first half of 2017. The effects of the multi-channel strategy rolled out since September 2016 and of the group transformation plan had a positive impact of €19 million on the first-half current operating profit, representing an improvement in the margin of 1.9 points. TF1 achieved recurrent savings of €14 million under the Recover plan.

Operating profit in the first half of 2017 was €96 million and included non-current charges of €12 million corresponding to amortisation charged against goodwill recorded as part of the acquisition of Newen Studios.

Net profit attributable to the group was €75 million including, in the group share of profits and losses of joint ventures and associates, the gain on divestment of the equity interest in Groupe AB.

2.5.2 First-half highlights

- On 12 January 2017, TF1 acquired a 6.1% stake in Studio71, a subsidiary of ProSiebenSat.1 and the fourth-largest multi-channel network in the world with over six billion video views per month. The partnership forms part of a pan-European alliance, with ProSiebenSat.1 simultaneously entering into a similar arrangement with Italy's Mediaset.
- On 6 February 2017, Newen acquired a majority stake in Tuvalu Media Group, the leading independent producer in the Netherlands.
- On 31 March 2017, TF1 completed the sale of its 33.5% stake in Groupe AB to Mediawan SA.
- On 12 May 2017, the TF1 TV channel concluded an agreement with the advertising sales agency Transfer to sell its advertising slots in Belgium as of September 2017.
- On 9 June 2017, TF1, Mediaset and ProSiebenSat.1 announced the creation in an equal joint venture of the European Broadcaster Exchange (EBX) to offer digital pan-European video campaigns. The agreement creates a structure that will be able to compete more effectively with international players and uses an open partnership model in order to gradually bring in other European media groups.

Audiences[a]

TF1 continued to roll out its multi-channel strategy during the first half of the year. The five freeview channels[b] attracted a combined audience share of 32.5%, up 1.1 points year-on-year, among women under 50 who are purchasing decision-makers. Within this target audience, a slight fall in the share of the core TF1 TV channel (21.9%, down 0.6 points year-on-year) was more than offset by audience growth at the other DTT[c] channels (10.6%, up 1.7 points year-on-year).

This performance by TF1's channels confirmed the group's leading position on the market and represented the strongest year-on-year growth of any French broadcaster among target audiences.

During the first half of the year, TF1 was the most-watched channel among women under 50 who are purchasing decision-makers in all timeslots, especially in access prime time[d] thanks to the game show *The Wall* (18.0% market share among women under 50 who are purchasing decision-makers). Prime-time schedules also have strong pulling power through flagship entertainment shows such as *The Voice* and *Koh Lanta* (6.3 million viewers and 42% of women under 50 who are purchasing decision-makers), popular French dramas such as *Munch*, with up to 6.3 million viewers, and rebooted US series like *Lethal Weapon*, with a record 7.1 million viewers.

During the first half of 2017, the DTT channels led the market in terms of audience in key advertising targets, achieving the strongest rise in audiences of any market player (up 1.7 points year-on-year for women under 50 who are purchasing decision-makers and up 1.8 points for individuals aged 25 to 49). Much of this was due to the successful repositioning of TMC, which achieved the highest increase in target audiences in the first half of the year (up 1.2 points for individuals aged 25 to 49 and up 1.7 points for individuals in higher socio-professional categories).

LCI became France's second most-watched news channel in the first half of 2017, with an audience in May of 0.8% of individuals aged 4 and over and 0.6% of individuals in higher socio-professional categories. In a period dominated by French presidential and parliamentary elections, TF1, LCI and the group's digital channels achieved high audiences across all platforms. For example, the debate on 20 March between the five leading candidates for the presidential election attracted 9.9 million viewers on TF1 and 345,000 on LCI, as well as over 3.3 million video views[e].

(a) Source: Médiamétrie.
(b) TF1, TMC, NT1, HD1 and LCI
(c) TMC, NT1, HD1 and LCI
(d) 6pm to 8pm
(e) Across all platforms

MYTF1 had its best-ever half-year, with the number of video views rising 14% to 628 million, driven by digital audiences for flagship entertainment shows such as *The Voice* and *Koh Lanta*.

Since 24 April 2017, authentication has been required for internet users to watch the video of an entire programme on a smartphone, tablet or PC. As a result, the number of identified internet users to date has risen from 9 million to 12.5 million.

Broadcasting

Advertising sales for TF1's freeview channels rose by 1.2% year-on-year, driven by very good DTT audience figures and sponsorship revenue.
Other revenue for the Broadcasting sector increased by €8.3 million, a rise of 8.2%.

The cost of programmes in the first half of 2017 was €482 million, representing a saving of €16 million on the first half of 2016.

Current operating profit in the Broadcasting segment was €92 million, a year-on-year increase of €54 million. The contribution of freeview channels rose by €48 million, mainly due to stronger advertising sales, a reduction in the cost of programmes and cost savings achieved under the Recover plan.

Studios & Entertainment

Sales for the Studios & Entertainment segment fell by €6 million year-on-year, a drop of 3.1%. Higher sales by TF1 Studio partly offset a dip in activity at Newen Studios, due largely to less favourable production cycles than in the first half of 2016.
TF1 Entertainment posted further growth in the first half of 2017.

Studios & Entertainment reported an operating profit of €16 million, down €3 million, mainly due to the fact that more programmes will be delivered in the second half of the year.

2.5.3 Outlook

The TF1 group's performance in the first half of 2017 – 1.2% advertising sales growth for the five freeview channels, a 1.1-point rise in audience share in target advertising markets, an increased share of the gross advertising market and improved profitability – confirms the upturn that began in the autumn of 2016 and the relevance of its multi-channel strategy.

At a time of fierce competition in terms of scheduling, TF1 will invest in high-impact shows in the second half of the year while remaining within its overall objectives. The screening of new shows such as the summer saga *Demain nous appartient*, produced by Newen Studios, and new French dramas, combined with the return of strong, iconic brands such as *Koh Lanta*, *Danse avec les stars* and *The Voice Kids* will have a positive impact in the second half of 2017.

The second half of the year will also open up new opportunities for advertisers to invest in slots for 2018, especially in digital via the European Broadcaster Exchange digital airtime sales alliance and the launch of Studio71 France. The launch of country-specific advertising in Belgium will enable advertisers to target French-speaking Belgian audiences from late 2017 onwards.

TF1 thus reiterates its full-year guidance:

- maintain its share of the advertising market by extracting maximum value from its premium inventories and growing its DTT channels and digital content, while achieving recurrent savings of €25-30 million (excluding the cost of programmes) under the Recover plan;
- over the period 2017-19, continue to limit the cost of programmes and optimise investment in content in order to hold the average annual cost of programmes (excluding major sporting events) for the five freeview channels at €980 million;

- improve the group's profitability, aiming for a double-digit current operating margin in 2019 and growth in non-advertising revenue for the five freeview channels which is expected to account for at least one third of consolidated sales 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.

2.6.1 Key figures

KEY FIGURES (€ million)	FIRST HALF 2016	FIRST HALF 2017	CHANGE
Sales	**2,291**	**2,434**	**+6%**
o/w sales from network	*1,975*	*2,084*	*+6%*
EBITDA	**408**	**546**	**+€139m**
EBITDA/sales from network	*20.7%*	*26.2%*	*+5.5 pts*
Current operating profit	**38**	**162**	**+€124m**
Operating profit/(loss)	**(5)[a]**	**210[b]**	**+€215m**
Net profit/(loss) attributable to the group	**(14)**	**133**	**+€147m**

(a) Includes non-current charges of €43 million essentially related to the roll-out of network sharing
(b) Includes €72 million of non-current income related to the capital gains on the divestment of towers to Cellnex and non-current charges of €33 million related to the roll-out of network sharing

The first half of 2017 was marked by a sharp improvement in Bouygues Telecom's sales and financial results. The company posted sales of €2,434 million in the first half of the year, up 6% on the first half of 2016. Sales from network were €2,084 million, up 6% on the first half of 2016, and sales from network excluding incoming traffic rose 7% over the period. The increase in data usage resulting from the decline in voice and text usage is leading to a decrease in sales from network generated by incoming traffic. However, there is no impact on EBITDA, since this decline in sales is offset by reduced interconnection costs.

EBITDA was €139 million higher than in the first half of 2016 due to growth in the number of mobile and fixed customers, the stabilisation of mobile ARPU excluding incoming traffic and tight control over marketing and operating costs. The EBITDA margin[a] rose by 5.5 points over the period to 26.2%.

