FIRST-HALF 2019 FINANCIAL REPORT

PARIS • THURSDAY 29 AUGUST 2019

BOUYGUES

Making progress become reality

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 28 August 2019.

1. COMPOSITION OF THE BOARD OF DIRECTORS

The Board at 30 June 2019

Chairman and CEO
Martin Bouygues

Director and Deputy CEO[a]
Olivier Bouygues

Directors
Francis Castagné
Director representing employees

Raphaëlle Deflesselle
Director representing employee shareholders

Clara Gaymard
Co-founder of Raise

Anne-Marie Idrac
Company director

Helman le Pas de Sécheval
General Counsel of the Veolia group

Colette Lewiner
Advisor to the Chairman of Capgemini

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

Charlotte Bouygues
Standing representative of SCDM

William Bouygues
Standing representative of SCDM Participations

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

Michèle Vilain
Director representing employee shareholders

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

Board committees

Audit 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
Rose-Marie Van Lerberghe

2. FIRST-HALF REVIEW OF OPERATIONS

2.1. The Group

The consolidated financial statements at 30 June 2019 are presented in comparison with the financial statements at 30 June 2018, restated to take account of the application from 1 January 2019 of IFRS 16 on leases. Because of the reclassification of lease payments as amortization expense and interest expense, and the new presentation of lease expenses in the financial statements, the Group has adopted new financial indicators to continue to reflect the operating nature of lease expenses (see glossary on page 17): "EBITDA after Leases", "Current operating profit after Leases" and "Operating profit after Leases". Furthermore, "Free cash flow", "Free cash flow after WCR" and "Net debt" have also been redefined.

KEY FIGURES (€ million)	H1 2018 restated	H1 2019	Change
Sales	15,743	17,446	+11%[a]
Current operating profit	333	453	+€120m
Current operating profit after Leases[b]	306	424	+€118m
Operating profit	413[c]	495[d]	+€82m
Operating profit after Leases[b]	386	466	+€80m
Net profit attributable to the Group	261	225	-€36m
Net surplus cash (+)/Net debt (-) at 30 June	(5,030)	(6,205)	-€1,175m

(a) Up 5% like-for-like and at constant exchange rates
(b) See glossary on page 13 for new definition
(c) Including non-current income of €91m at Bouygues Telecom and non-current charges of €11m at TF1
(d) Including non-current income of €50m at Bouygues Telecom and non-current charges of €8m at Bouygues Construction

First-half 2019 highlights:

Good commercial performance in all sectors of activity

- Bouygues Telecom gained 280,000 new mobile plan customers excluding MtoM, of which 132,000 were in second-quarter 2019, and 176,000 new FTTH customers, of which 82,000 were in second-quarter 2019;
- The backlog in the construction businesses reached the high level of €33.8 billion at end-June 2019, stable year-on-year;
- TF1's audience share of the target market of women under 50 who are purchasing decision-makers rose 0.2 points year-on-year to 32.7% and increased by 0.4 points to 29.6% for individuals aged 25 to 49.

Significant improvement in Group profitability year-on-year

- Bouygues Telecom reported strong growth in results;
  - 14% increase in total sales and 7% growth in sales from services
  - EBITDA margin after Leases of 29.3%, a significant increase of 2.7 points
- Current operating profit in the construction businesses was up 4% in second-quarter 2019;
- Current operating margin at TF1 was up 4.8 points to 14.2%.

The Group reported sales of €17.4 billion in first-half 2019, up 11% year-on-year and up 5% like-for-like and at constant exchange rates.

The Group reported a significant €120-million year-on-year improvement in its current operating profit to €453 million in first-half 2019, despite an unfavorable comparison impact at Colas. Miller McAsphalt reported a €28-million loss in January and February 2019 due to the usual seasonal effect in Canada, whereas the loss in those two months was not consolidated in 2018. The Group's current operating margin rose 0.5 points year-on-year to 2.6%.

The Group reported an €82-million year-on-year rise in operating profit to €495 million. Non-current income fell to €42 million in first-half 2019 from €80 million in first-half 2018, due to lower capital gains on the sale of mobile sites at Bouygues Telecom.

Net profit attributable to the Group was €225 million in first-half 2019, down €36 million year-on-year, notably due to a lower contribution from Alstom (€33 million in first-half 2019, versus €73 million in first-half 2018).

OUTLOOK

The Group confirmed its outlook:

- In 2019, to **improve Group profitability** and **generate €300 million of free cash flow**[a] at Bouygues Telecom;
- Within two years, to **increase Group free cash flow generation after WCR**[b] **to €1 billion** thanks to the contribution of the three sectors of activity.

[a] Free cash flow = Net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in working capital requirements (WCR)
[b] Free cash flow after WCR = Net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated after changes in working capital requirements (WCR) related to operating activities and excluding 5G frequencies

DETAILED ANALYSIS BY SECTOR OF ACTIVITY

CONSTRUCTION BUSINESSES

The backlog in the construction businesses at end-June 2019 stabilized at the high level of €33.8 billion.

In **France**, the backlog in the construction businesses at 30 June 2019 was down 4% at €14.5 billion excluding
Axione[a] and Smac[b].
The backlog at Bouygues Construction at end-June 2019 was €8.7 billion, down 2% excluding Axione[c]. In first-half 2019, it included the construction of the new Issy Cœur de Ville eco-neighborhood for €258 million.
The backlog at Bouygues Immobilier at 30 June 2019, down 14% year-on-year at €2.2 billion, reflects a decline in the residential property market and the rescheduling of commercial property projects that are expected to be finalized in fourth-quarter 2019.
The backlog at Colas was €3.6 billion at 30 June 2019, up 9% year-on-year excluding Smac[d], driven by growth in the roads backlog in France (up 10%) favored by the pre-electoral environment. Order intakes include the widening of the A10 motorway south of Tours, a joint project with Bouygues Construction worth €150 million.

Internationally, the Group is well-positioned in upbeat markets. The backlog was €19.2 billion at end-June 2019, up 8% versus end-June 2018 and virtually stable at constant exchange rates and excluding main acquisitions and disposals. Bouygues Construction notably won an €89-million contract to build an office tower in Hong Kong.
At end-June 2019, international business represented 61% of the backlog at Bouygues Construction and Colas, versus 57% at end-June 2018.

The **construction businesses** reported sales of €13,398 million, up 11% year-on-year and up 4% like-for-like and at constant exchange rates.

Current operating profit in first-half 2019 was €72 million, versus €84 million in first-half 2018. However, it rose €11 million in second-quarter 2019 year-on-year thanks to Colas and Bouygues Construction.

At Colas, current operating loss improved by €31 million despite an unfavorable comparison impact (Miller McAsphalt reported seasonal losses of €28 million in January and February 2019, whereas the loss in those two months was not consolidated in 2018). This good performance reflects strong growth in business activity and the contribution of the mainland France roads activity, the disposal of non-strategic activities (Smac) and the first results of recovery measures in the rail activity in France.

Current operating profit at Bouygues Construction in first-half 2019 rose €6 million year-on-year to €179 million.

Current operating profit at Bouygues Immobilier in first-half 2019 fell €49 million to €29 million. As in first-quarter 2019, the decline was due to very low activity in the commercial property segment and the higher cost of works following a peak in residential property reservations in the market in 2017.

[a] After restatement in 2018 of Axione's backlog for €0.7bn, following the deconsolidation of Axione in 2018 (divestment of 49% of Axione to Mirova on 31 December 2018)
[b] After restatement in 2018 of Smac's backlog for €0.3bn following the divestment of Smac in May 2019

TF1

TF1 posted good commercial performance, increasing its audience share by 0.2 points year-on-year to 32.7% of the target market of women under 50 who are purchasing decision-makers, and by 0.4 points to 29.6% for individuals aged 25 to 49.

TF1 reported sales of €1,145 million, up 6% versus first-half 2018. Advertising revenue was €836 million, up 3% year-on-year.

Current operating profit reached €163 million in first-half 2019, up €61 million year-on-year. The current operating margin improved significantly to 14.2% in first-half 2019, an increase of 4.8 points versus first-half 2018. This growth is mainly the result of tight control of the cost of programs at the five free-to-air channels in first-half 2019 (down €53 million year-on-year) and the screening in 2018 of the Men's Soccer World Cup.

BOUYGUES TELECOM

Bouygues Telecom reported strong growth in its commercial and financial results in first-half 2019.

The company added 280,000 new mobile plan customers excluding MtoM in first-half 2019, of which 132,000 were in the second quarter, for a total of 11.2 million mobile plan customers excluding MtoM at end-June 2019.

In the fixed segment, FTTH continued to grow, with 176,000 new customers added in first-half 2019, of which 82,000 were in the second quarter. The FTTH penetration rate reached 20% at end-June 2019 versus 11% a year earlier. The company had 745,000 FTTH customers and a total of 3.8 million fixed customers at 30 June 2019.

The churn rate continued to decrease in both the mobile plan and the fixed segments, declining by 48% and 17% respectively, in second-quarter 2019 versus first-quarter 2018.

Bouygues Telecom reported sales of €2,913 million in first-half 2019, up 14% year-on-year and up 13% like-for-like and at constant exchange rates. Growth in sales from services accelerated, rising 7% to €2,226 million. This increase reflected growth in the mobile and fixed customer base and the stabilization of ABPU.

EBITDA after Leases showed sharp growth of €102 million year-on-year, to €653 million. The EBITDA after Leases margin was 29.3%, up 2.7 points from first-half 2018.

Current operating profit was €230 million in first-half 2019, up €67 million year-on-year.

Operating profit was €280 million in first-half 2019, up €26 million year-on-year. Non-current income was €50 million in first-half 2019, versus €91 million in first-half 2018, mainly due to lower capital gains on the sale of mobile sites to Cellnex.

Gross capital expenditure was €530 million, down €91 million year-on-year.

These good results reflect Bouygues Telecom's differentiation strategy, based on the quality of its mobile and fixed networks as well as the customer experience. Bouygues Telecom is the No.1 mobile network in rural areas in France[a]. It expects to have more than 28,000 mobile sites in 2023 and, in the fixed segment, 12 million FTTH premises marketed by the end of 2019.

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[a] Arcep survey in October 2018

Bouygues Telecom obtained an annual customer experience survey[a] score of 161 in 2019, versus 157 in 2017.

Bouygues Telecom's growth momentum is likely to continue, due to these major growth drivers:

- In the BtoC market, the operator is gaining market share in the mobile segment in the less dense area as a result of network sharing and the gradual strengthening of its local distribution network through the opening of around 50 stores, and the partnership with Fnac Connect.
  In the fixed segment, the ramp-up of fiber roll-out gives Bouygues Telecom access to a growing source of new customers. It had 9.1 million premises marketed at end-June 2019, up 3.6 million year-on-year. Its network covers 83 departments and over 2,600 municipalities.
- Bouygues Telecom plans to increase its share of the mobile and fixed segments in the BtoB market, supported by the acquisitions of SME specialists Keyyo and Nerim in first-quarter 2019.

ALSTOM

As announced on 7 May 2019, Alstom's contribution to the Group's net profit was €33 million in first-half 2019, versus a contribution of €73 million in first-half 2018.

At the Alstom general meeting on 10 July 2019, Alstom's shareholders approved a dividend of €5.50 per share. As a result, the Bouygues group received a dividend of €341 million on 17 July 2019.

FINANCIAL SITUATION

On 12 July 2019, Standard and Poor's upgraded Bouygues' credit rating from BBB+, with a positive outlook, to A-, with a stable outlook.
Moody's maintained Bouygues' credit rating at A3, with a stable outlook.

Net debt at end-June 2019 was €6.2 billion, versus €3.6 billion at end-December 2018 and €5.0 billion at end-June 2018. The €1.2-billion year-on-year increase was mainly due to the acquisitions of Alpiq Engineering Services by Bouygues Construction and Colas and of Keyyo and Nerim by Bouygues Telecom. The difference with end-December 2018 is mainly due to the usual seasonal nature of Colas' business.

Net debt at end-June 2019 does not include the €341 million paid by Alstom on 17 July 2019 resulting from the €5.50-per-share dividend payment.

[a] Annual average of the customer experience survey, carried out each quarter. Customer satisfaction score out of 200 (100 for mobile, 100 for fixed)

FINANCIAL CALENDAR

14 November 2019: Nine-month 2019 results (7.30am CET)

The financial statements have been subject to a limited review by the statutory auditors and the corresponding report has been issued.
You can find the First-half 2019 Financial Report, the full financial statements and notes to the financial statements on bouygues.com
The results presentation to financial analysts will be webcast live on 29 August 2019 at 11am (CET) at bouygues.com

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FIRST-HALF 2019 BUSINESS ACTIVITY

BACKLOG AT THE CONSTRUCTION BUSINESSES (€ million)	End-June 2018	End-June 2019	Change
Bouygues Construction	21,426	21,511	0%
Bouygues Immobilier	2,696	2,304	-15%
Colas	9,540	9,942	+4%
Total	**33,662**	**33,757**	**0%**

BOUYGUES CONSTRUCTION ORDER INTAKE (€ million)	First-half 2018	First-half 2019	Change
France	3,023	2,385	-21%
International	3,022	2,918	-3%
Total	**6,045**	**5,303**	**-12%**

BOUYGUES IMMOBILIER RESERVATIONS (€ million)	First-half 2018	First-half 2019	Change
Residential property	1,075	964	-10%
Commercial property	76	25	-67%
Total	**1,151**	**989**	**-14%**

COLAS BACKLOG (€ million)	End-June 2018	End-June 2019	Change
Mainland France	3,644	3,633	0%
International and French overseas territories	5,896	6,309	+7%
Total	**9,540**	**9,942**	**+4%**

TF1 AUDIENCE SHARE[a]	End-June 2018	End-June 2019	Change
Total	32.5%	32.7%	+0.2 pts

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

BOUYGUES TELECOM CUSTOMER BASE ('000)	End-Dec 2018	End-June 2019	Change
Mobile customer base excl. MtoM	11,414	11,632	+218
Mobile plan base excl. MtoM	10,890	11,171	+280
Total mobile customers	**16,351**	**17,070**	**+719**
Total fixed customers	**3,676**	**3,766**	**+90**

FIRST-HALF 2019 FINANCIAL PERFORMANCE

CONDENSED CONSOLIDATED INCOME STATEMENT (€ million)	H1 2018 restated	H1 2019	Change
Sales	**15,743**	**17,446**	**+11%[a]**
Current operating profit	**333**	**453**	**+€120m**
Current operating profit after Leases[b]	306	424	+€118m
Other operating income and expenses	80	42	-€38m
Operating profit	**413**	**495**	**+€82m**
Operating profit after Leases[b]	386[c]	466[d]	+€80m
Cost of net debt	(107)	(107)	€0m
Interest expense on lease obligations	(27)	(29)	-€2m
Other financial income and expenses	4	11	+€7m
Income tax	(58)	(132)	-€74m
Share of net profit of joint ventures and associates	88	59	-€29m
o/w Alstom	*73*	*33*	*-€40m*
Net profit from continuing operations	**313**	**297**	**-€16m**
Net profit attributable to non-controlling interests	(52)	(72)	-€20m
Net profit attributable to the Group	**261**	**225**	**-€36m**

(a) Up 5% like-for-like and at constant exchange rates
(b) See glossary on page 13 for new definition
(c) Including non-current charges of €11m at TF1 corresponding to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios and non-current income of €91m at Bouygues Telecom (of which essentially non-current income of €104m related to the capital gain on the sale of mobile sites and non-current charges of €18m related to network sharing)
(d) Including non-current charges of €8m at Bouygues Construction corresponding to restructuring costs and non-current income of €50m at Bouygues Telecom (of which essentially non-current income of €47m related to the capital gain on the sale of mobile sites and non-current charges of €4m related to network sharing)

CALCULATION OF EBITDA AFTER LEASES[a] (€ million)	H1 2018 restated	H1 2019	Change
Current operating profit after Leases	306	424	+€118m
Net depreciation and amortization expense on property, plant and equipment and intangible assets	803	818	+€15m
Charges to provisions and impairment losses, net of reversals due to utilization	34	92	+€58m
Reversals of unutilized provisions and impairment losses and other	(208)	(116)	+€92m
EBITDA after Leases[a]	935	1,218	+€283m

(a) See glossary on page 13 for new definition

SALES BY SECTOR OF ACTIVITY (€ million)	H1 2018 restated	H1 2019	Change	Forex effect	Scope effect	lfl & constant fx
Construction businesses[a]	**12,115**	**13,398**	**10.6%**	**-1.3%**	**-5.2%**	**4.1%**
o/w Bouygues Construction	*5,726*	*6,539*	*14.2%*	*-1.8%*	*-11.3%*	*1.0%*
o/w Bouygues Immobilier	*1,140*	*1,086*	*-4.7%*	*0.1%*	*0.0%*	*-4.7%*
o/w Colas	*5,361*	*5,834*	*8.8%*	*-1.0%*	*0.5%*	*8.2%*
TF1	**1,084**	**1,145**	**5.7%**	**0.0%**	**-4.0%**	**1.7%**
Bouygues Telecom	**2,563**	**2,913**	**13.7%**	**-**	**-0.9%**	**12.8%**
Bouygues SA and other	**76**	**98**	**nm**	**-**	**-**	**nm**
Intra-Group eliminations[b]	**(207)**	**(169)**	**nm**	**-**	**-**	**nm**
Group sales	**15,743**	**17,446**	**10.8%**	**-1.0%**	**-4.4%**	**5.4%**
o/w France	*10,143*	*10,553*	*4.0%*	*0.0%*	*2.2%*	*6.2%*
o/w international	*5,600*	*6,893*	*23.1%*	*-2.8%*	*-16.3%*	*4.0%*

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

CONTRIBUTION TO GROUP EBITDA AFTER LEASES BY SECTOR OF ACTIVITY (€ million)	H1 2018 restated	H1 2019	Change
Construction businesses	**181**	**312**	**+€131m**
o/w Bouygues Construction	*174*	*267*	*+€93m*
o/w Bouygues Immobilier	*53*	*16*	*-€37m*
o/w Colas	*(46)*	*29*	*+€75m*
TF1	**222**	**264**	**+€42m**
Bouygues Telecom	**551**	**653**	**+€102m**
Bouygues SA and other	**(19)**	**(11)**	**+€8m**
Group EBITDA after Leases	**935**	**1,218**	**+€283m**

CONTRIBUTION TO GROUP CURRENT OPERATING PROFIT BY SECTOR OF ACTIVITY (€ million)	H1 2018 restated	H1 2019	Change
Construction businesses	**84**	**72**	**-€12m**
o/w Bouygues Construction	*173*	*179*	*+€6m*
o/w Bouygues Immobilier	*78*	*29*	*-€49m*
o/w Colas	*(167)*	*(136)*	*+€31m*
TF1	**102**	**163**	**+€61m**
Bouygues Telecom	**163**	**230**	**+€67m**
Bouygues SA and other	**(16)**	**(12)**	**+€4m**
Group current operating profit	**333**	**453**	**+€120m**

CONTRIBUTION TO GROUP CURRENT OPERATING PROFIT AFTER LEASES BY SECTOR OF ACTIVITY (€ million)	H1 2018 restated	H1 2019	Change
Construction businesses	**72**	**57**	**-€15m**
o/w Bouygues Construction	*168*	*173*	*+€5m*
o/w Bouygues Immobilier	*77*	*28*	*-€49m*
o/w Colas	*(173)*	*(144)*	*+€29m*
TF1	**100**	**161**	**+€61m**
Bouygues Telecom	**150**	**217**	**+€67m**
Bouygues SA and other	**(16)**	**(11)**	**+€5m**
Group current operating profit after leases	**306**	**424**	**+€118m**

CONTRIBUTION TO GROUP OPERATING PROFIT BY SECTOR OF ACTIVITY (€ million)	H1 2018 restated	H1 2019	Change
Construction businesses	**84**	**64**	**-€20m**
o/w Bouygues Construction	*173*	*171*	*-€2m*
o/w Bouygues Immobilier	*78*	*29*	*-€49m*
o/w Colas	*(167)*	*(136)*	*+€31m*
TF1	**91**	**163**	**+€72m**
Bouygues Telecom	**254**	**280**	**+€26m**
Bouygues SA and other	**(16)**	**(12)**	**+€4m**
Group operating profit	**413**[a]	**495**[b]	**+€82m**

(a) Including non-current charges of €11m at TF1 corresponding to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios and non-current income of €91m at Bouygues Telecom (of which essentially non-current income of €104m related to the capital gain on the sale of mobile sites and non-current charges of €18m related to network sharing)

(b) Including non-current charges of €8m at Bouygues Construction corresponding to restructuring costs and non-current income of €50m at Bouygues Telecom (of which essentially non-current income of €47m related to the capital gain on the sale of mobile sites and non-current charges of €4m related to network sharing)