Current operating profit was €162 million, €124 million more than in the first half of 2016. Operating profit of €210 million included non-current income related to capital gains on the divestment of towers to Cellnex.

Gross capital expenditure was up €107 million year-on-year to €585 million, due to expansion of the mobile and fixed networks. This is in line with Bouygues Telecom's plan of €1.2 billion gross capex for the full year.

(a) EBITDA/sales from network

2.6.2 First-half highlights

In the first half of 2017, Bouygues Telecom successfully continued its strategy based on three priorities.

Strengthening its leading position in 4G

The quality of Bouygues Telecom's nationwide 4G network gives the company a long-term competitive advantage which is attracting growing numbers of customers. Bouygues Telecom had 13.6 million mobile customers at 30 June 2017, including over 10 million plan customers excluding MtoM[a], adding 240,000 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 dense areas, with the aim of a 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 Group.

Bouygues Telecom covered 90% of the French population at end-June 2017 and aims to cover 92% by the end of the year and 99% by end-2018.

Bouygues Telecom's extensive portfolio of frequencies, representing 25% of French spectrum, means that the company can cope with its customers' growing use of mobile internet services.

Pursuing growth in fixed broadband to expand the positioning in the household

Bouygues Telecom helps its customers to increase their use of digital services by offering high-quality, affordable fixed broadband packages.

Bouygues Telecom had over 3.2 million fixed broadband customers at end-June 2017, representing 133,000 net adds in the first half of the year. The company had over 552,000 very-high-speed broadband[b] customers at end-June 2017, including 171,000 with FTTH[c].

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 16.9 million households at end-June 2017. In FTTH, Bouygues Telecom continued to roll out its network, with a total of 16 million premises secured[d] at end-June 2017, and 2.6 million marketed[e].

Developing Business as well as Internet of Things[f] services

Bouygues Telecom's Business activity has been a particularly effective driver of growth since the launch of 4G. By combining a high-quality network with innovative services, Bouygues Telecom Entreprises has enjoyed sustained growth for more than three years. At end-June 2017, Bouygues Telecom Enterprises had seen year-on-year growth of 10% in its mobile base and 18% in its fixed broadband base.

Bouygues Telecom strengthened its position in the Internet of Things in early 2016 with the creation of a dedicated subsidiary, Objenious. The subsidiary uses the LoRa® network which, with over 4,000 antennas, has covered the whole of France since the end of 2016. Objenious helps companies of all sizes to move through the stages of the Internet of Things revolution with solutions suited to the challenges of transformation in areas such as remote control, predictive maintenance, logistics chain tracking and energy optimisation.

(a) Machine to Machine
(b) Arcep definition: subscriptions with peak downstream speeds higher or equal to 30 Mbit/s
(c) Fibre to the Home
(d) Premises secured: the horizontal deployed, being deployed or ordered up to the concentration point
(e) Premises marketed: the connectable sockets, i.e. the horizontal and vertical deployed and connected via the concentration point
(f) The Internet of Things (IoT) is a network that transmits data between connected devices via the internet

2.6.3 Outlook

Bouygues Telecom expects to achieve a target EBITDA margin[a] slightly over 25% in 2017. The rate of transfer of towers to Cellnex will speed up in the second half the year, with Cellnex-related non-current income of around €220 million expected over the full year.

Bouygues Telecom also confirms its target of free cash flow[b] of €300 million in three years' time.

2.7. Alstom

Bouygues held 8.2% of Alstom's share capital at 30 June 2017 (bearing in mind that Bouygues has loaned shares representing 20% of the capital to the French government).

As a promoter of sustainable mobility, Alstom offers the widest range of solutions on the market, from high-speed trains to metros, tramways and e-bus, together with customised services such as maintenance and modernisation, as well as infrastructure, signalling and digital solutions. A world leader in integrated mobility systems, Alstom operates in 60 countries and employs 32,800 people.

2.7.1 FY2016/17

Alstom released its results for FY2016/17 (ended 31 March 2017) on 4 May 2017.

Alstom booked €10 billion of orders between 1 April 2016 and 31 March 2017, leading to a new record-breaking backlog of €34.8 billion. Sales were up 6% over the same period to €7.3 billion (up 5% like-for-like and at constant exchange rates). Adjusted operating profit rose 15% year-on-year to €421 million, giving an adjusted margin of 5.8%. Net profit attributable to the Group amounted to €289 million.
Alstom has a very strong balance sheet. Free cash flow was €182 million during FY2016/17. Net debt remained stable at €208 million at 31 March 2017, while shareholders' equity stood at €3.7 billion.

As approved at the Shareholders' Meeting on 4 July 2017, Alstom has distributed a dividend of €0.25 per share for FY2016/17.

2.7.2 Figures at 30 June 2017 (first quarter of FY2017/18)

Alstom booked orders worth €1.9 billion in the first quarter of FY2017/18 (from 1 April to 30 June 2017), compared with €0.9 billion over the same period in the previous year. Sales in the first quarter FY2017/18 were €1.9 billion, up 5% like-for-like and at constant exchange rates.

The backlog at 30 June 2017 stood at €34 billion, giving good visibility for future sales.

2.7.3 Outlook for 2020

Alstom expects organic sales growth of 5% a year to 2020. The adjusted operating margin is expected to rise to around 7% by 2020, driven by the volume of business, the product mix and the impact of initiatives to improve operational excellence. From 2020, Alstom expects a conversion rate of net income into free cash flow of about 100%.

(a) EBITDA/sales from network
(b) 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

2.8. Bouygues SA

Net profit, according to French accounting standards, in the first half of 2017 was €40 million, €450 million less than in the first half of 2016. The change was mainly due to a €438-million reduction in dividends received in respect of the previous year following a €534-million interim dividend payout in December 2016.

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 2017 are similar to those described in the 2016 Registration Document (pages 141 to 165).

The Canada Revenue Agency disputes the deductibility of technical assistance costs invoiced by the Colas parent company to its subsidiaries Colas Canada Inc. and Sintra Inc. for the financial years from 2004 to 2012. In March 2017, the competent authorities in France and Canada agreed on a rate of 1% of sales for the remuneration of technical assistance costs for the financial years 2004 to 2007. Tax notices for the years 2008 to 2012 were issued on 17 May 2017 and partially admit the deductibility of these costs. The tax notices do not take account of the agreement between the competent authorities for the preceding years as mentioned above. They were appealed on 10 August 2017.

Bouygues Telecom has brought a number of proceedings to challenge the prolongation of the roaming agreement between Orange and Free. Bouygues Telecom withdrew its complaint for collusive practice in late June 2017 while reserving the right to refer the matter back to the French competition authority. Proceedings in its two appeals before the *Conseil d'État* are ongoing.

On 25 July 2017, the French competition authority rejected a complaint filed by Canal Plus concerning TF1's practices in the audiovisual advertising market.

As the agreement with Numericable-SFR to distribute its freeview channels expired on 28 July 2017, TF1 had offered the distributor a new service called "TF1 Premium". No agreement having been reached at that date, TF1 suspended all authorisations to broadcast its freeview channels and its MYTF1 catch-up TV service. The dispute led to the introduction of a number of proceedings, including a referral by Numericable-SFR to the CSA (the French broadcasting authority) dispute resolution service on 25 April and a writ for infringement of copyright served by TF1 on Numericable-SFR on 31 July. A summary appeal served by Numericable-SFR on TF1 seeking restoration of the MYTF1 service until the CSA's final decision was dismissed on 11 August 2017, the Paris District Court considering that it did not have jurisdiction.

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 2017. 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. Recent events

On 25 July 2017, Bouygues Immobilier and AccorHotels announced the creation of a 50/50 joint venture (Nextdoor) with the aim of accelerating the roll-out of Nextdoor collaborative workspaces in France and in Europe.

On 25 July 2017, Bouygues Telecom and Cellnex concluded an extension of their agreement of 31 January 2017 relating to the operation of towers in France, concerning the addition of up to 600 towers for a sale price of up to €170 million.

3. CONDENSED CONSOLIDATED FIRST-HALF FINANCIAL STATEMENTS

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET *(€ million)*

ASSETS	Note	30/06/2017 Net	31/12/2016 Net	30/06/2016 Net
Property, plant and equipment	11	6,689	6,566	6,518
Intangible assets	11	2,171	2,180	2,220
Goodwill	3.1	5,391	5,367	5,375
Investments in joint ventures and associates	3.2	2,449	2,429	2,345
Other non-current financial assets		566	523	542
Deferred tax assets and non-current tax receivable		403	367	414
NON-CURRENT ASSETS		**17,669**	**17,432**	**17,414**
Inventories, programmes and broadcasting rights		3,363	2,955	3,181
Advances and down-payments made on orders		413	395	439
Trade receivables		7,372	6,367	6,971
Tax asset (receivable)		285	285	306
Other current receivables and prepaid expenses		2,682	2,509	2,453
Cash and cash equivalents		3,149	4,749	2,390
Financial instruments - Hedging of debt		16	17	22
Other current financial assets		22	24	6
CURRENT ASSETS		**17,302**	**17,301**	**15,768**
Held-for-sale assets and operations		90	121	
TOTAL ASSETS		**35,061**	**34,854**	**33,182**

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	30/06/2017	31/12/2016	30/06/2016
Share capital	4	357	355	345
Share premium and reserves		7,186	6,925	6,689
Translation reserve		101	128	157
Treasury shares				
Consolidated net profit/(loss)	11	240	732	(28)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP		**7,884**	**8,140**	**7,163**
Non-controlling interests		1,289	1,280	1,252
SHAREHOLDERS' EQUITY		**9,173**	**9,420**	**8,415**
Non-current debt	6.1	6,182	6,180	5,501
Non-current provisions	5.1	2,110	2,199	2,128
Deferred tax liabilities and non-current tax liabilities		193	159	126
NON-CURRENT LIABILITIES		**8,485**	**8,538**	**7,755**
Advances and down-payments received on orders		1,061	1,010	1,152
Current debt	6.1	758	265	859
Current taxes payable		83	109	73
Trade payables		6,966	7,140	6,637
Current provisions	5.2	842	1,002	968
Other current liabilities		7,192	7,159	6,888
Overdrafts and short-term bank borrowings		473	168	323
Financial instruments - Hedging of debt		17	19	83
Other current financial liabilities		11	24	29
CURRENT LIABILITIES		**17,403**	**16,896**	**17,012**
Liabilities related to held-for-sale operations				
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**35,061**	**34,854**	**33,182**
Net surplus cash/(net debt)	**7/11**	**(4,265)**	**(1,866)**	**(4,354)**

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT *(€ million)*

		First half		Second quarter		Full year
	Note	2017	2016	2017	2016	2016
SALES [a]	**8**	**15,162**	**14,669**	**8,315**	**8,135**	**31,768**
Other revenues from operations		68	65	30	36	132
Purchases used in production		(6,993)	(6,849)	(3,856)	(3,806)	(14,751)
Personnel costs		(3,673)	(3,628)	(1,913)	(1,862)	(7,169)
External charges		(3,488)	(3,308)	(1,759)	(1,709)	(6,862)
Taxes other than income tax		(365)	(358)	(133)	(126)	(646)
Net depreciation and amortisation expense		(750)	(743)	(375)	(389)	(1,599)
Charges to provisions and impairment losses, net of reversals due to utilisation		(2)	(31)	(22)	(69)	(461)
Changes in production and property development inventories		107	86	(14)	27	(16)
Other income from operations [b]		649	715	340	310	1,678
Other expenses on operations		(330)	(412)	(161)	(201)	(953)
CURRENT OPERATING PROFIT/(LOSS)	**9/11**	**385**	**206**	**452**	**346**	**1,121**
Other operating income		81	6	75	3	113
Other operating expenses		(49)	(155)	(26)	(65)	(287)
OPERATING PROFIT/(LOSS)	**9/11**	**417**	**57**	**501**	**284**	**947**
Financial income		10	14	5	8	26
Financial expenses		(125)	(132)	(63)	(64)	(248)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)		**(115)**	**(118)**	**(58)**	**(56)**	**(222)**
Other financial income		41	26	35	18	125
Other financial expenses		(34)	(24)	(26)	(10)	(84)
Income tax	10	(100)	1	(142)	(88)	(249)
Share of net profits/losses of joint ventures and associates	11	85	32	10	23	267
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**294**	**(26)**	**320**	**171**	**784**
Net profit/(loss) from discontinued and held-for-sale operations						
NET PROFIT/(LOSS)		**294**	**(26)**	**320**	**171**	**784**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**11**	**240**	**(28)**	**278**	**152**	**732**
Net profit/(loss) attributable to non-controlling interests		54	2	42	19	52
Basic earnings per share from continuing operations *(€)*		**0.67**	**(0.08)**	**0.78**	**0.44**	**2.11**
Diluted earnings per share from continuing operations *(€)*		**0.67**	**(0.08)**	**0.77**	**0.44**	**2.10**
(a) Of which sales generated abroad		5,311	5,137	3,065	2,964	11,697
(b) Of which reversals of unutilised provisions/impairment losses		156	178	72	72	424

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

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

	First half 2017	First half 2016	Full year 2016
NET PROFIT/(LOSS)	**294**	**(26)**	**784**
Items not reclassifiable to profit or loss			
Actuarial gains/losses on post-employment benefits		3	(80)
Change in remeasurement reserve			
Net tax effect of items not reclassifiable to profit or loss		(2)	16
Share of non-reclassifiable income and expense of joint ventures and associates [a]	13	(17)	(42)
Items reclassifiable to profit or loss			
Change in cumulative translation adjustment	(43)	1	13
Net change in fair value of financial instruments used for hedging purposes and of other financial assets (including available-for-sale financial assets)	13	(29)	(1)
Net tax effect of items reclassifiable to profit or loss	2	15	6
Share of reclassifiable income and expense of joint ventures and associates [a]	13	12	48
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**(2)** [b]	**(17)** [c]	**(40)**
TOTAL RECOGNISED INCOME AND EXPENSE	**292**	**(43)**	**744**
Recognised income and expense attributable to the Group	**243**	**(43)**	**692**
Recognised income and expense attributable to non-controlling interests	**49**		**52**

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

(b) Of which income and expense recognised in the second quarter of 2017: (23)

(c) Of which income and expense recognised in the second quarter of 2016: 10

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 2015	**1,853**	**2,302**	**4,142**		**(432)**	**7,865**	**1,428**	**9,293**
Movements during the first half of 2016								
Net profit/(loss)			(28)			(28)	2	(26)
Translation adjustment					11	11	(1)	10
Other recognised income and expense					(26)	(26)	(1)	(27)
Total recognised income and expense [b]			**(28)**		**(15)**	**(43)**		**(43)**
Capital and reserves transactions, net	3	293	(293)			3		3
Acquisitions/disposals of treasury shares			(4)			(4)		(4)
Acquisitions/disposals without loss of control			(110)			(110)	(62)	(172)
Dividend paid			(552)			(552)	(104)	(656)
Other transactions with shareholders			4			4		4
Other transactions (changes in scope of consolidation and other items)							(10)	(10)
POSITION AT 30 JUNE 2016	**1,856**	**2,595**	**3,159**		**(447)**	**7,163**	**1,252**	**8,415**
Movements during the second half of 2016								
Net profit/(loss)			760			760	50	810
Translation adjustment					33	33	3	36
Other recognised income and expense					(58)	(58)	(1)	(59)
Total recognised income and expense [b]			**760**		**(25)**	**735**	**52**	**787**
Capital and reserves transactions, net	204					204		204
Acquisitions/disposals of treasury shares			5			5		5
Acquisitions/disposals without loss of control			51			51	(6)	45
Dividend paid							(6)	(6)
Other transactions with shareholders			9			9	1	10
Other transactions (changes in scope of consolidation and other items)			(556)		529	(27)	(13)	(40)
POSITION AT 31 DECEMBER 2016	**2,060**	**2,595**	**3,428**		**57**	**8,140**	**1,280**	**9,420**
Movements during the first half of 2017								
Net profit/(loss)			240			240	54	294
Translation adjustment					(27) [a]	(27)	(4) [a]	(31)
Other recognised income and expense					30	30	(1)	29
Total recognised income and expense [b]			**240**		**3**	**243**	**49**	**292**
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)							1	1
POSITION AT 30 JUNE 2017	**2,129**	**3,000**	**2,695**		**60**	**7,884**	**1,289** [c]	**9,173**

(a) Change in translation reserve:

Attributable to:	*Group*	*Non-controlling interests*	*Total*
Controlled entities	*(39)*	*(4)*	*(43)*
Joint ventures and associates	*12*		*12*
Total	***(27)***	***(4)***	***(31)***

(b) See statement of recognised income and expense.