CONTRIBUTION TO GROUP OPERATING PROFIT AFTER LEASES BY SECTOR OF ACTIVITY (€ million)	H1 2018 restated	H1 2019	Change
Construction businesses	**72**	**49**	**-€23m**
o/w Bouygues Construction	*168*	*165*	*-€3m*
o/w Bouygues Immobilier	*77*	*28*	*-€49m*
o/w Colas	*(173)*	*(144)*	*+€29m*
TF1	**89**	**161**	**+€72m**
Bouygues Telecom	**241**	**267**	**+€26m**
Bouygues SA and other	**(16)**	**(11)**	**+€5m**
Operating profit after Leases	**386**[a]	**466**[b]	**+€80m**

(a) Including non-current charges of €11m at TF1 corresponding to amortization of audiovisual rights remeasured as part of the acquisition of Newen Studios and non-current income of €91m at Bouygues Telecom (of which essentially non-current income of €104m related to the capital gain on the sale of mobile sites and non-current charges of €18m related to network sharing)
(b) Including non-current charges of €8m at Bouygues Construction corresponding to restructuring costs and non-current income of €50m at Bouygues Telecom (of which essentially non-current income of €47m related to the capital gain on the sale of mobile sites and non-current charges of €4m related to network sharing)

CONTRIBUTION TO NET PROFIT ATTRIBUTABLE TO THE GROUP BY SECTOR OF ACTIVITY (€ million)	H1 2018 restated	H1 2019	Change
Construction businesses	**56**	**35**	**-€21m**
o/w Bouygues Construction	*140*	*121*	*-€19m*
o/w Bouygues Immobilier	*41*	*13*	*-€28m*
o/w Colas	*(125)*	*(99)*	*+€26m*
TF1	**29**	**47**	**+€18m**
Bouygues Telecom	**142**	**150**	**+€8m**
Alstom	**73**	**33**	**-€40m**
Bouygues SA and other	**(39)**	**(40)**	**-€1m**
Net profit attributable to the Group	**261**	**225**	**-€36m**

NET SURPLUS CASH (+)/NET DEBT (-) BY BUSINESS SEGMENT (€ million)	End-Dec 2018 restated	End-June 2019	Change
Bouygues Construction	3,119	2,407	-€712m
Bouygues Immobilier	(238)	(577)	-€339m
Colas	(475)	(1,544)	-€1,069m
TF1	(28)	(29)	-€1m
Bouygues Telecom	(1,275)	(1,720)	-€445m
Bouygues SA and other	(4,715)	(4,742)	-€27m
TOTAL	**(3,612)**	**(6,205)**	**-€2,593m**
IFRS 16 lease obligations	(1,636)	(1,642)	-€6m

CONTRIBUTION TO NET CAPITAL EXPENDITURE BY SECTOR OF ACTIVITY (€ million)	H1 2018 restated	H1 2019	Change
Construction businesses	**220**	**209**	**-€11m**
o/w Bouygues Construction	*64*	*106*	*+€42m*
o/w Bouygues Immobilier	*4*	*6*	*+€2m*
o/w Colas	*152*	*97*	*-€55m*
TF1	**88**	**114**	**+€26m**
Bouygues Telecom	**461**	**454**	**-€7m**
Bouygues SA and other	**2**	**1**	**-€1m**
TOTAL	**771**	**778**	**+€7m**

CONTRIBUTION TO GROUP FREE CASH FLOW BEFORE WCR[a] BY SECTOR OF ACTIVITY (€ million)	H1 2018 restated	H1 2019	Change
Construction businesses	**(22)**	**(98)**	**-€76m**
o/w Bouygues Construction	*129*	*80*	*-€49m*
o/w Bouygues Immobilier	*29*	*(20)*	*-€49m*
o/w Colas	*(180)*	*(158)*	*+€22m*
TF1	**73**	**113**	**+€40m**
Bouygues Telecom	**33**	**73**	**+€40m**
Bouygues SA and other	**(38)**	**(50)**	**-€12m**
TOTAL	**46**	**38**	**-€8m**

(a) See glossary on page13 for new definition

GLOSSARY

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

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

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

B2B (business to business): when one business makes a commercial transaction with another.

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

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

Construction businesses: Bouygues Construction, Bouygues Immobilier and Colas.

Current operating profit after Leases: current operating profit after taking account of the interest expense on lease obligations.

EBITDA after Leases: current operating profit after Leases (i.e. current operating profit after taking account of the interest expense on lease obligations), before (i) net depreciation and amortization expense on property, plant and equipment and intangible assets, (ii) net charges to provisions and impairment losses, and (iii) effects of acquisitions of control or losses of control. Those effects relate to the impact of remeasuring previously-held interests or retained interests.

EBITDA margin after Leases (Bouygues Telecom): EBITDA after Leases as a proportion of sales from services.

Free cash flow: net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations.

Free cash flow after WCR: net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations, and after changes in working capital requirements (WCR) related to operating activities.
A calculation of free cash flow by business segment is presented in Note 11 "Segment information" to the consolidated financial statements at 30 June 2019, available at bouygues.com.

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

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

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

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

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

Net surplus cash/(net debt): the aggregate of cash and cash equivalents, overdrafts and short-term bank borrowings, non-current and current debt, and financial instruments. Net surplus cash/(net debt) does not include non-current and current lease obligations. A positive figure represents net surplus cash and a negative figure represents net debt. The main components of change in net debt are presented in Note 7 to the consolidated financial statements at 30 June 2019, available at bouygues.com.

Operating profit after Leases: operating profit after taking account of the interest expense on lease obligations.

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

PIN: Public-Initiative Network.

Reservations by value (Bouygues Immobilier): the € amount of the value of properties reserved over a given
period.
- Residential properties: the sum of the value of unit and block reservation contracts signed by customers and
approved by Bouygues Immobilier, minus registered cancellations.
- Commercial properties: these are registered as reservations on notarized sale.
For co-promotion companies:
- if Bouygues Immobilier has exclusive control over the co-promotion company (full consolidation), 100% of amounts are included in reservations;
- if joint control is exercised (the company is accounted for by the equity method), commercial activity is recorded according to the amount of the equity interest in the co-promotion company.

Sales from services (Bouygues Telecom) comprise:

- Sales billed to customers, which include:
  - In Mobile:
    - For B2C customers: sales from outgoing call charges (voice, texts and data), connection fees, and value-added services.
    - For B2B customers: sales from outgoing call charges (voice, texts and data), connection fees, and value-added services, plus sales from business services.
    - Machine-To-Machine (MtoM) sales.
    - Visitor roaming sales.
    - Sales generated with Mobile Virtual Network Operators (MVNOs).
  - In Fixed:
    - For B2C customers: sales from outgoing call charges, fixed broadband services, TV services (including Video on Demand and catch-up TV), and connection fees and equipment hire.
    - For B2B customers: sales from outgoing call charges, fixed broadband services, TV services (including Video on Demand and catch-up TV), and connection fees and equipment hire, plus sales from business services.
    - Sales from bulk sales to other fixed line operators.
- Sales from incoming Voice and Texts.
- Spreading of handset subsidies over the projected life of the customer account, required to comply with IFRS 15.
- Capitalization of connection fee sales, which is then spread over the projected life of the customer account.

Other sales (Bouygues Telecom): difference between Bouygues Telecom's total sales and sales from services.

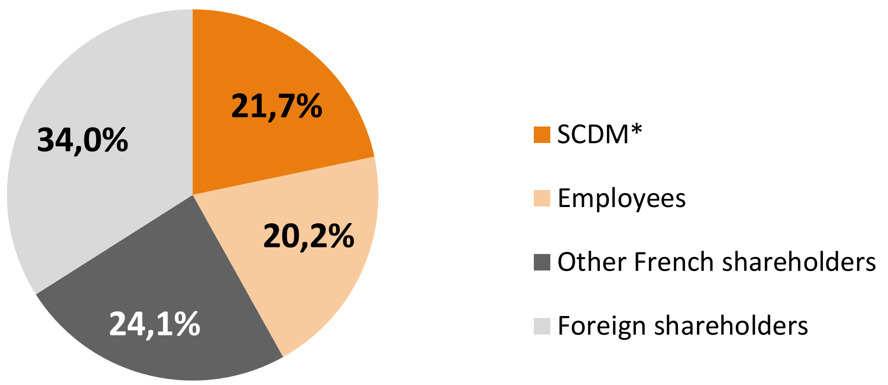
It comprises:

- Sales from handsets, accessories and other
- Roaming sales
- Non-telecom services (construction of sites or installation of FTTH lines)
- Co-financing of advertising

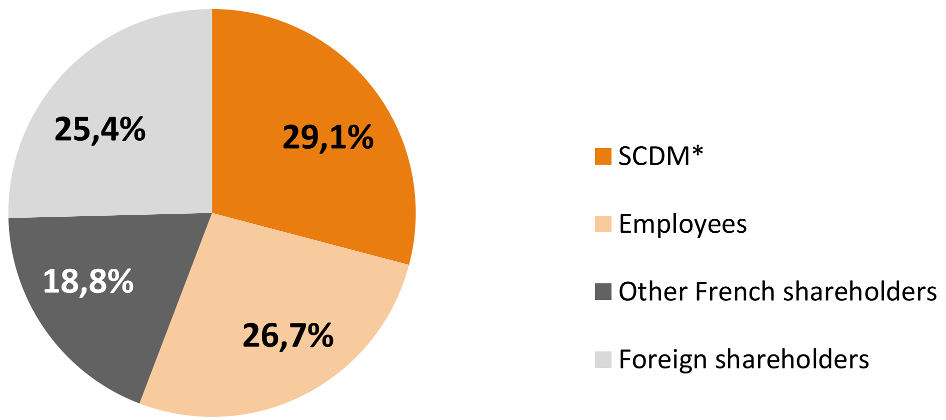
Very-high-speed: subscriptions with peak downstream speeds higher or equal to 30 Mbit/s. Includes FTTH, FTTLA, 4G box and VDSL2 subscriptions (Arcep definition).

Share ownership at 30 June 2019

Main shareholders at 30 June 2019



Voting rights at 30 June 2019



* SCDM is a company controlled by Martin and Olivier Bouygues.

Reminder: for all business segments, see the glossary on page 17 for the full definition of key indicators. The 2019 first-half consolidated financial statements are presented with comparatives from the 2018 first-half consolidated financial statements restated to reflect the first-time application of IFRS 16 ("Leases") from 1 January 2019.

2.2. Bouygues Construction

A global player in construction with operations in over 60 countries, Bouygues Construction designs, builds and operates building, infrastructure and industrial projects.
A responsible and committed 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 2018 restated	FIRST HALF 2019	CHANGE
Sales	**5,726**	**6,539**	**+14%**
o/w France	*2,739*	*2,564*	*-6%*
o/w International	*2,987*	*3,975*	*+33%*
Current operating profit	**173**	**179**	**+€6m**
Current operating profit after Leases	168	173	+€5m
Current operating margin	*3.0%*	*2.7%*	*-0.3 pts*
Operating profit	**173**	**171**[a]	**-€2m**
Operating profit after Leases	168	165	-€3m
Net profit attributable to the Group	**140**	**121**	**-€19m**

(a) Including non-current charges of €8 million.

Bouygues Construction reported sales of €6,539 million in the first half of 2019, a sharp 14% rise due in particular to the consolidation of companies acquired in the summer of 2018 (Alpiq InTec, Kraftanlagen München and AW Edwards). Building and civil works accounted for 71% of sales and energies and services for 29%. International sales rose 33% versus end-June 2018 to €3,975 million. Sales in France were down 6% at €2,564 million, mainly due to the deconsolidation of Axione. Like-for-like and at constant exchange rates, sales at Bouygues Construction in the first half of 2019 were up €57 million (up 1%).

Current operating profit was €179 million, giving a current operating margin of 2.7%, down 0.3 points on the first half of 2018. The current operating margin of the building and civil works activity was 3%, down versus the record high of 4.4% at end-June 2018. The margin of the energy and services activity improved to 2.1%. Net profit attributable to the Group was €121 million, €19 million less than in the first half of 2018.

Net surplus cash stood at €2,407 million at end-June 2019, €586 million less than at the same time in the previous year. Restated for the impact of acquisitions and disposals in 2018, net surplus cash declined slightly.

2.2.2 First-half highlights

Bouygues Construction took orders worth €5,336 million in the first half of 2019.

- In France, order intake of €2,395 million reflected a decision to be more selective in commercial operations. Bouygues Construction won a number of contracts in the building segment, especially in the Paris region. For example, the company will build the new Issy Cœur de Ville neighbourhood, a large-scale project in Issy-les-Moulineaux involving more than 600 housing units, 41,000 m² of office space, 17,000 m² of retail space and many amenities including a cinema. It has also been awarded a €90-million contract to build a new 45,000-m² wholesale market in Nice. Order intake includes a €55-million contract to widen a section of the A10 motorway south of Tours in central France and the planned installation of 1.1 million fibre-to-the-home connections in Brittany.

- International order intake in the first half of 2019 stood at €2,941 million. It included a €121-million contract to build a new Town Hall for the London borough of Tower Hamlets and a €181-million contract for a 27,000-m² student residence on the University of Brighton campus. In Asia, Bouygues Construction was awarded a contract to build a 264-metre-high office tower in Bangkok. In the energy segment, it won a contract to build a solar farm in the south of Japan.

Backlog at 30 June 2019 stood at €21.5 billion, the same as at end-June 2018 (down 2% at constant exchange rates and excluding the main acquisitions and disposals). The proportion of orders in international markets – 60% – was up year-on-year, partly as a result of the acquisitions in the summer of 2018. Backlog in Europe (excluding France) is the largest in international markets, ahead of the Asia-Pacific geographical area. Orders secured at end-June 2019 to be executed in 2019 stood at €6 billion and orders to be executed beyond 2019 stood at €15.5 billion, giving good visibility on future activity.

Building and civil works

In the building segment in France, social housing budgets are tight and demand for civil works remains high in the Paris region. In international markets, activity has been affected by uncertainty over Brexit and tensions in international relations, especially between China and the United States. However, substantial needs for infrastructure and tertiary buildings remain in both emerging and developed countries.

Bouygues Construction's building and civil works activity stood at €4,668 million at 30 June 2019.

France: €1,933 million, down 6%

The decline in building activity followed lower regional order intake. In the Paris region, despite a decline in the residential sector, work started in the first half of the year on a number of significant projects booked in 2018, such as the renovation of 17 Boulevard Morland in central Paris and the new Chapelle International neighbourhood in the north of the city. Structural works on the Tour Alto in La Défense were completed. A number of projects were handed over in the first half of 2019, such as the 17ème Ciel Paris-Batignolles complex in the new Batignolles neighbourhood.

The civil works activity held firm, boosted by projects for the Grand Paris programme, such as packages T2A and T3A for the southern extension of metro Line 15 and the RER Eole East-West Express Rail Link from Saint-Lazare railway station to La Défense. Outside the Paris region, construction work on the Toulouse urban cable car is due to start during the summer.

Europe (excluding France): €973 million, down 6%

The decline in sales was particularly evident in the building segment in the UK. Bouygues Construction started work on high value-added projects in the education and research sectors, including the construction of an Innovation campus for the University of Cardiff and a new student residence for the University of Brighton, and continued work on the Hinkley Point C nuclear plant.

In Switzerland, Bouygues Construction strengthened its property development expertise, especially with projects in Basel, Zurich and Delémont, where several eco-neighbourhood projects have been awarded the 2000-Watt Society label[a].

Work continued on the Anse du Portier offshore extension project in Monaco after peaking in 2018 with the installation of the 18 caissons.

International (excluding Europe): €1,761 million, up 28%

In Asia-Pacific, Bouygues Construction has developed its expertise through its building and civil works subsidiaries, giving it strong local operations.

Work continued on a number of major underground projects in Hong Kong, including the Tuen Mun-Chek Lap Kok subsea road tunnel and the extension of the Shatin to Central Link metro line.

Bouygues Construction continued work on infrastructure projects in Australia, including the NorthConnex and WestConnex motorway tunnels in Sydney and the Melbourne metro. The acquisition of AW Edwards in July 2018 has expanded the company's presence in the country, where it also builds data centres and hospitals, such as Blacktown Hospital near Sydney.

Bouygues Construction is a recognised player in the building segment in Singapore and Thailand, especially for high-rise residential buildings such as Project Glory in Singapore and The Esse at Sukhumvit in Bangkok.

In Africa, renovation work on Antananarivo and Nosy Bé airports in Madagascar neared completion.

In Cuba, Bouygues Construction continued to build hotels in response to demand from the tourism industry on the island and booked a new order in the first half of 2019.

Energies and Services

An Energies and Services (E&S) division was formed following the acquisition of Alpiq InTec and Kraftanlagen München in July 2018, incorporating Bouygues Energies & Services. It has three main business lines: digital network infrastructure, electrical and HVAC engineering and facilities management.

The Energies and Services division contributed €1,870 million to Bouygues Construction's consolidated sales in the first half of 2019, an increase of 50% on the first half of 2018.

France: €629 million, down 7%

Restated for the effect of the partial divestment of Axione, activity in France increased 14%, driven by a high level of order intake, especially for network infrastructure (in particular in support of local authorities' digital development plans). These activities are carried out in partnership with Axione, now jointly managed with Mirova, an investment fund. With nearly 1 million connections installed, Bouygues Construction is a major player in optical fibre in France.

Bouygues Energies & Services also provides expertise in electrical and HVAC engineering, for example with the electrical and HVAC (heating, ventilation and air conditioning) packages for the new Ikea store in the Madeleine district of Paris and the installation of HVAC systems as part of the Gaité renovation project near Montparnasse.

Bouygues Energies & Services also has contracts to operate and maintain a number of public and private facilities in France, such as the Paris law courts and the CAF de la Loire family allowance offices at Saint-Etienne. Through its Evesa subsidiary, it also carries out a street lighting contract for the City of Paris.

(a) The aim of the 2000-Watt Society concept is to vastly increase the use of renewable energies in order to divide global energy consumption by three and the production of greenhouse gases by eight by 2050. Awarded by the Cité de l'Énergie association, the label distinguishes projects under development, neighbourhoods and urban areas that commit to putting these principles into practice.

In a consortium with Citelum (a subsidiary of EDF), Suez and Capgemini, Bouygues Energies & Services is overseeing the design, construction and operation of France's first smart-city project in Dijon. The 12-year contract covers the management of a connected control station for public facilities serving the 250,000 people who live in the Dijon metropolitan area.

International: €1,241 million, up 117%

The surge in international sales was mainly due to the acquisition of Alpiq InTec and Kraftanlagen München in July 2018, strengthening Bouygues Construction's presence in Switzerland and northern Italy and giving it a foothold in Germany.

In major power grid infrastructure projects, Bouygues Energies & Services develops turnkey photovoltaic solutions, as in Vietnam, where it recently finished building a 243-hectare solar power plant.

Bouygues Construction provides facilities management mainly in the UK, for the Metropolitan Police in south-east London for example, and in Canada, for Surrey Hospital and the Royal National Mounted Police headquarters. Facilities management gives Bouygues Energies & Services a long-term revenue stream.

2.2.3 Outlook

Bouygues Construction enjoys good long-term visibility, backed up notably by:
- orders at 30 June 2019 to be executed in 2019 worth €6 billion;
- sustained international activity in areas with favourable economic prospects, such as Australia, Singapore, Canada and Switzerland, which are highly rated by the NGO Transparency International;
- a medium-term backlog (from 1 January 2020) of €15.5 billion at 30 June 2019;
- a sound financial structure, with net surplus cash of €2.4 billion at 30 June 2019;
- a lead in sustainable construction, to which a substantial proportion of the R&D budget is devoted;
- a strong commitment to shared innovation for the benefit of customers.

Together with protecting the health and safety of employees and project partners, tight control over the execution of major projects, innovation and a selective approach to orders will continue to be central priorities for Bouygues Construction in 2019.

2.3. Bouygues Immobilier

A leading private property developer in France, Bouygues Immobilier develops residential, office building, retail and sustainable neighbourhood projects to make urban life better for all its customers and to contribute to a mixed, adaptable, smart and efficient urban environment.

2.3.1 Key figures

KEY FIGURES (€ million)	FIRST HALF 2018 restated	FIRST HALF 2019	CHANGE
Sales	**1,140**	**1,086**	**-5%**
o/w residential property	*996*	*1,008*	*+1%*
o/w commercial property	*144*	*78*	*-46%*
Current operating profit	**78**	**29**	**-€49m**
Current operating profit after Leases	77	28	-€49m
Current operating margin	*6.8%*	*2.7%*	*-4.1 pts*
Operating profit	**78**	**29**	**-€49m**
Operating profit after Leases	77	28	-€49m
Net profit attributable to the Group	**41**	**13**	**-€28m**

Bouygues Immobilier reported sales of €1,086 million in the first half of 2019, 5% lower than in the first half of 2018 (up 1% in residential property and down 46% in commercial property).

Current operating margin in the first half of 2019 was 2.7%, 4.1 points lower than in the first half of 2018.

The results in first-half 2019 were due to a very low level of activity in the commercial property segment, the main projects being expected in the fourth quarter of 2019, and by the increase in cost of works in residential property in France following the peak in residential property reservations recored by the market in 2017.