(c) Includes TF1: 850

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT *(€ million)*

	Note	First half 2017	First half 2016	Full year 2016
I - CASH FLOW FROM CONTINUING OPERATIONS				
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES				
Net profit/(loss) from continuing operations		294	(26)	784
Share of profits/losses reverting to joint ventures and associates, net of dividends received		(56)	(8)	(102)
Elimination of dividends (non-consolidated companies)		(14)	(11)	(17)
Charges to/(reversals of) depreciation, amortisation, impairment & non-current provisions		746	795	1,760
Gains and losses on asset disposals		(124)	(31)	(382)
Miscellaneous non-cash charges		(8)		(10)
Sub-total		**838**	**719**	**2,033**
(Income from net surplus cash)/cost of net debt		115	118	222
Income tax		100	(1)	249
Cash flow	**11**	**1,053**	**836**	**2,504**
Income taxes paid		(126)	(139)	(280)
Changes in working capital related to operating activities [a]		(1,853)	(1,378)	194
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		**(926)**	**(681)**	**2,418**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES				
Purchase price of property, plant and equipment and intangible assets	11	(911)	(845)	(1,962)
Proceeds from disposals of property, plant and equipment and intangible assets	11	189	56	324
Net liabilities related to property, plant and equipment and intangible assets		(93)	(237)	(202)
Purchase price of non-consolidated companies and other investments		(33)	(9)	(13)
Proceeds from disposals of non-consolidated companies and other investments		10	2	75
Net liabilities related to non-consolidated companies and other investments		67	1	(65)
Effects of changes in scope of consolidation				
Purchase price of investments in consolidated activities		(124)	(200)	(220)
Proceeds from disposals of investments in consolidated activities		87	1,079	1,229
Net liabilities related to consolidated activities		(3)	16	(2)
Other effects of changes in scope of consolidation (cash of acquired and divested companies)	7	5	72	91
Other cash flows related to investing activities (changes in loans, dividends received from non-consolidated companies)		(10)	29	40
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		**(816)**	**(36)**	**(705)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES				
Capital increases/(reductions) paid by shareholders & non-controlling interests and other transactions between shareholders		64	(13)	189
Dividends paid				
Dividends paid to shareholders of the parent company		(568)	(552)	(552)
Dividends paid by consolidated companies to non-controlling interests		(39)	(104)	(110)
Change in current and non-current debt	7	508	30	87
Income from net surplus cash/(cost of net debt)		(115)	(118)	(222)
Other cash flows related to financing activities		42		(85)
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES		**(108)**	**(757)**	**(693)**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**7**	**(56)**	**(49)**	**(29)**
CHANGE IN NET CASH POSITION (A + B + C + D)		**(1,906)**	**(1,523)**	**991**
Net cash position at start of period	**7**	**4,581**	**3,589**	**3,589**
Net cash flows	7	(1,906)	(1,523)	991
Other non-monetary flows	7	1	1	1
Net cash position at end of period	**7**	**2,676**	**2,067**	**4,581**
II - CASH FLOWS FROM DISCONTINUED AND HELD-FOR-SALE OPERATIONS				
Net cash position at start of period				
Net cash flows				
Net cash position at end of period				

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

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 2017 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 2016.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 June 2017. 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 2017 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 2016, and from the interim condensed consolidated financial statements for the six months ended 30 June 2016.

NOTE 1 SIGNIFICANT EVENTS

1.1 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 that was recognised in "Share of net profits/losses of joint ventures and associates" in the consolidated income statement. The definitive financial statements of Groupe AB that will form the basis for calculating the price adjustment having not yet been issued, the final amount of the gain will be determined during the second half of 2017.

- On 31 January 2017, Bouygues Telecom signed an agreement with Cellnex (Spain) covering 3,000 towers 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 towers to Cellnex over a two-year period for €500 million, followed by the joint construction of 1,200 new towers 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 31 December 2016, the 1,800 towers were presented in the balance sheet as "Held-for-sale assets", at a carrying amount of €121 million. As of 30 June 2017, 350 towers had been transferred for a total of €99 million. "Held-for-sale assets" was reduced to €90 million to reflect the reduction in the number of towers still held by Bouygues; the resulting gain of €72 million is presented in "Other operating income" (see Note 9).

1.2 SIGNIFICANT EVENTS OF THE FIRST HALF OF 2016

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

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

- On 26 January 2016, TF1 acquired a 70% equity interest in FLCP, renamed Newen Studios, the holding company of the Newen production company. The parties signed a shareholders' agreement setting out rules governing the operational management of Newen, and providing for call and put options relating to the residual equity interest. The vendors have a put option, and TF1 has a call option, over the residual equity interest, exercisable during a five-year period starting in 2018. Newen Studios has been consolidated since 1 January 2016. The commitment entered into by TF1 to buy out the 30% non-controlling interest was measured at fair value on the basis of discounted cash flow projections and the resulting amount was recognised as a non-current financial liability, with the corresponding entry recorded as a deduction from consolidated shareholders' equity. The impact of this acquisition on the net debt of the Bouygues group as of 30 June 2016 was €293 million. On 24 February 2016, Newen Studios acquired 100% of the equity capital of Rendez Vous Production Serie (RDVPS), which is also consolidated with effect from 1 January 2016. Both acquisitions were accounted for using the partial goodwill method. The provisional goodwill of €121 million recognised on these acquisitions as of 30 June 2016 was subsequently adjusted to €114 million as of 31 December 2016 after the purchase price allocation, in which acquired production and distribution rights were remeasured at a provisional fair value of €68 million. Those rights began to be amortised in the second quarter of 2016 (with retroactive effect from 1 January 2016) over an average period of three years (depending on the programme), through "Other operating expenses".

- On 28 January 2016, Alstom repurchased 91.5 million of its own shares, including 28,457,641 from Bouygues. The disposal of the shares held by Bouygues generated cash proceeds of €996 million. Following this transaction, Bouygues held an equity interest of 28.3% in Alstom, of which 20% is loaned to the French state under a stock lending transaction.

- On 2 February 2016, Colas announced the sale of its 15.56% equity interest in Atlandes (the company that holds the concession for the A63 motorway in France) to various investment funds for €96 million, including €29 million in the form of a reimbursement of current account advances. The gain on the sale, amounting to €65 million, was recognised in "Other financial income" in the fourth quarter of 2016.

- On 8 February 2016, the French state announced that the memorandum of understanding with Bouygues relating to Alstom had come into effect, along with a stock lending transaction by Bouygues, valid until 17 October 2017, that will enable the French state to exercise 20% of Alstom's voting rights. Under the terms of the memorandum of understanding, Bouygues:

  - retains a seat on Alstom's Board of Directors;
  - is entitled to the dividends on its entire shareholding in Alstom;
  - will recover the voting rights attached to the loaned shares in the event they are not purchased by the French state; and
  - retains at least 8.3% of the voting rights.

  In addition, Olivier Bouygues retained his seat on the Alstom Board of Directors.

  In accordance with paragraphs 6 and 13 of IAS 28, Bouygues retains significant influence over Alstom, and the entire 28.2% equity interest in Alstom continues to be accounted for by the equity method as an investment in an associate.

1.3 Significant events and changes in scope of consolidation subsequent to 30 June 2017

On 25 July 2017, Bouygues Immobilier and AccorHotels announced the formation of a 50/50 joint venture to accelerate the development of Nextdoor in France and Europe. This transaction will result in the recognition of a gain estimated at approximately €25 million in the third quarter of 2017, arising from the divestment of 50% of Nextdoor and the remeasurement of the retained equity interest.

On 25 July 2017, Bouygues Telecom and Cellnex signed an extension to their agreement of 31 January 2017 (see Note 1.1) concerning the addition of up to 600 more towers at a selling price of up to €170 million. The additional towers did not meet the definition of "Held-for-sale assets" as of 30 June 2017, since it is as yet uncertain how many towers will actually be sold.

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 2013-03) issued on 7 November 2013 by the Autorité des Normes Comptables (ANC), the French national accounting standard-setter.

They were closed off by the Board of Directors on 30 August 2017.

The interim condensed consolidated financial statements for the six months ended 30 June 2017 were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives as of and for the year ended 31 December 2016 and the six months ended 30 June 2016.

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 2016. A reduction of 70 basis points in the discount rate (1.71% as of 31 December 2016) 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 2017 as applied in its financial statements for the year ended 31 December 2016, except for changes required to meet new IFRS requirements applicable from 1 January 2017 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 2017:

- **Amendments to IAS 7: Statement of Cash Flows**

  These amendments lay down the principle that an entity should provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

  These amendments are applicable to annual reporting periods beginning on or after 1 January 2017, and were early adopted in the Bouygues consolidated financial statements for the year ended 31 December 2016.

  Consequently, the Bouygues group provides a reconciliation (in Note 7) between the opening and closing financial positions as regards liabilities included in financing activities.

- **IFRS 9: Financial Instruments**

  On 24 July 2014, the IASB issued a new standard on financial instruments intended to replace most of the current IFRS pronouncements on this subject, in particular IAS 39. The new standard, which was endorsed by the European Union on 22 November 2016, is applicable from 1 January 2018. The Bouygues group has decided not to early adopt this standard.

  The Group will apply 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 will also be applied by the Group with effect from 1 January 2018, using a prospective approach in accordance with the standard.

  The impacts of applying this standard are currently under review.

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

  On 28 May 2014, the IASB issued a new standard on revenue recognition intended to replace most of the current IFRS pronouncements on this subject, in particular IAS 11 and IAS 18. The new standard was endorsed by the European Union on 29 October 2016 and is applicable from 1 January 2018. The Bouygues group has not early adopted IFRS 15, which it will apply retrospectively with effect from 1 January 2018; the 2017 figures presented in 2018 will also be restated to reflect the impacts of IFRS 15 (presentation of a comparative reporting period).

  The process of implementing IFRS 15 within the Bouygues group is ongoing, as is the assessment of the impacts of the new standard. The key issues being assessed are:

  - Construction: the method used to recognise revenue over time. Based on the principal contracts analysed to date, the method used to calculate the recognition of revenue over time is consistent with IFRS 15.

  - Property: the principle of recognising revenue and margin over time, especially on off-plan sales under "VEFA" (*Ventes en l'État Futur d'Achèvement*) contracts in France, is not called into question by IFRS 15. However, the calculation of the percentage of completion on residential and business property development projects will now have to incorporate land-related costs. This means that more revenue and margin will be recognised at the start of the project as compared with current practice.

- Media: distribution contracts, and the date of recognition of revenue generated by rights sales (especially TV and SVoD).

- Telecoms: identifying performance obligations, especially on contracts that combine a subscription with a subsidised handset; such contracts will have to be split into separate components. Under IFRS 15, both the revenue recognition pattern and the split between the sale of the handset and the supply of the service will change, and the accelerated revenue recognition will result in a contract asset being reported in the balance sheet. A further impact relates to some contract origination costs, which will be recognised as an asset in the balance sheet on signature of the contract and then amortised over the life of the contract.

- Key standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union:

  - **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. IFRS 16, which has not yet been endorsed by the European Union, is applicable from 1 January 2019.

    The Bouygues group has elected to use the retrospective approach for the first time application of IFRS 16.

    The impact of IFRS 16 is currently under review.

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

(€ million)	Gross	Impairment	Carrying amount
31/12/2016	**5,443**	**(76)**	**5,367**
Changes in scope of consolidation	32 [a]	3	35
Other movements (including translation adjustments)	(11)		(11)
Impairment losses			
30/06/2017	**5,464**	**(73)**	**5,391**

(a) Includes an increase of €16m following the acquisition of Groupe Tuvalu by TF1.

3.1.2 Split of goodwill by Cash Generating Unit (CGU)

CGU	**30/06/2017**		**31/12/2016**	
(€ million)	**Total**	**% Bouygues**	**Total**	**% Bouygues**
Bouygues Construction (subsidiaries) [a]	467	99.97%	471	99.97%
Colas [b]	1,131	96.60%	1,118	96.60%
TF1 [b]	1,145	43.86%	1,130	43.91%
Bouygues Telecom [b]	2,648	90.53%	2,648	90.53%
Total	**5,391**		**5,367**	

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

Given the absence of any evidence of impairment, the goodwill recognised as of 30 June 2017 has not been subject to further impairment testing.

3.2 Joint ventures and associates

(€ million)	Carrying amount
31/12/2016	**2,429** [a]
Share of net profit/(loss) for the period	85
Translation adjustments	12
Other income and expense recognised directly in equity	14
Net profit/(loss) and other recognised income and expense	**111**
Changes in scope of consolidation	(69) [c]
Other movements (dividends, etc.)	(22)
30/06/2017	**2,449** [b]

(a) Includes Alstom: €1,938m.
(b) Includes Alstom: €2,018m.
(c) Primarily divestment by TF1 of its equity interest in Groupe AB.

The profit contribution from Alstom recognised in the Bouygues group's financial statements for the first half of 2017 is based on the results published by Alstom on 4 May 2017 for its 2016/17 financial year, which ended on 31 March 2017. Given the time-lag between the annual accounting period-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 2016/17 financial year was recognised in the Bouygues financial statements for the nine months ended 30 September 2016.

Alstom's contribution to the net profit of Bouygues for the first half of 2017 was €45 million, compared with a zero contribution in the first half of 2016.

NOTE 4 CONSOLIDATED SHAREHOLDERS' EQUITY

Share capital of Bouygues SA

As of 30 June 2017, the share capital of Bouygues SA consisted of 357,317,462 shares with a par value of €1.

		Movements		
	31/12/2016	**Reductions**	**Increases**	**30/06/2017**
Shares	354,908,547		2,408,915 [a]	357,317,462
NUMBER OF SHARES	**354,908,547**		**2,408,915**	**357,317,462**
Par value	€1			€1
SHARE CAPITAL (€)	**354,908,547**		**2,408,915**	**357,317,462**

(a) The increase of 2,408,915 shares was due to new shares being issued on exercise of stock options, resulting in an increase of €69 million in consolidated shareholders' equity.

NOTE 5 NON-CURRENT AND CURRENT PROVISIONS

5.1 Non-current provisions

(€ million)	Long-term employee benefits [a]	Litigation and claims [b]	Guarantees given [c]	Other non-current provisions [d]	Total
31/12/2016	**764**	**379**	**394**	**662**	**2,199**
Translation adjustments	(2)	(1)	(1)	(6)	(10)
Changes in scope of consolidation		(2)		5	3
Charges to provisions	22	13	29	26	90
Reversals of provisions (utilised or unutilised)	(15)	(39)	(26)	(60)	(140) [e]
Actuarial gains and losses					
Transfers and other movements	1			(33)	(32)
30/06/2017	**770**	**350**	**396**	**594**	**2,110**

(a) Long-term employee benefits	***770***	***Principal segments involved:***	
Lump-sum retirement benefits	*509*	*Bouygues Construction*	*202*
Long-service awards	*152*	*Colas*	*425*
Other long-term employee benefits	*109*	*TF1*	*43*
		Bouygues Telecom	*60*
(b) Litigation and claims	***350***	*Bouygues Construction*	*151*
Provisions for customer disputes	*129*	*Bouygues Immobilier*	*34*
Subcontractor claims	*62*	*Colas*	*100*
Employee-related and other litigation and claims	*159*	*Bouygues Telecom*	*59*
(c) Guarantees given	***396***	*Bouygues Construction*	*306*
Provisions for 10-year construction guarantees	*303*	*Bouygues Immobilier*	*23*
Provisions for additional building/civil engineering/civil works guarantees	*93*	*Colas*	*67*
(d) Other non-current provisions	***594***	*Bouygues Construction*	*135*
Provisions for risks related to official inspections	*179*	*Colas*	*313*
Provisions for miscellaneous foreign risks	*36*	*Bouygues Telecom*	*108*
Provisions for subsidiaries and affiliates	*28*		
Dismantling and site rehabilitation	*251*		
Other non-current provisions	*100*		
(e) Including reversals of unutilised provisions during the first half of 2017	***(67)***		

5.2 Current provisions

Provisions related to the operating cycle *(€ million)*	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for expected losses to completion	Other current provisions	Total
31/12/2016	**49**	**374**	**285**	**294**	**1,002**
Translation adjustments	(1)	(4)	(3)	(5)	(13)
Changes in scope of consolidation		(1)		(1)	(2)
Charges to provisions	3	52	73	38	166
Reversals of provisions (utilised or unutilised)	(7)	(80)	(142)	(75)	(304) [a]
Transfers and other movements		(5)		(2)	(7)
30/06/2017	**44**	**336**	**213**	**249**	**842**

(a) Of which: reversals of unutilised provisions during the first half of 2017: (74)

NOTE 6 NON-CURRENT AND CURRENT DEBT

6.1 Breakdown of debt

(€ million)	Current debt		Non-current debt	
	Total 30/06/2017	Total 31/12/2016	Total 30/06/2017	Total 31/12/2016
Bond issues [a]	627	113	4,799	5,296
Bank borrowings	85	102	1,200	703
Finance lease obligations	7	8	8	9
Other borrowings	39	42	175	172
TOTAL DEBT	**758**	**265**	**6,182**	**6,180**

(a) A Bouygues SA bond issue of €500m maturing February 2018 has been transferred from non-current to current debt.