2.3.2 Business activity

Context

Residential property reservations in France remained stable in the first half of 2019, though there was a significant fall in building permit applications and new housing starts (down 7% and 5% respectively year-on-year to end-June) with the approach of municipal elections in 2020.
Still very low interest rates and the continuation of the Pinel and Censi-Bouvard tax incentives and the zero-interest loan scheme until 2021 sustained still strong demand.

In the commercial property segment, the take-up rate in the Paris region was down 19% in comparison with the first half of 2018, mainly due to lack of supply. Investment remained strong, 5% higher than in the first half of 2018, reflecting investor confidence in a robust French economy and thriving rental markets.

RESERVATIONS	FIRST HALF 2018 restated	FIRST HALF 2019	CHANGE
Residential property[a]			
Value (€m)	1,075	964	-10%
Commercial property			
Value (€m)	76	25	-67%
Total reservations (€m)[b]	**1,151**	**989**	**-14%**

(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 value of residential property reservations taken by Bouygues Immobilier in the first half of 2019 was 10% lower than in the first half of 2018. The decrease was mainly due to slower block sales in France and low marketable stock in a pre-electoral environment, when it is more difficult to obtain building permits.

Commercial property

Bouygues Immobilier took commercial property reservations worth €25 million in the first half of 2019, including the sale of the Lyon Nexans NRC property development contract (€16 million for 5,980 m²).

2.3.3 First-half highlights

As part of the call for projects for the “Invent the Grand Paris metropolitan area 2”, Bouygues Immobilier was awarded the **EDA project** in the 15th *arrondissement* of Paris. A 3,557-m² low-carbon, mixed-use project on Quai d’Issy beside the river Seine, it will include innovative services such as Green Office positive-energy offices, a coworking space, catering services open to the public and urban logistics.

Sensations, a complex of three all-timber residential buildings developed by Bouygues Immobilier with Koz Architects, was inaugurated in the heart of Strasbourg’s Deux-Rives neighbourhood. The tallest timber building in France, Sensations has exemplary environmental credentials: it complies with the requirements of RT 2012 thermal regulations for passive-energy buildings and has gained BBCA low-carbon building certification in the “Excellent” category.

Bouygues Immobilier also inaugurated the **Niwa** residential building in Vanves, south of Paris. The 164-apartment complex offers exceptional quality of life to residents, featuring generous terraces and a Japanese garden created by Kengo Kuma, an internationally renowned Japanese architect, and the eminent French landscape designer Michel Desvigne who, in 2003, was conferred the title Chevalier des Arts et des Lettres in recognition of his skills.

Bouygues Immobilier started to market the 12,300-m² **NE.ST** office building at Courbevoie, west of Paris. The building is being entirely rehabilitated under Bouygues Immobilier’s Rehagreen programme with the aim of meeting new-build standards and ensuring optimum energy efficiency.

BACKLOG (€ million)	END-DECEMBER 2018	END-JUNE 2019	CHANGE
Backlog	**2,478**	**2,304**	**-7%**
o/w residential property	*2,214*	*2,095*	*-5%*
o/w commercial property	*264*	*209*	*-21%*

Bouygues Immobilier’s backlog at end-June 2019 stood at €2,304 million, representing 11 months of sales.

2.3.4 Outlook

Bouygues Immobilier’s residential property business is driven by differentiated and innovative products and services, including social, intermediate and open-market housing, managed residences and connected residences. Residential property reservations are likely to decrease slightly over full-year 2019 in a French market that is expected to contract slightly.

In the commercial property market, Bouygues Immobilier continues to be well-positioned with its new positive-energy buildings (Green Office) and its commercial property rehabilitation services package (Rehagreen), which meet the increasingly stringent requirements of users and investors, who have increasing awareness of the growing recognition of green value. Several commercial property projects are expected in fourth-quarter 2019.

2.4. Colas

Operating in over 50 countries worldwide, Colas is a world leader in transport infrastructure construction and maintenance. Its mission is to promote infrastructure solutions for responsible mobility. Its three main sectors of activity are roads, construction materials and rail.

2.4.1 Key figures

KEY FIGURES (€ million)	FIRST HALF 2018 Restated	FIRST HALF 2019	CHANGE
Sales	**5,361**	**5,834**	**+9%[a]**
o/w France	*2,855*	*3,071*	*+8%*
o/w international	*2,506*	*2,763*	*+10%*
Current operating profit/(loss)	**(167)**	**(136)**	**+€31m**
Current operating profit/(loss) after Leases	(173)	(144)	+€29m
Operating profit/(loss)	**(167)**	**(136)**	**+€31m**
Operating profit/(loss) after Leases	(173)	(144)	+€29m
Net profit/(loss) attributable to the Group	**(129)**	**(102)**	**+€27m**

(a) Up 8% like-for-like and at constant exchange rates.

2.4.2 First-half highlights

- Change in governance from 14 May
  - Separation of the functions of Chairman and CEO: Hervé Le Bouc continues as Chairman of the Board of Directors, Frédéric Gardès is appointed CEO
- Divestment/Acquisitions
  - Divestment of Smac to the investment fund OpenGate Capital
  - Acquisition of some of Skanska's roads assets in Poland (11 asphalt plants)
  - Signing of a memorandum of understanding for the acquisition of Asfalcura in Chile
- Award of significant contracts
  - Rail works for the Rail Systems Alliance in the south of England, worth an estimated £1.5 billion (approx. €1.7 billion) over 10 years
  - €265-million PPP contract for the Liège tram line in Belgium
  - €107-million contract to build a section of the M4 motorway between Abony and Törökszentmiklós in Hungary
  - €95-million contract to widen a section of the A10 motorway in Touraine, central France
  - €79-million contract to build a section of the D3 motorway in southern Bohemia in the Czech Republic
  - €60-million multi-year rail grinding contract with Network Rail in the UK
  - €53-million road maintenance contract for the Kennedy area in Ontario, Canada
- Innovation
  - First trial site for the Flowell dynamic road-marking solution at Mandelieu-la-Napoule in the south of France
  - First contract for Anaïs, a digital service for preventive management of road assets to increase user safety, with the Eure-et-Loir department in central France

Sales by sector

Consolidated sales in first-half 2019 were €5,834 million, up 9% on first-half 2018 and up 8% like-for-like and at constant exchange rates. Sales in the Roads business were up 10% (up 8% like-for-like and at constant exchange rates), driven by a robust French market. Sales in Rail and other Specialised activities benefited from growth at Colas Rail (up 17% like-for-like and at constant exchange rates).

SALES BY SECTOR (€ million)	FIRST HALF 2018	FIRST HALF 2019	CHANGE	lfl & constant fx[a]
Sales	**5,361**	**5,834**	**+9%**	**+8%**
o/w roads mainland France	*2,201*	2,496	*+13%*	*+13%*
o/w roads Europe	*749*	768	*+3%*	*+1%*
o/w roads North America	*1,009*	1,169	*+16%*	*+5%*
o/w roads Rest of the World	*629*	625	*-1%*	-
o/w Rail and other Specialised activities	*762*	757	*-1%*	*+12%*
o/w holding company	*11*	19	*nm*	*nm*

(a) Like-for-like and at constant exchange rates.

Roads

In a growing market, sales in **mainland France** rose 13% versus first-half 2018.

Sales in **Europe** rose slightly, up 3% (up 1% like-for-like and at constant exchange rates), sustained by the UK and Ireland.

Sales in **North America** rose 16% (up 5% like-for-like and at constant exchange rates), growing significantly in the United States and remaining stable in Canada.

Sales in the **Rest of the World (international excl. Europe and North America)** were down 1% (stable like-for-like and at constant exchange rates). A fall in Africa was offset by growth in Asia-Pacific.

Specialised activities

Sales in first-half 2019 were €0.8 billion, down 1% but up 12% like-for-like and at constant exchange rates, driven by a 17% increase in activity at Colas Rail. Networks activity at Spac fell back 12%. Following the divestment of Smac to OpenGate Capital, finalised on 20 May 2019, the Waterproofing activity's half-year contribution to consolidated sales was the same as in the first quarter, €0.1 billion.

Production of materials

A significant proportion of Colas' activity, both in France and abroad, consists in the production (including recovery and recycling) of construction materials, especially aggregates, from an international network of 475 working quarries and gravel pits, 150 emulsion plants, 589 asphalt plants, and 206 ready-mix concrete plants. 52 million tonnes of aggregates were sold in the first half of 2019, an increase of 6% on first-half 2018, and 1,014,000 tonnes of binders and emulsions (up 16%), 16 million tonnes of asphalt mix (up 1%), and 1.4 million cubic metres of ready-mix concrete (up 9%) were produced. Colas also has a major bitumen distribution activity from 79 bitumen terminals.

Financial performance

Colas reported a current operating loss of €136 million in the first half of 2019, an improvement of €31 million on first-half 2018, and €59 million excluding seasonal losses at Miller McAsphalt in January and February 2019 (these two months' contribution to results was not consolidated in 2018).

This good performance was due to an improvement in current operating results in the Roads business in mainland France, the first effects of recovery measures at Colas Rail in France and the divestment of Smac.

The share of profits from joint ventures and associates was €25 million at end-June 2019, compared with €17 million at end-June 2018, mainly due to good results at Tipco Asphalt.

The net loss attributable to the group in the first half of 2019 was €102 million, an improvement of €27 million on first-half 2018.

Financial position

Net debt at 30 June 2019 stood at €1,544 million, compared with €1,303 million at end-June 2018. The change from 31 December 2018 (net debt of €475 million) was due to the usual seasonal effect of Colas' business.

Backlog

The backlog at end-June 2019 stood at €9.9 billion, up 4% at constant exchange rates and excluding Smac. The backlog in mainland France rose 9% excluding Smac to €3.6 billion while the backlog in international markets and French overseas territories was up 5% at constant exchange rates at €6.3 billion.

2.4.3 Outlook

In terms of sales, the good performance of the Roads activity should offset the impact of the divestment of Smac.

The current operating margin is expected to improve as result of the high level of activity in France, the recovery in profitability at Colas Rail and the divestment of Smac.

2.5. TF1

TF1's mission is to inform and entertain a wide audience. As France's leading media group, it offers extensive content and a wide range of associated services. The group is also an established player in the TV production and digital sectors.

2.5.1 Key figures

KEY FIGURES (€ million)[a]	FIRST HALF 2018 restated	FIRST HALF 2019	CHANGE
Sales	**1,084**	**1,145**	**+6%**
o/w TF1 group advertising	*812*	*836*	*+3%*
o/w other activities	*271*	*309*	*+14%*
Current operating profit	**102**	**163**	**+€61m**
Current operating profit after Leases	**100**	**161**	**+€61m**
Current operating margin	*9.4%*	*14.2%*	*+4.8 pts*
Operating profit	**91[b]**	**163**	**+€72m**
Operating profit after Leases	**89**	**161**	**+€72m**
Net profit attributable to the Group	**66**	**107**	**+€41m**

(a) aufeminin has been consolidated since May 2018.
(b) Including non-current charges of €11 million corresponding to amortisation of audiovisual rights remeasured as part of the acquisition of Newen Studios.

The TF1 group reported consolidated sales of €1,145 million in the first half of 2019, an increase of €61 million (with organic growth accounting for 29%), 6% more than in the first half of 2018.
Advertising sales rose 3% year-on-year to €836 million. They include advertising revenue from both Broadcasting, stable year-on-year, and Digital (Unify).
Sales from other activities in the first half of 2019 rose €38 million to €309 million, 14% more than in the first half of 2018. The increase in sales from Broadcasting and Unify offset by far the lower revenue from Studios & Entertainment, mostly caused by deconsolidation of the Home shopping (Téléshopping) business, sold in early April.

Higher sales coupled with a €53-million year-on-year reduction in the cost of programmes on the group's five free-to-air channels generated a current operating profit of €163 million in the first half of 2019, €61 million more than in the first half of 2018.
The current operating margin in the first half of 2019 jumped 4.8 points year-on-year to 14.2%.

Net profit attributable to the Group in the first half of 2019 was €107 million, €41 million more than in the first half of 2018.

2.5.2 First-half highlights

- TF1 was the exclusive free-to-air broadcaster of the women's Soccer World Cup, which took place from 7 June to 7 July. It was a great success: 44 million viewers followed the event and the French team's matches attracted 10 million viewers on average.
- In early 2019, TF1 announced the creation of Unify, its new digital division, which brings together the TF1 group's new digital activities (excluding OTT and catch-up TV), namely the aufeminin group, Doctissimo, Neweb, Gamned!, Studio 71, Vertical Station and TF1 Digital Factory. The creation of the new division will generate both editorial and commercial synergies with the TF1 group. Unify and TF1 Publicité will be able to combine their know-how and expertise to provide advertisers with all-new optimised cross-media solutions.
- On 1 March 2019, Newen acquired a 60% majority stake in De Mensen, one of Belgium's leading producers of TV content.
- On 11 April 2019, TF1 announced that it had completed the sale of the operational side of its home shopping business (product sourcing, marketing, TV production, etc.).
- On 24 June 2019, TF1 and IP Belgium announced the conclusion of an agreement to market and monetise advertising space on the TF1 channel in Belgium, effective as of 1 September 2019.

Audiences[a]

TF1 took a 32.7% share of the target audience of women under 50 who are purchasing decision-makers, up 0.2 points year-on year, and 29.6% of the target audience of individuals aged 25 to 49, up 0.4 points year-on-year. MYTF1 recorded 767 million video views in the first half of the year, up 9% year-on-year. These good results show that the group has made the right choices across all types of content. The success of the women's Soccer World Cup demonstrated TF1's unrivalled ability not only to tap broad audiences but also to publicise and promote this type of event to viewers and advertisers well ahead of launch.

Broadcasting

Sales for the Broadcasting segment reached €891 million in the first half of 2019, an increase of €22 million (up 2.5%) on the first half of 2018.

- Advertising revenue for the Broadcasting segment was stable over the six months to end-June at €791 million (down 0.1%). The screening of the men's Soccer World Cup in 2018 had generated exceptional advertising revenue. Non-linear advertising revenue continued to rise, by both volume and value.

- Revenue from other Broadcasting segment activities rose by €22 million. This increase reflected both the incremental revenue contribution from the agreements concluded with telecom operators and Canal+, and the proceeds from the resale to Canal+ of the entire pay-TV rights to the women's Soccer World Cup.

The cost of programmes on the group's five free-to-air channels in the first half of 2019 was €446 million, down €53 million year-on-year. This reflects both close control over programming costs and the effect of the screening of the men's Soccer World Cup in 2018. Some of the savings will be reinvested in the second half of 2019, notably for the Rugby World Cup, the landmark show *Mask Singer* and a new drama, *Le Bazar de la Charité*.

The Broadcasting segment reported a current operating profit of €142.5 million in the first half of 2019, representing a substantial year-on-year increase of €63 million and giving a current operating margin of 16%, 6.8 points up on the first half of 2018 and the highest level since the first half of 2011. From one half-year to the next, the TF1 group is reaping the benefits of the transformation of its broadcasting activities towards a sustainable, value-creating model.

Studios & Entertainment

Sales for the Studios & Entertainment segment in the first half of 2019 were €169 million, down €17 million year-on-year, mainly as a result of deconsolidation of the Home shopping (Téléshopping) business, sold in early April.

First-half revenue at Newen was affected by an adverse comparative caused by the delivery in 2018 of season 3 of *Versailles*. However, flagship shows like *Plus Belle La Vie*, *Tomorrow is Ours* and *Candice Renoir* continue to attract large audiences and the group expects to pursue its international expansion with the acquisition of Canadian TV film producer and distributor Reel One[b]. Reel One is a high-potential asset, building on Newen's existing strengths in TV production and distribution.

Sales continued to grow at TF1 Entertainment, driven by its PlayTwo music label, and partially offset a weak performance by TF1 Studios since the start of the year.

The segment posted a current operating profit of €17 million, down €2 million year-on-year, and generated an operating margin of 10.2%.

(a) Source: Médiamétrie-Médiamat.
(b) Newen's acquisition of Reel One is subject to approval from the Department of Canadian Heritage under the Investment Canada Act.

Digital (Unify)

The Digital segment posted sales of €86 million. Social e-commerce continued to grow: the number of boxes sold in the first half of 2019 rose 14% year-on-year. In digital content production, the group's websites continued to attract large audiences, with Doctissimo hitting an all-time high of 13.8 million unique visitors in May 2019. Digital marketing made further advances, especially with Gamned!, which enjoyed strong growth in the programmatic advertising market.

The first half of 2019 also saw the first synergies between Unify and TF1. A highlight of the second half will be the launch of a single unified advertising offer that will give advertisers access to higher value-added campaigns spread across all Unify assets and brands.

Current operating profit for the first half was €3 million. This reflects seasonal trends in the business and will improve as the year progresses.

2.5.3 Outlook

Results in the first half of 2019 confirm the TF1 group's ability to improve profitability by adjusting its core business model and opening up new areas of growth.

During the second half of the year, the TF1 group will continue to:

- broadcast premium shows with broad appeal;
- deliver a simplified and enhanced customer experience, boosted by the recent makeover of the MYTF1 OTT platform and its rollout on operators' boxes and the forthcoming launch of Salto[a];
- consolidate its position in TV production and distribution;
- offer advertisers higher value-added solutions by exploiting data and unlocking synergies with the Unify advertising sales unit.

The TF1 group reiterates the following guidance:

- a double-digit current operating margin target in 2019;
- an annual average cost of programmes of €990 million over the period 2019-2020;
- sales of at least €250 million for the Unify digital division, with an EBITDA margin of at least 15% and an improvement in the TF1 group's return on capital employed[b] relative to the 2018 level.

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.

(a) The French Competition authority authorised the Salto platform on 12 August 2019.
(b) ROCE = the ratio of [current operating profit - theoretical income tax expense + net profit from associates] for a given year to average capital employed that year and the previous year. Capital employed = shareholders' equity including minority interests + net debt at period-end. Excluding the impact of IFRS 16, the TF1 group's ROCE was 8.8% in 2018.

2.6.1 Key figures

KEY FIGURES (€ million)	FIRST HALF 2018 restated	FIRST HALF 2019	CHANGE
Sales	**2,563**	**2,913**	**+14%**[a]
o/w sales from services	*2,074*	*2,226*	*+7%*
EBITDA after Leases	**551**	**653**	**+€102m**
EBITDA after Leases/sales from services	*26.6%*	*29.3%*	*+2.7 pts*
Current operating profit	**163**	**230**	**+€67m**
Current operating profit after Leases	150	217	+€67m
Operating profit	**254**[b]	**280**[c]	**+€26m**
Operating profit after Leases	241[b]	267	+€26m
Net profit attributable to the Group	**157**	**165**	+€8m
Gross capex	**621**	**530**	**-€91m**

(a) Up 13% like-for-like and at constant exchange rates.
(b) Including non-current income of €104 million related to the capital gain on the sale of mobile sites to Cellnex and non-current charges of €18 million related to network sharing.
(c) Including non-current income of €47 million related to the capital gain on the sale of mobile sites to Cellnex and non-current charges of €4m related to network sharing.

Bouygues Telecom's sales and financial results showed a substantial improvement in the first half of 2019.

The company posted sales of €2,913 million in the first half of the year, up 14% on the first half of 2018 (up 13% like-for-like). Sales from services rose 7% year-on-year to €2,226 million due to growth in the number of mobile and fixed customers with stable ABPU (average billing per user).

EBITDA after Leases in the first half of 2019 was €653 million, €102 million higher than in the first half of 2018. The margin on "EBITDA after Leases"[a] rose by 2.7 points year-on-year to 29.3%.

Current operating profit was €230 million, up €67 million on the first half of 2018. Operating profit of €280 million in the first half of 2019 included net non-current income of €50 million versus €91 million in the first half of 2018, mainly due to lower capital gains on sales of mobile sites.

Gross capital expenditure in the first half of 2019 stood at €530 million, down €91 million year-on-year.

2.6.2 First-half highlights

- In mid-March, Bouygues Telecom announced that it had completed the acquisition of Keyyo and Nerim.
- On 25 March, Bouygues Telecom upgraded its fixed internet offer, enhanced with new content and services such as extension of the customer service hotline opening hours to 10pm, an improved "Keep Connected" promise, customer call-back within 15 minutes and the scheduling of in-store appointments.
- Since 27 June, new Box + Mobile customers have been offered a free 12-month subscription to Netflix.
- From 20 May to 7 June, Bouygues Telecom employees responded to the internal satisfaction survey organised every two years. 97% said they wanted to "give the best of themselves", two points more than in 2017, and 94% felt "pride in belonging" to the company, one point more than in 2017.

In the first half of 2019, Bouygues Telecom successfully continued its strategy based on the reliability and quality of its mobile and fixed networks and on a high-quality, seamless customer experience.

(a) EBITDA after Leases/sales from services.

At end-June 2019, Bouygues Telelcom covered 99% of the French population with 4G from around 21,000 mobile sites (over 28,000 sites are planned for the end of 2023). The quality of its 4G network, acknowledged by the most recent Arcep survey to be the best in rural areas, is attracting growing numbers of customers. The company had 17.1 million mobile customers at 30 June 2019, including over 11.2 million mobile plan customers excluding MtoM[a], and added 280,000 net new non-MtoM plan customers in the first six months of the year.