6.2 Covenants and trigger events

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

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

NOTE 7 CHANGE IN NET DEBT

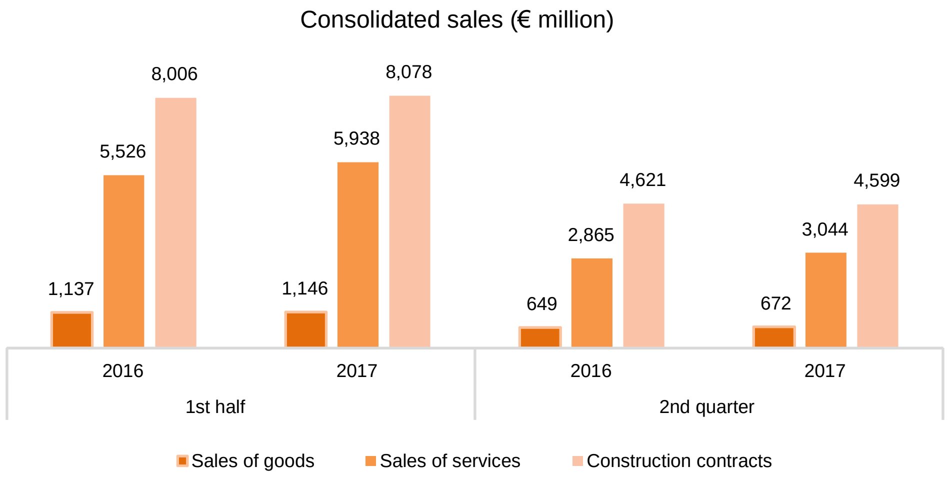
(€ million)	31/12/2016	Cash flows	Changes in scope of consolidation	Translation adjustments	Fair value adjustments	Other movements	30/06/2017
Cash and cash equivalents	4,749	(1,580)	13	(33)			3,149
Overdrafts and short-term bank borrowings	(168)	(275)	(8)	(23)		1	(473)
NET CASH POSITION	**4,581**	**(1,855)** a	**5** a	**(56)** a		**1** a	**2,676**
Non-current debt	6,180	523	5	(17)	(2)	(507)	6,182
Current debt	265	(15)		7		501	758
Financial instruments, net	2				3	(4)	1
TOTAL DEBT	**6,447**	**508** b	**5**	**(10)**	**1**	**(10)**	**6,941**
NET DEBT	**(1,866)**	**(2,363)**		**(46)**	**(1)**	**11**	**(4,265)**

(a) Net cash outflow of €1,905m for the first half of 2017, as reported in the cash flow statement.
(b) Net cash inflow of €508m for the first half of 2017 as reported in the cash flow statement, corresponding to cash flows for the period excluding the effect of exchange rate fluctuations and other movements.

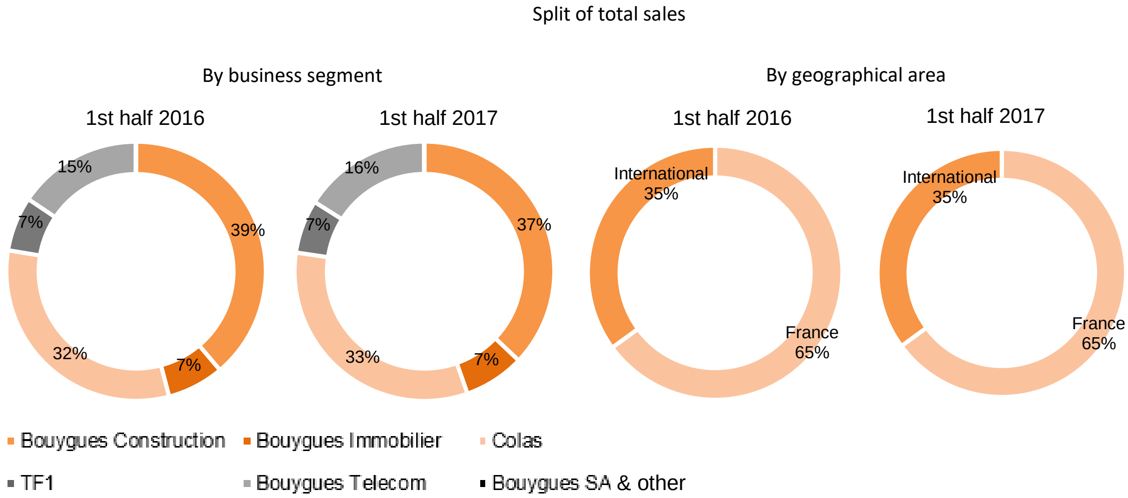
NOTE 8 ANALYSIS OF SALES AND OTHER REVENUES FROM OPERATIONS

8.1 Analysis by accounting classification

(€ million)	1st half		2nd quarter	
	2017	2016	2017	2016
Sales of goods	1,146	1,137	672	649
Sales of services	5,938	5,526	3,044	2,865
Construction contracts	8,078	8,006	4,599	4,621
CONSOLIDATED SALES	**15,162**	**14,669**	**8,315**	**8,135**
OTHER REVENUES FROM OPERATIONS	**68**	**65**	**30**	**36**
TOTAL REVENUES	**15,230**	**14,734**	**8,345**	**8,171**



(€ million)	1st half of 2017				1st half of 2016			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	2,582	3,040	5,622	37	2,662	3,031	5,693	39
Bouygues Immobilier	1,100	44	1,144	7	1,003	37	1,040	7
Colas	2,767	2,190	4,957	33	2,611	2,039	4,650	32
TF1	976	33	1,009	7	973	25	998	7
Bouygues Telecom	2,423		2,423	16	2,280		2,280	15
Bouygues SA & other	3	4	7		3	5	8	
CONSOLIDATED SALES	**9,851**	**5,311**	**15,162**	**100**	**9,532**	**5,137**	**14,669**	**100**



8.2 Analysis by business segment

(€ million)	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total 1st half 2017**	**Total 2nd quarter 2017**
Total sales	5,714	1,155	5,002	1,037	2,434	73	15,415	8,441
Inter-segment sales	(92)	(11)	(45)	(28)	(11)	(66)	(253)	(126)
THIRD-PARTY SALES	**5,622**	**1,144**	**4,957**	**1,009**	**2,423**	**7**	**15,162**	**8,315**

(€ million)	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total 1st half 2016**	**Total 2nd quarter 2016**
Total sales	5,800	1,047	4,678	1,025	2,291	73	14,914	8,261
Inter-segment sales	(107)	(7)	(28)	(27)	(11)	(65)	(245)	(126)
THIRD-PARTY SALES	**5,693**	**1,040**	**4,650**	**998**	**2,280**	**8**	**14,669**	**8,135**

NOTE 9 OPERATING PROFIT/(LOSS) AND EBITDA

(€ million)	1st half 2017	1st half 2016	2nd quarter 2017	2nd quarter 2016
CURRENT OPERATING PROFIT	**385**	**206**	**452**	**346**
Other operating income	81 [a]	6 [b]	75	3
Other operating expenses	(49) [a]	(155) [b]	(26)	(65)
OPERATING PROFIT	**417**	**57**	**501**	**284**

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

(a) Comprises:
<u>Bouygues Telecom</u>: Net income of €48m, mainly comprising a €72m gain on the transfer of 350 towers to Cellnex plus €8m of net reversals of provisions, partly offset by a €33m expense on the roll-out of network sharing.
<u>TF1</u>: Amortisation of €12m charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation.
<u>Colas</u>: Costs of €4m incurred on discontinuation of activity at the refinery in Dunkirk.

(b) Mainly comprises:
<u>TF1</u>: Expense of €55m, comprising costs incurred on the reorganisation of TF1 and on the migration of LCI to freeview plus a one-off additional expense related to a change in the accounting treatment of French drama.
<u>Bouygues Telecom</u>: Expense of €43m, essentially on the roll-out of network sharing.
<u>Colas</u>: Costs of €30m incurred on discontinuation of activity at the refinery in Dunkirk.
<u>Bouygues SA</u>: Expense of €11m relating to costs incurred on the proposed transaction with Orange.

The Bouygues group reported EBITDA of €981 million for the first half of 2017, up €179 million year-on-year. EBITDA is calculated on the basis of current operating profit, to which the following adjustments are made:

(€ million)	1st half 2017	1st half 2016	2nd quarter 2017	2nd quarter 2016
CURRENT OPERATING PROFIT	**385**	**206**	**452**	**346**
Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses				
. Net depreciation & amortisation expense	750	743	375	389
. Charges to provisions and impairment losses, net of reversals due to utilisation	2	31	22	69
Elimination of items included in other income from operations:				
. Reversals of unutilised provisions and impairment	(156)	(178)	(72)	(72)
EBITDA	**981**	**802**	**777**	**732**

NOTE 10 INCOME TAXES

(€ million)	1st half 2017	1st half 2016	2nd quarter 2017	2nd quarter 2016
Tax payable to the tax authorities	(100)	(58)	(96)	(77)
Deferred taxes, net		59	(46)	(11)
INCOME TAX GAIN/(EXPENSE)	**(100)**	**1**	**(142)**	**(88)**

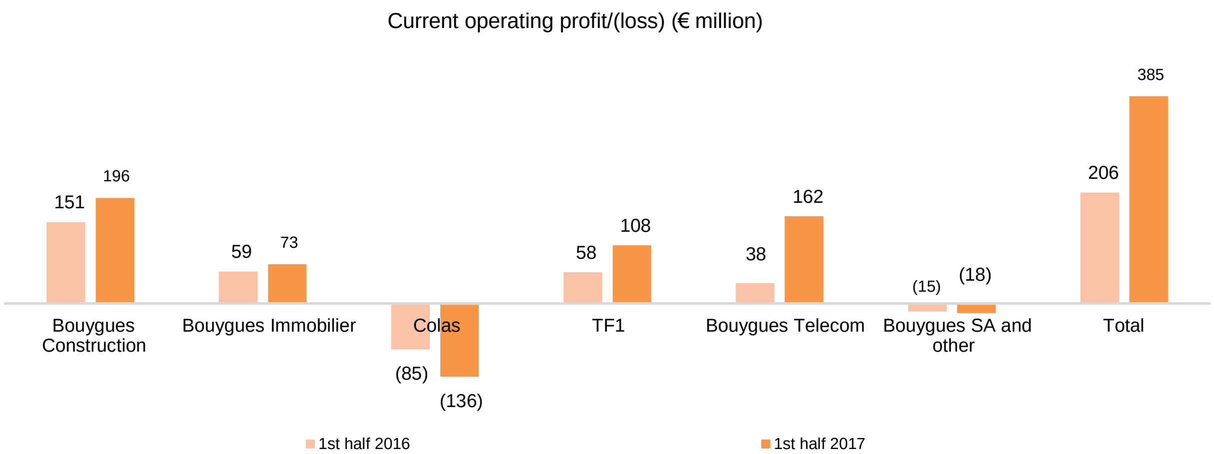
Income tax expense for the first half of 2017 was €100 million, versus an income tax gain of €1m a year earlier, due mainly to the improvement in pre-tax profits.

The effective tax rate for the first half of 2017 was 32%, compared with 2% for the first half of 2016 (which was not a meaningful figure, due to a negative taxable base close to zero).

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:

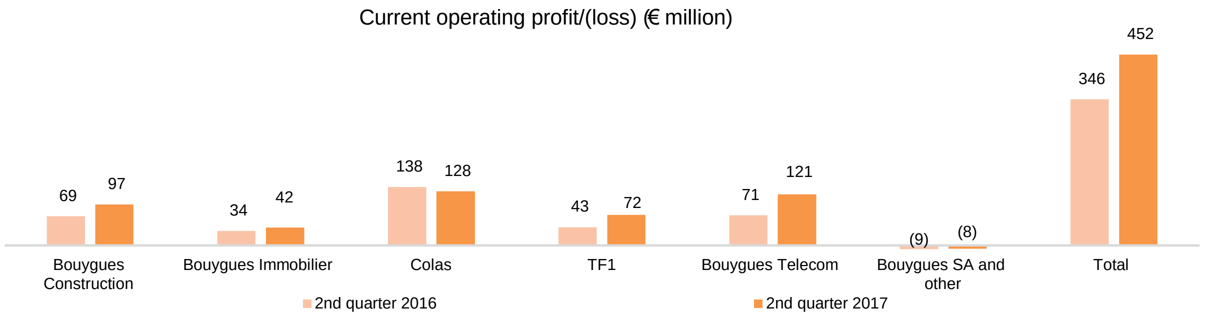
(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Income statement - 1st half of 2017							
Current operating profit/(loss)	**196**	**73**	**(136)**	**108**	**162**	**(18)**	**385**
Operating profit/(loss)	**196**	**73**	**(140)**	**96**	**210**	**(18)**	**417**
Share of profits/(losses) of joint ventures and associates		**(1)**	**33**	**7**		**46**	**85**
Net profit/(loss) attributable to the Group	**159**	**37**	**(85)**	**33**	**122**	**(26)**	**240**[a]
Income statement - 1st half of 2016							
Current operating profit/(loss)	**151**	**59**	**(85)**	**58**	**38**	**(15)**	**206**
Operating profit/(loss)	**143**	**57**	**(115)**	**3**	**(5)**	**(26)**	**57**
Share of profits/(losses) of joint ventures and associates	**1**		**31**				**32**
Net profit/(loss) attributable to the Group	**100**	**34**	**(69)**		**(12)**	**(81)**	**(28)**[b]



(a) Net profit attributable to the Group excluding exceptional items amounts to €217m, and corresponds to the net profit attributable to the Group adjusted by €(23)m to exclude non-current income net of taxes.

(b) Net profit attributable to the Group excluding exceptional items amounts to €46m, and corresponds to the net profit attributable to the Group adjusted by €74m to exclude non-current expenses net of taxes.

(€ million)	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total**
Income statement - 2nd quarter of 2017							
Current operating profit/(loss)	**97**	**42**	**128**	**72**	**121**	**(8)**	**452**
Operating profit/(loss)	**97**	**42**	**128**	**66**	**176**	**(8)**	**501**
Share of profits/(losses) of joint ventures and associates			**10**				**10**
Net profit/(loss) attributable to the Group	**80**	**21**	**104**	**21**	**104**	**(52)**	**278**[a]
Income statement - 2nd quarter of 2016							
Current operating profit/(loss)	**69**	**34**	**138**	**43**	**71**	**(9)**	**346**
Operating profit/(loss)	**65**	**33**	**123**	**22**	**50**	**(9)**	**284**
Share of profits/(losses) of joint ventures and associates	**3**		**18**	**2**			**23**
Net profit/(loss) attributable to the Group	**53**	**18**	**97**	**6**	**28**	**(50)**	**152**[b]

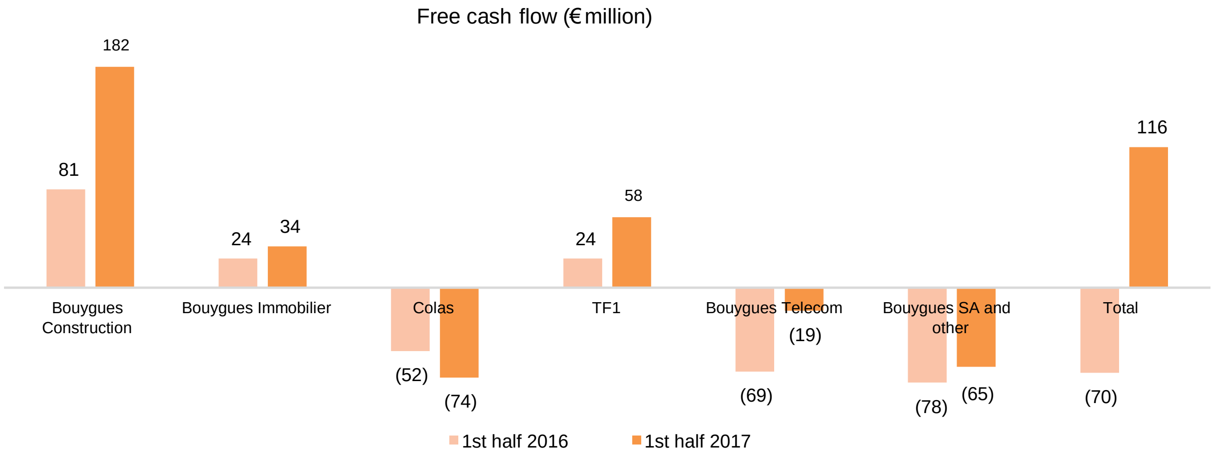


(a) Net profit attributable to the Group excluding exceptional items amounts to €247m, and corresponds to the net profit attributable to the Group adjusted by €(31m) to exclude non-current income net of taxes.