In the fixed segment, Bouygues Telecom is accelerating roll-out of its fibre network, with a target of 12 million premises marketed by the end of 2019 and 20 million in 2022. Bouygues Telecom had over 3.8 million fixed broadband[b] customers at end-June 2019, representing 90,000 net adds in the first half of the year, and which includes 176,000 new FTTH[c] customers. The company had 745,000 FTTH customers at end-June 2019.

A sharp focus on customers and a simple, seamless experience are central to Bouygues Telecom's strategy. That high-quality customer experience implies digitised services, intuitive and effective purchasing processes and the commitment of the company's entire workforce. The most recent internal satisfaction survey[d] shows that 97% of employees want to give the best of themselves to Bouygues Telecom.

The company-wide plan introduced in 2018 is bearing fruit. Through over 200 projects, it aims to make the user experience more seamless and intuitive and ensure a prompt response to customer expectations. As a result, the customer satisfaction score improved steadily between December 2017 and June 2019, rising from 157/200 to 161/200, with a target score of 168/200.

That differentiation strategy enabled Bouygues Telecom to continue its expansion on the B2C and B2B markets in the first half of 2019.

In the B2C segment, Bouygues Telecom increased its share of the mobile market in less dense areas through network sharing and by steadily strengthening its local distribution network, opening new stores and concluding a partnership with Fnac Connect. In the fixed segment, the accelerated roll-out of fibre offers potential for growth. Bouygues Telecom is now present in 83 departments and over 2,600 municipalities and had 9.1 million premises marketed at end-June 2019, an increase of 3.6 million year-on-year.

In the B2B segment, Bouygues Telecom completed the acquisition of Keyyo and Nerim in the first half of 2019 in order to step up its expansion in the specific market serving micro-businesses, SMEs and intermediate-sized enterprises. Keyyo brings complementary experience in advanced digitization and innovative products and services, especially in the fixed segment. Bouygues Telecom will also benefit from Nerim's technical expertise in the marketing of data networks and website hosting for SMEs.

2.6.3 Outlook

Bouygues Telecom confirms its free cash flow[e] target of €300 million for 2019.

2.7. Alstom

Bouygues held 27.68% of Alstom's share capital at 30 June 2019.

As a promoter of sustainable mobility, Alstom develops and markets systems, equipment and services for the transport sector, offering a complete range of solutions. Alstom is a world leader in integrated transport systems.

(a) Machine-to-Machine.
(b) Includes broadband and very-high-speed.
(c) Fibre-To-The-Home.
(d) Results of the most recent internal satisfaction survey carried out in Q2 2019 on 4,900 employees by OBEA.
(e) Free cash flow: net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations. It is calculated before changes in working capital requirement.

2.7.1 FY2018/19

Alstom released its results for FY2018/19 (ended 31 March 2019) on 7 May 2019.

Alstom booked €12.1 billion of orders between 1 April 2018 and 31 March 2019. Sales rose 10% year-on-year for this period to €8.1 billion (up 11% like-for-like and at constant exchange rates). Adjusted operating profit rose 44% year-on-year to €570 million, giving a margin of 7.1%. Net profit attributable to the Group amounted to €681 million, compared with €365 million in the previous year, including exceptional net income from discontinued activities of €248 million. Alstom has a very strong balance sheet. Free cash flow was €153 million during FY2018/19. Net cash, including the sale of interests in the three Energy joint ventures to General Electric, amounted to €2,325 million at 31 March 2019. Shareholders' equity stood at €4.2 billion at 31 March 2019.

As approved at Alstom's general meeting of shareholders on on 10 July 2019, Alstom paid out a dividend of €5.50 per share for FY2018/19 on 17 July 2019, of which €341 million for Bouygues.

2.7.2 Figures at 30 June 2019 (first quarter of FY2019/20)

Alstom booked orders worth €1.6 billion in the first quarter of FY2019/20 (from 1 April to 30 June 2019), compared with €2.6 billion over the same period in the previous year. Sales in the first quarter of FY2019/20 were €2.1 billion, up 2% (1% like-for-like and at constant exchange rates), compared with €2.0 billion in the first quarter of FY2018/19.

The backlog at 30 June 2019 stood at €40 billion, giving good visibility for future sales.

2.7.3 New strategic plan – Alstom in motion

Alstom held an Investor Day in Paris on 24 June 2019 to present its strategic operational and financial priorities for 2023 in the context of its new strategic plan "AiM – Alstom in Motion". Its clear ambition is to be the leading global innovative player for green and smart mobility.

The AiM strategy is based on the following three priorities.

Growth by offering greater value to customers – Alstom has substantial market share in all of its activities and regions and aims to consolidate its position in each one.

Innovation by pioneering greener and smarter mobility solutions – The green and smart mobility solutions which both customers and passengers expect are transforming the market. Alstom already aims to set the standard in this sphere, for example with the first hydrogen-powered train and products like Hesop, which recovers the energy generated by trains in braking mode. It has identified six priorities for confirming its leadership: green traction and energy efficiency; electromobility; eco-design and manufacturing; autonomous trains; data management for more connected products and services; multimodality and flow management.

Using digital to design, produce and deliver efficiently – Alstom will capitalize on its worldwide presence and its industrial and engineering capacities in emerging countries and on the competitive edge of its new generation of products and services. The company will also seek leverage from the digital transformation of its entire value chain, optimising facilities and projects.

One Alstom team with an agile, inclusive and responsible culture – In order to support the transformation of the railway sector, Alstom will maintain its medium-term CSR commitments. Targets for 2025 include reducing the energy consumption of solutions offered to customers by 25% and generating all the power for the group's facilities from renewable energy sources. All suppliers will be monitored or assessed against CSR, ethics and compliance standards.

2.7.4 Outlook

Alstom's projections are prepared on a like-for-like basis at constant exchange rates. They comply with IFRS 15 and IFRS 16.

FY2019/20 will be a year of stabilisation after exceptional growth in sales and profitability in FY2018/19. The completion of major systems projects and upgrades of major rolling-stock projects in FY2019/20 will result in lower sales and margin growth than the AiM medium-term targets. Changes in the working capital requirement will also affect the generation of free cash flow.

Looking further ahead, Alstom is aiming for average annual sales growth of around 5% over the period from FY2019/20 to FY2022/23, with an adjusted margin of around 9% in 2022/23, a conversion rate of net profit into free cash flow in excess 80% and a dividend policy with a payout ratio of 25-35%.

Alstom will also implement a disciplined policy of investment and external growth in order to support its development and create value.

2.8. Bouygues SA

Net profit, according to French accounting standards, in the first half of 2019 was €952 million, €151 million less than in the first half of 2018. The change was mainly due to the reversal of a provision for the write-down of Alstom shares that was €115 million less than in the first half of 2018 and tax income that was €44 million less than in the first half of 2018.

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 2019 are similar to those described in the 2018 Registration Document (pages 145 to 181).

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

2.9.1 Bouygues Construction

Île-de-France Regional Authority Contracts
Following a Competition Council ruling of 9 May 2007, the Île-de-France Regional Authority instigated an initial compensation claim in the ordinary courts for losses it claimed to have incurred as a result of anti-competitive practices by construction companies in connection with the awarding of public works contracts for the renovation of secondary school buildings in the region.

On 16 November 2015, the Conflicts Court ruled that the dispute fell within the jurisdiction of the Administrative Courts. Consequently, on 28 March 2017 the Regional Authority filed a number of compensation claims with the Paris Administrative Court requesting that those responsible be held jointly and severally liable.

In a series of judgments dated 29 July 2019, the Paris Administrative Court ruled that the compensation claims were time-barred.

Centennial Tower, Singapore – Millenia Pte Ltd v. Dragages Singapore Pte Ltd
This litigation arose as a result of panels falling from the façade of the Centennial Tower (handed over in 1997), first in 2004 and then in 2011.

On 3 July 2019, the Singapore Court of Appeal upheld the decision at first instance holding Dragages Singapore liable for the cost of recladding the entire façade of the tower. The decision is non-appealable, and the quantum has yet to be determined by the Court.

2.9.2 TF1

Competition Authority decision of 25 April 2019 on the complaint by M6 against TF1 for abuse of dominant position in the advertising market

In April 2014, M6 filed a complaint with the Competition Authority relating to alleged anti-competitive practices adopted by the TF1 group. The complaint related to (i) the granting of rebates by TF1 Publicité that were allegedly contingent on advertisers agreeing to spend a very high proportion of their advertising budgets on the TF1 channel and (ii) the marketing by TF1 Publicité of linked advertising slots on the TF1, HD1 and Numéro 23 channels.

In decision no. 19-D-07 of 25 April 2019, the Competition Authority ruled that the alleged practices had not been proven and decided that there were no grounds for continuing the proceedings.

French Competition Authority decision of 27 May 2019 on the complaint of collusion made by the Canal+ group against TF1, M6 and France Télévisions, and appeal by the Canal+ group

On 9 December 2013 the Canal+ group filed a complaint with the Competition Authority relating to practices allegedly adopted by TF1, France Télévisions (FTV) and M6 in the buying of rights to original French movies known as "catalogue" movies. On completion of the investigation TF1, FTV and M6 received on 23 February 2018 a "notification of grievance" from the Competition Authority, on the grounds that certain contractual clauses would have the potential cumulative effect of blocking access to the catalogue movies market.

In decision no. 19-D-10 of 27 May 2019, the Competition Authority rejected the Canal+ group's complaint and closed the proceedings: because the various types of movie were readily substitutable for one another, and given the number of movies available, the Authority took the view that there was "in practice no block on market access".

The Canal+ group lodged an appeal against this decision on 2 July 2019.

2.9.3 BOUYGUES TELECOM

In November 2015, Free brought an unfair competition action against Bouygues Telecom in the Paris Commercial Court in connection with communications relating to its ADSL offer, claiming to have incurred losses estimated at €275 million.

In submissions filed on 31 May 2019, Bouygues Telecom made a counter-claim of misrepresentation against Free, seeking an injunction and publicity along with compensation for losses provisionally estimated at €170 million.

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 2019. Likewise, no change to related-party transactions liable to materially affect Bouygues' financial situation or results occurred during that period. Under the terms of agreements authorised by the Board of Directors and approved by the Annual General Meeting, Bouygues provided services to its sub-groups, mainly in the areas of management, human resources, information systems and finance.

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

2.11. Main events since 1 July 2019

On 2 July 2019, Colas inaugurated Transpolis, a smart city lab devoted to urban mobility and innovative transport systems at Saint-Maurice-de-Rémens, north-east of Lyon. The only one of its kind in Europe, Transpolis is a test-bed for trials and simulations on full-scale urban mobility demonstrators in energy, networks, telecoms, roads and other urban infrastructures, and autonomous and connected vehicles.

On 4 July 2019, Bouygues Construction and Hoffmann Green Cement Technologies entered into a technical and commercial collaboration contract for an initial 30-month period to develop and test concrete formulas using a new cement with a carbon footprint 70%-80% lower than that of traditional cement.

On 10 July 2019, Bouygues Construction and Vinci Construction Grands Projets, partners in the NOVARKA consortium, handed over the Chernobyl confinement shelter to the Ukrainian authorities. Handover of the project marked the end of a unique 12-year project during which more than 10,000 NOVARKA workers and technicians put in a total of 33 million working hours to complete construction of the new confinement shelter for the damaged no.4 reactor.

On 9 July 2019, following an extraordinary Board meeting, the TF1 group announced that it would increase its stake in Play Two, taking a 51% majority interest.

On 11 July 2019, TF1 – via its subsidiary Newen – acquired a majority stake in Reel One, a leading player in the production and distribution of TV fiction for the North American and global markets. With 90% of its revenue generated outside of Canada, Reel One is an international player experiencing strong growth in the promising segments of TV movies and (more recently) TV series.

On 12 August 2019, following a favourable opinion from the CSA (French broadcasting authority) and the authorisation issued by the French Competition Authority, the TF1, M6 and France Télévisions groups announced that their Salto joint venture would be able to commence operations. Salto's commercial offer is due to launch in the first quarter of 2020.

On 29 August 2019, Philippe Marien, Deputy CEO and Chief Financial Officer of the Bouygues group, announced his wish to retire following the publication of the Full-year 2019 results. In order to prepare for this, Pascal Grangé will be appointed Group Senior Vice-President and Chief Financial Officer from 1 October 2019. Until now Pascal Grangé was Deputy CEO at Bouygues Construction with responsibility for strategy and finance.

3. CONDENSED CONSOLIDATED FIRST-HALF FINANCIAL STATEMENTS

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (€ million)

ASSETS	Note	30/06/2019 net	31/12/2018 net restated[a]	30/06/2018 net restated[a]
Property, plant and equipment		7,478	7,327	6,818
Right of use of leased assets		1,574	1,561	1,389
Intangible assets		2,186	2,198	2,088
Goodwill	3.1	6,471	6,301	6,249
Investments in joint ventures and associates	3.2	2,680	2,633	2,542
Other non-current financial assets		535	536	570
Deferred tax assets and non-current tax receivable		374	326	365
NON-CURRENT ASSETS		**21,298**	**20,882**	**20,021**
Inventories		3,383	3,154	3,083
Advances and down-payments made on orders		476	483	504
Trade receivables		7,102	6,389	7,170
Customer contract assets		2,930	2,026	2,037
Tax asset (receivable)		364	260	231
Other current receivables and prepaid expenses		3,102	2,707	2,962
Cash and cash equivalents	7	1,813	2,928	2,505
Financial instruments - Hedging of debt	7	11	11	12
Other current financial assets		12	10	12
CURRENT ASSETS		**19,193**	**17,968**	**18,516**
Held-for-sale assets and operations			340	16
TOTAL ASSETS		**40,491**	**39,190**	**38,553**

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	30/06/2019	31/12/2018 restated [a]	30/06/2018 restated [a]
Share capital	4	372	372	366
Share premium and reserves		8,653	8,077	8,020
Translation reserve		(47)	(103)	(102)
Treasury shares				
Net profit/(loss) attributable to the Group	11	225	1,308	261
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP		**9,203**	**9,654**	**8,545**
Non-controlling interests		1,368	1,386	1,329
SHAREHOLDERS' EQUITY		**10,571**	**11,040**	**9,874**
Non-current debt	6.1/7	6,258	5,048	6,779
Non-current lease obligations		1,328	1,323	1,163
Non-current provisions	5.1	2,031	2,042	2,031
Deferred tax liabilities and non-current tax liabilities		343	331	241
NON-CURRENT LIABILITIES		**9,960**	**8,744**	**10,214**
Current debt	6.1/7	1,276	1,240	454
Current lease obligations		314	313	287
Current taxes payable		176	154	137
Trade payables		7,615	7,423	7,604
Customer contract liabilities		4,045	3,665	3,831
Current provisions	5.2	1,031	995	765
Other current liabilities		4,987	4,999	5,061
Overdrafts and short-term bank borrowings	7	438	238	295
Financial instruments - Hedging of debt	7	57	25	19
Other current financial liabilities		21	21	12
CURRENT LIABILITIES		**19,960**	**19,073**	**18,465**
Liabilities related to held-for-sale operations			333	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**40,491**	**39,190**	**38,553**
NET SURPLUS CASH/(NET DEBT)	7/11	**(6,205)**	**(3,612)**	**(5,030)**

(a) The balance sheet as of 30 June 2018 has been restated for the effects of applying IFRS 16, and the balance sheet as of 31 December 2018 has been restated for the effects of applying IFRS 16 and IFRIC 23.

BOUYGUES GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT (€ million)

	Note	First half 2019	First half 2018 restated[a]	Second quarter 2019	Second quarter 2018 restated[a]	Full year 2018 restated[a]
SALES [b]	**8/11**	**17,446**	**15,743**	**9,513**	**8,917**	**35,555**
Other revenues from operations		78	91	27	28	185
Purchases used in production		(8,043)	(7,291)	(4,501)	(4,230)	(16,715)
Personnel costs		(4,174)	(3,741)	(2,126)	(1,982)	(7,975)
External charges		(3,814)	(3,593)	(1,962)	(1,918)	(7,490)
Taxes other than income tax		(368)	(372)	(132)	(136)	(687)
Net depreciation and amortisation expense on property, plant and equipment and intangible assets		(818)	(803)	(436)	(437)	(1,703)
Net amortisation expense on right of use of leased assets		(159)	(147)	(77)	(75)	(314)
Charges to provisions and impairment losses, net of reversals due to utilisation		(92)	(34)	(88)	(51)	(417)
Change in production and property development inventories		41	117	59	82	94
Other income from operations [c]		685	691	432	367	1,875
Other expenses on operations		(329)	(328)	(198)	(138)	(844)
CURRENT OPERATING PROFIT/(LOSS)	**9/11**	**453**	**333**	**511**	**427**	**1,564**
Other operating income		54	109	37	38	371
Other operating expenses		(12)	(29)	(10)	(13)	(106)
OPERATING PROFIT/(LOSS)	**9/11**	**495**	**413**	**538**	**452**	**1,829**
Financial income		17	15	7	5	29
Financial expenses		(124)	(122)	(60)	(58)	(245)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)		**(107)**	**(107)**	**(53)**	**(53)**	**(216)**
Interest expense on lease obligations	11	(29)	(27)	(14)	(13)	(57)
Other financial income		34	33	14	21	82
Other financial expenses		(23)	(29)	(14)	(15)	(64)
Income tax	10	(132)	(58)	(157)	(112)	(426)
Share of net profits/losses of joint ventures and associates	3.2/11	59	88	22	6	302
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**297**	**313**	**336**	**286**	**1,450**
Net profit/(loss) from discontinued and held-for-sale operations						
NET PROFIT/(LOSS)		**297**	**313**	**336**	**286**	**1,450**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**11**	**225**	**261**	**284**	**247**	**1,308**
Net profit/(loss) attributable to non-controlling interests		72	52	52	39	142
Basic earnings per share from continuing operations attributable to the Group (€)		**0.60**	**0.71**	**0.76**	**0.67**	**3.56**
Diluted earnings per share from continuing operations attributable to the Group (€)		**0.60**	**0.71**	**0.76**	**0.67**	**3.54**

(a) The first-half 2018, second-quarter 2018 and full-year 2018 income statements have been restated for the effects of applying IFRS 16.

	First half 2019	First half 2018 restated	Second quarter 2019	Second quarter 2018 restated	Full year 2018 restated
(b) Of which sales generated abroad	6,893	5,600	3,955	3,443	13,767
(c) Of which reversals of unutilised provisions/impairment losses & other items	116	208	68	107	487

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (€ million)

	First half 2019	First half 2018 restated[a]	Full year 2018 restated[a]
NET PROFIT/(LOSS)	**297**	**313**	**1,450**
Items not reclassifiable to profit or loss			
Actuarial gains/losses on post-employment benefits	(39)	1	18
Net change in fair value of equity instruments	(7)	(3)	(6)
Net tax effect of items not reclassifiable to profit or loss	11		(2)
Share of non-reclassifiable income and expense of joint ventures and associates[b]	(18)	6	27
Items reclassifiable to profit or loss			
Change in cumulative translation adjustment	38	5	
Net change in fair value of financial instruments used for hedging purposes	(33)	(1)	(7)
Net tax effect of items reclassifiable to profit or loss	9	(3)	(1)
Share of reclassifiable income and expense of joint ventures and associates[b]	18	(18)	(21)
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**(21)**[c]	**(13)**[d]	**8**
TOTAL RECOGNISED INCOME AND EXPENSE	**276**	**300**	**1,458**
Recognised income and expense attributable to the Group	**209**	**247**	**1,319**
Recognised income and expense attributable to non-controlling interests	**67**	**53**	**139**

(a) The first-half 2018 and full-year 2018 statements of recognised income and expense have been restated for the effects of applying IFRS 16.
(b) Relates mainly to Alstom.
(c) Of which income and expense recognised in second-quarter 2019 = (34)
(d) Of which income and expense recognised in second-quarter 2018 = 50

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

	Share capital and share premium	Reserves related to capital and 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 2017 RESTATED [a]	**2,405**	**3,000**	**3,695**		**(131)**	**8,969**	**1,373**	**10,342**
Movements during the first half of 2018								
Net profit/(loss)			261			261	52	313
Translation adjustment					(14)	(14)	1	(13)
Other recognised income and expense								
Total recognised income and expense [d]			**261**		**(14)**	**247**	**53**	**300**
Capital and reserves transactions, net	(22)					(22)		(22)
Acquisitions and disposals of treasury shares			(6)			(6)		(6)
Acquisitions and disposals without loss of control			(28)			(28)	(38)	(66)
Dividend paid		(518)	(102)			(620)	(60)	(680)
Other transactions with shareholders			5			5		5
Other transactions (changes in scope of consolidation and other items)							1	1
POSITION AT 30 JUNE 2018 RESTATED [b]	**2,383**	**2,482**	**3,825**		**(145)**	**8,545**	**1,329**	**9,874**
Movements during the second half of 2018								
Net profit/(loss)			1,047			1,047	90	1,137
Translation adjustment					(7)	(7)	(1)	(8)
Other recognised income and expense					32	32	(3)	29
Total recognised income and expense [d]			**1,047**		**25**	**1,072**	**86**	**1,158**
Capital and reserves transactions, net	191					191		191
Acquisitions and disposals of treasury shares			(2)			(2)		(2)
Acquisitions and disposals without loss of control			1			1	3	4
Dividend paid							(32)	(32)
Other transactions with shareholders			7			7	2	9
Other transactions (changes in scope of consolidation and other items)		(1)	(167)		8	(160)	(2)	(162)
POSITION AT 31 DECEMBER 2018 RESTATED [b]	**2,574**	**2,481**	**4,711**		**(112)**	**9,654**	**1,386**	**11,040**
Movements during the first half of 2019								
Net profit/(loss)			225			225	72	297
Translation adjustment					56 [c]	56	2 [c]	58
Other recognised income and expense					(72)	(72)	(7)	(79)
Total recognised income and expense [d]			**225**		**(16)**	**209**	**67**	**276**
Capital and reserves transactions, net	(28)	255	(255)			(28)		(28)
Acquisitions and disposals of treasury shares			4			4		4
Acquisitions and disposals without loss of control			1			1	(9)	(8)
Dividend paid			(631)			(631)	(77)	(708)
Other transactions with shareholders			4			4		4
Other transactions (changes in scope of consolidation and other items)	1		(11)			(10)	1	(9)
POSITION AT 30 JUNE 2019	**2,547**	**2,736**	**4,048**		**(128)**	**9,203**	**1,368 [e]**	**10,571**

(a) Shareholders' equity as of 31 December 2017 has been restated for the effects of applying IFRS 9, IFRS 15 and IFRS 16.
(b) Shareholders' equity as of 30 June 2018 and 31 December 2018 has been restated for the effects of applying IFRS 16.
(c) Change in translation reserve:

Attributable to:	Group	Non-controlling interests	Total
Controlled entities	36	2	38
Joint ventures and associates	20		20
	56	**2**	**58**

(d) See statement of recognised income and expense.
(e) Of which TF1: €891 million and Bouygues Telecom: €343 million.

CONSOLIDATED CASH FLOW STATEMENT (€ million)

	Note	First half 2019	First half 2018 restated[a]	Full year 2018 restated[a]
I - CASH FLOW FROM CONTINUING OPERATIONS				
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES				
Net profit/(loss) from continuing operations		297	313	1,450
Adjustments:				
Share of profits/losses reverting to joint ventures and associates, net of dividends received		(40)	(56)	(185)
Dividends from non-consolidated companies		(5)	(9)	(32)
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions		759	788	1,762
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets		166	146	319
Gains and losses on asset disposals		(92)	(132)	(422)
Income taxes, including uncertain tax positions		132	58	426
Income taxes paid		(213)	(121)	(520)
Miscellaneous non-cash charges		(23)	(20)	(89)
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid	**11**	**981**	**967**	**2,709**
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations		136	134	273
Changes in working capital requirements related to operating activities (including current impairment and provisions) [b]	11	(1,629)	(1,273)	(399)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		**(512)**	**(172)**	**2,583**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES				
Purchase price of property, plant and equipment and intangible assets	11	(901)	(963)	(2,178)
Proceeds from disposals of property, plant and equipment and intangible assets	11	123	192	605
Net liabilities related to property, plant and equipment and intangible assets		(117)	(231)	(165)
Purchase price of non-consolidated companies and other investments		(6)	(5)	(31)
Proceeds from disposals of non-consolidated companies and other investments		6	5	65
Net liabilities related to non-consolidated companies and other investments				15
Purchase price of investments in consolidated activities		(172)	(935)	(1,568)
Proceeds from disposals of investments in consolidated activities		24	2	113
Net liabilities related to consolidated activities		(2)	(3)	(1)
Other effects of changes in scope of consolidation: cash of acquired and divested companies	7	4	60	(11)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		18	14	72
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		**(1,023)**	**(1,864)**	**(3,084)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES				
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders		(31)	(47)	(22)
Dividends paid to shareholders of the parent company		(631)	(620)	(620)
Dividends paid by consolidated companies to non-controlling interests		(77)	(60)	(92)
Change in current and non-current debt	7	1,210	596	(161)
Repayment of lease obligations	11	(165)	(150)	(310)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		(136)	(134)	(273)
Other cash flows related to financing activities		17	19	3
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES		**187**	**(396)**	**(1,475)**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**7**	**33**	**31**	**54**
CHANGE IN NET CASH POSITION (A + B + C + D)		**(1,315)**	**(2,401)**	**(1,922)**
NET CASH POSITION AT START OF PERIOD	**7**	**2,690**	**4,611**	**4,611**
Net cash flows	7	(1,315)	(2,401)	(1,922)
Non-monetary flows				
Held-for-sale operation				1
NET CASH POSITION AT END OF PERIOD	**7**	**1,375**	**2,210**	**2,690**
II - CASH FLOWS FROM DISCONTINUED AND HELD-FOR-SALE OPERATIONS				
NET CASH POSITION AT START OF PERIOD		**(1)**		**9**
Net cash flows		1		(10)
NET CASH POSITION AT END OF PERIOD				**(1)**

(a) The first-half 2018 and full-year 2018 cash flow statements have been restated for the effects of applying IFRS 16.

(b) Definition of changes in working capital requirements related to operating activities: current assets minus current liabilities, excluding (i) income taxes; (ii) receivables/liabilities related to property, plant and equipment and intangible assets; (iii) current debt; (iv) current lease obligations; and (v) financial instruments used to hedge debt.

CONTENTS

NOTE 1 SIGNIFICANT EVENTS

1.1 Significant events of the first half of 2019

The principal corporate actions and acquisitions of the first half of 2019 are presented below:

- On 18 January 2019, Bouygues Telecom finalised the acquisition of a 43.6% equity interest in Keyyo at a price of €34 per share, representing an investment of €29 million. Following two voluntary public tender offers for the entire remaining equity capital at the same price per share, Bouygues Telecom now holds an equity interest of 100% (including treasury shares), representing an investment of €61 million. As of the date control was obtained, provisional goodwill of €51 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €61 million.
- On 6 February 2019, the European Commission rejected the merger between Alstom and Siemens, who decided not to challenge that decision. The proposed merger was therefore abandoned.
- On 12 February 2019, Bouygues Construction filed arbitration proceedings against Alpiq following differences of opinion as to the amount of the final purchase price adjustment determined in connection with the sale of the services and engineering operations in 2018. Bouygues Construction is claiming an amount of CHF 205.1 million (€180 million), while Alpiq is claiming a payment of CHF 12.9 million (€11 million).
- On 14 February 2019, Colas announced that it had signed an agreement to sell Smac to a subsidiary of OpenGate Capital. Effective completion of the transaction occurred on 20 May 2019 after all the conditions precedent had been fulfilled, in particular approval from the competition authorities. This divestment reduces sales by approximately €600 million on an annual basis, and did not have a material impact on operating profit for the first half of 2019.
- On 21 February 2019, Bouygues Telecom and Dzeta Partners announced that they had reached an agreement for Bouygues Telecom to acquire 100% of the capital and voting rights of Nerim. The acquisition was completed on 13 March 2019 at a price of €55 million. As of the date control was obtained, provisional goodwill of €45 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €54 million.
- On 28 February 2019, Newen announced the acquisition of a 60% equity interest in De Mensen at a price of €18 million. As of the date control was obtained, provisional goodwill of €14 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was €30 million, including the acquisition of the residual 40% interest which will be completed in stages between 2022 and 2028.
- On 7 May 2019, Alstom announced that the Annual General Meeting of its shareholders, scheduled for 10 July 2019, would be asked to approve a dividend of €5.50 per share. The resolution was approved, as a result of which Bouygues received €341 million in cash on 17 July 2019.

1.2 Significant events of the first half of 2018

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

- On 12 January 2018, the French government and Arcep (the French telecoms regulator) signed the "New Deal Mobile" agreement with the four mobile operators, aimed at extending quality mobile coverage to the French population. The desired objective of digital roll-out across French territory led to stringent coverage obligations being imposed on the operators, in return for a ten-year renewal of their licences to use frequencies in the 900 MHz, 1800 MHz and 2100 MHz bands. Given that Bouygues Telecom's currently valid licences expire in 2022 (2100 MHz band) and in 2024 (900 MHz and 1800 MHz bands), Arcep (in decision No. 2018-0680 of 3 July 2018) amended the existing frequency licences to incorporate the new roll-out requirements. Subsequently (in decision No. 2018-1390 of 15 November 2018), Arcep formally renewed the 900 MHz, 1800 MHz and 2100 MHz licences for a further ten years. Consequently, Bouygues Telecom now holds licences to use the 900 MHz and 1800 MHz bands until 8 December 2034, and the 2100 MHz band until 11 December 2032. All frequency bands are now technologically equivalent, and hence can be used independently for 2G/3G/4G. In parallel, on 28 September 2018 the French government issued a new decree on licence fees, which stabilises the level of such fees from now on. Consequently, Bouygues Telecom has reversed out an accrued expense recognised from 2014 to 2017, which covered the risk of a rise in the fixed portion of the 1800 MHz frequency licence fee. The accrued expense, amounting to €110 million, was reversed out in the third quarter of 2018 and recognised in "Other operating income" in the consolidated income statement.

- On 17 January 2018, an agreement was signed for the acquisition by the TF1 group of the Axel Springer group's majority equity interest of 78.07% in the Aufeminin group, which in its financial year ended 31 December 2017 generated sales of €113 million and an operating profit of €12 million. The acquisition was completed on 27 April 2018 at a price of €39.47 per share, or €294 million in total. On 22 May 2018, TF1 filed a mandatory simplified tender offer for the remaining shares at the same price. That offer closed on 4 July 2018, and was followed by a squeeze-out procedure filed on 3 October 2018. Having been approved on 16 October 2018, the squeeze-out was launched on 19 October 2018 and closed on 1 November 2018, giving the TF1 group 100% of the shares and voting rights of the aufeminin group. As of 31 December 2018, provisional goodwill of €204 million was recognised after the purchase price allocation, and net debt increased by €332 million. On completion of the twelve-month purchase price allocation period, that provisional goodwill became final.

- In line with the memorandum of understanding signed on 30 August 2017, Colas completed the acquisition of the entire share capital of the Miller McAsphalt group on 28 February 2018. The Miller McAsphalt group is a major player in road construction and bitumen distribution in Canada, with a particularly strong presence in Ontario. Over the last three years, it has generated average annual sales of approximately CAD 1.3 billion; it employs 3,300 people. The purchase price paid on the completion date was CAD 913 million, equivalent to €585 million. Additional consideration of CAD 40 million (€26 million) was paid in the third quarter of 2018. Out of the total purchase price, €410 million was financed by debt. As of 31 December 2018, net debt had increased by €555 million, and provisional goodwill after the purchase price allocation amounted to €90 million as of the date control was obtained. On completion of the twelve-month purchase price allocation period, that provisional goodwill became final.

- On 26 March 2018, Bouygues Construction and Colas announced the acquisition of the entire share capital of Alpiq Engineering Services, which specialises in hard and soft services in construction and in energy, industrial and transport infrastructures. Alpiq Engineering Services employs nearly 7,650 people and generated sales of approximately CHF 1.7 billion in 2017, mainly in Switzerland (57%), Germany (24%) and Italy (12%). Following clearance from the European and Swiss competition authorities on 11 July 2018, the acquisition was completed on 31 July 2018 on the basis of an enterprise value of CHF 850 million (CHF 700 million for Bouygues Construction and CHF 150 million for Colas Rail). As of 31 December 2018, provisional goodwill of €563 million was recognised after the purchase price allocation, and net debt had increased by €619 million

- Under the agreement of 31 January 2017 between Bouygues Telecom and Cellnex (Spain), transfers of the 1,800 existing telecoms sites continued during the first half of 2018. As of 31 December 2017, 715 sites were presented in the balance sheet as "Held-for-sale assets", at a carrying amount of €38 million. During the first half of 2018, 503 sites were transferred to Cellnex for a total of €143 million. "Held-for-sale assets" was reduced to €16 million to reflect the reduction in the number of sites still held by Bouygues Telecom; the resulting gain of €104 million was recognised in "Other operating income" in the consolidated income statement for the first half of 2018. The sale of the 1,200 new sites is being spread over a five-year period as and when the sites are constructed.

- The TF1 group and the non-controlling shareholders of Newen Studios, a 70%-owned subsidiary of TF1, signed an agreement on 5 April 2018 with a view to the acquisition by TF1 of the remaining 30% of the share capital and voting rights, giving TF1 100% of Newen Studios. This transaction took place on 5 July 2018, following clearance from the French Competition Authority on 3 July 2018, and was recognised in the financial statements for the third quarter of 2018. The additional acquisition, amounting to €96 million, had already been recognised as a financial liability as of 31 December 2017.
- On 28 May 2018, Bouygues Construction announced the acquisition of AW Edwards, a well-established Australian construction company. The acquisition, finalised on 5 July 2018 and recognised in the financial statements for the third quarter of 2018, marked a further step in the Group's development strategy in Australia and strengthened its position in the construction market. The company generated sales of AUD 277 million in 2017 and employs 250 people. As of the date control was obtained, provisional goodwill of €43 million was recognised pending finalisation of the purchase price allocation; the impact on net debt was immaterial.

1.3 Significant events and changes in scope of consolidation subsequent to 30 June 2019

- The Group is not aware of any significant events subsequent to the end of the reporting period.

NOTE 2 GROUP ACCOUNTING POLICIES

2.1 Declaration of compliance

The interim condensed consolidated financial statements of Bouygues and its subsidiaries ("the Group") for the six months ended 30 June 2019 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 2018.

They were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of 30 June 2019. 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 2019 any standard or interpretation not endorsed by the European Union.

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

2.2 Basis of preparation of the financial statements

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

They were closed off by the Board of Directors on 28 August 2019.

The interim condensed consolidated financial statements for the six months ended 30 June 2019 were prepared in accordance with IFRS using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is required under IFRS. They include comparatives with the financial statements for the year ended 31 December 2018, as restated (see Note 14) for the application of IFRS 16 and IFRIC 23 from 1 January 2019; and with the financial statements for the six months ended 30 June 2018, as restated for the application of IFRS 16.

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

- Income taxes of consolidated entities for interim periods are assessed in accordance with IAS 34: the income taxes of each entity for the period are recognised on the basis of the best estimate of the average annual effective income tax rate for the financial year (except in the case of holding companies, which recognise income taxes on the basis of the actual tax position at the end of the period).
- Employee benefit expenses for interim periods are recognised pro rata based on the estimated expense for the full year, calculated using the same actuarial assumptions and projections as those applied as of 31 December 2018 except for the discount rate, which has been reduced from 2.10% as of 31 December 2018 to 1.31% as of 30 June 2019; this has resulted in an increase of €54 million in the provision for lump-sum retirement benefits. A further reduction of 70 basis points in the discount rate would increase the provision by €56 million. That impact would be recognised in the statement of recognised income and expense.

2.3 New accounting standards and interpretations

The Bouygues group applied the same standards, interpretations and accounting policies in the six months ended 30 June 2019 as were applied in its consolidated financial statements for the year ended 31 December 2018, except for changes required to meet new IFRS requirements applicable from 1 January 2019 (see below).

- New standard and interpretation effective within the European Union and mandatorily applicable from 1 January 2019:

  - **IFRS 16: Leases**

    On 13 January 2016, the IASB issued IFRS 16, “Leases”, replacing IAS 17 and the associated IFRIC and SIC interpretations. The new standard was endorsed by the European Union on 31 October 2017 and is applicable from 1 January 2019. The Group did not early adopt this new standard. Bouygues has applied IFRS 16 from 1 January 2019, and for first-time application elected the retrospective approach with presentation of a comparative year.

    The estimated impacts of applying IFRS 16 on the financial statements as of 30 June 2018 and 31 December 2018 are presented in Note 14.

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

    On 7 June 2017, the IFRS Interpretations Committee issued IFRIC 23, which clarifies the accounting treatments used to recognise the fiscal consequences of uncertainties relating to income taxes. IFRIC 23 was endorsed by the European Union on 23 October 2018 and is applicable from 1 January 2019. The Group did not early adopt IFRIC 23.

    The impact of applying IFRIC 23 as of 1 January 2019 is not material, and is presented in Note 14.

2.4 Financial indicators

2.4.1 EBITDA after Leases

“EBITDA after Leases” is defined as “Current operating profit after Leases” (i.e. current operating profit after taking account of interest expense on lease obligations), before (i) net depreciation and amortisation expense on property, plant and equipment and intangible assets, (ii) net charges to provisions and impairment losses, and (iii) effects of acquisitions of control or losses of control. Those effects relate to the impact of remeasuring previously-held interests or retained interests.

In the first half of 2018, the tax-exempt competitiveness and employment tax credit (*CICE*) to which French companies were entitled was recognised in current operating profit, as a reduction in personnel costs. With effect from 1 January 2019, the *CICE* has been replaced by a reduction in the employer’s payroll-based contribution, which increases the tax base.

The main components of current operating profit included in the line items “Other income from operations” and “Other expenses on operations” are net foreign exchange differences on commercial transactions, gains and losses on disposals of non-current assets, profits and losses from joint operations, royalties on the licensing of patents, and (in the case of Colas) revenue from sales of raw material (bitumen) to asphalt and emulsion entities in the form of *Sociétés en Participation* (SEPs) or economic interest groupings that subsequently sell the asphalt and emulsion back to Colas.

Profits and losses from joint operations represent the Group’s share of profits or losses from non-consolidated companies (SEPs, etc.), for example those that operate asphalt and binder production facilities.

2.4.2 Net debt/Net surplus cash

Net debt (or net surplus cash) is obtained by aggregating the following items:

- cash and cash equivalents;
- overdrafts and short-term bank borrowings;
- non-current and current debt;
- financial instruments (used to hedge financial liabilities measured at fair value).

Net debt/net surplus cash does not include non-current and current lease obligations.

A positive figure represents net surplus cash and a negative figure represents net debt.

2.4.3 Free cash flow after changes in working capital requirements

"Free cash flow after changes in working capital requirements" is defined as net cash flow (determined after (i) cost of net debt, (ii) interest expense on lease obligations and (iii) income taxes paid), minus net capital expenditure and repayments of lease obligations.

It is calculated after changes in working capital requirements related to operating activities.

2.4.4 Changes in working capital requirements related to operating activities

"Changes in working capital requirements related to operating activities" as presented in the cash flow statement is obtained by aggregating the following items:

- net change in inventories and work in progress;
- net change in advances and down-payments made on orders;
- net change in trade receivables;
- net change in customer contract assets;
- net change in trade payables;
- net change in customer contract liabilities;
- net change in current provisions;
- net change in other current asset and liability items, excluding (i) income taxes; (ii) net cash and cash equivalents and current debt; (iii) hedging instruments; (iv) current lease obligations; and (v) receivables/ liabilities related to property, plant and equipment and intangible assets.

2.5 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

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

3.1 Goodwill

3.1.1 Movement in the carrying amount of goodwill in the period

	Carrying amount
31/12/2018 restated	**6,301**
Changes in scope of consolidation	158 [a]
Impairment losses	
Other movements (including translation adjustments)	12
30/06/2019	**6,471**

(a) Includes goodwill of €51m and €45m on the acquisitions of Keyyo and Nerim respectively by Bouygues Telecom; €42m for an additional adjustment to the Alpiq Engineering Services opening balance sheet; and goodwill of €14m on the acquisition of De Mensen by TF1.

3.1.2 Split of goodwill by Cash Generating Unit (CGU)

CGU	30/06/2019		31/12/2018 restated	
	Total	% Bouygues or subsidiaries	Total	% Bouygues or subsidiaries
Bouygues Construction [a]	1,023	99.97%	975	99.97%
Colas [b]	1,304	96.66%	1,292	96.65%
TF1 [b]	1,400	43.73%	1,386	43.80%
Bouygues Telecom [b]	2,744	90.53%	2,648	90.53%
Total	**6,471**		**6,301**	

(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.

In the absence of any evidence of impairment, the goodwill recognised as of 30 June 2019 has not been subject to further impairment testing.

3.2 Investments in joint ventures and associates

	Carrying amount
31/12/2018 restated	**2,633**
Share of net profit/(loss) for the period	59
Translation adjustments	20
Other income and expense recognised directly in equity	(20)
Net profit/(loss) and other recognised income and expense	**59**
Changes in scope of consolidation	
Other movements (dividends, etc.)	(12)
30/06/2019	**2,680**

The profit contribution from Alstom recognised in the Bouygues group's financial statements for the first half of 2019 was calculated on the basis of the results published by Alstom on 7 May 2019 for its 2018/19 financial year. Given the time-lag between the accounting year-ends of Alstom (31 March) and Bouygues (31 December), Alstom's net profit contribution to the Bouygues group for the first half of Alstom's 2018/19 financial year was recognised in the Bouygues financial statements for the nine months ended 30 September 2018.