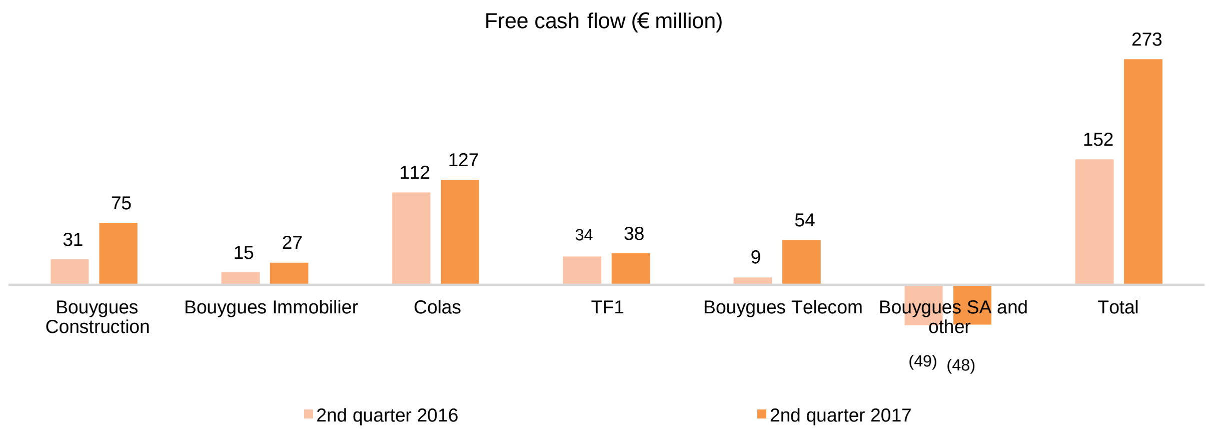
(b) Net profit attributable to the Group excluding exceptional items amounts to €183m, and corresponds to the net profit attributable to the Group adjusted by €31m to exclude non-current expenses net of taxes.

(€ million)	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total**
Balance sheet - 30 June 2017							
Property, plant and equipment	**598**	**33**	**2,401**	**177**	**3,315**	**165**	**6,689**
Intangible assets	**41**	**42**	**77**	**246**	**1,715**	**50**	**2,171**
Net debt	**2,765**	**(454)**	**(570)**	**248**	**(1,010)**	**(5,244)**	**(4,265)**
Balance sheet - 31 December 2016							
Property, plant and equipment	**680**	**32**	**2,396**	**174**	**3,117**	**167**	**6,566**
Intangible assets	**43**	**37**	**74**	**236**	**1,743**	**47**	**2,180**
Net debt	**3,387**	**(124)**	**517**	**187**	**(1,012)**	**(4,821)**	**(1,866)**

(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators - 1st half of 2017							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**34**	**11**	**138**	**91**	**444**	**4**	**722**
EBITDA	**200**	**64**	**(1)**	**187**	**547**	**(16)**	**981**
Cash flow	**263**	**73**	**45**	**183**	**497**	**(8)**	**1,053**
Free cash flow	**182**	**34**	**(74)**	**58**	**(19)**	**(65)**	**116**
Other financial indicators - 1st half of 2016							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**89**	**10**	**128**	**96**	**464**	**2**	**789**
EBITDA	**185**	**32**	**39**	**162**	**408**	**(24)**	**802**
Cash flow	**225**	**53**	**61**	**121**	**401**	**(25)**	**836**
Free cash flow	**81**	**24**	**(52)**	**24**	**(69)**	**(78)**	**(70)**



(€ million)	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators - 2nd quarter of 2017							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**16**	**5**	**90**	**39**	**162**	**2**	**314**
EBITDA	**106**	**51**	**211**	**113**	**304**	**(8)**	**777**
Cash flow	**115**	**50**	**248**	**101**	**276**	**(3)**	**787**
Free cash flow	**75**	**27**	**127**	**38**	**54**	**(48)**	**273**
Other financial indicators - 2nd quarter of 2016							
Acquisitions of property, plant & equipment and intangible assets, net of disposals	**54**	**6**	**87**	**47**	**226**	**3**	**423**
EBITDA	**122**	**24**	**226**	**108**	**262**	**(10)**	**732**
Cash flow	**109**	**33**	**238**	**91**	**253**	**(5)**	**719**
Free cash flow	**31**	**15**	**112**	**34**	**9**	**(49)**	**152**



NOTE 12 OFF BALANCE SHEET COMMITMENTS

There have been no material changes in total off balance sheet commitments since 31 December 2016.

The shares in Alstom held by Bouygues that are callable by the French state (see Note 18.5.2 to the Bouygues group consolidated financial statements for the year ended 31 December 2016) are not classified as available for sale as of 30 June 2017 because it is not highly probable that the option will be exercised by the French state.

If the French state were to exercise its call option over 20% of Alstom's shares (as of 28 January 2016) at any time up to and including 5 October 2017, Bouygues would:

- receive a cash inflow for the proceeds from the disposal of 43,825,360 Alstom shares; and
- recognise a gain or loss on disposal per share equivalent to the difference between the exercise price (minimum €35) and the carrying amount per share in the consolidated financial statements.

If the French state were to exercise its call option over 15% of Alstom's shares (as of 28 January 2016) between 6 October 2017 and 17 October 2017, Bouygues would:

- receive a cash inflow for the proceeds from the disposal of 32,869,020 Alstom shares; and
- a gain or loss on disposal per share equivalent to the difference between 98% of the average share price for the 60 preceding trading days (which was €30.16 on 29 August 2017) and the carrying amount per share in the consolidated financial statements.

For information, the carrying amount per share in the Bouygues consolidated financial statements as of 30 June 2017 was €32.50.

NOTE 13 RELATED PARTY DISCLOSURES

	Expenses		Income		Receivables		Payables	
Transaction *(€ million)*	**1st half 2017**	**1st half 2016**	**1st half 2017**	**1st half 2016**	**30/06/17**	**31/12/16**	**30/06/17**	**31/12/16**
Parties with an ownership interest	3	2						
Joint operations	45	29	156	167	459	441	268	279
Joint ventures and associates	14	16	48	40	39	42	25	26
Other related parties	21	24	62	78	102	86	73	65
Total	**83**	**71**	**266**	**285**	**600**	**569**	**366**	**370**
. Maturity								
less than 1 year					576	534	366	370
1 to 5 years					3	19		
more than 5 years					21	16		
. Of which impairment of doubtful receivables								
(mainly non-consolidated companies)					70	72		

4. AUDITORS' REPORT ON FIRST-HALF FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' review report half-yearly financial information issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the group's half-yearly management report.
This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

Bouygues

Period from January 1 to June 30, 2017

Statutory auditors' review report on the half-yearly financial information

MAZARS
61, rue Henri Regnault
92075 Paris-La Défense Cedex
S.A. à directoire et conseil de surveillance
au capital de 8 320 000 euros

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG Audit
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92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Bouygues

Period from January 1 to June 30, 2017

Statutory auditors' review report on the half-yearly 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 January 1 to June 30, 2017,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are 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.

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, August 30, 2017

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, 30 August 2017

Martin Bouygues
Chairman and CEO

A *Société Anonyme* (public limited company) with a share capital of €354,908,547
Registered office: 32 avenue Hoche, 75008 Paris, France
Registration No. 572 015 246 Paris – APE code: 7010Z

Photo: Augustin Detienne/Capa Pictures.
Architect: RPBW