Alstom's contribution to the net profit of Bouygues for the first half of 2019 was €33 million, compared with €73 million in the first half of 2018.

The €2,117 million carrying amount of the interest in Alstom in the Bouygues consolidated balance sheet as of 30 June 2019 (€2,087 million at 31 December 2018) was calculated on the basis of Alstom's equity before applying IFRS 16, which is expected to reduce the amount of Alstom's equity. The impact of this change as of the transition date (1 April 2019), which was reported as being immaterial in the notes to Alstom's financial statements for the year ended 31 March 2019, will be recognised in equity by the Bouygues group as of 30 September 2019.

NOTE 4 CONSOLIDATED SHAREHOLDERS' EQUITY

Share capital of Bouygues SA

As of 30 June 2019, the share capital of Bouygues SA consisted of 371,696,908 shares with a par value of €1.

		Movements during 2019		
	31/12/2018	**Increases**	**Reductions**	**30/06/2019**
Shares	372,377,939	188,801 a	(869,832) b	371,696,908
NUMBER OF SHARES	**372,377,939**	**188,801**	**(869,832)**	**371,696,908**
Par value	€1			€1
SHARE CAPITAL (€)	**372,377,939**	**188,801**	**(869,832)**	**371,696,908**

(a) The increase of 188,801 shares was due to new shares being issued on exercise of stock options.

(b) The reduction reflects the cancellation of 869,832 treasury shares acquired by Bouygues SA on 4 January 2019, which reduced share capital and share premium by €32m.

An amount of €16 million was received in January 2019 under the Bouygues Confiance n°10 employee share ownership plan.

NOTE 5 NON-CURRENT AND CURRENT PROVISIONS

5.1 Non-current provisions

	Long-term employee benefits [a]	Litigation and claims [b]	Guarantees given [c]	Other non-current provisions [d]	Total	
31/12/2018 restated	**818**	**286**	**377**	**561**	**2,042**	
Translation adjustments	1			2	3	
Changes in scope of consolidation	(1)	(1)	3	3	4	
Charges	25	15	27	17	84	
Reversals of provisions (utilised or unutilised)	(26)	(39)	(26)	(61)	(152)	e
Actuarial gains and losses	39				39	f
Transfers and other movements			2	9	11	
30/06/2019	**856**	**261**	**383**	**531**	**2,031**	

(a) Long-term employee benefits	**856**	**Principal segments involved:**	
Lump-sum retirement benefits	576	Bouygues Construction	310
Long-service awards	135	Colas	363
Other long-term employee benefits	145	TF1	46
		Bouygues Telecom	93
(b) Litigation and claims	**261**	Bouygues Construction	100
Provisions for customer disputes	89	Bouygues Immobilier	17
Subcontractor claims	55	Colas	84
Employee-related and other litigation and claims	117	Bouygues Telecom	51
(c) Guarantees given	**383**	Bouygues Construction	306
Provisions for 10-year construction guarantees	261	Bouygues Immobilier	23
Provisions for additional building/civil engineering/civil works guarantees	122	Colas	54
(d) Other non-current provisions	**531**	Bouygues Construction	80
Provisions for risks related to official inspections	110	Colas	278
Provisions for miscellaneous foreign risks	25	Bouygues Telecom	139
Provisions for subsidiaries and affiliates	56		
Dismantling and site rehabilitation	295		
Other non-current provisions	45		
(e) Including reversals of unutilised provisions in the first half of 2019	**(50)**		

(f) Impacts arising from a change in the Iboxx A10+ rate (1.31% in June 2019, versus 2.10% in December 2018), partly offset by an update to employee turnover tables.

5.2 Current provisions

Provisions related to the operating cycle	Provisions for customer warranties	Provisions for project risks and project completion	Provisions for expected losses to completion	Other current provisions	Total
31/12/2018 restated	**40**	**370**	**343**	**242**	**995**
Translation adjustments		3	(2)	2	3
Changes in scope of consolidation		(1)	25	(2)	22
Charges	6	63	150	50	269
Reversals of provisions (utilised or unutilised)	(3)	(75)	(109)	(69)	(256) [a]
Transfers and other movements	(1)			(1)	(2)
30/06/2019	**42**	**360**	**407**	**222**	**1,031**

(a) Includes reversals of unutilised provisions in the first half of 2019: €(55)m.

NOTE 6 NON-CURRENT AND CURRENT DEBT

6.1 Breakdown of debt

	Current debt		Non-current debt	
	30/06/2019	**31/12/2018 restated**	**30/06/2019**	**31/12/2018 restated**
Bond issues	1,114	1,098	3,825	3,820
Bank borrowings	123	102	1,755	1,151
Other borrowings	39	40	678	77
TOTAL NON-CURRENT AND CURRENT DEBT	**1,276**	**1,240**	**6,258**	**5,048**

Non-current debt increased by €1,210 million, mainly at Colas (by €562 million) and at Bouygues SA (by €595 million, following the issuance of commercial paper that has been classified as non-current due to management's intention and ability to maintain or refinance this position for a period of more than twelve months.

6.2 Covenants and trigger events

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

The bank credit facilities contracted by Bouygues SA contain no financial covenants or trigger event clauses. The same applies to Bouygues SA subsidiaries, except for the €471 million financing obtained by Colas in Canada which temporarily includes a leveraged covenant clause based on the debt to EBITDA ratio as defined in the contract.

NOTE 7 CHANGE IN NET DEBT

	31/12/2018 restated	Translation adjustments	Changes in scope of consolidation	Cash flows	Fair value adjustments	Other movements [c]	30/06/2019
Cash and cash equivalents	2,928	17	6	(1,146)		8	1,813
Overdrafts and short-term bank borrowings	(238)	16	(2)	(206)		(8)	(438)
NET CASH POSITION (A)	**2,690**	**33** [a]	**4** [a]	**(1,352)** [a]	[a]	[a]	**1,375**
Non-current debt	5,048	17	11	1,182 [b]	(3)	3	6,258
Current debt	1,240	1	2	28 [b]		5	1,276
Financial instruments, net	14				32		46
TOTAL DEBT (B)	**6,302**	**18**	**13**	**1,210**	**29**	**8**	**7,580**
NET DEBT (A) - (B)	**(3,612)**	**15**	**(9)**	**(2,562)**	**(29)**	**(8)**	**(6,205)**

(a) Net cash outflow of €1,315m for the first half of 2019, as reported in the cash flow statement.

(b) Net cash inflow of €1,210m from financing activities for the first half of 2019, as reported in the cash flow statement, and comprising total inflows of €1,464m and total outflows of €(254)m.

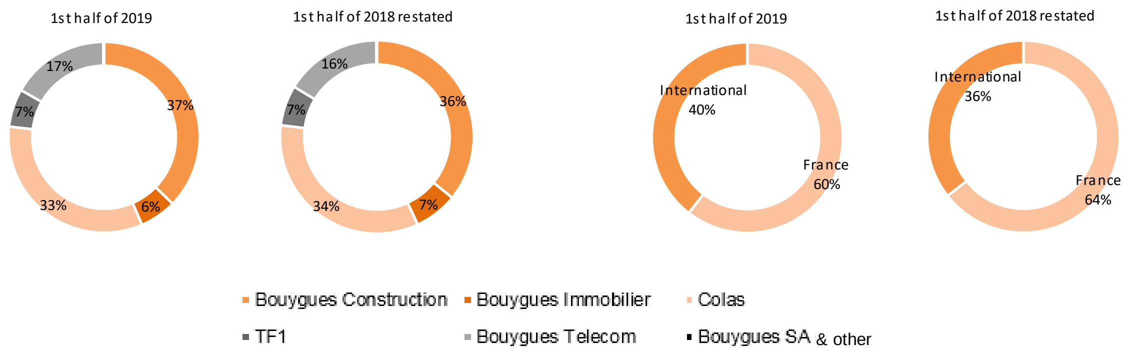
(c) Other movements mainly comprise TF1's commitment to buy out the non-controlling interests in De Mensen, which increased net debt by €12m.

NOTE 8 ANALYSIS OF SALES – FRANCE & INTERNATIONAL

	1st half of 2019				1st half of 2018 restated			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	2,531	3,974	6,505	37	2,664	2,978	5,642	36
Bouygues Immobilier	1,015	71	1,086	6	1,086	53	1,139	7
Colas	3,045	2,762	5,807	33	2,830	2,504	5,334	34
TF1	1,053	70	1,123	7	1,009	53	1,062	7
Bouygues Telecom	2,901	0	2,901	17	2,551	0	2,551	16
Bouygues SA & other	8	16	24		3	12	15	
CONSOLIDATED SALES	**10,553**	**6,893**	**17,446**	**100**	**10,143**	**5,600**	**15,743**	**100**

Split of total sales

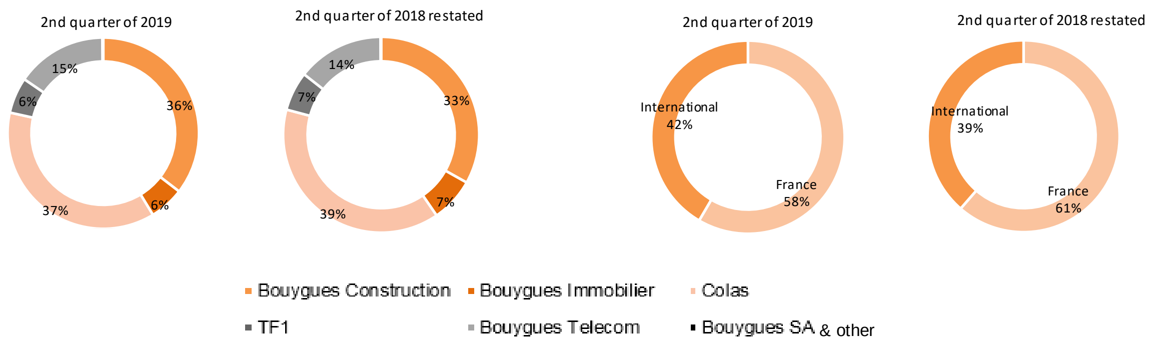
By business segment **By geographical area**



	2nd quarter of 2019				2nd quarter of 2018 restated			
	France	International	Total	%	France	International	Total	%
Bouygues Construction	1,320	2,052	3,372	36	1,365	1,589	2,954	33
Bouygues Immobilier	532	27	559	6	615	37	652	7
Colas	1,704	1,829	3,533	37	1,678	1,773	3,451	39
TF1	540	39	579	6	540	36	576	7
Bouygues Telecom	1,456	0	1,456	15	1,275	0	1,275	14
Bouygues SA & other	6	8	14		1	8	9	
CONSOLIDATED SALES	**5,558**	**3,955**	**9,513**	**100**	**5,474**	**3,443**	**8,917**	**100**

Split of total sales

By business segment **By geographical area**



NOTE 9 OPERATING PROFIT

	1st half		2nd quarter	
	2019	2018 restated	2019	2018 restated
CURRENT OPERATING PROFIT	**453**	**333**	**511**	**427**
Other operating income	54	109	37	38
Other operating expenses	(12)	(29)	(10)	(13)
OPERATING PROFIT	**495**	**413**	**538**	**452**

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

The main components of "Other operating income" and "Other operating expenses" are:

1st half of 2019
Bouygues Telecom: Net income of €50 million, comprising a €47 million gain on the transfer of 231 mobile sites and 7 towers to Cellnex plus €7 million of other operating income, partly offset by a €4 million expense on the roll-out of network sharing.
Bouygues Construction: €8 million of restructuring expenses.

1st half of 2018 restated
Bouygues Telecom: Net income of €91 million, comprising a €104 million gain on the transfer of 503 mobile sites to Cellnex plus €5 million of other operating income, partly offset by an €18 million expense on the roll-out of network sharing.
TF1: Amortisation of €11 million charged against the fair value of rights remeasured as part of the Newen Studios purchase price allocation.

NOTE 10 INCOME TAXES

	1st half		2nd quarter	
	2019	2018 restated	2019	2018 restated
INCOME TAX GAIN/(EXPENSE)	**(132)**	**(58)**	**(157)**	**(112)**

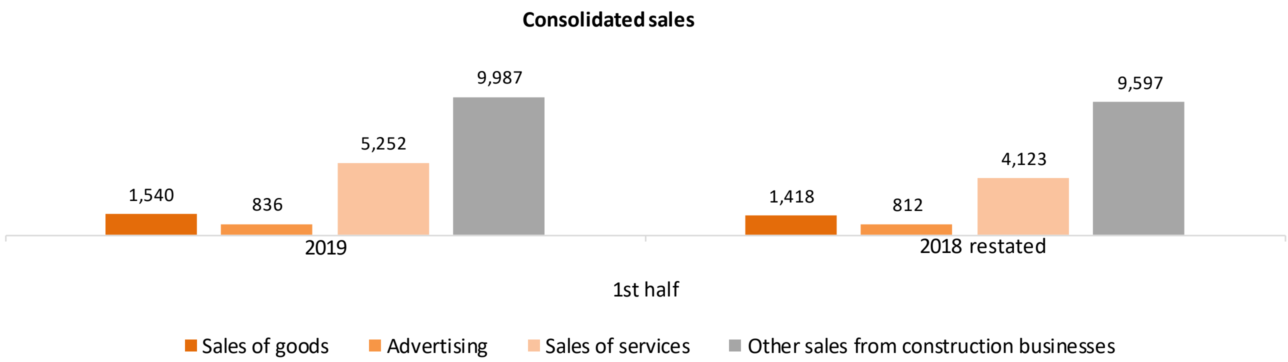
The effective tax rate for the first half of 2019 was 36%, versus 20% for the first half of 2018 as restated. The increase in the effective tax rate in the first half of 2019 is attributable to the French competitiveness and employment tax credit (*CICE*) no longer being tax-exempt, and to the fact that a higher proportion of the Group's profits was generated in France (which automatically raises the effective tax rate).

NOTE 11 SEGMENT INFORMATION

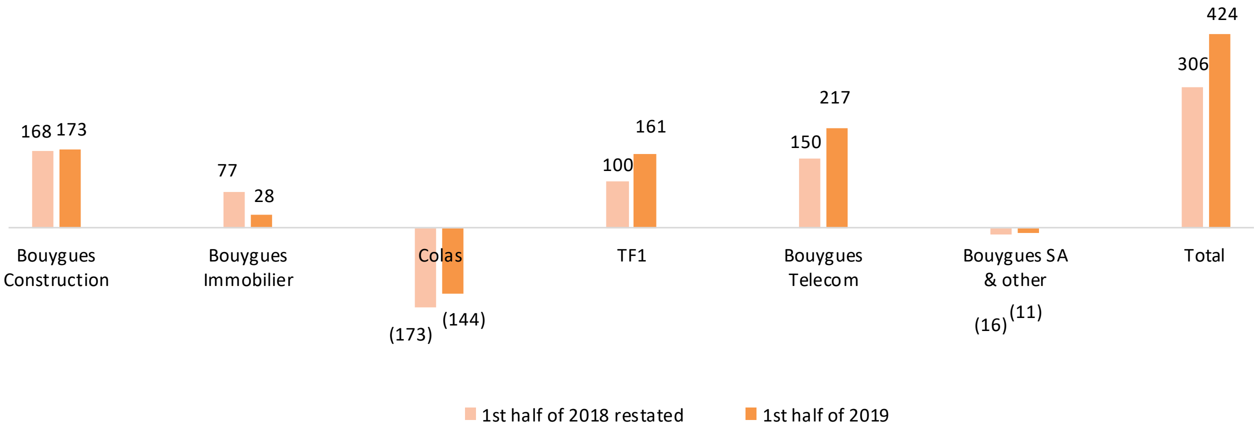
The tables below show the contribution made by each business segment to key items in the income statement, balance sheet and cash flow statement:

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
INCOME STATEMENT: 1st half of 2019							
Sales of goods	53		1,078	58	351		**1,540**
Advertising				836			**836**
Sales of services	2,117	29	195	251	2,562	98	**5,252**
Other sales from construction businesses	4,369	1,057	4,561				**9,987**
Total sales	6,539	1,086	5,834	1,145	2,913	98	**17,615**
Inter-segment sales	(34)		(27)	(22)	(12)	(74)	**(169)**
THIRD-PARTY SALES	**6,505**	**1,086**	**5,807**	**1,123**	**2,901**	**24**	**17,446**
CURRENT OPERATING PROFIT/(LOSS)	**179**	**29**	**(136)**	**163**	**230**	**(12)**	**453**
CURRENT OPERATING PROFIT/(LOSS) after Leases [a]	**173**	**28**	**(144)**	**161**	**217**	**(11)**	**424**
OPERATING PROFIT/(LOSS)	**171**	**29**	**(136)**	**163**	**280**	**(12)**	**495**
OPERATING PROFIT/(LOSS) after Leases [a]	**165**	**28**	**(144)**	**161**	**267**	**(11)**	**466**
Interest expense on lease obligations	(6)	(1)	(8)	(2)	(13)	1	(29)
Share of net profits/(losses) of joint ventures and associates	4	(2)	25			32	59
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**121**	**13**	**(99)**	**47**	**150**	**(7)**	**225**
INCOME STATEMENT: 1st half of 2018 restated							
Sales of goods	76		951	53	338		**1,418**
Advertising				812			**812**
Sales of services	1,415	19	169	219	2,225	76	**4,123**
Other sales from construction businesses	4,235	1,121	4,241				**9,597**
Total sales	5,726	1,140	5,361	1,084	2,563	76	**15,950**
Inter-segment sales	(84)	(1)	(27)	(22)	(12)	(61)	**(207)**
THIRD-PARTY SALES	**5,642**	**1,139**	**5,334**	**1,062**	**2,551**	**15**	**15,743**
CURRENT OPERATING PROFIT/(LOSS)	**173**	**78**	**(167)**	**102**	**163**	**(16)**	**333**
CURRENT OPERATING PROFIT/(LOSS) after Leases [a]	**168**	**77**	**(173)**	**100**	**150**	**(16)**	**306**
OPERATING PROFIT/(LOSS)	**173**	**78**	**(167)**	**91**	**254**	**(16)**	**413**
OPERATING PROFIT/(LOSS) after Leases [a]	**168**	**77**	**(173)**	**89**	**241**	**(16)**	**386**
Interest expense on lease obligations	(5)	(1)	(6)	(2)	(13)		(27)
Share of net profits/(losses) of joint ventures and associates	1	(2)	17			72	88
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**140**	**41**	**(125)**	**29**	**142**	**34**	**261**

(a) "Current operating profit/(loss) after Leases" and "Operating profit/(loss) after Leases" are calculated from current operating profit/(loss) and operating profit/(loss) so that those indicators can be presented including interest expense on lease obligations determined in accordance with IFRS 16.

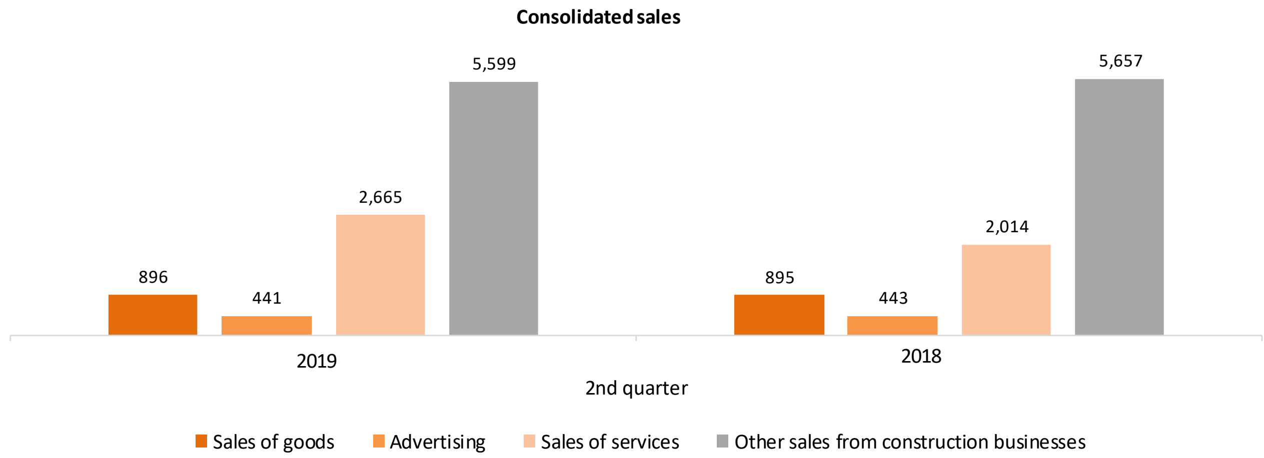


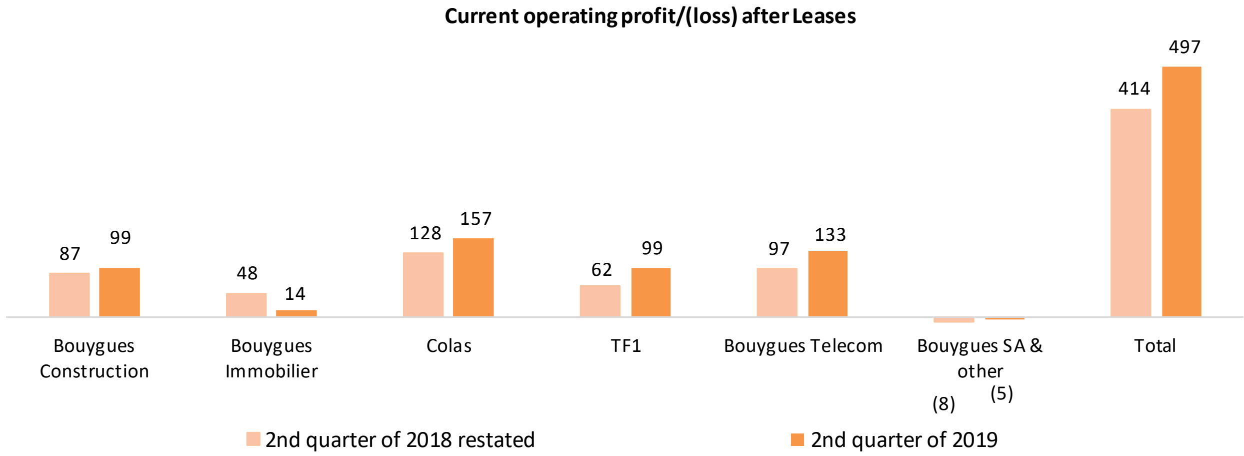
Current operating profit/(loss) after Leases



	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
INCOME STATEMENT: 2nd quarter of 2019							
Sales of goods	26		680	21	169		**896**
Advertising				441			**441**
Sales of services	1,078	18	96	129	1,293	51	**2,665**
Other sales from construction businesses	2,287	541	2,771				**5,599**
Total sales	3,391	559	3,547	591	1,462	51	**9,601**
Inter-segment sales	(19)		(14)	(12)	(6)	(37)	**(88)**
THIRD-PARTY SALES	**3,372**	**559**	**3,533**	**579**	**1,456**	**14**	**9,513**
CURRENT OPERATING PROFIT/(LOSS)	**102**	**15**	**162**	**100**	**139**	**(7)**	**511**
CURRENT OPERATING PROFIT/(LOSS) after Leases [a]	**99**	**14**	**157**	**99**	**133**	**(5)**	**497**
OPERATING PROFIT/(LOSS)	**94**	**15**	**162**	**100**	**174**	**(7)**	**538**
OPERATING PROFIT/(LOSS) after Leases [a]	**91**	**14**	**157**	**99**	**168**	**(5)**	**524**
Interest expense on lease obligations	(3)	(1)	(5)	(1)	(6)	2	(14)
Share of net profits/(losses) of joint ventures and associates	6		17			(1)	22
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**66**	**7**	**120**	**29**	**97**	**(35)**	**284**
INCOME STATEMENT: 2nd quarter of 2018 restated							
Sales of goods	47		658	28	162		**895**
Advertising				443			**443**
Sales of services	731	10		114	1,120	39	**2,014**
Other sales from construction businesses	2,209	643	2,805				**5,657**
Total sales	2,987	653	3,463	585	1,282	39	**9,009**
Inter-segment sales	(33)	(1)	(12)	(9)	(7)	(30)	**(92)**
THIRD-PARTY SALES	**2,954**	**652**	**3,451**	**576**	**1,275**	**9**	**8,917**
CURRENT OPERATING PROFIT/(LOSS)	**89**	**48**	**131**	**63**	**104**	**(8)**	**427**
CURRENT OPERATING PROFIT/(LOSS) after Leases [a]	**87**	**48**	**128**	**62**	**97**	**(8)**	**414**
OPERATING PROFIT/(LOSS)	**89**	**48**	**131**	**58**	**134**	**(8)**	**452**
OPERATING PROFIT/(LOSS) after Leases [a]	**87**	**48**	**128**	**57**	**127**	**(8)**	**439**
Interest expense on lease obligations	(2)		(3)	(1)	(7)		(13)
Share of net profits/(losses) of joint ventures and associates		(1)	8			(1)	6
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**77**	**25**	**85**	**18**	**72**	**(30)**	**247**

(a) "Current operating profit/(loss) after Leases" and "Operating profit/(loss) after Leases" are calculated from current operating profit/(loss) and operating profit/(loss) so that those indicators can be presented including interest expense on lease obligations determined in accordance with IFRS 16.





	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
EBITDA after Leases: 1st half of 2019							
Current operating profit/(loss) after Leases	**173**	**28**	**(144)**	**161**	**217**	**(11)**	**424**
Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses							
▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets	86	5	195	111	417	4	818
▪ Charges to provisions & impairment losses, net	69	(8)	19	(6)	22	(4)	92
Elimination of items included in other income from operations							
▪ Reversals of unutilised provisions and impairment and other items	(61)	(9)	(41)	(2)	(3)		(116)
EBITDA after Leases: 1st half of 2019	**267**	**16**	**29**	**264**	**653**	**(11)**	**1,218**
EBITDA after Leases: 1st half of 2018 restated							
Current operating profit/(loss) after Leases	**168**	**77**	**(173)**	**100**	**150**	**(16)**	**306**
Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses							
▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets	96	5	192	111	394	5	**803**
▪ Charges to provisions & impairment losses, net	5	(11)	17	16	13	(6)	**34**
Elimination of items included in other income from operations							
▪ Reversals of unutilised provisions and impairment and other items	(95)	(18)	(82)	(5)	(6)	(2)	**(208)**
EBITDA after Leases: 1st half of 2018 restated	**174**	**53**	**(46)**	**222**	**551**	**(19)**	**935**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
EBITDA after Leases: 2nd quarter of 2019							
Current operating profit/(loss) after Leases	**99**	**14**	**157**	**99**	**133**	**(5)**	**497**
Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses							
▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets	43	3	125	51	212	2	436
▪ Charges to provisions & impairment losses, net	55	7	19	(1)	10	(2)	88
Elimination of items included in other income from operations							
▪ Reversals of unutilised provisions and impairment and other items	(35)	(2)	(28)	(1)	(2)		(68)
EBITDA after Leases: 2nd quarter of 2019	**162**	**22**	**273**	**148**	**353**	**(5)**	**953**
EBITDA after Leases: 2nd quarter of 2018 restated							
Current operating profit/(loss) after Leases	**87**	**48**	**128**	**62**	**97**	**(8)**	**414**
Elimination of net depreciation and amortisation expense and net charges to provisions and impairment losses							
▪ Net depreciation and amortisation expense on property, plant and equipment and intangible assets	54	2	120	54	203	4	**437**
▪ Charges to provisions & impairment losses, net	26	1	13	8	3		**51**
Elimination of items included in other income from operations							
▪ Reversals of unutilised provisions and impairment and other items	(44)	(1)	(54)	(3)	(2)	(3)	**(107)**
EBITDA after Leases: 2nd quarter of 2018 restated	**123**	**50**	**207**	**121**	**301**	**(7)**	**795**

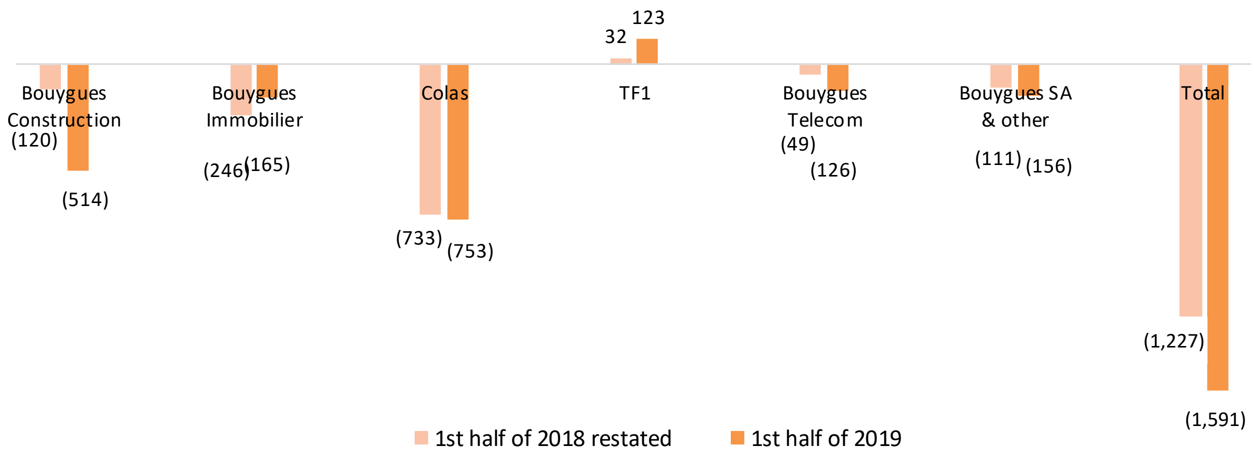
	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Financial indicators: BALANCE SHEET 30/06/2019							
NET SURPLUS CASH/(NET DEBT)	**2,407**	**(577)**	**(1,544)**	**(29)**	**(1,720)**	**(4,742)**	**(6,205)**
Financial indicators: BALANCE SHEET 31/12/2018 restated							
NET SURPLUS CASH/(NET DEBT)	**3,119**	**(238)**	**(475)**	**(28)**	**(1,275)**	**(4,715)**	**(3,612)**

	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 1st half of 2019							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	232	(10)	(20)	236	591	(48)	981
Changes in working capital requirements related to operating activities, including current impairment and provisions (II)	(594)	(145)	(595)	10	(199)	(106)	(1,629)
Acquisitions of property, plant and equipment and intangible assets, net of disposals (III)	(106)	(6)	(97)	(114)	(454)	(1)	(778)
Repayment of lease obligations (IV)	(46)	(4)	(41)	(9)	(64)	(1)	(165)
FREE CASH FLOW AFTER CHANGE IN WORKING CAPITAL REQUIREMENTS (I) + (II) + (III) + (IV)	**(514)**	**(165)**	**(753)**	**123**	**(126)** [a]	**(156)**	**(1,591)**
Other financial indicators: 1st half of 2018 restated							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	231	38	3	168	562	(35)	967
Changes in working capital requirements related to operating activities, including current impairment and provisions (II)	(249)	(275)	(553)	(41)	(82)	(73)	(1,273)
Acquisitions of property, plant and equipment and intangible assets, net of disposals (III)	(64)	(4)	(152)	(88)	(461)	(2)	(771)
Repayment of lease obligations (IV)	(38)	(5)	(31)	(7)	(68)	(1)	(150)
FREE CASH FLOW AFTER CHANGE IN WORKING CAPITAL REQUIREMENTS (I) + (II) + (III) + (IV)	**(120)**	**(246)**	**(733)**	**32**	**(49)** [b]	**(111)**	**(1,227)**

(a) Free cash flow at Bouygues Telecom for the first half of 2019 before changes in working capital requirements related to operating activities of €(199)m amounts to €73m.

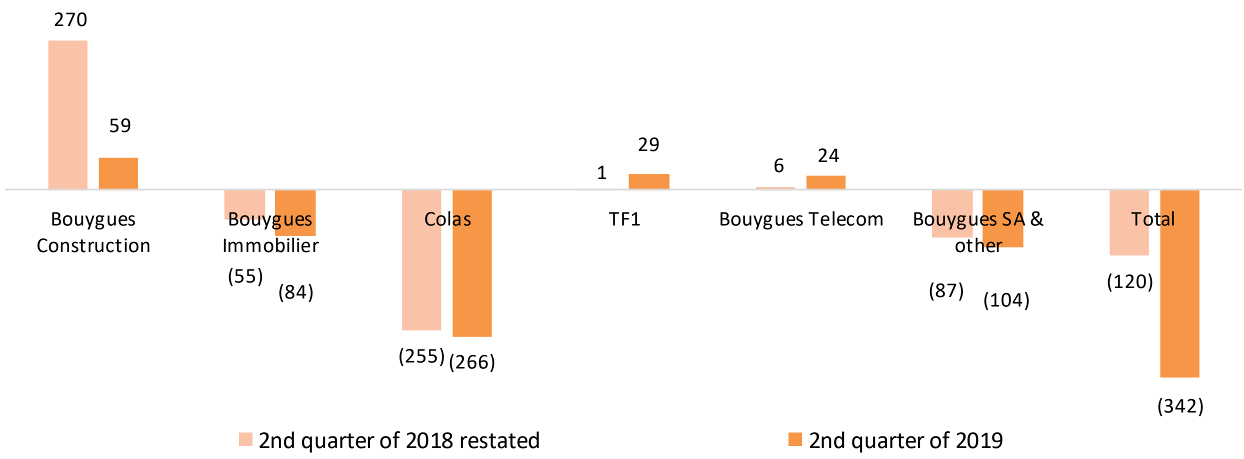
(b) Free cash flow at Bouygues Telecom for the first half of 2018 before changes in working capital requirements related to operating activities of €(82)m amounts to €33m.

Free cash flow after change in working capital requirements related to operating activities



	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total
Other financial indicators: 2nd quarter of 2019							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	119	(9)	237	128	313	(14)	774
Changes in working capital requirements related to operating activities, including current impairment and provisions (II)	13	(69)	(412)	(26)	(108)	(90)	(692)
Acquisitions of property, plant and equipment and intangible assets, net of disposals (III)	(49)	(4)	(70)	(69)	(151)	1	(342)
Repayment of lease obligations (IV)	(24)	(2)	(21)	(4)	(30)	(1)	(82)
FREE CASH FLOW AFTER CHANGE IN WORKING CAPITAL REQUIREMENTS (I) + (II) + (III) + (IV)	**59**	**(84)**	**(266)**	**29**	**24**	**(104)**	**(342)**
Other financial indicators: 2nd quarter of 2018 restated							
Cash flow after cost of net debt, interest expense on lease obligations and income taxes paid (I)	111	28	248	76	303	(3)	763
Changes in working capital requirements related to operating activities, including current impairment and provisions (II)	223	(78)	(415)	(24)	(28)	(84)	(406)
Acquisitions of property, plant and equipment and intangible assets, net of disposals (III)	(44)	(2)	(73)	(48)	(237)	1	(403)
Repayment of lease obligations (IV)	(20)	(3)	(15)	(3)	(32)	(1)	(74)
FREE CASH FLOW AFTER CHANGE IN WORKING CAPITAL REQUIREMENTS (I) + (II) + (III) + (IV)	**270**	**(55)**	**(255)**	**1**	**6**	**(87)**	**(120)**

Free cash flow after change in working capital requirements related to operating activities



NOTE 12 OFF BALANCE SHEET COMMITMENTS

There has been no material change in off balance sheet commitments since 31 December 2018 except for commitments under operating leases and finance leases, which are now presented within “Non-current lease obligations” and “Current lease obligations” in the balance sheet in accordance with IFRS 16.

NOTE 13 RELATED PARTY DISCLOSURES

	Expenses		Income		Receivables		Payables	
Transaction	**H1 2019**	**H1 2018 restated**	**H1 2019**	**H1 2018 restated**	**30/06/19**	**31/12/2018 restated**	**30/06/19**	**31/12/2018 restated**
Parties with an ownership interest	3	3					1	
Joint operations	112	53	130	114	272	265	307	301
Investments in joint ventures and associates	33	12	89	65	256	243	64	69
Other related parties	27	14	61	55	67	63	47	42
Total	**175**	**82**	**280**	**234**	**595**	**571**	**419**	**412**
. Maturity								
less than 1 year					544	518	418	408
1 to 5 years						27		4
more than 5 years					51	26		
. of which impairment of doubtful receivables (mainly non-consolidated companies)					70	72		

NOTE 14 IMPACTS OF FIRST-TIME APPLICATION OF IFRS 16, "LEASES" AND IFRIC 23, "UNCERTAINTY OVER INCOME TAX TREATMENTS"

This note presents the effects of first-time application of IFRS 16 and IFRIC 23 on the consolidated financial statements and key performance indicators of the Bouygues group.

The Bouygues group has applied IFRS 16 with effect from 1 January 2019, with retrospective application and presentation of a comparative year. For lessees, IFRS 16 ends the distinction previously made between operating leases and finance leases. Lessees are required to account for all leases with a term of more than one year in a manner similar to that previously specified for finance leases under IAS 17, involving the recognition of an asset for the rights, and a liability for the obligations, arising under the lease.

The Group has elected to apply the practical expedients permitted by IFRS 16 to exclude leases where the as-new value of the underlying asset is less than €5,000, and assets where the lease term is reasonably certain to be less than twelve months. Such leases are recognised in profit or loss as and when lease payments are made. The Group has also elected to account for each lease component separately, distinguishing the lease components from the non-lease (service) components.

As permitted by IFRS 16, Bouygues has not elected to apply the standard to leases of intangible assets.

The impacts on the balance sheet as of 31 December 2017 (restated for IFRS 15 and IFRS 9), and on the financial statements as of 30 June 2018 and 31 December 2018, are presented below; they relate mainly to the recognition of a right-of-use asset and a lease obligation, primarily in respect of property leases, mobile sites and optical fibre. The lease term used is the non-cancellable period of the lease, plus any extension options that the Group is reasonably certain to exercise. In the case of leases of property in France, the lease term is generally nine years. Given the absence of significant initial direct costs, the right-of-use asset equates to the present value of the future lease payments; it is amortised, and written down by means of an impairment allowance if there is an indication that it may have become impaired.

The amounts of finance lease assets and liabilities previously classified as property, plant and equipment and as debt have been reclassified to "Right of use of leased assets" and "Lease obligations" respectively. Deferred taxes have been recognised on the difference between right-of-use assets and lease obligations falling within the scope of IFRS 16, as was previously the case with finance leases.

IFRS 16 has the effect of reducing consolidated shareholders' equity as of 31 December 2017 by €74 million, net of deferred taxes. Given the time-lag between the annual accounting period-ends of Alstom (31 March) and of Bouygues (31 December), the impact of first-time application of IFRS 16 by Alstom has not been reflected in the balance sheets as of 31 December 2017 and 2018, or in the 2018 first-half figures, as presented below. Alstom is applying IFRS 16 with effect from 1 April 2019, and will not disclose the impact on its shareholders' equity until it publishes results for the first half of its 2019/2020 financial year. Consequently, the reduction in the value of Alstom arising from first-time application of IFRS 16 – which is expected to be immaterial – will be recognised in the Bouygues group's shareholders' equity as of 30 September 2019.

The Bouygues group has applied IFRIC 23 retrospectively with effect from 1 January 2019, with no restatement of prior period comparatives on first-time application. First-time application has no impact on consolidated shareholders' equity, and results in provisions for risks that relate to corporate income taxes being reclassified as tax liabilities. The impact of IFRIC 23 on the balance sheet as of 31 December 2018 is presented below.

Consolidated financial statements as of 31 December 2017, restated for IFRS 16

Balance sheet

ASSETS	31/12/2017 published [a]	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total IFRS 16 impacts	31/12/2017 restated
Property, plant and equipment	6,658			(19)		(66) [b]		(85)	6,573
Right of use of leased assets		194	46	241	103	858	1	1,443	1,443
Intangible assets	2,132								2,132
Goodwill	5,385								5,385
Investments in joint ventures and associates	2,502								2,502
Other non-current financial assets	568								568
Deferred tax assets and non-current tax receivable	323	4	1	5				10	333
NON-CURRENT ASSETS	**17,568**	**198**	**47**	**227**	**103**	**792**	**1**	**1,368**	**18,936**
Inventories	2,822								2,822
Advances and down-payments made on orders	432								432
Trade receivables	6,130								6,130
Customer contract assets	1,570								1,570
Tax asset (receivable)	331								331
Other current receivables and prepaid expenses	2,562	20						20	2,582
Cash and cash equivalents	4,820								4,820
Financial instruments – Hedging of debt	15								15
Other current financial assets	15								15
CURRENT ASSETS	**18,697**	**20**						**20**	**18,717**
Held-for-sale assets and operations	38								38
TOTAL ASSETS	**36,303**	**218**	**47**	**227**	**103**	**792**	**1**	**1,388**	**37,691**
LIABILITIES AND SHAREHOLDERS' EQUITY	**31/12/2017 published [a]**	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total IFRS 16 impacts**	**31/12/2017 restated**
Share capital	366								366
Share premium and reserves	7,678	(13)	(3)	(23)	(1)	(29)		(69)	7,609
Translation reserve	(88)								(88)
Treasury shares									
Net profit/(loss) attributable to the Group	1,082								1,082
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**9,038**	**(13)**	**(3)**	**(23)**	**(1)**	**(29)**		**(69)**	**8,969**
Non-controlling interests	1,378				(2)	(3)		(5)	1,373
SHAREHOLDERS' EQUITY	**10,416**	**(13)**	**(3)**	**(23)**	**(3)**	**(32)**		**(74)**	**10,342**
Non-current debt	5,791			(9)				(9)	5,782
Non-current lease obligations		176	40	202	93	711		1,222	1,222
Non-current provisions	2,058		1					1	2,059
Deferred tax liabilities and non-current tax liabilities	279			(1)	(1)	(11)		(13)	266
NON-CURRENT LIABILITIES	**8,128**	**176**	**41**	**192**	**92**	**700**		**1,201**	**9,329**
Current debt	736			(5)		(1)		(6)	730
Current lease obligations		65	9	63	14	125	1	277	277
Current taxes payable	115								115
Trade payables	7,489	1						1	7,490
Customer contract liabilities	3,184								3,184
Current provisions	885								885
Other current liabilities	5,101	(11)						(11)	5,090
Overdrafts and short-term bank borrowings	209								209
Financial instruments – Hedging of debt	16								16
Other current financial liabilities	24								24
CURRENT LIABILITIES	**17,759**	**55**	**9**	**58**	**14**	**124**	**1**	**261**	**18,020**
Liabilities related to held-for-sale operations									
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**36,303**	**218**	**47**	**227**	**103**	**792**	**1**	**1,388**	**37,691**
NET SURPLUS CASH/(NET DEBT) [c]	**(1,917)**			**14**		**1**		**15**	**(1,902)**

(a) The balance sheet as of 31 December 2017 has been restated for the effects of applying IFRS 9 and IFRS 15.
(b) Includes reclassification of €65m of dismantling costs.
(c) See Note 2.4 for a definition of "Net surplus cash/(net debt)", which does not include non-current and current lease obligations.

Consolidated financial statements as of 30 June 2018, restated for IFRS 16

Balance sheet

ASSETS	30/06/2018 published	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total IFRS 16 impacts	30/06/2018 restated
Property, plant and equipment	6,897			(18)		(61) [a]		(79)	6,818
Right of use of leased assets		188	44	223	101	832	1	1,389	1,389
Intangible assets	2,088								2,088
Goodwill	6,249								6,249
Investments in joint ventures and associates	2,542								2,542
Other non-current financial assets	570								570
Deferred tax assets and non-current tax receivable	356	4	1	5			(1)	9	365
NON-CURRENT ASSETS	**18,702**	**192**	**45**	**210**	**101**	**771**		**1,319**	**20,021**
Inventories	3,083								3,083
Advances and down-payments made on orders	504								504
Trade receivables	7,170								7,170
Customer contract assets	2,037								2,037
Tax asset (receivable)	231								231
Other current receivables and prepaid expenses	2,939	23						23	2,962
Cash and cash equivalents	2,505								2,505
Financial instruments – Hedging of debt	12								12
Other current financial assets	12								12
CURRENT ASSETS	**18,493**	**23**						**23**	**18,516**
Held-for-sale assets and operations	16								16
TOTAL ASSETS	**37,211**	**215**	**45**	**210**	**101**	**771**		**1,342**	**38,553**
LIABILITIES AND SHAREHOLDERS' EQUITY	**30/06/2018 published**	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total IFRS 16 impacts**	**30/06/2018 restated**
Share capital	366								366
Share premium and reserves	8,089	(13)	(3)	(23)	(1)	(29)		(69)	8,020
Translation reserve	(102)								(102)
Treasury shares									
Net profit/(loss) attributable to the Group	260	1	(1)	1		1	(1)	1	261
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**8,613**	**(12)**	**(4)**	**(22)**	**(1)**	**(28)**	**(1)**	**(68)**	**8,545**
Non-controlling interests	1,334				(2)	(3)		(5)	1,329
SHAREHOLDERS' EQUITY	**9,947**	**(12)**	**(4)**	**(22)**	**(3)**	**(31)**	**(1)**	**(73)**	**9,874**
Non-current debt	6,786			(6)		(1)		(7)	6,779
Non-current lease obligations		170	38	181	89	685		1,163	1,163
Non-current provisions	2,029		2					2	2,031
Deferred tax liabilities and non-current tax liabilities	255			(1)	(2)	(11)		(14)	241
NON-CURRENT LIABILITIES	**9,070**	**170**	**40**	**174**	**87**	**673**		**1,144**	**10,214**
Current debt	459			(5)				(5)	454
Current lease obligations		68	9	63	17	129	1	287	287
Current taxes payable	137								137
Trade payables	7,603	1						1	7,604
Customer contract liabilities	3,831								3,831
Current provisions	765								765
Other current liabilities	5,073	(12)						(12)	5,061
Overdrafts and short-term bank borrowings	295								295
Financial instruments – Hedging of debt	19								19
Other current financial liabilities	12								12
CURRENT LIABILITIES	**18,194**	**57**	**9**	**58**	**17**	**129**	**1**	**271**	**18,465**
Liabilities related to held-for-sale operations									
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**37,211**	**215**	**45**	**210**	**101**	**771**		**1,342**	**38,553**
NET SURPLUS CASH/(NET DEBT) [b]	**(5,042)**			**11**		**1**		**12**	**(5,030)**

(a) Includes reclassification of €60m of dismantling costs.

(b) See Note 2.4 for a definition of "Net surplus cash/(net debt)", which does not include non-current and current lease obligations.

Income statement

	H1 2018 published	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total IFRS 16 impacts	H1 2018 restated
SALES	**15,743**								**15,743**
Other revenues from operations	91								91
Purchases used in production	(7,291)								(7,291)
Personnel costs	(3,741)								(3,741)
External charges	(3,769)	42	6	37	9	81	1	176	(3,593)
Taxes other than income tax	(372)								(372)
Net depreciation and amortisation expense on property, plant and equipment and intangible assets	(803)								(803)
Net amortisation expense on right of use of leased assets		(37)	(5)	(30)	(8)	(66)	(1)	(147)	(147)
Charges to provisions and impairment losses, net of reversals due to utilisation	(34)								(34)
Change in production and property development inventories	117								117
Other income from operations	690	1						1	691
Other expenses on operations	(328)								(328)
CURRENT OPERATING PROFIT/(LOSS)	**303**	**6**	**1**	**7**	**1**	**15**		**30**	**333**
Other operating income	109								109
Other operating expenses	(29)								(29)
OPERATING PROFIT/(LOSS)	**383**	**6**	**1**	**7**	**1**	**15**		**30**	**413**
Financial income	15								15
Financial expenses	(122)								(122)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)	**(107)**								**(107)**
Interest expense on lease obligations		(5)	(1)	(6)	(2)	(13)		(27)	(27)
Other financial income	33								33
Other financial expenses	(29)								(29)
Income tax	(57)				1	(1)	(1)	(1)	(58)
Share of net profits/(losses) of joint ventures and associates	89		(1)					(1)	88
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**312**	**1**	**(1)**	**1**		**1**	**(1)**	**1**	**313**
Net profit/(loss) from discontinued and held-for-sale operations									
NET PROFIT/(LOSS)	**312**	**1**	**(1)**	**1**		**1**	**(1)**	**1**	**313**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**260**	**1**	**(1)**	**1**		**1**	**(1)**	**1**	**261**
Net profit/(loss) attributable to non-controlling interests	52								52
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)	**0.71**								**0.71**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)	**0.70**								**0.71**
EBITDA after Leases [a]	**932**	**1**		**1**	**(1)**	**2**		**3**	**935**

(a) See Note 2.4 for a definition of "EBITDA after Leases", which includes all lease expenses.

Cash flow statement

	H1 2018 published	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total IFRS 16 impacts	H1 2018 restated
I - CASH FLOW FROM CONTINUING OPERATIONS									
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES									
Net profit/(loss) from continuing operations	312	1	(1)	1		1	(1)	1	313
Adjustments:									
Share of profits/losses reverting to joint ventures and associates, net of dividends received	(57)		1					1	(56)
Dividends from non-consolidated companies	(9)								(9)
Net charges to/(reversals of) depreciation, amortisation and impairment of property, plant and equipment and intangible assets and non-current provisions	788								788
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets		36	5	30	8	66	1	146	146
Gains and losses on asset disposals	(132)								(132)
Income taxes, including uncertain tax positions	57				(1)	1	1	1	58
Income taxes paid	(121)								(121)
Miscellaneous non-cash charges	(20)								(20)
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid	**818**	**37**	**5**	**31**	**7**	**68**	**1**	**149**	**967**
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations	107	5	1	6	2	13		27	134
Changes in working capital requirements related to operating activities (including current impairment and provisions)	(1,274)	1						1	(1,273)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	**(349)**	**43**	**6**	**37**	**9**	**81**	**1**	**177**	**(172)**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES									
Purchase price of property, plant and equipment and intangible assets	(963)								(963)
Proceeds from disposals of property, plant and equipment and intangible assets	192								192
Net liabilities related to property, plant and equipment and intangible assets	(231)								(231)
Purchase price of non-consolidated companies and other investments	(5)								(5)
Proceeds from disposals of non-consolidated companies and other investments	5								5
Net liabilities related to non-consolidated companies and other investments									
Purchase price of investments in consolidated activities	(935)								(935)
Proceeds from disposals of investments in consolidated activities	2								2
Net liabilities related to consolidated activities	(3)								(3)
Other effects of changes in scope of consolidation: cash of acquired and divested companies	60								60
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies	14								14
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	**(1,864)**								**(1,864)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES									
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders	(47)								(47)
Dividends paid to shareholders of the parent company	(620)								(620)
Dividends paid by consolidated companies to non-controlling interests	(60)								(60)
Change in current and non-current debt	596								596
Repayment of lease obligations		(38)	(5)	(31)	(7)	(68)	(1)	(150)	(150)
Income from net surplus cash/cost of net debt and interest expense on lease obligations	(107)	(5)	(1)	(6)	(2)	(13)		(27)	(134)
Other cash flows related to financing activities	19								19
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	**(219)**	**(43)**	**(6)**	**(37)**	**(9)**	**(81)**	**(1)**	**(177)**	**(396)**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**31**								**31**
CHANGE IN NET CASH POSITION (A + B + C + D)	**(2,401)**								**(2,401)**
NET CASH POSITION AT START OF PERIOD	**4,611**								**4,611**
Net cash flows	(2,401)								(2,401)
Non-monetary flows									
NET CASH POSITION AT END OF PERIOD	**2,210**								**2,210**
TOTAL FREE CASH FLOW after WCR [a]	**(1,227)**								**(1,227)**

(a) See Note 2.4 for a definition of “Free cash flow after changes in working capital requirements”.

Consolidated financial statements as of 31 December 2018, restated for IFRS 16 and IFRIC 23

Balance sheet

ASSETS	31/12/2018 published	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total IFRS 16 impacts	IFRIC 23 impacts	31/12/2018 restated
Property, plant and equipment	7,432			(50)		(55) [a]		(105)		7,327
Right of use of leased assets		249	40	370	98	802	2	1,561		1,561
Intangible assets	2,198									2,198
Goodwill	6,301									6,301
Investments in joint ventures and associates	2,633									2,633
Other non-current financial assets	536									536
Deferred tax assets and non-current tax receivable	317	3	1	5				9		326
NON-CURRENT ASSETS	**19,417**	**252**	**41**	**325**	**98**	**747**	**2**	**1,465**		**20,882**
Inventories	3,154									3,154
Advances and down-payments made on orders	483									483
Trade receivables	6,389									6,389
Customer contract assets	2,026									2,026
Tax asset (receivable)	260									260
Other current receivables and prepaid expenses	2,684	23						23		2,707
Cash and cash equivalents	2,928									2,928
Financial instruments – Hedging of debt	11									11
Other current financial assets	10									10
CURRENT ASSETS	**17,945**	**23**						**23**		**17,968**
Held-for-sale assets and operations	332			8				8		340
TOTAL ASSETS	**37,694**	**275**	**41**	**333**	**98**	**747**	**2**	**1,496**		**39,190**
LIABILITIES AND SHAREHOLDERS' EQUITY	**31/12/2018 published**	**Bouygues Construction**	**Bouygues Immobilier**	**Colas**	**TF1**	**Bouygues Telecom**	**Bouygues SA & other**	**Total IFRS 16 impacts**	**IFRIC 23 impacts**	**31/12/2018 restated**
Share capital	372									372
Share premium and reserves	8,146	(13)	(3)	(23)	(1)	(29)		(69)		8,077
Translation reserve	(103)									(103)
Treasury shares										
Net profit/(loss) attributable to the Group	1,311		(1)	1	(1)	(3)	1	(3)		1,308
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**9,726**	**(13)**	**(4)**	**(22)**	**(2)**	**(32)**	**1**	**(72)**		**9,654**
Non-controlling interests	1,391				(2)	(3)		(5)		1,386
SHAREHOLDERS' EQUITY	**11,117**	**(13)**	**(4)**	**(22)**	**(4)**	**(35)**	**1**	**(77)**		**11,040**
Non-current debt	5,080			(30)		(2)		(32)		5,048
Non-current lease obligations		222	35	317	85	662	2	1,323		1,323
Non-current provisions	2,068		2					2	(28)	2,042
Deferred tax liabilities and non-current tax liabilities	348			(2)	(2)	(12)	(1)	(17)		331
NON-CURRENT LIABILITIES	**7,496**	**222**	**37**	**285**	**83**	**648**	**1**	**1,276**	**(28)**	**8,744**
Current debt	1,253			(12)		(1)		(13)		1,240
Current lease obligations		77	8	74	19	135		313		313
Current taxes payable	126								28	154
Trade payables	7,423									7,423
Customer contract liabilities	3,665									3,665
Current provisions	995									995
Other current liabilities	5,010	(11)						(11)		4,999
Overdrafts and short-term bank borrowings	238									238
Financial instruments – Hedging of debt	25									25
Other current financial liabilities	21									21
CURRENT LIABILITIES	**18,756**	**66**	**8**	**62**	**19**	**134**		**289**	**28**	**19,073**
Liabilities related to held-for-sale operations	325			8				8		333
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**37,694**	**275**	**41**	**333**	**98**	**747**	**2**	**1,496**		**39,190**
NET SURPLUS CASH/(NET DEBT) [b]	**(3,657)**			**42**		**3**		**45**		**(3,612)**

(a) Includes reclassification of €55m of dismantling costs.

(b) See Note 2.4 for a definition of "Net surplus cash/(net debt)", which does not include non-current and current lease obligations.

Income statement

	FY 2018 published	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total IFRS 16 impacts	FY 2018 restated
SALES	**35,555**								**35,555**
Other revenues from operations	185								185
Purchases used in production	(16,715)								(16,715)
Personnel costs	(7,975)								(7,975)
External charges	(7,845)	90	11	77	20	157		355	(7,490)
Taxes other than income tax	(687)								(687)
Net depreciation and amortisation expense on property, plant and equipment and intangible assets	(1,703)								(1,703)
Net amortisation expense on right of use of leased assets		(87)	(9)	(68)	(17)	(134)	1	(314)	(314)
Charges to provisions and impairment losses, net of reversals due to utilisation	(417)								(417)
Change in production and property development inventories	94								94
Other income from operations	1,862	8		5				13	1,875
Other expenses on operations	(843)	(1)						(1)	(844)
CURRENT OPERATING PROFIT/(LOSS)	**1,511**	**10**	**2**	**14**	**3**	**23**	**1**	**53**	**1,564**
Other operating income	371								371
Other operating expenses	(106)								(106)
OPERATING PROFIT/(LOSS)	**1,776**	**10**	**2**	**14**	**3**	**23**	**1**	**53**	**1,829**
Financial income	29								29
Financial expenses	(245)								(245)
INCOME FROM NET SURPLUS CASH/(COST OF NET DEBT)	**(216)**								**(216)**
Interest expense on lease obligations		(11)	(2)	(13)	(4)	(27)		(57)	(57)
Other financial income	81	1						1	82
Other financial expenses	(64)								(64)
Income tax	(427)					1		1	(426)
Share of net profits/(losses) of joint ventures and associates	303		(1)					(1)	302
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**1,453**		**(1)**	**1**	**(1)**	**(3)**	**1**	**(3)**	**1,450**
Net profit/(loss) from discontinued and held-for-sale operations									
NET PROFIT/(LOSS)	**1,453**		**(1)**	**1**	**(1)**	**(3)**	**1**	**(3)**	**1,450**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**1,311**		**(1)**	**1**	**(1)**	**(3)**	**1**	**(3)**	**1,308**
Net profit/(loss) attributable to non-controlling interests	142								142
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)	**3.57**								**3.56**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE GROUP (€)	**3.55**								**3.54**
EBITDA after Leases [a]	**3,144**	**(1)**		**1**	**(1)**	**(4)**	**1**	**(4)**	**3,140**

(a) See Note 2.4 for a definition of "EBITDA after Leases", which includes all lease expenses.

Cash flow statement

	FY 2018 published	Bouygues Construction	Bouygues Immobilier	Colas	TF1	Bouygues Telecom	Bouygues SA & other	Total IFRS 16 impacts	FY 2018 restated
I - CASH FLOW FROM CONTINUING OPERATIONS									
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES									
Net profit/(loss) from continuing operations	1,453		(1)	1	(1)	(3)	1	(3)	1,450
Adjustments:									
Share of profits/losses reverting to joint ventures and associates, net of dividends received	(186)		1					1	(185)
Dividends from non-consolidated companies	(32)								(32)
Net charges to/(reversals of) depreciation, amortisation and impairment of property, plant and equipment and intangible assets and non-current provisions	1,762								1,762
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets		92	9	68	17	134	(1)	319	319
Gains and losses on asset disposals	(420)	(2)						(2)	(422)
Income taxes, including uncertain tax positions	427					(1)		(1)	426
Income taxes paid	(520)								(520)
Miscellaneous non-cash charges	(89)								(89)
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid	**2,395**	**90**	**9**	**69**	**16**	**130**		**314**	**2,709**
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations	216	11	2	13	4	27		57	273
Changes in working capital requirements related to operating activities (including current impairment and provisions)	(395)	(4)						(4)	(399)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	**2,216**	**97**	**11**	**82**	**20**	**157**		**367**	**2,583**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES									
Purchase price of property, plant and equipment and intangible assets	(2,178)								(2,178)
Proceeds from disposals of property, plant and equipment and intangible assets	605								605
Net liabilities related to property, plant and equipment and intangible assets	(165)								(165)
Purchase price of non-consolidated companies and other investments	(31)								(31)
Proceeds from disposals of non-consolidated companies and other investments	65								65
Net liabilities related to non-consolidated companies and other investments	15								15
Purchase price of investments in consolidated activities	(1,568)								(1,568)
Proceeds from disposals of investments in consolidated activities	113								113
Net liabilities related to consolidated activities	(1)								(1)
Other effects of changes in scope of consolidation: cash of acquired and divested companies	(11)								(11)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies	72								72
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	**(3,084)**								**(3,084)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES									
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders	(22)								(22)
Dividends paid to shareholders of the parent company	(620)								(620)
Dividends paid by consolidated companies to non-controlling interests	(92)								(92)
Change in current and non-current debt	(161)								(161)
Repayment of lease obligations		(86)	(9)	(69)	(16)	(130)		(310)	(310)
Income from net surplus cash/cost of net debt and interest expense on lease obligations	(216)	(11)	(2)	(13)	(4)	(27)		(57)	(273)
Other cash flows related to financing activities	3								3
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	**(1,108)**	**(97)**	**(11)**	**(82)**	**(20)**	**(157)**		**(367)**	**(1,475)**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**54**								**54**
CHANGE IN NET CASH POSITION (A + B + C + D)	**(1,922)**								**(1,922)**
NET CASH POSITION AT START OF PERIOD	**4,611**								**4,611**
Net cash flows	(1,922)								(1,922)
Non-monetary flows									
Held-for-sale operation	1								1
NET CASH POSITION AT END OF PERIOD	**2,690**								**2,690**
II - CASH FLOWS FROM DISCONTINUED AND HELD-FOR-SALE OPERATIONS									
NET CASH POSITION AT START OF PERIOD	**9**								**9**
Net cash flows	(10)								(10)
NET CASH POSITION AT END OF PERIOD	**1**								**1**
TOTAL FREE CASH FLOW after WCR [a]	**427**								**427**

(a) See Note 2.4 for a definition of "Free cash flow after changes in working capital requirements".

4. AUDITORS' REPORT ON FIRST-HALF FINANCIAL INFORMATION

To the Shareholders,

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

- the review of the accompanying condensed half-yearly consolidated financial statements of Bouygues, for the period from 1 January to 30 June 2019;
- the verification of the information presented in the half-yearly management report.

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

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Without qualifying the conclusions expressed above, we draw your attention to Note 2.3 ("New accounting standards and interpretations") to the condensed half-yearly consolidated financial statements, which describes the first-time application from 1 January 2019 of IFRS 16 ("Leases") and IFRIC 23 ("Uncertainty Over Income Tax Treatments").

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, 28 August 2019

The Statutory Auditors

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, 28 August 2019

Martin Bouygues
Chairman and CEO

A *Société Anonyme* (public limited company) with a share capital of €371,511,107
Registered office: 32 avenue Hoche, 75008 Paris, France
Registration No. 572 015 246 Paris – APE code: 7010Z

Photo: T.Ching Yee – Orange Cactus Project. The Clement Canopy in Singapore, settting a new standard in modular construction.